

2017 Annual Tax Controversy Institute

UCLA Extension

October 24, 2017

Beverly Hills Hotel, Beverly Hills, California

The written materials for the 2017 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.**
Wayne Smutz, Dean, UCLA Extension
Rich Burnes, Program Director, UCLA Extension
Charles Rettig, Institute Chair, Hochman, Salkin, Rettig, Toscher & Perez, PC
- 8:30 - 9:20** **A NEW BEGINNING: APPEALING CALIFORNIA TAX DISPUTES**
Learn how the recent California Taxpayer Transparency and Fairness Act of 2017 will impact you and your clients through the establishment of a new Department of Taxation and Fee Administration to handle various examination and collection functions previously administered by the State Board of Equalization and a new Office of Tax Appeals coordinating panels of administrative law judges to handle appeals of tax disputes formerly handled by the State Board of Equalization. Will it be business as usual?
Moderator: Steve Sims, EA, Steve Sims, EA LLC
Panelists: Marty Dakessian; Marcy Jo Mandel; and Michael Cohen, De Castro, West, Chodorow, Mendler, Glickfeld & Nass, Inc
Introduction: Joseph Broyles, Law Offices of Joseph A. Broyles, Inc.
- 9:20 - 10:10** **MINIMIZING THE EFFECTS OF A DATA BREACH AND IDENTITY THEFT**
With the drastic increase in practitioner data thefts over the past year, IRS would like to see a panel discussion revolving around this issue. California alone has seen over 30 reports of data thefts this filing with close to 200 in the nation. What can preparers do if a client is a victim of identity theft? <https://www.identitytheft.gov/> can help you report and recover from identity theft. Indicators include receiving a notice regarding: More than one tax return filed using the client's SSN, a balance due, refund offset or collection action taken for a year in which no return was filed, IRS or state records indicate the client received wages from an unknown employer, an amended tax return, fictitious employees or about a defunct, closed or dormant business (for business clients). Also discuss Scams Targeting Tax Professionals

Moderator and Panelist: Claudia Hill, EA, Tax Mam, Inc./TMI Tax Services Group, Inc. and Editor-in-Chief, CCH Journal of Tax Practice & Procedure.

Panelists: Lucy Haack – CI Identity Theft Coordinator, CI Cyber Security Agent, Derek Ganter – Stakeholder Liaison, Western Area Director

Introduction: Steven L. Jager, CPA, Steven L. Jager, CPA Accountancy Corporation

10:10 - 10:20 BREAK

10:20 - 11:00 MARY BETH MURPHY, COMMISSIONER, IRS SMALL BUSINESS / SELF EMPLOYED DIVISION, Lanham, MD

Introduction: Mark Tracht, CPA, IRS Territory Manager, Central Coast.

11:00 -12:00 CAPTURING THE SMALL CAPTIVE INSURANCE COMPANY

IRS LB&I is currently conducting a campaign targeting numerous Section 831(b) captive insurance companies and the insureds. The micro captive insurance campaign focuses on transactions of interest identified in Notice 2016-66 in which related parties own an insurance company that has made an election to be taxed only on taxable investment income. Discussion to include relevant issues and considerations for captive audits, Appeals and litigation.

Moderator and Panelist: Dennis L. Perez, Hochman, Salkin, Rettig, Toscher & Perez, P.C.

Panelists: Michelle Ferreira, Greenberg Traurig, LLP, San Francisco, CA and David L. Rice, Law Offices of David Lee Rice, APLC

Introduction:

12:00 – 1:35 ANNUAL BRUCE I. HOCHMAN AWARD LUNCHEON

Award Recipient: _____

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

Luncheon Speaker: Selvi Stanislaus, Executive Officer, Franchise Tax Board

ANNUAL CHILLIN' & GRILLIN' AWARD

Presentation of Award: Ted B. Meyer and Mark Tracht

Recipient: Phil Edwards, Examination Territory Manager, IRS SB/SE.

1:45 - 2:45 EFFECTIVELY RESOLVING AN IRS APPEAL

IRS Appeals has the primary responsibility for the administrative resolution of tax disputes. Open discussion with leading practitioners regarding the efficient resolution of matters before the IRS Office of Appeals, including pre-Appeals considerations, advantages and disadvantages of preparing a thorough Protest, obtaining an in-person Appeals conference, benefits of a timely FOIA request, strategies for the Appeals conference(s), AJAC, the “new issue” doctrine, and how to expedite the dispute resolution process.

Moderator: Steve Mather, Mather Law Corporation.

Panelist: Keith Matsuda, Appeals Team Manager, Appeals, Field Operations West - Area 9, IRS; Michael Desmond; David Holtz, Holtz, Slavett & Drabkin; Phil Wilson, CPA

Introduction: Ernest F. Howard, CPA

2:45 - 3:00 BREAK

3:00 - 4:00 SHOULD YOUR CANNABIS OR BITCOIN CLIENT CONSIDER TAKING THE FIFTH?

IRS examinations of the Cannabis industry, taxpayers operating in a world of Bitcoin and Crypto currency transactions and others enhance the possibility of an otherwise routine taxpayer interview leading to a criminal investigation or prosecution referral. How, when and what are the possible consequences of invoking the 5th Amendment in connection with the filing of tax or information returns or during a civil examination.

Moderator and Panelist: Pedram Ben-Cohen, Ben-Cohen Law Firm, PLC

Panelists: Nathan J. Hochman, Morgan, Lewis & Bockius LLP; Wayne McEwan, Wayne McEwan & Associates (former Chief, IRS Criminal Investigation, Los Angeles, CA) and Victor Song, (former Chief, IRS Criminal Investigation, Washington, DC) and Ted Meyer.

Introduction: Kip Dellinger, Jr., CPA, Cooper Moss Resnick Klein & Co. LLP

4:00 - 5:00 ALL IN – THE "DO'S AND DON'TS" IMPACTING THE CIVIL TAX TRIAL (OR CRIMINAL PROSECUTION)

Roundtable discussion re various strategies employed during a civil examination or criminal investigation that can impact the resolution of the case, including the impact of opting out of an IRS offshore program (and the IRS being in possession of foreign account information), post-return conduct, cooperation vs. confrontation, delayed or incomplete responses as possible basis to establish fraudulent intent at the time the return was filed, current filing issues in the midst of an examination or a criminal investigation, "do's and don'ts" in the tax trenches, and penalty considerations. "What should you consider before, during and after the administrative process? What may be discoverable, privileged, and why?"

Moderator and Panelist: Steven Toscher, Hochman, Salkin, Rettig, Toscher & Perez, P.C.

Panelists: Robert Conte, AUSA, Tax Division, U.S. Attorney's Office (C.D. Cal); Stephen Lepore, IRS SEP Manager; Don Fort, Chief, IRS Criminal Investigation; Richard Speier, Richard Speier & Associates and Martin A. Schainbaum, Martin A. Schainbaum, APC.

Introduction:

5:00 - RECEPTION