

## Member Q&A

July 2021

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### Question #1:

- ▶ Eric my client filed an Offer and his business is losing money. He originally filed his offer listing the business assets at \$10,000. he is now being forced to sell them at yardsale prices to buy groceries. The IRS is willing to take an offer of \$3,110 ( $\$10,000 \times 80\% - \$4,890$  exemption for tools of the trade)
- ▶ Can we now argue for a lower value? **Yes, but COIC wont do it so proceed to Appeals**
- ▶ Can you switch from lump sum to deferred after you settle on an RCP amount? **Yes, you can but missing monthly payments will need to be made up**

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## Question #2:

- ▶ I know you mentioned having the client apply for and get denied for a HELOC, but in what context? Offer or just CNC?
- ▶ **Wont work for an Offer – equity is included regardless of your ability to tap it**
- ▶ **For CNC or IA – make three attempts online and get rejection letters**

## Question #3:

- ▶ For the Las Vegas seminar, will there be a focus on marketing?
- ▶ **Yes, we are bringing Michelle Weinstein in (Abundant Accountant) and she will be reviewing how to get paid what you are worth handling Rep Matters**



## Question #4:

- ▶ I have a new client who previously received an Offer-in-Compromise. The collateral agreement address forfeiting NOLs from prior years. Unfortunately the NOL carryovers were claimed on the 2018 and IRS rescinded the OIC agreement.
- ▶ He was provided an opportunity to correct the 2018 return, but he did not timely file the amended return. The amended shows there is a loss without the NOL. The only reason for the IRS determination was not filing the amended return by the date requested by IRS.
- ▶ Is there anything that can be done?

## Question #4:

- ▶ Here the issue is the failure to respond
- ▶ If we can argue health or age issues maybe we can elevate it to the Commissioner, but it will be a hard sell.

## Question #5:

- ▶ SFRs and OICs. Can you do an OIC when the client has not filed returns since 2014 and the IRS did SFRs?
- ▶ Yes, but must be in compliance
- ▶ Doubt IRS got SFRs done for 18-20, so confirm which years are missing
- ▶ Get those done
- ▶ Leave SFRs alone

## Question #6:

- ▶ I was recently talking to a potential client ..he stated he had \$ 20,000 in a savings account but he said he was going to get rid of the \$ 20,000 meaning he would just take it out...would that be considered fraud as the offer process has not even begun?
- ▶ It would be “cash on hand” and needs to be reported
- ▶ If he can spend it great (compliance, pre-pay expenses, etc)
- ▶ IRM 5.8.5.7 – allows cash to be treated as not available if it is needed to pay current expenses, usually 1 month
- ▶ If he insists on making it ‘disappear’ than fire the client

## Question #7

- ▶ NE IRS Rep Conference – Uconn or QUSL?
- ▶ **Neither**
- ▶ **Looks like it will be virtual again this year**

## Question #8:

- ▶ My friend qualifies for low income waiver.
- ▶ I have her bank information, so i called ACS.
- ▶ The lady set up it up but said my friend to sign a form.
- ▶ Do you know what form she is talking about?
- ▶ **Form 433-D**

| Form 433-D<br>(July 2020)  |  | Department of the Treasury - Internal Revenue Service<br><b>Installment Agreement</b><br>(See instructions on the back of this page)  |   |
|--|--|---|---|
| Name and address of taxpayer(s)  |  | Social Security or Employer Identification Number (SSAN/EIN)<br>(Taxpayer)  | (Spouse)                                  |
|  |  | Your telephone numbers (including area code)  |   |
|  |  | (Home)  |   |
|  |  | (Work, cell or business)  |   |
| <input type="checkbox"/> Submit a new Form W-4 to your employer to increase your withholding.<br><input type="checkbox"/> Kinds of taxes (form numbers) Tax periods Amount owed as of \$   |  | For assistance, call: 1-800-409-4114 (Business), or 1-800-409-4874 (Individuals - Self-Employed/Business Owners), or 1-800-409-4832 (Individuals - Wage Earners)<br>Or write: _____ (City, State, and ZIP Code) |   |
| <input type="checkbox"/> I agree to pay the federal taxes shown above, PLUS PENALTIES AND INTEREST PROVIDED BY LAW, as follows \$ _____ on _____ and \$ _____ on _____ of each month thereafter  |  | <input type="checkbox"/> I also agree to increase or decrease the above installment payments as follows:  |   |
| Date of increase (or decrease):  |  | Amount of increase (or decrease):   | New installment payment amount:           |
| The terms of this agreement are provided on the back of this page. Please review them thoroughly.<br><input type="checkbox"/> By entering here and my signature below, I agree to the terms of this agreement, as provided in this form, if it is approved by the Internal Revenue Service.  |  |   |   |
| Additional Conditions / Terms (To be completed by IRS):  |  | By signing and submitting this form, I authorize the IRS to collect third parties and to disclose my tax information to third parties in order to process and administer this agreement over its duration.      |   |
| <b>DIRECT DEBIT</b> — Attach a voided check or complete this part only if you choose to make payments by direct debit. Read the instructions on the back of this page.   |  |   |   |
| a. Routing number  |  |   |   |
| b. Account number  |  |   |   |
| I authorize the U.S. Treasury and its designated Financial Agent to initiate a monthly ACH debit (electronic withdrawal) entry to the financial institution account indicated for payments of my federal taxes owed, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the Internal Revenue Service to terminate the authorization. To revoke payment, I must contact the Internal Revenue Service at the applicable toll free number listed above no later than 14 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payments of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payments. |  |   |   |
| <b>Debit Payments Self-Identifier</b><br>If you are unable to make electronic payments through a debit instrument (debit payments) by providing your banking information in a. and b. above, please check the box below:<br><input type="checkbox"/> I am unable to make debit payments  |  |   |   |
| Note: Not checking this box indicates that you are able but choosing not to make debit payments. See instructions to Taxpayer below for more details.  |  |   |   |
| Your signature   | Date                                       | Title (if Corporate Officer or Partner)   | Spouse's signature (if a joint liability) |
|  |  |   | Date                                      |
| <b>FOR IRS USE ONLY</b>  |  |   |   |
| AGREEMENT LOCATOR NUMBER: _____  |  |   |   |
| Check the appropriate boxes:   |  | <b>A NOTICE OF FEDERAL TAX LIEN (Check one box below)</b>   |   |
| <input type="checkbox"/> RSI "1" no further review   | <input type="checkbox"/> AI "0" Not a PPIA | <input type="checkbox"/> HAS ALREADY BEEN FILED   |   |
| <input type="checkbox"/> RSI "0" DDA   | <input type="checkbox"/> AI "1" DDA        | <input type="checkbox"/> HAS NOT BEEN FILED   |   |

## Question #9:

- ▶ If a client has a restricted 401(k) where they cannot withdrawal it nor borrow against it, can we exclude it from an offer? If the client cannot get it, the IRS cannot get it? Is this correct? Thanks
- ▶ Yes, if the client cannot tap it then it cannot be reached by the IRS
- ▶ Provide a copy of the plan proving they cannot access it
- ▶ If they can get a loan the loan will be included as an asset but they have to allow a future expense for the repayment

## Questions?



- ▶ Remember Vegas – 13 seats left!
- ▶ <https://taxrepllc.com/program-20211213-vegas-conference/>
- ▶ TRN MEMBERS USE DISCOUNT CODE: VEGAS2021YES (case sensitive)
- ▶ Gets you \$195 instead of \$595