Tax Rep Launch Master Class:

Resolving the Back Tax Debt

Eric L. Green, Esq.

TRN
TAX REP NETWORK

Eric Green, Esq.

- Managing partner in Green & Sklarz LLC, a boutique tax firm with offices in Connecticut and New York.
- Focus is civil and criminal taxpayer representation before the Department of Justice Tax Division, Internal Revenue Service and state Departments of Revenue Services.
- Has served as a columnist for CCH's Journal of Practice & Procedure.
- Attorney Green is the past Chair of the Executive Committee of the Connecticut Bar Association's Tax Section.
- Eric is a Fellow of the American College of Tax Counsel ("ACTC").
- Founder of Tax Net Network

Housekeeping

- This is a four-hour program: one hour a day for today and the next three days
- If you miss any they are all being recorded and you will receive links to the recording to watch
- There is no ce/cpe for this class

Schedule

- ~~Monday (Day 1): Finding Clients~~
- ~~Tuesday (Day 2): Onboarding and Pricing~~
- ~~Wednesday (Day 3): Resolving the IRS Audit Case~~
- Thursday (Day 4): Resolving the Resolution Case

So the phone rings…

- "We owe the IRS a few bucks."
- "How much?"
- $______________

What do we do first?

- Get retained!
- Weeds out the tire kickers
- It might be the last money you ever see

TRN
TAX REP NETWORK

Get retained!

- Engagement Letter
- Payment ($)
- Power-of-Attorney
- Link for document upload

Step 2:

- Get tax transcripts
- Determine if the client is in compliance (if not can they get into compliance?)
- Calculate the CSED

TRN TAX REP NETWORK

What is Tax Compliance

- Returns for the last 6 years are filed – IRM 4.10.5.2.6 which references Policy Statement 5-133 at IRM 1.2.1.6.18, which no longer exists…?
- Current tax period payments are being made appropriately – withholding is correct for W-2 employees, estimated tax payments are made for self-employed, and businesses have made their current payroll tax deposits
- This is often the most challenging issue with these clients

Calculate CSED Dates (THS)

CSED CALCULATIONS

YEAR	CODE	ASSESSMENT	DATE	AMOUNT	ESTIMATED TOTAL TOLLING DAYS	ESTIMATED CSED	ESTIMATED 3 YEAR LOOK BACK*	ESTIMATED 2 YEAR FILING RULE*	ESTIMATED 240 DAY ASSESSMENT*	ESTIMATED ELIGIBLE BANKRUPTCY DISCHARGE DATE*
2012										
	170	Penalty for not pre-paying tax 01-28-2024	11/18/2013	$388.00	65	01/22/24	10/15/16	10/14/15	07/16/14	10/15/16
	150	Tax return filed	11/18/2013	$21,657.00	65	01/22/24	10/15/16	10/14/15	07/16/14	10/15/16
2013										
	170	Penalty for not pre-paying tax 12-28-2024	11/17/2014	$407.00	35	12/22/24	10/15/17	10/14/16	07/15/15	10/15/17
	150	Tax return filed	11/17/2014	$22,677.00	35	12/22/24	10/15/17	10/14/16	07/15/15	10/15/17
2014										
	170	Penalty for not pre-paying tax 12-23-2025	11/23/2015	$399.00	30	12/23/25	10/15/18	10/14/17	07/20/16	10/15/18
	150	Tax return filed	11/23/2015	$22,232.00	30	12/23/25	10/15/18	10/14/17	07/20/16	10/15/18
2015										
	170	Penalty for not pre-paying tax 11-07-2026	11/7/2016	$354.00		11/07/26	10/15/19	10/12/18	07/05/17	10/15/19
	150	Tax return filed	11/7/2016	$26,400.00		11/07/26	10/15/19	10/12/18	07/05/17	10/15/19
2016										
		No Assessments Present								
2017										
		No Assessments Present								

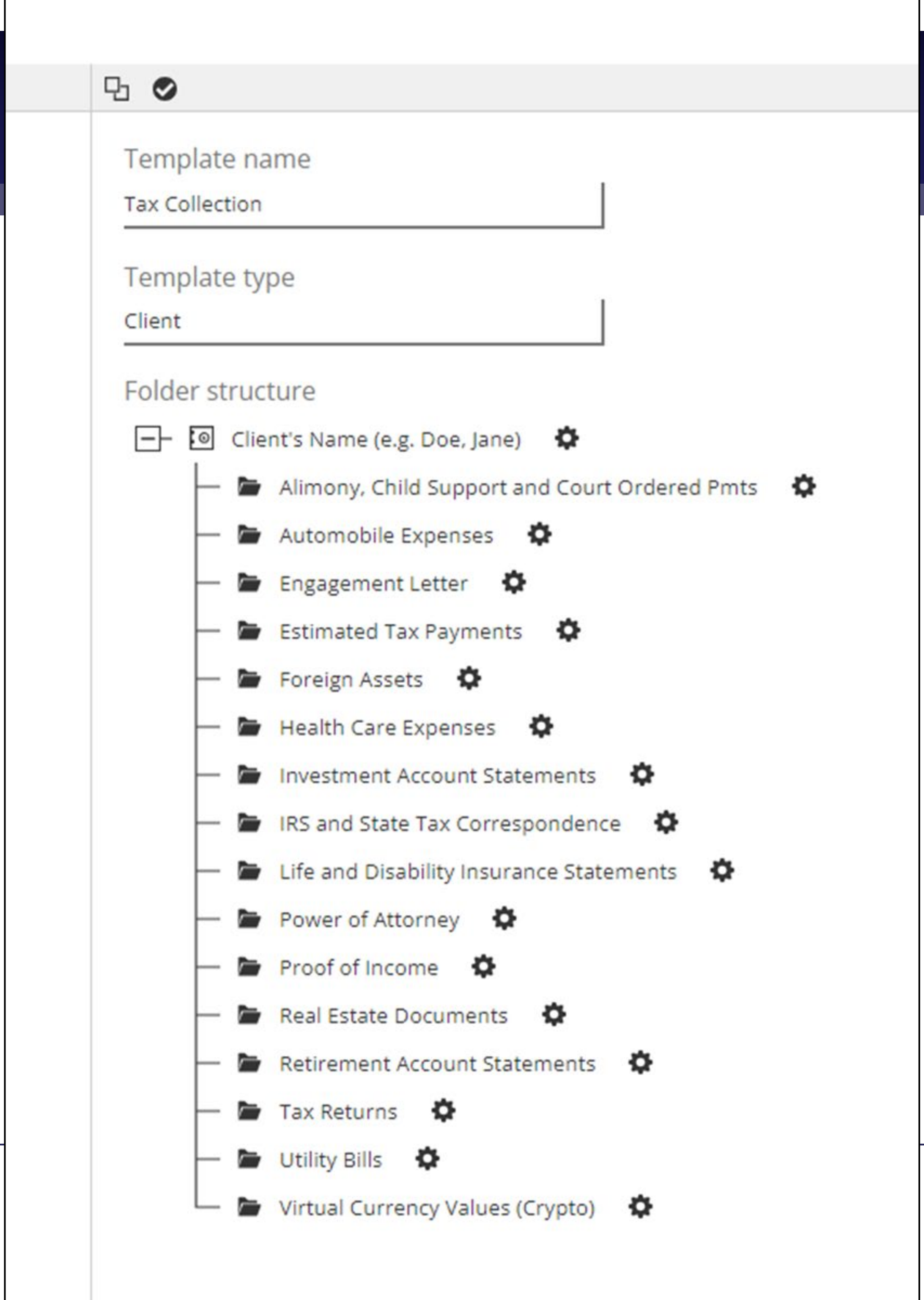
TRN
TAX REP NETWORK

The collection client

- The biggest issue is not getting paid (we get that up front)
- Its not the RCP analysis (we will teach you to master that)
- It’s getting the fools into tax compliance!

SmartVault

- Acts as the checklist
- Alerts us when documents uploaded
- Single Source of Documents – when client says “I need a copy of ……”



How do we solve this issue? IA, CNC, OIC?

- Why we need to do the RCP?
- Why we need to get the transcripts and know the CSED dates?
- The numbers will drive the decision

TRN
TAX REP NETWORK

Example

- We go through the financial information apply the allowable expense standards, and determine the couple can pay $1,000 a month towards the debt
- They owe $100,000
- What do we advise? IT DEPENDS

Example continued…

- Did we just file the returns? If so there is a 10 year collection statute, so $1,000/month x 120 months = $120,000, we owe $100,000, it’s a full-pay installment agreement
- If there is only 8 years remaining, then they cannot full-pay, so we could do either a PPIA or an Offer:

    ~ PPIA: pay $1,000 a month until the statute runs out ($96,000)

    ~ OIC: $1,000 a month x 12 months = $12,000 OIC

Example 2

- Same as example one: just filed the returns and can pay $1,000 a month, so on paper is a full pay and must get into a regular installment agreement.
- However, we notice that the client is self-employed and has no disability insurance (its an allowable expense). Get them to a financial advisor and they quote him $275 a month
- Now he puts the insurance in place and now can only pay $725/month. Now he can no longer full-pay so can do an OIC of $725 x 12 months = $8,700
- You just wiped away $91,300 simply by understanding RCP and getting the client insurance he should have anyway!

Become a Tax Rep Hero!

- Resolve the issues
- Get paid
- Elevates your entire practice!

"When I received my CTRC designation, I put out an informational release out to all of my clients. I immediately started to get more referrals from my network. It signals that I have specific knowledge to get their case resolved."

~ Ken Mass, CPA, CTRC

Allowable expense standards

Are Found Here: https://www.irs.gov/businesses/small-businesses-self-employed/collection-financial-standards

- Food, Clothing & Misc
- Housing
- Transportation
- Out of Pocket Healthcare

Future Income

Expense	Actual/Allowable
Food, Clothing and Misc	National Standard
Housing & Utilities	Lesser of Actual or Local Standard
Automobile – Ownership	Lesser of Actual or National Standard
Automobile – Operating	Local Standard
Public Transportation	National Standard
Health Insurance	Actual
Out of Pocket Health Care Costs	Greater of National Standard or Actual
Court Ordered Payments	Actual
Child/Dependent Care Expenses	Actual and Necessary
Life Insurance	Actual (and Term Insurance)
Current Year Income Taxes	FIT, FICA or SE, SIT, Local
Secured Debts	Actual
Student Loans	Actual and Federally Guaranteed
Delinquent State Taxes	Percentage of State Debt vs IRS debt

IRS Collection Client

- Get paid up front
- Get the transcripts – see if they are in compliance, and how much time remains on the statute
- Get the documents and determine the RCP and ability to pay
- The options will sort themselves out!

Do you want to build your practice with us?

- Special Offer: usual gold membership is $399/month
- The Certificate program (CTRC) is $995
- For you between now and 5/15: $299 a month for a year (and then only $315/month after 1 year)
- CTRC is free as our gift!
- Let’s get you certified, help get your practice launched and start making money and resolving peoples worst nightmare!
- https://taxrepllc.com/trn-gold-ctrc/

What's Included With Gold Membership:

- **Unlimited Case Consultations** with Eric Green & Team
- **200+ Hours** of Tax Rep Training
- **50+ Hours** of Marketing Training
- **8 eBooks + 8 Print Books** ($589 value)
- **Live Monthly Webinars** – Case Studies, Q&A, and More
- **300+ Downloadable Forms, Checklists & Letters**
- **Private TRN Social + Member Forum Access**

Certified Tax Representation Consultant (CTRC) Program – Included for FREE Regularly $995

- 5 Courses on the Basics of Tax Representation
- 4 Hours of On Demand Video Training Per Course
- Certification Good for 3 Years
- Certificate of Completion

Questions?