

# FOUNDER'S Mastermind

An Experience of Michael Rozbruch's Tax & Business Solutions Academy®

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Immersion Training #3 January 19, 2023

## **You Have a Brand New Tax Res Client Now What?**

### **The 16 Point Checklist**

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# What You're Going To Learn Today...

- **INTAKE/CONSULT**
- **EVALUATION/ASSIGN CASE**
- **ASSIGNED TO WORKER: STRATEGY & COLLECTION RISK**
- **GET OUT OF COLLECTIONS: HOLD v. CDP**
- **TAX PREP FINISHED?**
- **REQUEST FINANCIAL INFORMATION FROM TP**
- **WAITING ON TAXPAYER**



# What You're Going To Learn Today...

- **PREP 433A AND FINANCIAL PACKAG, SEND TO TP**
- **ADDITIONAL DOC REQUEST SENT TO TAXPAYER**
- **WAITING ON DOCUMENTS OR CLIENT SIGNATURE ON 433**
- **STATE IA REQUIRED**
- **SUBMIT IRS FINANCIAL PACKAGE TO AGENCY**
- **NEGOTIATION**
- **AWAITING IRS DETERMINATION**
- **PROPER RESOLUTION v. APPEALS**



# IRS Updates

- Still no automated levies from ACS? Good for clients, bad for business (supposed to stagger CP 500 series notices in 2023)
- PPS is useless—cannot get through
- ACS Still handling cases under \$1M, up until an RO is assigned
- Expanded IA over CSEDS with ACS (if under \$1M)
- Audits are up: Schedule C, S-Corp, even C Corp
- SCP Line—Special Compliance Personnel
- IRS doing a better job processing back taxes



# 1. INTAKE/CONSULT

- Consultant (salesperson) or you does an intensive initial consultation (follow Michael's "One Call Close" script)
- Including soft financials to consider this taxpayer to be a candidate for an Offer, Installment Agreement or a PPIA.
- Follow Michaels guidelines on how often to follow up with initial documents—office culture can dictate too
- Docs and payments are received. Ready to convert.
- Don't try to be a hero, you will get stuck with the bill.
  - No good deed goes unpunished



## 2. EVALUATION/ASSIGN CASE

- You review the case to assign to the right staff member if applicable. (if you have a team - It must go to specific department or specific people within the department.)
- You must be aware of staff caseload, and be able to answer any questions on the case.
  - Consider having a team solely responsible for Offers in Compromise, or Penalty Abatement
  - Initial impressions of your office will last the whole relationship!



# 3. ASSIGNED TO WORKER: STRATEGY & COLLECTION RISK

- Case is assigned to a “Case Specialist” Admin or Paralegal or Case worker. Case worker should make contact with the new Taxpayer within 24 hours of receiving the case, preferably same day.
- INITIAL IRS COMPLIANCE CHECK : Contact the IRS to have something to review with the Taxpayer. This shows good faith from the beginning.
  - Pro Tip: Attempt a First Time Penalty Abatement (with client’s permission) on the first call to IRS.



### 3. ASSIGNED TO WORKER: STRATEGY & COLLECTION RISK (cont.)

- Go through the “Compliance Check” with the taxpayer. Explain the overall goal, and what the final resolution looks like.
- **ADDITIONAL SERVICE (and Fees) REQUIRED? IF SO, MAKE CHANGES TO THE ENGAGEMENT DOCS**
  - Example: additional years of tax prep; additional state work required
- This is still part of the trust building process, and very important



# 4. GET OUT OF COLLECTIONS: HOLD v. CDP

- Case Specialist to analyze transcripts for collections. Does TP need a Collection Hold from ACS or IRS?
- Does TP need to file a Collection Due Process Hearing Request, or an Equivalency Hearing?
- Do whatever necessary to stop collections!!!
- Delicate balance that has a lot of moving parts
  - Final notice, RO/ACS, CDP/EH, 180 Full Pay, Manager Call back, CAP, 911 etc.



# 5. TAX PREP FINISHED?

- SFR ISSUES?—do you need to file an old TR?
- AUDIT ISSUES?—are they under exam/underreporting?
- ASSESSMENT ISSUES?—do you need to file a 1040X
- If still in Tax Prep, and nothing we can do until returns are filed:  
**Case Phase -- Tax Preparation**
- If the returns have been filed, but we are waiting to post and nothing else we can do: **Waiting for Tax Returns to Post**
  - **Beware:** “Waiting” can be a trap. Don’t get too comfortable here. If there is something that can be done while waiting, it should be done.
  - Remember: the longer the case takes, the less money you are making



# 6. REQUEST FINANCIAL INFORMATION FROM TP

- Taxpayer is compliant with their filing of the tax returns and we are ready for detailed financials.
- Note: You can request and work on financials while waiting for Tax Returns to Post (must know how much Taxpayer will owe, and time it correctly)
  - Big Issue: Streamline v Non-Streamline v. Expanded IA
- Send Taxpayer a full 433A/F Questionnaire (or Form) to complete.
- If OIC, send the form with a mandatory document request list.
- OIC = substantiate EVERYTHING
- **Case Phase: Financial Request Sent to TP**



# 7. WAITING ON TAXPAYER

- It is likely you will have to set reminders to the taxpayer of the financial documents.
- Don't forget who the base rate client is:
  - Procrastinator
  - Unorganized
  - Doesn't follow directions well
- Part of our job is babysitting—get used to it



# 8. PREP 433A AND FINANCIAL PACKAGE, SEND TO TP

- Once some financial information/documents have been received, start prepping the OIC/IA financials.
- Parham Style: Send the 433 First, then based on that information, you can ask for specific documentation
- Amir Style: schedule a time to speak with them to go over the 433 via telephone, then send it to them with the mandatory document list
- **Case Phase: Drafting Financials**



# 9. WAITING ON TAXPAYER

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# 10. ADDITIONAL DOC REQUEST SENT TO TAXPAYER

- It is rare that a taxpayer will send you a complete package, or there are no questions on documents already submitted. Likely that you will need a few more items/information to finalize
- **Case Phase: Additional Doc Request Sent to TP –This indicates that financials have already been started**



# 11. WAITING ON DOCUMENTS OR CLIENT SIGNATURE ON 433

- Once all documents have been received we need WET signatures and CHECKS from taxpayer for OIC. For IA, you can get a faxed or emailed version of the 433A
  - Must get a signed 433A from TP to protect yourself
- IA with ACS—phone in financials
  - Rare occasion to fax or mail fins to IRS (high subs needed)
- IA with RO—must abide by 9297 (do not have your clients meet the RO)
- **Case Phase: Financials Complete—Waiting on Taxpayer Signature and/or checks**



# 12. STATE IA REQUIRED

- IF SO, PREPARE STATE FINANCIALS USING IRS INFO AND DOCS
- Can also do the state IA first to include it as part of the IRS financials!



# 13. SUBMIT IRS FINANCIAL PACKAGE TO *ACS (phone) v. RO (mail) v. OIC (mail)*

ACS (phone) v. RO (fax/mail) v. OIC (mail)

- Once all the documents have been received, SCAN the entire package, and send to the appropriate OIC office or RO.
- General Rule: If it leaves your office, you must scan it and have a record for yourself
- **Case Phase: Financials Submitted to IRS**



# 14. NEGOTIATION (OIC)

- For OIC it takes 30 days to get a process letter confirming OIC has been received—longer?
- Once an Offer Examiner gets assigned, we are working with them to provide additional and supplementary documents and information
- **Case Phase: Working with OIC Agent on Financials**



# NEGOTIATION (ACS IA)

- For ACS, once you submit financials, it goes to the manager for approval
- The following can occur:
  - Denial letter (very rare)
  - Acceptance letter (yay!)
  - “Call back from ACS”
    - If something is wrong or manager denies, the same ACS agent should be calling you to resolve the issue
    - Does not happen so you have to call 30-45 days after ACS financial submission to check on the IA



# 15. AWAITING IRS DETERMINATION

- For OIC, if balance owed is above \$50K, the manager AND IRS Counsel must approve (can take up to 60 days)
- For ACS IA, takes about 4 weeks to get the IA Acceptance Letter



## 16. PROPER RESOLUTION v. APPEALS

- If the OE agrees with you, then change the case phase to **Waiting for Acceptance Letter**
- If the OE does not agree, and REJECTS the Offer, you may want to file an Appeal
  - **Case Phase: Waiting on IRS Determination**
  - Once Appeal is drafting, **change case phase to Waiting for Appeals Hearing**



## 16. PROPER RESOLUTION v. APPEALS (cont.)

- For IA, if ACS does not agree with you they will attempt to contact you. Then they will send a letter
- For RO, they will send an IA rejection letter and go to “independent review”. Then go back to the RO and you can go for round 2.
- Try to avoid “independent review” as it is NEVER independent



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**\*\*\*\* ONCE CASE IS COMPLETED OR NEAR  
COMPLETION, MAKE SURE CLIENT FILLS OUT  
SURVEY (AKA CLIENT TESTIMONIAL)**

**Survey Monkey etc. Or in-house**

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