

My stuff essay sample



Present your homework in an organized and professional manner (i. e., assume you are in a tax department and this is your first assignment). Be sure to include the citation to the applicable Circular 230 section(s). For example, sec. 10. 32 or 10. 32. Malcom receives an Information Document Request (IDR) from the IRS for his books and records. Malcom picked up his books and records from his accountant and gave them to his uncle for safekeeping. You have filed a Form 2848, Power of Attorney, with the IRS and the Revenue Agent has sent you a copy of the IDR. What are your duties Sec. 10. 20, states that the duties that I have are to provide and submit records or information in any matter before the IRS unless the expert believes in good faith and on reasonable grounds that the records are confidential. Donna was referred to you by her Family Law Attorney to prepare her current years return. Donna is an enrolled agent and is currently getting a divorce. She has unreported income of at least 75, 000 for each of the past 3 years. What are your ethical duties Sec 10. 21, my ethical duties are to advise my client of the noncompliance, error or omission of the unreported income. Then I must let Donna know of the consequences as provided under the code and regulations of such actions that she has done. In preparing a clients tax return for the current year, you discover the prior accountant made an error regarding the net operating loss (NOL).

The error results in the NOL carryforward being 100, 000 in excess of what the actual amount should be. You inform your client of the error. The client still wants you to prepare this years tax return using the incorrect 100, 000 NOL carryforward amount. Can you do this Sec 10. 22, due diligence is the reason I cannot do this because a legal requirement that need to be obeyed

After finding the error in NOL I would need to correct to continue. If not I cannot do this. In a collection case, you have advised your client that you will try and delay giving the IRS information as long as possible so that the client does not have to start paying the IRS. Have you violated your duties under Circular 230 Sec. 10. 23, yes I have violated my duties under Circular 230. I may not unreasonably delay the rapid disposition of any matter before the IRS. Assume that you worked for the U. S. attorneys office (federal prosecutors office) and just retired as the head of the tax division for your district. You were involved in reviewing some criminal tax matters involving Gene Sims. One year later Mr. Sims comes to you for representation.

Can you represent Mr. Sims Sec 10. 25, No I cannot represent him. After reviewing some criminal tax matters, I cannot represent him in a different matter because I was looking for some of his criminal tax matters. Can the firm that you presently work for represent Mr. Sims Sec 10. 25, yes they can but you cannot work with him personally just the firm can. John suffered a workplace injury that left him unable to work. He sued his former employer. John and his employer have agreed to settle the lawsuit and the attorneys are working on the language of the settlement agreement. John is expecting to receive a large settlement in a few months. John has come to you to research whether his settlement would be taxable. However, at this time John cannot afford to pay you for your services as he has not received his settlement yet. John would like to know whether you would take a contingency fee Sec 10. 27 a.), you may not charge an unconscionable fee, in connection to the case that is in question. So, No you need to charge a flat rate and not let it depend on whether you win the case or not. Assume the

same facts in example 7, but John wants you to file an amended return seeking a refund of tax paid on the settlement as opposed to filing an original return.

Sec 10. 27 (2) a.), according to circular 230 you may charge a contingent fee for the services that you have performed in amending the return. Mary receives a notice of audit for her 2012 return and has come to you for help. An enrolled agent (EA) prepared Marys 2012 tax return and you need the workpapers to assist you in defending the audit. The EA refuses to turn over the records because Mary still owes him money on an outstanding bill. Is the EA in violation of Circular 230 Sec 10. 28, under this section the EA is in violation of Circular 230 because under Circular 230 must return all record of the client so that he/she can fulfill the Federal tax obligation. Jack and Jill are divorcing after Jack accused Jill of pushing him down a hill. The IRS is currently auditing the couples 2012 joint return. The audit has focused on business deductions taken by Jills business. The couple has had a long-time accountant handling their personal returns, Jills business tax matters and their estate planning. Jack may qualify for the innocent spouse defense to any assessed tax liabilities resulting from the audit.

Can the accountant represent both Jack and Jill during the audit Sec 10. 29 1.), the accountant can with a written consent from both Jack and Jill. If the accountant does not receive a written consent that he/she cannot represent both of them. Assume during the course of the audit, the accountant still represents Jill without Jacks consent to a conflict of interest waiver. The Revenue Agent as asked the accountant if Jack intends to seek innocent spouse relief as the Revenue Agent believes Jack would qualify for such

relief. The accountant tells the Revenue Agent that he does not want to inform Jack of his innocent spouse rights because it will just prolong the audit, which Jill wants closed soon. What is the Revenue Agent expected to do Sec 10. 29 a.), they are expected not to represent a client before the IRS if the representation involves conflict of interest. Can you send out a mailer to all persons who have an IRS tax lien filed against them, suggesting that your firm is capable of helping their situation Sec 10. 30, no you cannot send out mailers. You cant do such solicitations. Suppose one of your fellow tax colleagues is suspended from practice before the IRS for violations of Circular 230. May you hire that individual to assist you in a tax audit Sec 10. 24, no according to Circular 230 you may hire the individual to assist you because they have been suspended for a tax reason, so they may not help you.

Your client loans 100, 000 to his brother to invest in a travel agency business that will be owned by the client and the brother. The client has never worked in the business and is a physician by trade. The travel agency goes under. The client wants to take the position that the debt is a business bad debt. Can you sign the return or suggest that the client take that position Sec 10. 34, I cannot sign the return. He was not part of the business but all he can do is take capital loss. Your client is heading off on an Arctic expedition that will take 12 months. During this trip, she will have minimal access to communications. She has asked you to prepare and file her 2014 federal income tax return during her absence. Your client has made arrangements with her employer and financial institutions to forward to you any tax reporting documets (e. g., Forms W-2, 1099s, 1098s, etc.) You have prepared

a proper Form 2848, Power of Attorney, that authorizes you to sign and file your clients return due to her continued absence outside the United States for more than 60 days before the due date of her return. Your client has asked that if she is entitled to a refund for 2014, that the refund be deposited into your client trust account and a check be issued to her upon her return to the United States.

Can you grant her request regarding the refund Sec 10. 31, General rule, yes having power of attorney I can grant her request. They can have money go to the lawyer then to the family. Assume the same facts in example 15, would your answer change if your client made this request last year No it would not change at all. Your client has asked for a detailed written opinion (i. e., advice) as to whether widgets should be capitalized or treated as de minimus expenses. In providing the written opinion, what requirements must be met under Circular 230 Sec 10. 37 (C) (2). Here you can find the requirements for the written response that the client is looking for. And here you know the requirements for Circular 230. As an accountant, you have been suspended from practicing from the IRS for five (5) years. Can you still prepare tax returns Sec 10. 24, I cannot prepare tax returns unless I receive written consent that I can do so.

Your client is under audit by the IRS and the Revenue Agent has issued an Information Document Request (IDR). Your client gives a number of documents, some of which you know are false, to respond to the IDR. What are your duties in responding to the IDR You cannot submit it you could lose your license to practice in that particular state. Assuming the facts in 19, you submit the false documents in response to the IDR to the Revenue Agent

handling the audit and the Revenue Agent discovers the false information. The Revenue Agent refers the matter to the Office of Professional Responsibility (OPR), which ultimately determines that you have violated your duties under Circular 230 through your disreputable conduct. OPR sanctions you and your firm by imposing a monetary penalty. Can OPR do this Sec 10. 50 c, and Sec 10. 51 a (4), according to Circular 230 OPR can do this. They take care of pretty much everything in Circular 230.