

Table of Contents

Authorization	1
Form 2848	3
Taxpayer Information.....	4
Representative	4
Acts Authorized	5
Specific use not recorded on CAF.....	6
Additional Acts Authorized.....	7
Specific Acts Not Authorized	7
Retention/Revocation of Power(s) of Attorney	7
Signature of Taxpayer	8
Declaration of Representative	8
Form 8821	9
Differentiation	9
Review Questions	13
Review Answers.....	15
Notices	17
FAQs for a CP2000	18
Responding to a Notice	20
Read the Notice.....	20
Identify the Issue	20
Assemble the Information.....	21
Follow Up.....	21
Responding to a Notice Illustration.....	21
Review Questions	35
Review Answers.....	37
IRS Audits	39
IRS Abilities in an Audit.....	40
Audit Selection Process.....	40
Audit Scope	42
Reopen Closed Cases.....	44
Impact of Other Tax Years	45
Information Available for Inspection	46
Comparison	49
Handling the Audit.....	49
Tax Preparer’s Duties and Responsibilities.....	50
Understanding the Taxpayer	51
Identifying the Risks	52
Obtaining Documentation	54
Meeting with the Auditor	59
Following up with the Auditor.....	62
Closing the Audit	63

Review Questions	69
Review Answers	71
Penalties	75
Taxpayer Penalties.....	79
Failure to File.....	79
Failure to Pay	82
Accuracy-related.....	84
Penalty Relief	92
Tax Preparer Penalties.....	111
Circular 230	111
Section 6694.....	112
Section 6695(g)	120
Review Questions	123
Review Answers.....	127
Delinquent Taxpayer.....	131
Extension to Pay	132
How to Apply	133
Undue Hardship Extension.....	133
How to Apply	134
Installment Agreement	134
Guaranteed Installment Agreement.....	134
Streamlined Installment Agreements.....	135
Nonstreamlined Installment Agreements.....	138
Partial Payment	139
User Fee.....	140
While the Installment Agreement is in Effect.....	140
Comparison	142
Currently Not Collectible.....	143
How to Apply	143
Offer in Compromise	144
Eligibility.....	145
Grounds for an Offer.....	147
Payment Options	157
User Fee.....	157
How to Apply	157
Offer Acceptance.....	158
Rejected Offer in Compromise	160
Summary	160
Review Questions	165
Review Answers.....	167
Appendix.....	171
Index.....	191