

CERTIFIED PUBLIC ACCOUNTANTS

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**NAVIGATING THE IRS/ENGAGEMENT LETTERS & BEING AUTHORIZED**

**Presented at**

**Zicklin Tax Seminar Series #3  
Baruch College, NYC**

**December 7, 2010**

**by**

**E. Martin Davidoff, CPA, Esq.**

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## ABOUT THE SPEAKER

E. Martin Davidoff is a Certified Public Accountant and an Attorney at Law with an office in Dayton, New Jersey. Mr. Davidoff is licensed to practice both professions in New York and New Jersey and is active in many associations.

Mr. Davidoff serves as the President of the American Association of Attorney - Certified Public Accountants ("AAA-CPA"). Mr. Davidoff is also the founder and co-Chairperson of the Internal Revenue Service Liaison Committee of the AAA-CPA. As such, he meets regularly with the Internal Revenue Service on a national level working side by side with tax professionals from other national organizations such as the American Institute of Certified Public Accountants ("AICPA"), the American Bar Association, and the National Association of Enrolled Agents. .

Selected as one of the 2004, 2005, 2006, 2007, 2008, 2009 and 2010 Top 100 Most Influential People in Accounting by *Accounting Today*, who noted that "Davidoff's views on issues affecting tax practice are heard at the highest levels of government." *CPA Magazine* has also chosen Mr. Davidoff as one of the Top 50 IRS Practitioners of 2008.

As a member of the AICPA's Tax Division, he has served on the Tax Legislative Liaison Committee. He completed two years on the Executive Committee of the New Jersey Society of Certified Public Accountants ("NJSCPA"), having served as the organization's Secretary and as Vice President for Taxation and Legislation. Mr. Davidoff has also served as President of the Middlesex/Somerset chapter of the NJSCPA and as the chairman of the NJSCPA Federal Taxation and Membership Committees. Mr. Davidoff is a member of the tax section of the New Jersey Bar Association.

Among the honors he has received are the 1998/1999 New Jersey Society of CPAs Distinguished Service Award for his dedicated service and commitment to the Society; the SBA 1997 Accountant Advocate of the Year for New Jersey and Region II (New York, New Jersey, Virgin Islands, and Puerto Rico); and the 1998 Nicholas Maul Leadership Award from the Middlesex County Regional Chamber of Commerce.

Mr. Davidoff received his undergraduate degree from Massachusetts Institute of Technology, an MBA from Boston University Graduate School of Management, and a JD from the Washington University School of Law. He is a frequent lecturer, authors a regular column in *CPA Magazine* and co-authored the New Jersey S-Corporation bill. Mr. Davidoff regularly testifies before federal and tax agencies and legislatures regarding the impact of legislation and tax agency policies on small business and tax practitioners.

## **Steps in a Controversy**

1. Initial call with prospective client to find out general nature of their problem and “sell” the firm.
2. Preliminary meeting with client to understand his/her dilemma.
3. Agree to what services you will provide and how you will get paid. Execute an engagement letter. (See pgs 1-7 & 1-8.)
4. Get authorization to represent your client (Forms 2848, 8821, Oral TIAA, etc. See IRS publication at <http://www.irs.gov/pub/irs-utl/lvl-auth.pdf> for different forms of authorization). (See pgs 1-9 through 1-17.)
5. Put forth a written Plan of Action with the client and your staff. (See pgs 1-18 & 1-19.)
6. Put together a list of materials for your client to gather.
7. Transmit authorizations to CAF and to Revenue Officer, if applicable.
8. Get records of account/account transcripts and prepare a federal tax summary. (See pg 1-40.)
9. Make certain client is staying current on all taxes going forward. Sometimes this may require the client engaging a payroll tax service with a Tax-Pay service.
10. Follow Plan of Action and gather all materials.

## **Tools in Dealing with the IRS**

1. Going up the chain of command:

North Atlantic (NA) & Central Area (NJ) Managers, SB/SE

- |                                    |                                 |
|------------------------------------|---------------------------------|
| - Collections (NA Director) :      | William R. Swartz: 212-719-6792 |
| - Collections (Central Director) : | Drethan Barham: 313-234-2253    |
| - Examination (NA Director):       | William Marshall: 617-316-2205  |
| - Examination (Central Director):  | Shenita Hicks 215-861-1372      |

2. Form 12153, Collection Due Process Hearing (See pgs 1-20 through 1-22.)
3. Form 9423, Collection Appeal Request (See pgs 1-23 through 1-25.)
4. Appealing denials of Penalty Abatement requests & Examination Findings (See pgs 1-26 through 1-28.)
5. Taxpayer Advocate's Office - (Form 911) - (See pgs 1-29 & 1-30.)

- Manhattan:	James Spisak: 212-436-1010
- Brooklyn, NY:	Anita B. Kitson: 718-488-3501
- New Jersey	Lyle Lauterbach: 973-921-4043
6. Fast Track Mediation/Settlement (See Publication 4167)
7. Designation of Trusts Fund (See pg 1-31.)
8. Record of Third Party Contacts (See pg 1-32.)
9. Freedom of Information Requests (“FOIA”) (See pg 1-37.)
10. Deposit in the Nature of a Cash Bond (See pgs 1-38 & 1-39.)
11. IRS Website & E-Services

## The Rules of Engagement in Dealing with the IRS

1. Never Lie.
2. Never volunteer information, unless it is part of a strategy.
3. Never give materials to the IRS that you have not reviewed carefully (e.g. bank statements, paycheck stubs, etc.).
4. Learn how to say:
  - "Please give me the name and telephone number of your manager."
  - "Who is the Territory manager?"
  - "What is your authority for that position?"
  - "I want to take that issue to Fast Track Mediation"
  - "Are you refusing to provide that information to me?"
5. Do not accept unreasonable time-lines.
6. Meet all commitments made to the IRS...or at least call.
7. Do not agree to terms that your client cannot meet.
  - Carefully review and understand your client's budget; and
  - Build in additional time, anticipate client delays.
8. Current Taxes Get Paid First.
9. Do not let Appeal Deadlines pass without preserving your client's rights.
10. Carefully read and fully understand all IRS communications.
11. Set ticklers and followup. Never just wait for the IRS to contact you. Know your case's status.
12. Be realistic with your client. Promise less than you expect, deliver more than anticipated.
13. Confirm all oral agreements with the IRS in writing and request that they sign off.

## Alternatives in a Collection Matter

### I. Pay all that is due

- Refinance home
- Loans from family [Can still seek penalty abatement]
- Liquidate assets

### II. Pay tax & interest only

- Seek penalty abatement
  - ▶ Revenue Officer
  - ▶ Taxpayer Advocate
  - ▶ Service Center
  - ▶ Telephone (note script)
  - ▶ Priority Practitioner Hotline

Note: IRS “rule” to pay all tax prior to considering late payment penalty abatements.

### III. Uncollectible status

- Reviewed periodically

### IV. Partial pay installment agreement

### V. Full-pay installment agreement

- Streamlined: < \$25,000 assessed  
Pay within 5 years or less  
No financial documentation required

### VI. Offer in Compromise

### VII. Special Considerations

- Expiring Statutes
- Innocent Spouse
- Missing/Misapplied Payments
- Transfer of assets for less than adequate consideration

## Common Threads to Installment Agreements

1. Up front consideration
2. Lien Filing or holding off thereon
3. Increasing payments with time
4. Date of Payment/Direct Debit
5. Communicate to client in writing (see samples) (See pgs 1-33 & 1-34.)
- 6.. The role of Reasonable Collection Potential

## IRS Tools & Considerations

- A. Financial Disclosure:
  - Form 433A
  - Form 433B
  - Form 433F
- B. Liens
- C. Levy/Garnishment
- D. Primary Considerations
  - Keep Current
  - Disclose Financial Information
  - Plan to deal with debt to the IRS

## The Key is Time

### Time as a Friend

- A. Time to determine appropriate course of action
- B. Time to get Client to take that action
  - Payroll
  - Estimates
  - Filing of Returns
  - Verification of Financial Position
  - Documentation of all of the above
- C. Time to get the IRS to come to “our” way of thinking on the case. Specifically, we need time to:
  - Present financial information
  - Present facts regarding penalty abatement
  - Involvement of IRS management
  - Involvement of Appeals
  - Involvement of the Taxpayer Advocate Service
  - File Returns
- D. Time for the Statute to Expire

### Time as an Enemy

- A. Appeal Rights
- B. Tax Court Petition Deadlines
- C. IRS Arbitrary (non-statutory) Deadlines
- D. The next payroll date during garnishment
- E. Stress builds with time as matter remains unresolved

## **E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

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FAX: 732-274-1666

January 5, 2009

**BY HAND IN OUR OFFICE**

Mr. and Mrs. John J. Doe  
123 Main Street  
Anywhere, New Jersey 08666

Dear John and Jane :

I am writing this letter to confirm and specify the financial arrangements regarding the services which I will be providing to XYZ Corporation and you. I will be representing XYZ Corporation in connection with the assessment and collection of Payroll taxes for the years 2007 through 2009. I will be representing you, personally, before the Internal Revenue Service in connection with the assessment and collection of income taxes for the years 2006 through 2008, for trust fund recovery penalties proposed by the IRS, and for other years and matters in the event that the Internal Revenue Service expands the scope of its investigation. I may also provide other services which you request.

Please note, we rely on the information which you provide us during our consultation. Therefore, our representation is strictly limited to the government agencies stated above. It is not our practice to investigate beyond these specific agencies. However, should you require our representation on other matters at a later date, we will expect that request in writing.

My fees are based upon the amount of time required to review and analyze information provided to me, perform necessary research, carry out additional services in representing you, and complete additional services which you request. My current hourly rate is \$XXX. The hourly rates for my staff range from \$XX to \$XXX. All rates will increase from time to time consistent with the rates charged generally to the firm's tax controversy clients. In addition, you will be charged for out-of-pocket expenses (photocopying, federal express, postage, etc.).

I will require an initial retainer of \$3,500 prior to commencing work. The \$3,500 will be held in my business account and will be applied towards the final bill. During the course of our engagement, you will receive invoices periodically. My invoices are due and payable immediately upon receipt. There will be a late charge equal to 1.5% per month on any unpaid balances. Please note that, at our option, the work on your account will cease at anytime after any invoice of ours remains unpaid for a period of 15 days, unless other mutually satisfactory arrangements have been made in writing.

We have also agreed to provide you with additional flexibility with respect to the payment of fees due to this firm. So long as you make monthly payments of \$350 on the first of each month, commencing with February 1, 2009, we will continue to work on your account and we will waive any late charges through January 31, 2012. Such payments are due and payable commencing on February 1, 2009, even if we have not yet issued our first invoice. Any balance due and payable as of December 31, 2012 shall become due and payable immediately.

Although you may find it convenient and appropriate that I invoice XYZ Corporation for some or all of my services, you will be personally responsible for the payment of any of my invoices issued to the corporation and/or you.

Mr. and Mrs. John J. Doe  
January 5, 2009  
Page 2

In the unlikely event that it becomes necessary for me to seek legal recourse to receive payment of my fees through litigation or arbitration, you hereby agree to reimburse me for all out-of-pocket expenses, as well as any of the time expended by my staff and/or me at the hourly rates then in effect, to secure such payment. For purposes of our agreement, the term "out-of-pocket expenses" also includes any legal fees and all other expenses in connection with any attempt (including litigation) to collect my fees. By signing below, you hereby consent that I may use any information which you provide me to collect any fees due to this firm. Such information includes income tax returns which we prepare for you or which you provide us.

You have the right to terminate our engagement at any time. To do so, please send me your request to terminate the firm's services in writing. Of course, I encourage you to speak directly to me as to the reasons for termination and to assist in the transition of the case to new counsel, if applicable. Upon receipt of your written request, I will wrap-up services on your account to ensure that the current status of the case is fully documented and to provide you any documents in our file that you request. In a reasonable time thereafter, we will issue our final invoice and apply any remaining retainer against the balance. We will refund any unused portion of your retainer and expect prompt payment of any balance due after application of the retainer.

We are aware that you have been working with Tony Kubek, CPA, with respect to this case. You hereby acknowledge that we will be working with Tony Kubek and you hereby give us permission to discuss your case with and provide copies of documents, correspondence and invoices to Tony Kubek, CPA.

If the terms outlined in this letter are in agreement with your understanding of our engagement, each of you should sign the enclosed copy of this letter and return it to me as soon as possible with the \$3,500 retainer. By signing below you are each also agreeing to be jointly and individually responsible for the entire amount of my fees. Should you have any questions concerning this letter or the fees to be charged, please do not hesitate to contact me.

To facilitate our representation, please find enclosed, in triplicate, Forms 2848, Power of Attorney, which will enable us to represent you before the Internal Revenue Service. Also enclosed is Form 8821, Tax Information Authorization, which will enable other members of my staff to discuss your case with the Internal Revenue Service. Please sign two copies of each form and return them to us. You may retain the third copy for your files.

I look forward to working with the two of you.

Very truly yours,

E. Martin Davidoff

EMD:saf  
encls.

Agreed to by: \_\_\_\_\_  
*John J. Doe, Individually and a President  
of XYZ Corporation*

\_\_\_\_\_ *Date*

\_\_\_\_\_ *Jane J. Doe*

\_\_\_\_\_ *Date*

cc: Tony Kubek, CPA



**E. MARTIN DAVIDOFF & ASSOCIATES**

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CERTIFIED PUBLIC ACCOUNTANTS

*E. Martin Davidoff, CPA, Esq.*  
*Robbin R. Weiner, CPA*

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**FAX TRANSMITTAL SHEET**

DATE: January 5, 2009

TIME:

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME:	<u>IRS - CAF</u>
TELEPHONE NUMBER:	<u>901-546-4176</u>
TELECOPIER NUMBER:	<u>901-546-4115</u>
TOTAL NUMBER OF PAGES INCLUDING COVER:	<u>4</u>

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Following you will find Form 2848 (Power of Attorney and Declaration of Representative) and Form 8821 (Tax Information Authorization) for John J. & Jane J. Doe to be input into the CAF system.

Please do not hesitate to contact E. Martin Davidoff if you should have any questions or comments.

Dana L. Davis  
Assistant to E. Martin Davidoff

## Power of Attorney and Declaration of Representative

OMB No. 1545-0150

**For IRS Use Only**

Received by: \_\_\_\_\_  
 Name \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Function \_\_\_\_\_  
 Date        /        /

▶ Type or print. ▶ See the separate instructions.

**Part I Power of Attorney**

**Caution:** Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address <b>JOHN J. &amp; JANE J DOE</b> <b>123 MAIN STREET</b>  <b>ANYWHERE, NJ 08666</b>	<b>Social security number(s)</b> <b>123-45-6789</b>  <b>987-65-4321</b> Daytime telephone number <b>732-274-1600</b>	<b>Employer identification number</b>   Plan number (if applicable)
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hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

**2 Representative(s)** must sign and date this form on page 2, Part II.

Name and address <b>E. Martin Davidoff, CPA, Esq.</b> <b>P.O. Box 835</b> <b>Dayton, New Jersey 08810-0835</b>	CAF No. [REDACTED] Telephone No. <b>732-274-1600</b> Fax No. <b>732-274-1666</b> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address <b>Robbin R. Weiner, CPA</b> <b>P.O. Box 835</b> <b>Dayton, New Jersey 08810-0835</b>	CAF No. [REDACTED] Telephone No. <b>732-274-1600</b> Fax No. <b>732-274-1666</b> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

**3 Tax matters**

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Income	1040	2002 through 2010 <b>ALL YEARS INCLUDED</b>
Civil Penalty for ABC, Inc (EIN:22-1234567)	N/A	1/01/01 through 12/13/03 <b>ALL YEARS INCLUDED</b>

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for **Line 4. Specific Uses Not Recorded on CAF** . . . . .

**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here \_\_\_\_\_ and list the name of that representative below.

Name of representative to receive refund check(s) ▶

**7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.

- a If you also want the second representative listed to receive a copy of notices and communications, check this box
- b If you do not want any notices or communications sent to your representative(s), check this box

**8 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here.

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

**9 Signature of taxpayer(s).** If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

**▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

Signature	Date	Title (if applicable)
JOHN J. DOE	56789	
Print Name	PIN Number	Print name of taxpayer from line 1 if other than individual

Signature	Date	Title (if applicable)
JANE J. DOE	54321	
Print Name	PIN Number	

**Part II Declaration of Representative**

**Caution:** Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer’s organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer’s immediate family (for example, spouse, parent, child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 1 of the instructions.
  - k Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10.7(d) of Circular 230.
  - l Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10.7(d) of Circular 230.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

**▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.** See the Part II instructions.

Designation—Insert above letter (a–r)	Jurisdiction (state) or identification	Signature	Date
a	New Jersey		
b	New Jersey		

Excerpts from the Internal Revenue Manual at [www.irs.gov](http://www.irs.gov)

**21.3.7.5 (10-01-2008)**

**Form 2848 Power of Attorney and Declaration of Representative**

1. This section provides guidelines for processing Form 2848.

**21.3.7.5.1 (10-01-2008)**

**Form 2848 Overview**

1. Form 2848, Power of Attorney and Declaration of Representative, is used to authorize an individual to represent a taxpayer before the IRS and authorize the IRS to release confidential tax information to an individual for the account matters(s) specified. Form 2848, Power of Attorney and Declaration of Representative, can only be granted to an individual eligible to practice before the Internal Revenue Service (e.g. Attorney, CPA or Enrolled Agent). For information on Powers of Attorney see IRS Publication 947, Practice Before the IRS and Power of Attorney.

**21.3.7.5.2 (10-01-2008)**

**Essential Elements for Form 2848**

1. Below are the six essential elements of a processable authorization. If an essential element is missing or incomplete, the authorization is invalid. *See IRM 21.3.7.14.3.*, Rejecting Missing/Incomplete Authorizations for procedures. If essential elements 1-5 are not present, the document **must be returned to the taxpayer.**

**Note:**

For International processing, the document must be returned to the representative.

2. If only essential element 6 is not present, the document must be returned to the representative. If information is missing for one or more of the taxpayers or representatives and information is complete for others, timely process the processable taxpayer(s) or representative(s) listed prior to rejecting for the missing information. If a form is only partially processed, notate "Processed" next to the name and address of the taxpayer and/or representative processed.

**Excerpts from the Internal Revenue Manual at [www.irs.gov](http://www.irs.gov)**

(Continued)

- A. Essential element 1 - Clear identification of the taxpayer, name, address, taxpayer identification number (the presence of two of the three elements is sufficient).
- B. Essential element 2 - Clear identification of the third party, name and address (CAF number is not required)
- C. Essential element 3 - Specific tax matter(s) - type of tax or tax form number.
- D. Essential element 4 - Period(s) IRM 11.3.3.1.1(3)(d), Disclosure to Designees and Practitioners, states **when a series of inclusive periods are involved, including quarterly periods, use of the word through, thru, or a hyphen may be used (i.e, 2005 - 2008 would cover 2005, 2006, 2007 and 2008). The use of 'current year, or all years' is not acceptable and must be returned for clarification.** All tax periods listed on an authorization are input (whether displayed on CC IMFOL/BMFOL or not).
- E. Essential element 5 - Taxpayer(s) dated signatures(s)
- F. Essential element 6 - Representative(s) designation, jurisdiction, signature and date, - For multiple representatives listed on the same form, only one signature date is required.

**Note:**

Even though the jurisdiction code is not entered to the CAF program, it is an essential element being used by the Office of Responsibility. Make one telephone attempt during normal business hours to get this enrollment number from the representative, otherwise send the form back with a letter of explanation.

- 3. For IMF joint accounts where both signatures are present, only one date is required on Form 2848, Power of Attorney and Declaration of Representative.
  - A. A thumbprint or **X** with a witness' signature is acceptable.
  - B. When the taxpayer signs and dates the form before the representative, the dates of the taxpayer's and representative's signatures must be within 45 days of each other of domestic authorizations and within 60 days for authorizations of taxpayers residing abroad. **Exception:** If the taxpayer's dated signature is more current than the representative, there is no time frame requirement.

**Excerpts from the Internal Revenue Manual at [www.irs.gov](http://www.irs.gov)**

(Continued)

C. The sequencing of dated signatures is not critical although the taxpayer generally signs first, granting the authority, then the representative signs, accepting the authority granted.



Form **8821**

(Rev. August 2008)  
Department of the Treasury  
Internal Revenue Service

### Tax Information Authorization

- ▶ Do not sign this form unless all applicable lines have been completed.
- ▶ Do not use this form to request a copy or transcript of your tax return. Instead, use Form 4506 or Form 4506-T.

OMB No. 1545-1165  
For IRS Use Only

Received by:  
Name \_\_\_\_\_  
Telephone (\_\_\_\_) \_\_\_\_\_  
Function \_\_\_\_\_  
Date \_\_\_\_/\_\_\_\_/\_\_\_\_

**1 Taxpayer information.** Taxpayer(s) must sign and date this form on line 7.

Taxpayer name(s) and address (type or print) <b>JOHN J. &amp; JANE J. DOE</b> 123 MAIN STREET ANYWHERE, NJ 08666	Social security number(s) 123-45-6789 987-65-4321	Employer identification number
	Daytime telephone number 732-274-1600	Plan number (if applicable)

**2 Appointee.** If you wish to name more than one appointee, attach a list to this form.

Name and address The Firm of E. Martin Davidoff, Attorney-at-Law P.O. Box 835 Dayton, New Jersey 08810-0835	CAF No. [REDACTED] Telephone No. 732-274-1600 Fax No. 732-274-1666 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
--	--

**3 Tax matters.** The appointee is authorized to inspect and/or receive confidential tax information in any office of the IRS for the tax matters listed on this line. Do not use Form 8821 to request copies of tax returns.

(a) Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty	(b) Tax Form Number (1040, 941, 720, etc.)	(c) Year(s) or Period(s) (see the instructions for line 3)	(d) Specific Tax Matters (see instr.)
Income	1040	2002 through 2010 All Years Included	
Civil Penalty for ABC, Inc. EIN: 22-1234567	N/A	1/02/01 through 12/31/03 All Years Included	

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the tax information authorization is for a specific use not recorded on CAF, check this box. See the instructions on page 4. If you check this box, skip lines 5 and 6 . . . . .

- 5 Disclosure of tax information** (you must check a box on line 5a or 5b unless the box on line 4 is checked):
- a If you want copies of tax information, notices, and other written communications sent to the appointee on an ongoing basis, check this box . . . . .
- b If you do not want any copies of notices or communications sent to your appointee, check this box . . . . .

**6 Retention/revocation of tax information authorizations.** This tax information authorization automatically revokes all prior authorizations for the same tax matters you listed on line 3 above unless you checked the box on line 4. If you do not want to revoke a prior tax information authorization, you must attach a copy of any authorizations you want to remain in effect and check this box . . . . .   
To revoke this tax information authorization, see the instructions on page 4.

**7 Signature of taxpayer(s).** If a tax matter applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute this form with respect to the tax matters/periods on line 3 above.  
▶ IF NOT SIGNED AND DATED, THIS TAX INFORMATION AUTHORIZATION WILL BE RETURNED.  
▶ DO NOT SIGN THIS FORM IF IT IS BLANK OR INCOMPLETE.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
JOHN J. DOE  
Print Name \_\_\_\_\_ Title (if applicable) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_  
JANE J. DOE  
Print Name \_\_\_\_\_ Title (if applicable) \_\_\_\_\_

56789 PIN number for electronic signature

54321 PIN number for electronic signature

**Excerpts from the Internal Revenue Manual at [www.irs.gov](http://www.irs.gov)**

**21.3.7.6 (10-01-2008)**

**Form 8821, Tax Information Authorization**

1. Form 8821, Tax Information Authorization, is used to authorize the IRS to release confidential tax information to an appointee.

**21.3.7.6.1 (10-01-2008)**

**Form 8821 Overview**

1. Form 8821, Tax Information Authorization, or equivalent, can designate any third party to receive and inspect account information for the tax matter(s) specified.
  - Can be granted to an individual.
  - Can be granted to a business entity or firm (legal, accounting, tax preparation, etc). When a business is the appointee, authority extends to the employees of the business.

**21.3.7.6.2 (10-01-2008)**

**Essential Elements for Form 8821**

1. If an essential element is missing: *See IRM 21.3.7.14.3.*, Rejecting Missing/Incomplete Authorizations, for procedures.
2. Clear identification of the taxpayer, e.g., name, address, taxpayer identification number (the presence of two of the three elements is sufficient).
3. Clear identification of the appointee, e.g., name and address (CAF number is not required).
4. Tax matter(s) - Type of Tax and Tax Form number are essential elements. If only one of these essential elements is available and input can be determined, process the Form 8821.
5. If information is shown in the type of tax or form type the authorization is valid. **Example:** Authorization shows employment taxes under type of tax and tax form field is blank.

**Note:**

If a determination can not be made contact the taxpayer by telephone. Otherwise reject.



**Excerpts from the Internal Revenue Manual at [www.irs.gov](http://www.irs.gov)**

(Continued)

6. Year(s) or Period(s) ( IRM 11.3.3.1.1(3)(d), Disclosure to Designees and Practitioners, states, when a series of inclusive periods are involved, use of the word 'through', 'thru', or a hyphen may be used, e.g. 1999 - 2002 would cover 1999, 2000, 2001 and 2002, and for quarterly periods '2000 - 2001' would cover all quarterly periods in the years 2000 and 2001. Do not accept general information such as All years, All periods, or all taxes; this information is not acceptable and must be returned for clarification. All tax periods listed on an authorization are input (whether displayed on CC IMFOL/BMFOL or not).
7. The taxpayer must sign and date a Form 8821, Tax Information Authorization (TIA).

**Comment**

Forms 8821, Tax Information Authorization, for the purpose of addressing tax matters, do not have to be received within 60 days of the taxpayer's dated signature. See IRM 11.3.3.1.1(4), General Requirements for Disclosure to Designee . The taxpayer must sign and date a TIA. The third party is not required to sign a TIA.

**Comment**

Note: Our firm's practice for multiple years (on Forms 8821 or 2848) is to put, for example:

“2003 through 2009

All Years Included”

~~XXXXXXXXXX~~  
Plan of Action

① Stop Seizure

- Make offer to Revenue Officer
- Speak to Manager
- File Form 9423 CAP appeal
- Speak to Marty Wolfson

But consider  
allowing seizure  
to take place

② Client to keep current on Payroll

- CONFIRM Paycheck Tax Pay
- Get online access so we can confirm monthly or whatever.

③ Line up professionals


- CPA (~~XXXXXXXXXX~~)
- Bookkeeper (Auditor... needs training)
- Corporate Attorney

④ Get \$50,000 Equity Line  
\$25,000 to IRS

⑤ Initiate Dialogue with NJ

⑥ Any funds that Joe provides to Corp should be secured... Does this really help? IRS Liens

⑦ Get transcripts + payroll tax returns for all quarters through 3/31/06 from 2001.

Reviewed By	Prepared By	Index No.
		1/2
Date	Date 4/6/06	

Plan of Action

- (8) File all payroll tax returns
- (9) File all sales tax returns
- (10) Determine Corporate status
- (11) Get Form 433A From Joe
- (12) Get Form 433B For Corp
- (13) Make sure corp books & records going forward MAKE SENSE
- (14) Determine who's lien has priority - NT or IRS. IF NT, consider transfer of business to AN S Corp or LLC.
- (15) Once all payroll tax returns are filed, pay all trust funds
- (16) Client to run business plan - cash flow forecasts going forward 12 months. Make sure company is profitable.
- (17) Is it worth keeping business alive for non-trust fund liabilities, penalties etc. Possibly, let IRS seize AND repurchase in an auction?  
After all returns are filed, arrange for meeting with client & advisors... at site.

Reviewed By
Date

Prepared By
Date 4/6/08

Index No.
2/2

# Request for a Collection Due Process or Equivalent Hearing

Use this form to request a Collection Due Process (CDP) or equivalent hearing with the IRS Office of Appeals if you have been issued one of the following lien or levy notices:

- Notice of Federal Tax Lien Filing and Your Right to a Hearing under IRC 6320,*
- Notice of Intent to Levy and Notice of Your Right to a Hearing,*
- Notice of Jeopardy Levy and Right of Appeal,*
- Notice of Levy on Your State Tax Refund- Notice of Your Right to a Hearing.*

Complete this form and send it to the address shown on your lien or levy notice. Include a copy of your lien or levy notice to ensure proper handling of your request.

Call the phone number on the notice or 1-800-829-1040 if you are not sure about the correct address or if you want to fax your request.

**You can find a section explaining the deadline for requesting a Collection Due Process hearing in this form's instructions. If you've missed the deadline for requesting a CDP hearing, you must check line 6 (Equivalent Hearing) to request an equivalent hearing.**

1. Print Name:

JOHN J. DOE JANE J. DOE

If a husband and wife owe the tax liability jointly, please print both names if both want a hearing.

123 MAIN STREET

Address:

City: ANYWHERE State: NJ Zip Code: 08666

2. Social Security Number or Numbers

SSN 1

123-45-6789

SSN 2

987-65-4321

Employer Identification Number

3. Daytime Telephone Number and Best Time to Call ~~XXXXXX~~ **of Attorney**

732-274-1600

6:00

am.  pm.

4. Tax Information

Type of Tax (Income, Employment, Excise, etc. or Civil Penalty)	Tax Form Number (1040, 941, 720, etc)	Tax Period or Periods
Income	1040	2001, 2002 and 2003 3/31/02 through 9/30/03
Employment	941	ALL QUARTERS INCLUDED

# Request for a Collection Due Process or Equivalent Hearing

5. Basis for Hearing Request (Both boxes can be checked if you have received both a lien and levy notice)

- Filed Notice of Federal Tax Lien                       Proposed Levy or Actual Levy

6. Equivalent Hearing (See the instructions for more information on Equivalent Hearings)

- I would like an Equivalent Hearing - I would like a hearing equivalent to a CDP Hearing if my request for a CDP hearing is too late.

7. Check the most appropriate box for the reason you disagree with the filing of the lien or the levy. **See page 4 of this form for examples.** You can add more pages if you don't have enough space.

- Collection Alternative                       Installment Agreement                       Offer in Compromise

- Lien                       Subordination                       Discharge                       Withdrawal

Please explain:

- My Spouse Is Responsible                       Innocent Spouse Relief (Please attach Form 8857, *Request for Innocent Spouse Relief*, to your request.)

- Other                       Reason: See Detailed Explanation Attached.

(Use as much space as you need to explain the reason for your request. Attach extra pages if necessary.)

I understand the CDP hearing and any subsequent judicial review will suspend the statutory period of limitations for collection action. I also understand my representative or I must sign and date this request before the IRS Office of Appeals can accept it.

**SIGN HERE**

Your Signature	Date
Spouse's Signature (if a joint request, both must sign)	Date

**IRS Use Only**

IRS Employee (Print)	Employee Telephone Number	IRS Received Date
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**Form 12153**  
**Request for a Collection Due Process Hearing**  
**John J. Doe & Jane J. Doe.**

Mr. & Mrs. John J. Doe (hereinafter the "Taxpayer") has made several attempts to discuss this case with Mr. Pepitone. Mr. Pepitone has never provided the Taxpayers with a convenient time for either of them to call Mr. Pepitone.

We believe this case can be easily handled through a expedited installment agreement. Please note that we are aware that there are unfiled Form 941s for the first three quarters of 2005. All of these forms will be filed with Mr. Pepitone on or before October 31, 2006. At that time, we will make appropriate arrangements to enter into an installment agreement on behalf of the Taxpayer.

Please also be advised that it is the intent of the Taxpayer to engage the services of a payroll tax service. Such a tax service would then impound the funds for payroll taxes upon the issuance of each paycheck.

Please note that the Taxpayers have been using the services of Mr. Tony Kubek for over 20 years. In the middle of 2001, Mr. Kubek retired. Although the Taxpayers have engaged the services of the successor company to Mr. Kubek, things have not quite been the same. The Taxpayers have now figured out how to handle all of these problems, with some assistance from our firm.

Additional Notes Regarding forms 12153

1. Equivalent Hearings are no longer automatically provided if you do not qualify for a statutory CDP hearing. This is as a result of regulatory changes in the fall of 2006. If a CDP request is made more then one year beyond the original due date, then there will be no CDP hearing or equivalent thereto.
  
2. On May 25, 2007, President Bush signed The Small Business and Work Opportunity Tax Act (P.L. 110-28). Under new Section 6330(h) added by that legislation, a CDP hearing is no longer an entitlement if the particular taxpayer had previously requested a CDP hearing with respect to unpaid employment taxes arising in the two-year period before the beginning of the taxable period to which the employment tax levy is served.

# Collection Appeal Request

1. Taxpayer's Name JOHN J. and JANE J. DOE		2. Representative: (Form 2848, Power of Attorney Attached) E. Martin Davidoff	
3. SSN/EIN 123-45-6789 & 987-65-4321	4. Taxpayer's Business Phone <del>XXXXX</del> Attorney 732-274-1600	5. Taxpayer's Home Phone 732-274-1600	6. Representative's Phone 732-274-1600
7. Taxpayer's Street Address 123 MAIN STREET			

8. City ANYWHERE	9. State NJ	10. Zip Code 08666
11. Type of Tax (Tax Form) Income	12. Tax Periods Being Appealed 2002, 2003, 2004	13. Tax Due

## Collection Action(s) Appealed

14. Please Check the Collection Action(s) You're Appealing:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Federal Tax Lien | <input type="checkbox"/> Denial of Installment Agreement      |
| <input type="checkbox"/> Levy or Notice of Levy      | <input type="checkbox"/> Termination of Installment Agreement |
| <input type="checkbox"/> Seizure                     |   |

## Explanation

15. Please explain why you disagree with the collection action(s) you checked above and explain how you would resolve your tax problem. Attach additional pages if needed. Attach copies of any documents that you think will support your position.

See Attached.

Under penalties of perjury, I declare that I have examined this request and the attached documents, and to the best of my knowledge and belief, they are true, correct and complete. A submission by a representative, other than the taxpayer, is based on all information of which preparer has any knowledge.	
16. Taxpayer's or Authorized Representative's Signature	17. Date
18. Collection Manager's Signature	19. Date Received

# Collection Appeal Rights

## FOR LIENS, LEVIES, SEIZURES, AND DENIAL OR TERMINATION OF INSTALLMENT AGREEMENT

You may appeal a Notice of Federal Tax Lien, levy, seizure, or denial or termination of an installment agreement under these procedures. However, if you request an appeal after IRS makes a seizure, you must appeal to the Collection manager within 10 business days after the Notice of Seizure is provided to you or left at your home or business.

### How to Appeal If You Disagree With One of These Actions

1. If you disagree with the decision of the Revenue Officer, and wish to appeal, you must first request a conference with a Collection manager.
2. If you do not resolve your disagreement with the Collection manager, you may request Appeals consideration by completing Form 9423, Collection Appeal Request.
3. On the Form 9423, check the Collection action(s) you disagree with and explain why you disagree. You must also explain your solution to resolve your tax problem. **THE COLLECTION OFFICE MUST RECEIVE YOUR REQUEST FOR AN APPEAL WITHIN 2 DAYS OF YOUR CONFERENCE WITH THE COLLECTION MANAGER OR WE WILL RESUME COLLECTION ACTION.**

### What will happen when you appeal your case

Normally, we will stop the collection action(s) you disagree with until your appeal is settled, unless we have reason to believe that collection of the amount owed is at risk.

### You may have a representative

You may represent yourself at your Appeals conference or you may be represented by an attorney, certified public accountant, or a person enrolled to practice before the IRS. If you want your representative to appear without you, you must provide a properly completed Form 2848, Power of Attorney and Declaration of Representative. You can obtain Form 2848 from your local IRS office or by calling 1-800-829-3676.

### Decision on the appeal

Once the Appeals Officer makes a decision on your case, that decision is binding on both you and the IRS. This means that both you and the IRS are required to accept the decision and live up to its terms.

Note: Providing false information, failing to provide all pertinent information, or fraud will void Appeal's decision.



**John J. and Jane Doe**  
**Form 9423 Collection Appeal Request**

Soc.Sec.#s: 123-45-6789 & 987-65-4321

Question 15 - Explanation:

Taxpayer has paid all of his taxes and interest for each of the periods above. The only amounts due are penalties, and interest on penalties. All of the late filing and late payment penalties are subject to appeal and we believe that the penalties will be abated in full on appeal. The only penalties not subject to appeal, estimated tax penalties, total \$6,945. The Taxpayer can forward a check to Revenue Officer Smith for that amount plus the interest thereon. Please provide us with the computations.

Accordingly, the Internal Revenue Service is contemplating placing a lien on a Taxpayer who owes (or shortly will owe) no money to the Internal Revenue Service. Placing such a lien on the Taxpayer prior to their opportunity to have a full hearing on the matter with an Appeals Officer appears to be premature and inappropriate.

Please note that Mr. Doe works in the real estate field. If a lien is placed against Mr. Doe, it will affect his business and, reduce the amount of tax that he will pay to the Internal Revenue Service in future years. Accordingly, this is not in the best interest of either the Taxpayers or the Internal Revenue Service.

We understand that the Federal tax lien has not yet taken place and that we will have our Collection Appeal Request hearing prior to the filing of that lien.

**NOTE FORM 9423 INSTRUCTIONS:**

**THE COLLECTION OFFICE MUST RECEIVE YOUR REQUEST FOR AN APPEAL  
WITHIN 2 DAYS OF YOUR CONFERENCE WITH THE COLLECTION MANAGER  
OR WE WILL RESUME COLLECTION ACTION.**

**E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
[EMD@taxattorneycpa.com](mailto:EMD@taxattorneycpa.com)

TEL: 732-274-1600  
FAX: 732-274-1666

December 12, 2005

VIA CERTIFIED MAIL #70050390000151327296

Mrs. S. Lopez  
Internal Revenue Service  
100 Dey Place  
Edison, NJ 08817

Re: Whitey & Joan Ford  
SS#: 123-45-6789 & 987-65-4321  
Forms 1040: 1997 through 2003

Dear Mrs. Lopez:

I am in receipt of your letter dated December 6, 2005 rejecting our request for penalty abatement for the years 1997 through 2003 for the above-named Taxpayers. Please note that we wish to receive further consideration by an Appeals Officer. In regard to that, I am providing you the following information:

1. I would like to appeal your findings.
2. The name and address of the Taxpayer(s) is:

Whitey and Joan Ford  
123 Main Street  
Anywhere, New Jersey 08666

3. The outstanding facts supporting our position are included in our letter to you of October 31, 2005, a copy of which is attached to this letter.

Under the penalty of perjury, I declare that the facts presented in the accompanying statement are, to the best of my knowledge and belief, true, correct, and complete.

Thank you very much for your attention to this matter.

Very truly yours,

E. Martin Davidoff

Encl.  
cc: Mr. and Mrs. Whitey Ford (w/out encl.)

**E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
EMD@taxattorneycpa.com  
TEL: 732-274-1600  
FAX: 732-274-1666

January 5, 2009

**VIA FEDERAL EXPRESS**

Internal Revenue Service  
Attn: E:3:SF:30  
44 S Clinton Avenue  
Station Plaza #3  
Trenton, New Jersey 08609

RE: John Doe  
123 Main Street  
Anywhere, New Jersey 08666  
Taxpayer ID #: 123-45-6789  
Form 1040; 1998

Dear Sir:

We hereby protest certain findings of the examining agent set forth in the thirty-day letter dated December 14, 2008 and the accompanying examination report attached hereto, the response to which has been extended by James E. O'Hara until February 6, 2009.

**1. Statement of Appeal.**

We wish to appeal such findings to the Office of the Regional Director of Appeals and we request a conference in that office.

**2. Name and Address of Taxpayer.**

John Doe  
123 Main Street  
Anywhere, New Jersey 08666  
Taxpayer ID #: 123-45-6789

**3. Date and Symbols of Transmittal Letter.**

The date and symbols of the letter transmitting the proposed adjustments are as follows:

August 14, 2002  
Refer Reply to: E:1403:30:SF  
Letter 950(DO) (Rev. 4-99)

**4. Tax Periods Involved.**

Taxable year ended December 31, 1998.

**5. Adjustments with which Taxpayer Do Not Agree.**

John Doe (the "Taxpayer") disputes the adjustments identified in Form 4549-A, which would increase the Taxpayer's taxable income by \$365,620 for December 31, 1998. Taxpayer also disputes the assessment of the Accuracy-IRC 6662 penalty and that the proposed assessment of such penalty is inconsistent with Taxpayer's previously agreed assessments.

In our analysis below, we are addressing the issues raised in Revenue Agent Jones' 30-page Explanation of Items, Form 886A, set forth as part of the report accompanying the adjustments to the net income flowing through to the Taxpayer as the sole shareholder of ABC, Inc.

**6. Statement of Facts, Law and Supporting Arguments.**

**A. Overview**

[Insert appropriate language]

The undersigned assisted in the preparation of this protest but does not know personally that the statement of facts contained in the protest are true and complete. A Power of Attorney (Form 2848) authorizing the undersigned to represent the Taxpayer in the matter is enclosed.

Respectfully submitted,

E. Martin Davidoff, Esq.

Department of the Treasury - Internal Revenue Service

# Request for Taxpayer Advocate Service Assistance

## (And Application for Taxpayer Assistance Order)

Form **911**  
(Rev. 6-2007)**Section I – Taxpayer Information** (See Pages 3 and 4 for Form 911 Filing Requirements and Instructions for Completing this Form.)

1a. Your name as shown on tax return <b>JOHN J. &amp; JANE J. DOE</b>		2a. Your Social Security Number <b>123-45-6789</b>	
1b. Spouse's name as shown on tax return		2b. Spouse's Social Security Number <b>987-65-4321</b>	
3a. Your current street address (Number, Street, & Apt. Number) <b>123 MAIN STREET</b>			
3b. City <b>ANYWHERE</b>		3c. State (or Foreign Country) <b>NJ</b>	3d. ZIP code <b>08666</b>
4. Fax number (if applicable) of Attorney <b>732-274-1666</b>	5. E-mail address <b>EMD@taxattorneycpa.com</b>		
6. Employer Identification Number (EIN) (if applicable)		7. Tax form(s) <b>1040</b>	8. Tax period(s) <b>1991, 1992</b> 1994 through 1997, 1999 through 2002
9. Person to contact		10. Daytime phone number of Attorney <b>732-274-1600</b> <input type="checkbox"/> Check if Cell Phone	11. Best time to call <b>11:00am to 7:00pm EST</b>
12. Indicate the special communication needs you require (if applicable) <input type="checkbox"/> TTY/TDD Line <input type="checkbox"/> Interpreter - Specify language other than English (including sign language) _____ <input type="checkbox"/> Other (please specify) _____			
13a. Please describe the tax problem you are experiencing (If more space is needed, attach additional sheets.) <b>SEE ATTACHED ADDENDUM</b>			

13b. Please describe the relief/assistance you are requesting (If more space is needed, attach additional sheets.)

- We request that the IRS allow the release of \$4,718 from either levy on July 29, 2006 and continue to do so each month until the case in Appeals is heard and completed.
- We also request that the IRS be responsible for all legal fees incurred as a result of this wrongdoing by Mr. Maris on behalf of the Internal Revenue Service Collection Division.

I understand that Taxpayer Advocate Service employees may contact third parties in order to respond to this request and I authorize such contacts to be made. Further, by authorizing the Taxpayer Advocate Service to contact third parties, I understand that I will not receive notice, pursuant to section 7602(c) of the Internal Revenue Code, of third parties contacted in connection with this request.

14a. Signature of Taxpayer or Corporate Officer, and title, if applicable	14b. Date signed
15a. Signature of spouse	15b. Date signed

**Section II – Representative Information** (Attach Form 2848 if not already on file with the IRS.)

1. Name of authorized representative <b>E. Martin Davidoff, CPA, Esq.</b>		2. Centralized Authorization File (CAF) number <b>2005-12-345R</b>	
3. Current mailing address <b>E. Martin Davidoff, Attorney at Law</b> <b>P.O. Box 835</b> <b>Dayton, NJ 08810-0835</b>		4. Daytime phone number <b>732-274-1600</b>	<input type="checkbox"/> Check if Cell Phone
		5. Fax number <b>732-274-1666</b>	
6. Signature of representative			7. Date signed

**Section III – Initiating Employee Information**

Taxpayer name			Taxpayer Identification Number (TIN)	
1. Name of employee	2. Phone number	3a. Function	3b. Operating division	4. Organization code no.

5. How identified and received (Check the appropriate box)				6. IRS received date
<b>IRS Function identified issue as meeting Taxpayer Advocate Service (TAS) criteria</b> <input type="checkbox"/> (r) Functional referral (Function identified taxpayer issue as meeting TAS criteria). <input type="checkbox"/> (x) Congressional correspondence/inquiry not addressed to TAS but referred for TAS handling. Name of Congressional Representative _____  <b>Taxpayer or Representative requested TAS assistance</b> <input type="checkbox"/> (n) Taxpayer or representative called into a National Taxpayer Advocate (NTA) Toll-Free site. <input type="checkbox"/> (s) Functional referral (taxpayer or representative specifically requested TAS assistance).				

7. TAS criteria (Check the appropriate box. **NOTE: Checkbox 9 is for TAS Use Only**)

(1) The taxpayer is experiencing economic harm or is about to suffer economic harm.

(2) The taxpayer is facing an immediate threat of adverse action.

(3) The taxpayer will incur significant costs if relief is not granted (including fees for professional representation).

(4) The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.

(5) The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem.

(6) The taxpayer did not receive a response or resolution to their problem or inquiry by the date promised.

(7) A system or procedure has either failed to operate as intended, or failed to resolve the taxpayer's problem or dispute within the IRS.

(8) The manner in which the tax laws are being administered raise considerations of equity, or have impaired or will impair the taxpayer's rights.

(9) The NTA determines compelling public policy warrants assistance to an individual or group of taxpayers (**TAS Use Only**).

8. What action(s) did you take to help resolve the problem (Must be completed by the initiating employee)

9. State the reason(s) why the problem was not resolved (Must be completed by the initiating employee)

10. How did the taxpayer learn about the Taxpayer Advocate Service

**E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
EMD@taxattorneycpa.com  
TEL: 732-274-1600  
FAX: 732-274-1666

January 5, 2009

VIA CERTIFIED MAIL 70073020000075593190  
Ms. Gimme Moore, Revenue Officer  
Internal Revenue Service  
100 Dey Place  
Edison, NJ 08817

Re: Steinbrenner Enterprises, Inc.  
EIN: 12-3456789  
Forms 941; 9/30/2006

Dear Ms. Moore:

Please find enclosed check # 1555 in the amount of \$500. This check is to be applied to income and payroll taxes withheld from employees (i.e. trust funds) for the following period:

<u>Quarter Ended</u>	<u>Amount</u>
September 30, 2006	\$500.00

Please note that no portion of the above payment should be applied to the employer share of FICA, interest or penalties with respect to the period above.

Thank you for your attention to this matter.

Very truly yours,

E. Martin Davidoff

EMD:saf  
Encl.

cc: Steinbrenner Enterprises, Inc. (w/encl.; via first class mail)  
Mr. Yogi Berra (w/encl.; via first class mail)

**E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
EMD@taxattorneycpa.com

TEL: 732-274-1600  
FAX: 732-274-1666

January 23, 2008

VIA FACSIMILE

Janine Turner, Disclosure Officer  
Internal Revenue Service  
P.O. Box 748, 1st Floor  
Springfield, NJ 07081-0748

Tel: 973-921-4033  
Fax: 973-921-4352

RE: ABC Company, Inc.  
EIN: 22-1234567

**RESPONSE REQUIRED UNDER SECTION 7602(c)(2)**

Dear Ms. Turner:

In accordance with section 7602(c)(2) of the Internal Revenue Code, I hereby request on behalf of the above-named Taxpayer a record of all persons contacted with respect to the determination of any tax liability against the above-named Taxpayer for any taxable period or year through this date. As the Taxpayer's representative, I ask that you transmit the record to my office, with a copy to the Taxpayer.

Please see that we receive a response with seven (7) days of your receipt of this letter.

Please note that we will continue to make these requests under IRC§7602(c)(2) until you have advised us in writing that there is no longer a need to make third-party contacts with respect to the above-named Taxpayer.

For your convenience, please find enclosed Form 2848, Power of Attorney and Declaration of Representative, authorizing me to act on behalf of the above-named Taxpayer.

Very truly yours,

E. Martin Davidoff

EMD:cr  
encl.

cc: ABC Company, Inc. (w/out encl.)  
LeMann Squeezer, Revenue Office (w/out encl.)



## E. MARTIN DAVIDOFF

---

ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
EMD@taxattorneycpa.com  
TEL: 732-274-1600  
FAX: 732-274-1666

December 12, 2008

VIA FIRST CLASS MAIL

Mr. William Skowron  
123 Yankee Way, Unit 1B  
New York, NY 10022

RE: Installment Agreement  
Re: Form 1040: 2002 through 2004

Dear Bill:

This letter shall confirm that an Installment Agreement has been entered into on your behalf with the Internal Revenue Service. You will be receiving a notice from the Internal Revenue Service confirming the information below.

Payment Due Dates and Amounts

First Payment Due: **December 28, 2008**

Future payments due: **28<sup>th</sup> of each month**

Installment Payment Amount: **\$500.00**

Electronic Payments

We recommend using the Electronic Federal Tax Payment System (EFTPS) to make all payments of the installment agreement. If you are already registered for EFTPS, please make sure to make payments at least 48 hours before the due date. If you have not yet registered for EFTPS, your first payments will have to be sent via mail (see below). You may register for EFTPS by going to their website ([www.eftps.gov](http://www.eftps.gov)).

Non-Electronic Payments

*Timing (of mailing payments).* To ensure that your payment arrives promptly, we suggest that you mail your payment 5 to 10 days prior to the due date. Our recommendation is to send these payments via certified mail to prove that your payment was mailed timely (the green card is not necessary).

All payments should contain the following information on your check:

Payable to: United States Treasury

Check Notations: On memo portion of the check include **your social security number(s)**, and the words "FORM 1040; 2002 through 2004".

Mr. William Skowron  
January 5, 2009  
Page 2

Where:                   Until you receive your first statement from the Internal Revenue Service, please send payments to:

Internal Revenue Service  
***[Insert Address on Acceptance Letter]***  
***[or per verbal instructions of IRS]***

Once you begin to receive monthly statements or coupons from the Internal Revenue Service, use the address on the statements for sending in your payments.

Additional Information

*Receiving monthly statements.* Please do not rely upon receiving statements as a reminder as they are not guaranteed to arrive every month. Failure to receive a monthly statements is not an acceptable reason for missing a payment. Any missed payment will result in your defaulting the Installment Agreement and will automatically put you back in collection status which could result in further levies on your accounts.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

E. Martin Davidoff

EMD:

## E. MARTIN DAVIDOFF

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
[EMD@taxattorneycpa.com](mailto:EMD@taxattorneycpa.com)

TEL: 732-274-1600

FAX: 732-274-1666

January 19, 2007

VIA CERTIFIED MAIL (#70050390000151304754) & FIRST CLASS MAIL

Mr. Yogi Berra  
456 Main Street  
Matawan, NJ 08854

Dear Yogi:

Congratulations on the acceptance of your Offer in Compromise! We have received the Acceptance Letter dated November 20, 2006, a copy of which is enclosed. This Offer of \$343,729 will resolve all outstanding liabilities in connection with your 1988 through 1998 as well as 2000 and 2001 Forms 1040 of approximately \$1,750,000. As a result of this acceptance, you are saving over \$1.4 million in taxes, interest, and penalties.

To effectuate the Offer in Compromise, you are required to make a down payment of \$175,000 payable to the "United States Treasury" within 90 days of the date of acceptance, which is November 20, 2006. Thus, your payment must arrive at the following IRS address *no later than ninety days from the above date, which is **February 18, 2007***:

Internal Revenue Service - OIC  
P.O. Box 24015  
Fresno, CA 93779

In making the payment, be sure to write your social security number and the words "Offer in Compromise - 1988 through 1998; 2000, 2001" on the check or money order. We recommend that you send the payment via certified mail, return receipt requested, and secure a receipt from the post office evidencing the date of mailing.

Under the terms of your agreement, you are to make additional payments as follows:

- \$5,000 on the 28<sup>th</sup> of each month for a total of 12 months beginning in the 4<sup>th</sup> month after written notice of acceptance of the offer (March 28, 2007).
- Then, beginning the 16<sup>th</sup> month after written notice of acceptance of your offer (March, 2008), the payment will increase to \$12,081 which is also due on the 28<sup>th</sup> of the month for a total of 9 months.

**I cannot emphasize enough how important it is that you make each payment in a timely manner. Failure to do so will eliminate the forgiveness of unpaid taxes.**

Some other things you should know:

- The IRS will keep any refunds or credits, including interest, due to you because of overpayment of any tax or other liability in connection with 2006 or earlier tax years. This includes refunds you may be entitled to receive in 2007 for any overpayments you made in 2006. Thus, you should be very careful that your estimates are adjusted appropriately now so that you do not overpay your taxes for 2006.
- As a condition to retain the benefits of the Offer in Compromise, you are required to remain compliant with all Internal Revenue Service laws for the next 5 years. For example, this means that you must either file your 2006 tax return by April 15, 2007 or properly file an extension request by April 15, 2007 and then file your tax return by the extension date. **REMEMBER:** Your 2006 tax liability must be paid in full by April 15, 2007, even if you file an extension request. You may only extend the time to file your tax return, not to pay the tax. Again, you must follow this practice for the next five years.

These and other requirements which you must follow to maintain this forgiveness are listed on the 2nd and 3rd pages of the Form 656. I urge you to read each of the items carefully and make certain that you do not violate any of the conditions of the IRS acceptance.

This might seem like a lot to remember and abide by at first ....but please remember you have now earned a fresh start and can finally proceed with a clean slate. Again, I congratulate you on this accomplishment.

Please do not hesitate to contact me if I can be of any further assistance.

Very truly yours,

E. Martin Davidoff

EMD:ac  
encl.

**E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
EMD@taxattorneyepa.com  
TEL: 732-274-1600  
FAX: 732-274-1666

January 5, 2009

VIA CERTIFIED MAIL#70050390000152687934

Ms. C. J. Mills  
Internal Revenue Service  
Disclosure Office 2  
600 Arch Street, Room 3214  
Philadelphia, PA 19106

RE: Cletis (Clete) Leroy Boyer  
Form 1040; 2000 and 2001  
SS#: 123-45-6789

Dear Ms. Mills:

At this time, I would like to request information on the above-referenced Taxpayer under the Freedom of Information Act. That information should include the contents of the entire Internal Revenue Service Administrative file for the years 2000 and 2001 with respect to the above-referenced Taxpayer. To facilitate this request, you will find enclosed Form 2848, Power of Attorney.

Also, please be sure to include any and all correspondences relating to the current examination of the tax years above. This should include all e-mails, reports to managers and/or supervisors entries into the IRS computer system, etc.

There is no need to provide us, and you may exclude from this FOIA request, any documents in your files that have been provided to you by our offices unless there are notations on such documents by IRS employees.

We understand that there will be a fee for this service and that we will receive a billing letter from you stating the total due for this service. Please note that the maximum amount we are willing to spend on this service is \$100. Please call us in advance if you find that the cost of this service will be higher than the \$100 and we will make the determination whether or not to go forward.

Thank you very much for your attention to this matter.

Very truly yours,

E. Martin Davidoff

EMD:am

cc: Cletis Boyer

See [http://www.treasury.gov/tigta/oi\\_highlights\\_recent.shtml](http://www.treasury.gov/tigta/oi_highlights_recent.shtml) for Ms. Turner's, the former Disclosure Officer, guilty plea for illegally accessing taxpayer records (June 5, 2006).

**E. MARTIN DAVIDOFF**

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ATTORNEY AT LAW

353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
emd@taxattorneycpa.com  
TEL: 732-274-1600  
FAX: 732-274-1666

January 5, 2009

VIA CERTIFIED MAIL#70050390000451287639

Internal Revenue Service  
Holtsville, New York 00501

Re: Elston Howard  
SS#: 123-45-6789  
Deposit in the Nature of a Cash Bond pursuant  
to Section 6603  
2001 Form 1040

To Whom It May Concern:

Please find enclosed check # 864 in the amount of \$50,000 payable to the United States Treasury. This payment is hereby designated as a deposit pursuant to Section 6603(a) of the Internal Revenue Code. Pursuant to Rev. Proc. 2005-18, the following information is required.

**1. Type of Tax**

Income Tax

**2. Tax Year**

2001

**3. Identification and Description of Disputable Tax**

The amount of the disputable tax is set forth in the 30-day letter provided by the Internal Revenue Service on August 30, 2006 setting forth a balance due \$248,339. A copy of the 30-day letter is enclosed herein.

#### **4. Filing of Tax Court Petition**

In the event that a Tax Court petition is filed in connection with the above-referenced tax for the above-referenced period, the enclosed payment shall continue to be treated as a deposit during the applicable Tax Court proceeding.

Please return the duplicate copy of the check enclosed with your acknowledgment that it has been received and applied as a deposit in the nature of a cash bond pursuant to section 6603 of the Internal Revenue Code. For your convenience, I have enclosed a self-addressed, stamped envelope.

Thank you very much for your attention to this matter.

Very truly yours,

E. Martin Davidoff

EMD:ed

Encls.

cc: Mr. Elston Howard

(w/out Encls. & via First Class Mail)

*Note, this procedure has been added by Code Section 6603 added by the American Jobs Creation Act of 2004. Section 6603 supercedes Revenue Procedure 84-58. Section 6603 also provides for interest for refunds of deposits paid with respect to a “disputable tax”.*

*Further clarification and procedures are outlined in Revenue Procedure 2005-18, I.R.B. 2005-13 (3/28/05). This Revenue Procedure sets forth some very important rules, some of which are counter-intuitive.*

**JOHN DOE**  
**YEARLY SUMMARY OF FORM 1040 TAX LIABILITY**

YEAR	TAX	INTEREST	FEES & COLLECTION	PENALTIES		ESTIMATED TAX	TOTAL ASSESSMENTS	PAYMENTS & CREDITS	OVERPYMT CREDIT TRANS OUT	BALANCE DUE "1040"	DATE OF TRANSCRIPT
				LATE FILING	LATE PAYMENT						
1991	54,056.00	102,817.39		13,514.00	13,514.00		183,901.39			183,901.39	07/23/2004
1992	105,339.00	176,033.26		26,335.00	26,334.75		334,042.01			334,042.01	07/23/2004
1993	57,286.00	68,332.01	52.00	14,321.50	14,315.49	2,400.25	156,707.25	(61,284.75)		95,422.50	09/13/2004
1994	126,939.00	130,383.40	70.00	31,734.75	31,734.75		320,861.90			320,861.90	09/13/2004
1995	131,126.00	111,359.90		32,781.50	32,781.50		308,048.90			308,048.90	09/13/2004
1996	198,387.00	137,665.23		49,596.75	49,596.75		435,245.73			435,245.73	09/13/2004
1997	71,195.00	39,070.53		17,798.75	17,798.75		145,863.03			145,863.03	09/13/2004
1998	94,743.00	41,047.19		23,685.75	23,685.75		183,161.69			183,161.69	09/13/2004
1999	107,016.00	34,493.18		26,754.00	26,754.00		195,017.18			195,017.18	09/13/2004
2000	141,777.00	29,659.32		35,444.25	31,186.10		238,066.67	(22.00)		238,044.67	09/13/2004
2001	86,825.00	13,372.66	20.00	21,706.25	13,023.75		134,947.66			134,947.66	07/23/2004
2002	93,454.00	7,108.98		23,363.50	8,410.86		132,337.34			132,337.34	07/23/2004
2003	63,276.00	0.54		0.00	0.00	1,444.16	64,720.70	(64,728.00)	7.30	0.00	07/23/2004
<b>TOTALS</b>	<b>\$1,331,419.00</b>	<b>\$891,343.59</b>	<b>\$142.00</b>	<b>\$317,036.00</b>	<b>\$289,136.45</b>	<b>\$3,844.41</b>	<b>\$2,832,921.45</b>	<b>(\$126,034.75)</b>	<b>\$7.30</b>	<b>\$2,706,894.00</b>	



AGE NO-0001

IRS EMPLOYEE [REDACTED]

DATE REQUESTED 07-23-2004

PRINT DATE 07-23-2004

FORM NUMBER:

TAX PERIOD: DEC 1992

TAXPAYER IDENTIFICATION NUMBER: [REDACTED]  
\*\* SPOUSE TAXPAYER IDENTIFICATION NUMBER: [REDACTED]

BODC-SB BODCLC-W

-- ANY MINUS BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE: 270,767.00  
ACCRUED INTEREST: 36,940.26 AS OF 08-02-2004  
ACCRUED PENALTY: 26,334.75 AS OF 08-02-2004

ACCOUNT BALANCE PLUS ACCRUALS: 334,042.01

\* EXEMPTIONS:  
\* ADJUSTED GROSS INCOME: 0.00  
\* TAXABLE INCOME: 0.00  
TAX PER RETURN: 0.00

\*\*FILING STATUS: MARRIED FILING JOINT

\* PER RETURN OR AS ADJUSTED

14-30-2004 RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER)  
14-30-2004 PROCESSING DATE

TRANSACTIONS

CODE	EXPLANATION	DATE	MONEY AMOUNT (IF APPLICABLE)
150	RETURN FILED AND TAX ASSESSED 28251-121-15001-4	04-30-2004	105,339.00
460	EXTENSION OF TIME TO FILE EXT. DATE 08-15-1993	04-15-1993	
460	EXTENSION OF TIME TO FILE EXT. DATE 10-15-1993	08-16-1993	
160	LATE FILING PENALTY 200423	04-30-2004	26,335.00
190	INTEREST ASSESSED 200423	04-30-2004	139,093.00

PAGE NO-0001

IRS EMPLOYEE [REDACTED]

DATE REQUESTED 08-24-2005

PRINT DATE 08-25-2005

FORM NUMBER: [REDACTED]

TAX PERIOD: DEC 1992

TAXPAYER IDENTIFICATION NUMBER: [REDACTED]

\*\* SPOUSE TAXPAYER IDENTIFICATION NUMBER: [REDACTED]

BODC-SB BODCLC-W

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

--- ANY MINUS BELOW SIGNIFIES A CREDIT AMOUNT ---

ACCOUNT BALANCE:	0.00	
ACCRUED INTEREST:	0.00	AS OF 09-05-2005
ACCRUED PENALTY:	0.00	AS OF 09-05-2005

ACCOUNT BALANCE PLUS ACCRUALS:	0.00
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** EXEMPTIONS:	
** ADJUSTED GROSS INCOME:	0.00
** TAXABLE INCOME:	0.00
TAX PER RETURN:	0.00

\*\*FILING STATUS: MARRIED FILING JOINT

\*\* PER RETURN OR AS ADJUSTED

04-30-2004 RETURN DUE DATE OR RETURN RECEIVED DATE (WHICHEVER IS LATER)  
 04-30-2004 PROCESSING DATE

TRANSACTIONS

CODE	EXPLANATION	DATE	MONEY AMOUNT (IF APPLICABLE)
150	RETURN FILED AND TAX ASSESSED 28251-121-15001-4	04-30-2004	105,339.00
460	EXTENSION OF TIME TO FILE EXT. DATE 08-15-1993	04-15-1993	
460	EXTENSION OF TIME TO FILE EXT. DATE 10-15-1993	08-16-1993	
163	LATE FILING PENALTY 200423	04-30-2004	26,335.00
190	INTEREST ASSESSED 200423	04-30-2004	139,093.00
520	LEGAL/BANKRUPTCY SUIT PENDING	06-22-2004	
960	RECEIVED POA/TIA	07-27-2004	
290	ADDITIONAL TAX ASSESSED 28254-618-05164-4 200432	08-23-2004	0.00
161	LATE FILING PENALTY ABATED	04-30-2004	26,335.00
290	ADDITIONAL TAX ASSESSED 19254-432-05855-5 200506	02-21-2005	0.00
196	INTEREST ASSESSED	02-21-2005	10,007.22

200506			
276	FAILURE TO PAY TAX PENALTY	02-21-2005	26,334.75
200506			
271	FAILURE TO PAY TAX PENALTY ABATED	04-04-2005	26,334.75
290	ADDITIONAL TAX ASSESSED	04-04-2005	0.00
	89254-475-08621-5 200512		
196	INTEREST ASSESSED	04-04-2005	1,496.06
200512			
521	LEGAL/BANKRUPTCY SUIT NO LONGER PENDING	06-22-2004	
670	SUBSEQUENT PAYMENT	08-05-2005	261,310.67
	MISCELLANEOUS PAYMENT		
196	INTEREST ASSESSED	08-29-2005	5,227.03
200533			
826	OVERPAYMENT CREDIT TRANSFERRED	08-05-2005	148.36
1040	200112		

*Comment by Appeals Officer: Taxpayer has not been compliant since 2001.*

In reality, with only a handful of exceptions, the taxpayer has been fully compliant. The taxpayer has actually overpaid approximately \$8,000.

Quarter Ended	Filing	Payments
03/31/02	Timely Filed	Payments were made all on time. However, two payments are missing from transcript. Client double-paid ...see original cancelled checks. Client overpaid \$8,369.41.
06/30/02	Timely Filed	Checks for last three payments of quarter were written timely, but deposited five to six weeks late. The payments were all made on or before the due date of the return. Client paid penalty of \$1,278.82.
09/30/02	Timely Filed	Timely Paid
12/31/02	Timely Filed	There was an oversight as to one week's payment (October 11, 2002). The check was written (#5079) on time but not turned in for deposit. Client believed that the payment had been made and filed his form 941 accordingly. Upon receipt of notice from IRS, client paid promptly. See form 941.
03/31/03	Timely Filed	Timely Paid
06/30/03	Timely Filed	13 Weekly payments of payroll taxes were paid. A penalty of \$1,761.06 was assessed and paid. We have no idea why.
09/30/03	Timely Filed	Taxpayer did fall behind slightly during the first 2 months of the quarter. All was caught up by October 1. A penalty of \$2,905.79 was imposed by the IRS and paid.
12/31/03	Timely Filed	Timely Paid
03/31/04	Timely Filed	Timely Paid. Note, a federal tax deposit penalty was assessed and abated. A review of the payroll tax return and transcript shows that all payments were timely made.
06/30/04	Timely Filed	13 Weekly payments of payroll taxes were paid. A penalty of \$606.14 was assessed and paid. We have no idea why.
09/30/04	Timely Filed	Timely Paid
12/31/04	Timely Filed	Timely Paid
03/31/05	Timely Filed	Timely Paid
06/30/05	Timely Filed	Timely Paid
09/30/05	Timely Filed	One of the 13 weekly payments was paid 2 months late (7/29 payroll paid on 9/29/05). All others were paid timely. Client was assessed a penalty of \$948.62 which was paid in full by the client.

# Representing Clients Before the IRS

## Part 1: Getting Started

This is the first of a series of articles on Representing Clients Before the IRS. In this segment, Mr. Davidoff covers the first three steps of a tax controversy engagement. Future segments will cover the remaining steps and talk about the tools available to practitioners, along with some practical rules of engagement.

Representing clients before the IRS is a learned art. At the start, practitioners must understand that they are subject to the highest ethical standards. Accordingly, representatives will often find themselves turning away potential clients in order to preserve those standards. Representatives must be committed to adhering to those high standards, even though it may appear that their adversary, the IRS, is not playing fair. And, even when it plays by the rules, the “rules” grant the IRS awesome powers in its ability to place liens on taxpayers, levy wages and seize property, all of which places us at a distinct disadvantage as practitioners. To win, we must enhance our skills in communications with clients, foster relationships with IRS personnel and understand the tools available to combat an often unreasonable, unsympathetic behemoth we refer to as the IRS.

### The Frantic Call & the Office Environment

For those who specialize in representation, most tax controversies are not with your own 1040 or business clients. Rather, the issues involve those who have gotten into trouble on their own or in spite of the assistance they received from their CPA. Accordingly, how your firm handles the initial call from this person will often dictate whether you get the opportunity to represent the client.

One of the best-selling tools available is a person, not an answering machine. Having a live person answering the telephone dramatically increases your odds of getting the client. Clients like to know that they can get in touch with their representative, or at least a live person at his/her office. In my firm, if I am not available to speak to a prospective client, our office policy is to forward the call to a paraprofessional who knows the process and can “sell” the firm to the potential client by noting our expertise. In most cases, I return all calls the same day or the next day; if I can’t return the call promptly, we will set up a specific date and time for a conference call or meeting.

Whenever a prospective client calls, the notes are alphabetically placed in a folder set up for the year. I often have prospects calling me a year or two later who are amazed that I have all of my notes from our previous conversation. As my office becomes paperless (a couple of years away for me), I envision my access to



*“Our goals are to fully understand the client’s problems, engage the client, and set up a Plan of Action.”*

**IRS  
REPRESENTATION  
ADVISOR**  
E. Martin Davidoff, CPA, Esq.

this information will only become that much faster when that “folder” for the year will be at my fingertips.

You can dramatically expand the number of cases handled through the use of paraprofessionals. In my office, these are former executive or legal secretaries who have honed their project management skills and understanding of IRS operations, but they also are individuals with great people skills. Such skills are often the difference between getting the deal you want!. In most cases, my paraprofessionals put in more than 75 percent of the chargeable hours, enabling me to focus on the more difficult questions and issues of each case, thus minimizing the overall charges to our clients.

### Initial Client Meeting

The initial client meeting sets the tone for the entire relationship. In some cases it is the only in-person meeting that I have with the client. Our goals at this meeting are to fully understand the client’s problems, engage the client (financially), and set up a “Plan of Action.”

I have the paraprofessional who will be working the case join the meeting – at no charge to the client. Typically, I charge \$50 for the first half hour and then my normal hourly rate. If the client was referred to me by an existing client or a regular referral source, I do not charge for the first half hour and emphasize that I am doing this as a courtesy to the referral source. The referral source appreciates this and the potential client feels good that the person who referred him or her is held in such high esteem.

Throughout our discussions we are realistic. We promise only what we know we can accomplish because we want to establish trust with our clients and referral sources, and establish reasonable expectations in the minds of our clients. Because much of

*Davidoff, continued on page 15*

# Sample Engagement Letter

BY HAND IN OUR OFFICE  
Mr. and Mrs. John J. Doe  
123 Main Street  
Anywhere, New Jersey 08666

E. MARTIN DAVIDOFF  
353 Georges Road - Suite K  
P.O. Box 835  
Dayton, NJ 08810-0835  
EMD@taxattorneycpa.com  
TEL: 732-274-1600  
FAX: 732-274-1666

Dear John and Jane:

I am writing this letter to confirm and specify the financial arrangements regarding the services, which I will be providing to XYZ Corporation and you.

I will be representing XYZ Corporation in connection with the assessment and collection of Payroll taxes for the years 2001 through 2003. I will be representing you, personally, before the Internal Revenue Service in connection with the assessment and collection of income taxes for the years 2002 through 2004, for trust fund recovery penalties proposed by the IRS, and for other years and matters in the event that the Internal Revenue Service expands the scope of its investigation. I may also provide other services, which you request. Please note that it is hereby acknowledged that you have given us permission to discuss your case and provide copies of documents to Tony Kubek, CPA.

My fees are based upon the amount of time required to review and analyze information provided to me, perform necessary research, carry out additional services in representing you, and complete additional services which you request. My current hourly rate is \$330. The hourly rates for my staff range from \$75 to \$225. In addition, you will be charged for out-of-pocket expenses (photocopying, federal express, postage, etc). All rates will increase from time to time consistent with the rates charged generally to the firm's clients.

I will require an initial retainer of \$3,500 prior to commencing work. The \$3,500 will be held in my business account and will be applied towards the final bill. During the course of our engagement, you will receive invoices periodically. My invoices are due and payable immediately upon receipt. There will be a late charge equal to 1.5 percent per month on any unpaid balances. Please note that, at our option, the work on your account will cease 20 days following our issuance of an invoice if full payment of such invoice is not received, unless other mutually satisfactory arrangements have been made in writing. We have also agreed to provide you with additional flexibility with respect to the payment of fees due to this firm. So long as you make monthly payments of \$350 on the first of each month, commencing with October 1, 2006, we will continue to work on your account and we will waive any late charges through October 1, 2009. Any balance due and payable as of October 1, 2009 shall become due and payable immediately.

Although you may find it convenient and appropriate that I invoice XYZ Corporation for some or all of my services, each of you will be personally responsible for the payment of any of my invoices issued to the corporation and/or you.

In the unlikely event that it becomes necessary for me to seek legal recourse to receive payment of my fees through litigation or arbitration, you hereby agree to reimburse me for all out-of-pocket expenses, as well as any of the time expended by my staff and/or me at the hourly rates then in effect, to secure such payment. For purposes of our agreement, the term "out-of-pocket expenses" also includes any legal fees and all other expenses in connection with any attempt (including litigation) to collect my fees. By signing below, you hereby consent that I may use any information which you provide me to collect any fees due to this firm. Such information includes income tax returns which we prepare for you or which you provide us.

If the terms outlined in this letter are in agreement with your understanding of our engagement, each of you should sign the enclosed copy of this letter and return it to me as soon as possible with the \$3,500 retainer. By signing below you are each also agreeing to be jointly and individually responsible for the entire amount of my fees. Should you have any questions concerning this letter or the fees to be charged, please do not hesitate to contact me.

To facilitate our representation, please find enclosed, in triplicate, Forms 2848, Power of Attorney, which will enable us to represent you before the Internal Revenue Service. Also enclosed is Form 8821, Tax Information Authorization, which will enable other members of my staff to discuss your case with the Internal Revenue Service. Please sign two copies of each form and return them to us. You may retain the third copy for your files.

Very truly yours,  
E. Martin Davidoff

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encls.

Agreed to by: \_\_\_\_\_  
John J. Joe, Individually and as President of XYZ Corporation      Date

\_\_\_\_\_  
Jane J. Joe

\_\_\_\_\_  
Date

Davidoff, continued from page 10

our success depends upon our advocacy skills in working with individual decision-makers at the IRS, we are often able to deliver more than our clients anticipate.

I usually leave my schedule fairly flexible so that I can spend two to three hours with the client, if necessary. During this time, multiple tasks may be taking place at one time. I may have one staff member copying documents, while another prepares an engagement letter and a third prepares powers of attorney forms. While they are doing this, I am putting together a list of additional documents or information required of the client, doing a budget with the client and/or putting together the Plan of Action.

### The Engagement Letter

This is the contract between your client and you. After the initial consultation, I perform no work until the client executes the engagement letter and provides the agreed-to retainer. As you develop your standard engagement letter, keep the following points in mind:

- I will state, usually in general terms, that I will be representing the taxpayer before the tax agency for certain years with respect to particular taxes. If I anticipate submitting an offer in compromise to resolve a collection matter, I will include that information. (It should be noted that most of my collection engagements do not result in submissions of offers in compromise.) I also add the following wording: "I may also provide other services which you request." This ensures I am covered if the scope of the engagement expands.

- If the Taxpayer is married, I insist that the spouse sign the engagement letter and be fully responsible for my fees.

- I ask for a retainer in advance. The client will receive interim billings. The funds held as a retainer are applied to the last invoice.

- Since my rates increase annually, I include the following

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Form 5304-SIMPLE is used if the employee chooses the financial institution and Form 5305-SIMPLE if the employer chooses. Either of these forms establishes the SIMPLE, and is not filed with the IRS.

### Summary

The chief concerns that stop a small business client from establishing a retirement plan are being required to contribute annually and the administrative burdens. SEP and SIMPLE plans can overcome these concerns. These plans do away with the complex fiduciary and reporting requirements associated with managing a standard deferred compensation plan; top-heavy rules and eligibility criteria are built into the structure of the plans. These plans offer flexibility as to how much an employer must contribute in the year. They can be presented to clients with the assurance that they will adequately address their employee's retirement concerns. ☺

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language: "All rates will increase from time to time consistent with rates charged generally to the firm's clients."

- I provide that work will cease, at my option, if invoices are not paid within a set timeframe, usually 20 days. In addition, I will often issue stop-work letters if the deadline is not met. This is a tremendous tool in getting clients to pay. It really works!

- If I am providing services for a corporation, my letter includes provisions that will make the owner individually liable for any invoices issued to the corporation or the individual.

- The engagement letter provides that the costs of collecting my fees from the taxpayer are his or her responsibility, including my time. While I have not usually collected this, it does bring us to more satisfying resolution on the few times I have had a financial dispute with a client.

- We occasionally include a provision that clients may pay me on a monthly basis, ranging from \$300 to \$750 per month. By doing so, a portion of the payment will often be included by the IRS in determining the client's necessary expenditures. However, it is important to provide an end date to such an arrangement. I use three years, at which point any remaining balance becomes due.

In spite of all the provisions that our firm includes, our engagement letters for tax representation work are never longer than two pages. When presenting the engagement letter to the client, I take time to clearly explain its provisions. I pay particular attention to the retainer, which many clients think will be applied to the initial invoice, not the last.

With an office staff attuned to landing the prospect and serving the client, you can develop a profitable tax representation practice, providing cost-effective services to those in need. ☺

E. Martin Davidoff, CPA, Esq. is a sole proprietor with more than 25 years experience practicing as a CPA and tax attorney in Dayton, N.J. Davidoff is founder and current chairman of the IRS Tax Liaison Committee of the American Association of Attorney-CPAs and currently serves as its vice president. A frequent instructor having most recently appeared at the IRS Nationwide Tax Forums. Davidoff's upcoming speaking engagements can be found by emailing lisa@copeseminars.com.

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# Representing Clients Before the IRS Part 2: Being Authorized to Represent Your Client

This is the second of a series of articles on Representing Clients Before the IRS in which the fourth step of a tax controversy engagement is covered. Part 1 dealt with Getting Started, covering the frantic call, initial meeting and engagement letter. Future segments will cover the remaining steps and talk about the tools available to practitioners, along with some practical rules of engagement.

Tax practitioners use Forms 2848 and 8821 to represent their clients before the IRS. Most states, if not all, require their own forms. At the inception of the engagement, these forms should be signed by the taxpayer(s) providing immediate authorization with respect to all matters and periods of representation and potential representation. If you have not recently read the instructions to these forms, you should; they provide helpful guidance for special situations, such as how to present civil penalties and where each form should be filed. My practice is to prepare the forms in triplicate. I have the client sign two copies and provide the third copy to the client for his or her records.

## Tips on Completing Form 2848

The completion of the form is basic. Be sure to use the current version of the form, currently the March 2004 revision. Here are nine tips to keep in mind:

1. Include all years with which you may require access. Since current and future compliance are items for discussion in nearly all collection matters, I always include the current and following year on Form 2848, and the instructions make it clear that you may include up to three years beyond the current year. I also include years as far back as I can imagine needing, even though they may not be directly relevant to the matter at hand.
2. In the column "Year(s) or Period(s)," there often is not enough room to easily fit multiple years. It is simpler to show a range of years. We use the wording "2002 through 2007" and "ALL YEARS INCLUDED."
3. The Internal Revenue Manual (IRM) makes it clear that the use of the phrases "Current Year" or "All Years" is unacceptable. Instead, the manual suggests using "through" or "thru" or a hyphen (" - ") to show a range of years.
4. Line 5 of Form 2848 – "Acts authorized" – allows the taxpayer to expand or reduce the effect of the power of attorney. At one point, our office used to add the power to delegate. However, as a result of E-Services, we no longer do so. Why?

One of the services available under E-Services is to download



*"Since current and future compliance are in nearly all collection matters, I always include the current and following year on Form 2848; you may include up to three years beyond the current year."*

## IRS REPRESENTATION ADVISOR

E. Martin Davidoff, CPA, Esq.

IRS records on your taxpayer, such as transcripts and matching information. However, any entry on line 5 will disable your access to E-Services for the client because an entry on line 5 may limit your powers. As a result, since the IRS has not yet programmed its computers appropriately to determine how line 5 entries impact the authorization to represent clients, it limits access to online E-Services if there is any entry on line 5.

5. Always include a PIN number on page 2 to enable input of the power on E-Services. Your firm should come up with a standard method for determining PIN numbers.
6. In my experience, there has always been some question on when signatures should be dated. If the client's signature is before or after the CPA's, is that a problem? To avoid any problems with respect to signature dating, we try to have the signatures dated on the same day. Where that is not possible, we always have the client sign first, hence the client date will be earlier. The IRM, at 21.3.7.7.1 (10-01-2005) at paragraph 2 states that signatures for domestic taxpayers should be within 45 days of each other with a 60-day standard for taxpayers residing abroad. The IRM states: "The sequencing of dated signatures is not critical although the taxpayer generally signs first ...."
7. Determine whether you need to retain any existing power of attorney authorizations. If so, you need to check the box on line 8 on page two of Form 2848 and attach a copy of Form 2848 for the power being retained. If the box is not checked, all prior Power of Attorney authorizations are considered revoked with respect to that taxpayer for the matters and years covered. I have seen the failure to address this provision cause practitioners to inadvertently revoke powers of attorney by other members of their own firm!
8. We never accept the power to receive refund checks as

*Davidoff, continued on page 19*



*Davidoff, continued from page 10*

provided on Line 6 of Form 2848. Frankly, I think it is a significant conflict of interest. If you have a situation where this is important to your representation, tread carefully.

9. To prepare forms expeditiously, we use a simple tax forms service. In our case, we use the CFS Fill-N-Print product ([www.taxtools.com](http://www.taxtools.com)) for federal and state power of attorney/authorization forms. We set up a template so that the names of the representatives, Central Authorization File (CAF) numbers, telephone numbers and address of our firm do not have to be re-entered with each new client. The software also enables you to prepare other forms commonly used in representation, including Forms 433A (Collection Information Statement for Individuals), 433B (Collection Information Statement for Businesses), 656 (Offer in Compromise), 9423 (Collection Appeal Request, 12153 (Request for a Collection Due Process Hearing), and 911 (Application for Taxpayer Assistance Order). The forms service is designed to allow you to input the client's information once and use it on multiple forms.

### Form 8821, Tax Information Authorization

Form 8821 is not normally used by practitioners and others authorized to practice before the IRS. However, it is a critical tool because it enables our non-CPA staff, such as paraprofessionals, secretaries and non-certified staff accountants to take a greater role in the firm's representation of clients. As a result, we are in a position to handle more cases overall and focus on the more difficult aspects of such representation.

In our office, we use the Form 8821 to enable paralegals to secure IRS records. The paralegals become, essentially, project managers for their cases, making sure that I meet all deadlines

### Tax Developers, continued from page 14

designed to help firms grow their business: talent, training, technology and teamwork.

"Staff want to work for the best and the brightest organizations, be challenged and increase their sense of accomplishment," Sabbatis told attendees. "Look at how technology can help fill gaps in your workflow, look for tools that are flexible and portable, and that can be integrated around everyday applications and platforms," advised Sabbatis.

### Thomson Tax and Accounting

At the Thomson Tax and Accounting (TTA) annual user conference Jon Baron, CEO, delivered the keynote and spoke about changing from a task orientation to a workflow orientation. "Technology can be fun," he said. He described what he called, "the most significant Microsoft changes in history. Vista may cause hardware changes and is farther along than Office 2007. Also, Internet Explorer 7.0 will be arriving for a more robust internet access experience.

### The Most Productive Tax Tip of All

From all the visits, the most productive tax tip of all from any conference or software company is the increased staff productivity of having dual monitors on all tax preparer's desks, especially with document imaging.

and commitments to the IRS and my clients. They have valuable experience, and their relationships with IRS employees help us facilitate cases to achieve more successful results overall.

With changing personnel, the key is to take advantage of an IRS rule that enables any employee to have the access offered by Form 8821. We have a separate CAF number for "The Firm of E. Martin Davidoff, Attorney-at-law" in addition to a CAF number for me, personally. The key wording is "The Firm of," which conveys to the IRS that it is not an authorization to me alone. Those magic words extend the authorization to any employee of the firm.

### The Central Authorization File

The IRS maintains a CAF for all Forms 8821 and 2848. Form 2848 may be entered through E-Services or by sending it to one of the three locations listed in the form's instructions. In most cases, we find it more effective to simply fax the forms to the appropriate CAF unit (Ogden, Utah; Memphis, Tenn.; or Philadelphia, Pa.). In some cases, the CAF unit inputs these items within 48 hours! We file authorizations with E-Services or the appropriate CAF unit promptly upon being engaged by the client, even if IRS contact is not imminent.

Once your authorizations (whether Form 2848 or 8821) are in the CAF, there should be no need to ever give an IRS representative a copy of the authorizations. However, most revenue officers, revenue agents and appeals officers will want a copy in their files. Normally, such employees will then send a copy to the CAF unit for processing. If we have already sent the authorizations in, as a courtesy, we advise the employees that we have already done so. ☺

*E. Martin Davidoff, CPA, Esq. is a sole proprietor with more than 25 years experience practicing as a CPA and tax attorney in Dayton, N.J. Davidoff is founder and current chairman of the IRS Tax Liaison Committee of the American Association of Attorney-CPAs and currently serves as its vice president. A frequent instructor having most recently appeared at the IRS Nationwide Tax Forums. Davidoff's upcoming speaking engagements can be found by emailing [lisa@copeseminars.com](mailto:lisa@copeseminars.com).*

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