

**DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224**

October 12, 2010

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Affected IRM: 8.22.2

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MEMORANDUM FOR DIRECTOR, FIELD OPERATIONS - EAST
DIRECTOR, FIELD OPERATIONS - WEST
DIRECTOR, TECHNICAL SERVICES
DIRECTOR, APPEALS STRATEGY & FINANCE

FROM: James Wallace /s/ *James Wallace*
Acting Director, Tax Policy and Valuation

SUBJECT: Face-to-Face Collection Due Process Conferences in the
Absence of a Collection Information Statement

This memorandum provides interim guidance on Collection Due Process hearings until IRM 8.22.2 is revised. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: The purpose of this interim guidance is to provide interim guidance on when Appeals grants a request for a face-to-face Collection Due Process (CDP) conference in the absence of a Collection Information Statement.

Background: Appeals ordinarily grants a request for a face-to-face CDP conference if the taxpayer wishes to discuss any relevant, nonfrivolous issue. Except in certain circumstances, Appeals may require a Collection Information Statement as a condition to granting a face-to-face conference if the sole purpose of the conference is to discuss a collection alternative which requires a Collection Information Statement. The Collection Information Statement needs to be completed in sufficient detail to enable Appeals to productively discuss the viability of the proposed collection alternative. Appeals must consider a number of factors before denying a face-to-face conference.

Procedural Change: These procedures are effective immediately and will be incorporated into the Internal Revenue Manual within one year from the date of this memorandum. Please disseminate this information to all Appeals Team Managers and Processing Team Managers. All managers and their employees are responsible for following the guidelines set forth in this memorandum.

Effect on Other Documents: This guidance will be incorporated into IRM 8.22.2 within one year from the date of this memorandum.

Effective Date: October 12, 2010.

Contact: If you have any questions, please contact Senior Appeals Program Analysts Monty Luhmann or Michael J. Smith.

Attachment

Distribution:

Appeals IMD Coordinator

Office of Servicewide Policy, Directives, & Electronic Research

www.irs.gov

Attachment – IG Control

IRM 8.22.2.2.6.4

Type of Hearing - Face-to-Face, Telephonic or Correspondence; Requirements and Exceptions

Appeals may require a Collection Information Statement (CIS) as a condition to granting a face-to-face CDP conference if the **sole** purpose of the conference is to discuss a collection alternative which requires a CIS, except as discussed below. The purpose of requiring a collection information statement is to ensure that the conference will be productive in assisting the Settlement Officer in evaluating the collection alternative. A CIS is required for the following collection alternatives:

- Offers in compromise, other than doubt as to liability offers
- Partial payment installment agreements
- Non-streamlined installment agreements
- In-business trust fund installment agreements, except those meeting the “express” criteria

If a CIS is necessary for a face-to-face hearing, request it from the taxpayer and allow a reasonable period of time (e.g., 14 days) for the taxpayer to submit it. If the CIS is missing information necessary for a productive conference, provide a reasonable opportunity (e.g., another 14 days) to supply missing data before denying the face-to-face conference. If the taxpayer asks for an extension of time to complete or correct the CIS, grant a reasonable request. If the taxpayer does not provide the information requested, notify them by phone or letter that the request for a face-to-face hearing is denied. Document the contact and schedule a telephone conference.

Grant a face-to-face request if the CIS is less than 12 months old as this meets the eligibility requirement. If during the course of handling the case, the CIS becomes more than 12 months old, you do not need an update of the information unless the taxpayer’s financial situation has significantly changed. A face-to-face conference may be conditioned on the submission of an updated CIS if the taxpayer’s financial condition is known to have significantly changed since the date the CIS was prepared – for example, the taxpayer has become unemployed.

Because the CIS need only be complete enough to permit a productive face-to-face CDP conference, the sufficiency of the CIS must be determined on a case-by-case basis. Do not deny a face-to-face CDP request if the CIS is missing information that would not prevent a productive discussion with the taxpayer. For example, all income and asset information is generally necessary for a productive conference, but some expense items may not be necessary if the taxpayer prefers to use the Allowable Living Expense (ALE) standards for expenses. Do not condition a face-to-face conference on the production of supporting documents to the collection information statement.

Submission of a CIS is not an opportunity for Appeals to prejudge the viability of a collection alternative prior to the conference. A face-to-face conference cannot be denied because the CIS shows that the taxpayer is able to pay the tax in full or is not able to make the payments proposed.

Grant a face-to-face request if it is necessary to explain the requirements for becoming eligible for a collection alternative. Taxpayers may be better able to understand the requirements for becoming eligible for a collection alternative if they are able to meet with an Appeals employee face-to-face. Examples include a taxpayer with a hearing impairment, who speaks little or no English, or who lacks sophistication.¹ Under these or similar circumstances, grant a face-to-face conference.

If you have any questions regarding this guidance, please contact Monty Luhmann or Michael J. Smith, Analyst, Tax Policy and Valuation.

¹ IRS research indicates that taxpayers who speak a language other than English at home prefer receiving face-to-face assistance (W&I Research, Opinion Survey of Taxpayer Resources and Services, 2006) and that taxpayers with income lower than \$35,000 per year prefer getting tax help in person and would visit an IRS office if nearby (IRS Oversight Board, 2006 Service Channels Survey).