



HOW TO AVOID A TAX CONTROVERSY (OR WHAT TO DO IF YOU CAN'T)

**D&S/CHWWA Seminar
June 4, 2013, Cira Center**

SCHEDULE – MORNING SESSION

Item	Begin	End	Tot. Minutes	CPE/CLE
<i>Registration</i>	8:00 AM	8:30 AM	30 minutes	
Session 1M– Speakers	8:30 AM	9:15 AM	45 minutes	
<i>Morning Break 1</i>	9:15 AM	9:25 AM	10 minutes	
Session 2M - Panel	9:25 AM	10:55 AM	90 minutes	
<i>Morning Break 2</i>	10:55 AM	11:05 AM	10 minutes	
Session 3M - Speakers	11:05 AM	11:50 AM	45 minutes	
Credit Hours			180 minutes	3.5/3.0

[Lunch on your own: 12:00 pm – 1:00 pm]

SCHEDULE – AFTERNOON SESSION

Item	Begin	End	Tot. Minutes	CPE/CLE
<i>Registration</i>	12:30 AM	1:00 PM	30 minutes	
Session 1A – Panel	1:00 PM	2:30 PM	90 minutes	
<i>Afternoon Break 1</i>	2:30 PM	2:40 PM	10 minutes	
Session 2A - Speakers	2:40 PM	3:25 PM	45 minutes	
<i>Afternoon Break 2</i>	3:25 PM	3:35 PM	10 minutes	
Session 3A - Speakers	3:35 PM	4:20 PM	45 minutes	
Credit Hours			180 minutes	3.5/3.0



MORNING SESSION

I. SESSION 1M - HOT TOPICS IN STATE & LOCAL TAXATION
Speakers: 8:30-9:15 (45 Minutes)

- A. Nexus
- B. State & Local Aggressiveness
- C. Other Topical State issues (PA and NJ)

II. SESSION 2M PREAUDIT STRATEGIES
Panel: 9:25-10:55 ((90 Minutes)

- A. The Audit Lottery
- B. Audit Trends
 - 1. More Intrusive Audits
 - 2. More Targeted Audits
 - 3. Economic Reality Audits
- C. IRS / State Audit Resource Issues
 - 1. Impact on Selection for, or Depth of Audit
 - 2. Focus of Audit
 - 3. Types of Audits (*Time Permitting*)
 - 4. General Types of Audits
 - 5. Coordinated Industry Case Audits
 - 6. Types of Specialized Agents



- D. The Tax Practitioner's Role in the Audit Process**
1. Who should comprise the team? the taxpayer, the tax return preparer, or the tax practitioner
 - May depend on what issues may be lurking
 - Limiting auditors with access to employees
 2. When to be Brought In
 3. When to Become Visible
 4. Coordination within the Team
- E. Evaluation of Tax Position**
1. Getting the Facts
 2. Reviewing the State of Physical and Electronic Records
 3. Interviewing Employees with Pertinent Knowledge
 4. Preserving Legacy Information
 5. Spoliation of Evidence
 6. E-Discovery
- F. Evaluating the Issues**
1. Evaluating Basis of Support (Penalty Protection)
 2. Making Disclosures
- G. Recordkeeping Practices**
1. Records Retention/Destruction Policies
 - Enforced and Monitored?
 2. Litigation Holds - When Appropriate
 3. Electronic Recordkeeping Considerations
 - Metadata - What is it and how can it help or hurt you?



- H. Privilege Considerations
 - 1. Practitioner-client privilege § 7525
 - 2. Attorney-Client (Distinctions)
 - 3. Work Product (difference between PA and Federal standards)
 - Anticipation of Litigation Standard
 - 4. Kovel Agreements
 - 5. Use of Experts
 - Daubert Standard (Federal)
 - Frye Standard (Pennsylvania)

III. SESSION 3M - HOT TOPICS IN FEDERAL TAX CONTROVERSY
Speakers: 11:05-11:50 (45 Minutes)

- A. Ultra High Net Worth Audits
- B. FBAR - FACTA Reporting
- C. Other Topical Federal Issues

AFTERNOON SESSION

IV. SESSION 1A - AUDIT STRATEGIES
Panel: 1:00-2:30 (90 Minutes)

- A. Preparing for and Conducting the Audit
 - 1. Pre-Filing Agreements
 - 2. Objectives and Strategies during the Audit
 - 3. Time and Place of Examination
 - 4. Review of Returns, Records, etc.
 - 5. The Initial Conference



6. The “Ground Rules” for the Audit
 7. Statutes of limitations
 8. Requests to consider other returns and repetitive audits
 9. Production of testimony, information, and documents
- B. Special Types of Audits and Programs**
1. The Market Segment Specialization Program audit program
 2. Compliance Assurance Program (CAP)
 3. “Financial Status” Audits
 4. LIFE Audits
 5. Employment Tax Audits
- C. Managing the Audit**
1. Responding to IDRs
 2. Dealing with Summonses
 - Third-party contacts and summons (§ 7609)
 - Computer Software and Trade Secrets (§ 7612)
 3. Statute of Limitations Considerations
 - When to Extend
 - Difference Between Federal, Pennsylvania and Philadelphia Rules
 4. Alternative Dispute Resolution
 - Mediation
 - Arbitration
 - Early Referral to Appeals
 - Fast Track Settlement



- D. Closing the Audit
 - 1. Negotiating Resolution of Issues with the Agent
 - 2. Agreed Cases
 - No Change Letters
 - Closing Agreements
 - 3. Unagreed Cases
 - 4. Offers-in-Compromise
 - 5. Fast-Track Programs
 - Fast-Track Mediation
 - LMSB Fast Track Settlement
 - 6. Post-Audit Alternatives
 - Going to Appeals
 - The Statutory Notice of Deficiency

V. SESSION 2A - OTHER TAX CONTROVERSY CONSIDERATIONS
Speakers: 2:40-3:25 (45 Minutes)

- A. Mitigating Interest
 - 1. Types of Payments
 - 2. Designation of Payments
 - 3. "Hot Interest" Considerations
- B. Collections - Due Process, Leins/Levies
- C. Penalty Abatement Requests
- D. Recovering Fees and Costs
 - 1. Qualified Settlement Offers (§7430)
 - 2. Limitations



- E. TEFRA Traps (*Time permitting*)
 - F. Practical & Ethical Considerations for Handling Tax Controversies (*Time Permitting*)
 - 1. Who Can Represent Taxpayers Before the IRS?
 - 2. Circular 230
 - 3. Office of Professional Responsibility
- VI. SESSION 3A - LOOKING FORWARD**
Speakers: 3:35-4:20 (45 Minutes)
- A. Effect of the Affordable Care Health Act on Businesses
 - B. Federal and State Taxation Issues for Cloud Computing and Other Intangibles