

2018 Annual Tax Controversy Institute

UCLA Extension

October 23, 2018
Beverly Hills Hotel, Beverly Hills, California

The written materials for the 2018 Annual Tax Controversy Institute were, for the most part, prepared by the private practitioners involved in each presentation. No statement, position or opinion set forth in any of such materials should be construed as reflecting the official position of any government agency or their participating representatives.

PRESENTATIONS

- 8:20 - 8:30** **OPENING REMARKS.**
Roger Torneden, Director of Business, Management and Legal Programs, UCLA Extension
Steven Toscher, Esq., Institute Chair, Hochman, Salkin, Rettig, Toscher & Perez, PC
- 8:30 – 8:50** **Eric Hylton, Deputy Chief, Criminal Investigation Division, IRS Criminal Investigation Priorities**
Introduction: Mark Tracht, Exam Territory Manager, Southwest Area, Small Business/Self-Employed, Internal Revenue Service
- 8:50 – 10:00** **GOODBYE OFFSHORE VOLUNTARY DISCLOSURE PROGRAM – HELLO . . . LITIGATION OF INTERNATIONAL REPORTING PENALTIES**
For nearly a decade, taxpayers having been reporting noncompliant foreign assets through the Offshore Voluntary Disclosure Program. On September 28, 2018, the IRS ended OVDP. The Foreign and Domestic Streamlined programs remain as do Delinquent Filing Procedures, but what should taxpayers who are not non-willful and do not have reasonable cause do? The IRS has collected an enormous amount of information during the past decade and is putting that information to good use through audits and prosecutions. As audits of foreign account cases increase, how should you handle the various penalties in the IRS' tool belt?
- Moderator:** Dennis Perez, Esq., Hochman Salkin Rettig Toscher & Perez, P.C., Beverly Hills, CA
- Panelists:** Cassidy Collins, Esq., IRS Office of Chief Counsel, Los Angeles, CA
Magdalena ("Maggie") Rivas-Bezerra, Territory Manager, LB&I – International Individual Compliance, Internal Revenue Service
Gary Slavett, Esq., Holtz, Slavett & Drabkin, APLC, Beverly Hills, CA
- Introduction:** David Warner, Esq., Holtz, Slavett & Drabkin, APLC, Beverly Hills, CA
- 10:00 – 11:00** **RESOLVING CALIFORNIA TAX CONTROVERSIES: OTA, UIAB, and BEYOND**

The California Office of Tax Appeals (OTA) began operations on January 1, 2018. It was established to resolve disputes involving personal income, corporate franchise and income, sales and use, excise and other taxes and fees. Appeals to the OTA are decided by a three-member panel of Administrative Law Judges, each of whom is an expert in tax law.

This panel will discuss how to handle appeals before the OTA, including briefing, discovery and hearings before a three-judge panel, how appeals before the OTA differ from tax appeals before the California Unemployment Appeals Board, and how the OTA will impact both audits and settlements with the Franchise Tax Board and the California Department of Tax and Fee Administration.

Moderator: Robert Horwitz, Esq., Hochman Salkin Rettig Toscher & Perez, P.C., Beverly Hills, CA

Panelists: Marty Dakessian, Esq., Dakessian Law, Ltd., Los Angeles, CA
Rebecca Warren, EDD Southern Region Program Manager
David L. Rice, Esq., David Lee Rice, APLC, Torrance, CA

Introduction: Lydia Turanchik, Mather Turanchik, Los Angeles, CA

11:00 – 11:15 BREAK

11:15 -12:30 HANDLING THE MOST DIFFICULT IRS COLLECTION PROBLEMS—INCLUDING PASSPORT REVOCATION

There is an assessment on the books against your client and the government wants to collect. The failure to pay for liability or arrange for collection alternatives can now cause you to lose your passport or be denied if you apply or renew it.

Moderator : Dennis Brager, Esq., Brager Tax Law Group, Los Angeles, CA

Panelists: Steve Mather, Esq., Mather Turanchik, Los Angeles, CA
Ronson Shamoun, Esq., RJS Law, San Diego, CA
Joseph Broyles, Esq., The Law Offices of Joseph A. Broyles, Los Angeles, CA

Amanda Bartmann, Esq., Attorney Advisor to the National Taxpayer Advocate, Taxpayer Advocate Service, Internal Revenue Service, Washington, DC

Darren John Guillot, Director, IRS Field Collection Operations, Internal Revenue Service, Washington, DC

Mel Hadley, Collection Territory Manager, Southwest Area, Small Business/Self-Employed, Internal Revenue Service

Introduction: Mike Dallo, Dallo Law Group, San Diego, CA

12:30 – 2:00 ANNUAL BRUCE I. HOCHMAN AWARD LUNCHEON

Welcoming Remarks: Tom Oser, Interim Vice Provost for Special Projects, UCLA, Los Angeles, CA

Award Recipient: Avram Salkin

Introduction and Presentation of Award: Nathan J. Hochman, Morgan, Lewis & Bockius LLP and Steven Toscher, Institute Chair, Hochman Salkin Rettig Toscher & Perez, P.C.

Keynote Luncheon Speakers: Mary Beth Murphy, Internal Revenue Service, Commissioner, SB/SE, Lisa Beard, Internal Revenue Service, Deputy Commissioner, SB/SE

ANNUAL CHILLIN' & GRILLIN' AWARD

Presentation of Award: Ted B. Meyer and Mark Tracht

2:00 – 3:00 PREPARING FOR AND DEFENDING EXAMINATION OF EMERGING ISSUES UNDER THE NEW TAX ACT, INCLUDING THE PASS THROUGH DEDUCTION

The Tax Cuts & Jobs Act dramatically overhauled the Tax Code, providing a host of new rules for individuals, corporations, and pass-through entities. The changes are both domestic and international. As regulations begin to be released, for example Section 199A, the laws both gain clarity and become more confusing. Learn what issues are likely to lead to examinations, and what you and your clients and do now to avoid headaches down the road.

Moderator and Panelist: G. Michelle Ferreira, Esq., Greenberg Traurig, LLP, San Francisco, CA

Panelists: Claudia Hill, EA, TaxMam, Inc., Cupertino, CA
Steven L. Jager, CPA, Steven L. Jager, CPA, An Accountancy Corporation, Sherman Oaks, CA
Phillip Wilson, CPA, Marcum LLP, Irvine, CA
John Tuzynski, SBSE Director Examination-Central, TCJA Implementation Team.

Introduction: Jonathan Kalinski, Hochman Salkin Rettig Toscher & Perez, P.C., Beverly Hills, CA

3:00 - 3:15 BREAK

3:15 - 4:15 THE NEW WAVE OF IRS FRAUD REFERRALS -FACT OR FICTION.

Taxpayers with unpaid tax liabilities who take steps to minimize or conceal their income and assets are the subject of increased scrutiny by the Internal Revenue Service and the Department of Justice. IRS Field Collections and Criminal Investigation are working together to train revenue officers to identify fraudulent conduct and refer collection matters for criminal investigation, and the Tax Division has identified this area as a priority for criminal enforcement.

Moderator: Caroline D. Ciruolo, Esq., Kostelanetz & Fink, LLP, Washington, DC

Panelists: Darren John Guillot, Director, IRS Field Collection Operations, Internal Revenue Service, Washington, DC
Dawn Harris, Western Collection Area Director, Small Business/Self Employed, Internal Revenue Service,
Luis Tejada, Internal Revenue Service, Fraud Technical Advisor

Supervisor, Los Angeles, CA

Lavar Taylor, Esq., Law Offices of A. Lavar Taylor LLP, Santa Ana, CA

Introduction: Chad Nardiello, Nardiello Law Firm, PC

4:15 - 5:15

HOW TO KEEP YOUR CRYPTOCURRENCY CLIENT IN COMPLIANCE AND OUT OF JAIL

Got Bitcoin or other virtual currency? Last years' cryptocurrency boom which created a new class of crypto-millionaires did not go unnoticed by the IRS. Following the IRS's success in requiring Coinbase, the world's most popular bitcoin, bitcoin cash, Ethereum and litecoin wallet, to provide customer information to the IRS, 2018 saw the IRS issue a public warning: *taxpayers who fail to pay taxes on their cryptocurrency profits could be subject to criminal prosecution and face fines up to \$250,000 as well as jail time.* An experienced panel of tax specialists will discuss the new IRS initiatives on taxpayer compliance and reporting obligations related to cryptocurrency transactions, including the IRS' position on cryptocurrency as property rather than currency, analyze IRS monitoring and criminal prosecutions for failing to properly report transactions with cryptocurrency and the criminal implications to taxpayers who do nothing versus to those taxpayers who do their best to report and pay taxes on their crypto profits.

Moderator: Nathan J. Hochman, Esq. Morgan, Lewis & Bockius LLP, Los Angeles, CA

Panelists: Sandra Brown, Esq., Hochman Salkin Rettig Toscher & Perez, P.C., Beverly Hills, CA

R. Damon Rowe, Special Agent in Charge, Criminal Investigation, Internal Revenue Service, Los Angeles, CA

Gary Howard, CPA, GL Howard and Company CPAs, LLP, Los Alamitos, CA

Richard Speier, Richard Speier & Associates,

Martin Schainbaum, Esq., Martin A. Schainbaum, APLC, San Francisco, CA

Introduction: Mike Stein, Hochman Salkin Rettig Toscher & Perez, P.C., Beverly Hills, CA

5:15 -

RECEPTION