

Federal Tax Controversy Hot Topics

Christi Mondrik, CPA, Esq. TBLS Board Certified - Tax Law
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US Tax Court Rules of Practice and Procedure

- ▶ Federal Rules of Evidence
- ▶ Bankruptcy and Receivership
 - ▶ Spousal Relief
 - ▶ Lien or Levy Actions

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US Tax Court Rules of Practice and Procedure

- ▶ Interest Abatement Jurisdiction
 - ▶ IRC Sec. 6404(h)
 - ▶ Tax Court Rule 281(b)
 - ▶ Undue delay
 - ▶ Ministerial or managerial act

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Revised Partnership Audit Procedures

- ▶ TEFRA Repeal
- ▶ Effective for partnership returns after December 31, 2017
- ▶ Early Adoption
- ▶ Tax Court Jurisdiction

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Revised Partnership Audit Procedures

- ▶ US Tax Court Jurisdiction requires:
 - ▶ Election Under BBA Sec. 1104(g)(4)
 - ▶ Commissioner has mailed notice of final partnership adjustment
 - ▶ Petition is filed within 90 days of notice
- ▶ Rule 255.2 specifies necessary content
- ▶ Tax Court Decision is binding on the partnership and all of its partners

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Passport Denial for “Delinquent” Taxpayers

- ▶ FAST Act - IRC Sec. 7345
- ▶ More than \$50,000 in delinquent taxes
- ▶ Denial of new passport or renewal application
- ▶ Revocation of current passports
- ▶ Issue: Disclosure to State Department



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Passport Denial for “Delinquent” Taxpayers

- ▶ US Tax Court Jurisdiction
- ▶ Certification and failure to reverse certification
- ▶ IRC Sec. 7345(e)
- ▶ Rule 351

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Appeals Face-to-Face Conferences

- ▶ Appeals Mission
- ▶ Revised IRM 8.6.1.4.1 (10-01-2016)
- ▶ Future State Initiative
- ▶ Tax Practitioners are voicing concerns



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Appeals Judicial Approach and Culture (AJAC)

- ▶ Key Collection Changes
- ▶ Key Examination Changes
- ▶ IRS Guidance to Taxpayers
- ▶ National Taxpayer Advocate's Concerns

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Appeals Process in Docketed Cases

- ▶ Rev. Proc. 2016-22
- ▶ Counsel will refer to Appeals except:
 - ▶ Appeals issued the deficiency or made the determination that is the basis of the Tax Court jurisdiction
 - ▶ The taxpayer elects to forego Appeals settlement consideration

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Appeals Process in Docketed Cases

- ▶ Coordination between Counsel and Appeals
- ▶ Scheduling issues
- ▶ Statute of limitations
- ▶ Settlement considerations
- ▶ Raising new issues

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Family Limited Partnerships

- ▶ Valuation of FLP interests
- ▶ Proposed IRC Sec. 2704 regulations
- ▶ Existing case law directs “facts and circumstances test”

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Family Limited Partnerships

- ▶ Three-year lookback rule
- ▶ Minimum value
- ▶ Presumed "put right"

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Worker Classification

- ▶ IRS and TWC
- ▶ Department of Labor, ERISA, OSHA, etc.
- ▶ Residual sales tax issues for taxable services

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Worker Classification

- ▶ Independent contractors v. employees
- ▶ IRS SS-8
- ▶ Section 530 relief
- ▶ Appeals settlement options

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Questions?

- ▶ Christi Mondrik
- ▶ cmondrik@mondriklaw.com
- ▶ (512) 542-9300



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