

Fact Sheet

IRS Independent Office of Appeals Policies

Background/Purpose:

Appeals employs policies and procedures that are consistent with our mission and designed to ensure our independence. Appeals' role is to settle disputes in a fair and impartial manner that favors neither the government nor the taxpayer. We attempt to resolve cases after IRS compliance functions (Accounts Management, Collection, and Examination) have made a determination with which the taxpayer disagrees. We do not perform compliance actions.

Our goal is to ensure that the IRS compliance functions are the finders of fact and Appeals does not take investigative actions. These policies ensure taxpayers have a true appeal right – where Appeals reviews a final determination made by a compliance function.

What Taxpayers Need to Know

- Taxpayers should fully cooperate with IRS compliance functions during the development of their case and provide all documentation and information to support their positions to the compliance functions, so the file is complete when it comes to Appeals.
- When appealing a compliance function's decision, taxpayers should be specific in their protest about the item(s) in dispute.
- Introducing new information in Appeals may result in Appeals releasing jurisdiction over the case and returning it to the compliance function.
- Our policies help to preserve the opportunity for an impartial appeal for taxpayers by ensuring Appeals is reviewing a final determination made by a compliance function.
- In cases where a petition has been filed with the United States Tax Court (docketed cases), Appeals will share all communications received from the compliance function with respect to any examination assistance provided. The taxpayer will have an opportunity to review the findings and respond to Appeals in attempting to resolve disputed issues.

Key Collection Policy Clarifications:

- Appeals will not take investigative actions with respect to financial information provided by taxpayers. Financial information needing investigation or verification will be sent to Collection.
- Appeals will only consider assets that were documented by Collection or introduced by the taxpayer.
- Appeals will accept as “verified” those financial statements reviewed by Collection within the previous 12 months.
- All Offers in Compromise (OIC) submitted in Collection Due Process (CDP) or Equivalent Hearings will be reviewed by Collection for a preliminary recommendation or acceptance.
- In non-CDP OIC cases, Appeals will only determine the acceptability of the OIC and will not offer other collection alternatives.
- Appeals will not make recommendations to file Notices of Federal Tax Lien.

Key Examination Policy Clarifications:

- Appeals will attempt to settle a case based on factual hazards when not fully developed by Examination (i.e., cases will not be sent back to Examination for further development).
- Appeals will not raise new issues or reopen issues on which the taxpayer and Examination have reached an agreement, with limited exceptions.
- Most new non-docketed case receipts in Appeals must have at least one year remaining on the statute of limitations. Cases received in Appeals where a petition has been filed with the United States Tax Court (docketed cases) do not have similar statute of limitation concerns.
- Appeals will return non-docketed cases to Examination when a taxpayer submits new information or evidence or raises a new issue that, in the judgment of the Appeals Officer, merits investigation or additional analysis.
- Appeals will retain jurisdiction of docketed cases when a taxpayer submits new information or evidence or raises a new issue that merits investigation or additional analysis. However, Appeals will request assistance from Examination in performing those functions. If Examination does not provide assistance, Appeals will attempt to settle the case based on the hazards of litigation associated with the new information and the other information in the case file.
- For most work streams, Appeals will engage Examination for review and comment when a taxpayer raises a relevant new theory or alternative legal argument.