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# Shorten IRS Tax Audit Disputes Through New Program

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IRS audits take time and are worrisome. When one is over, you must decide whether to pay or dispute the bill. The latter takes more time and costs money. You can protest the IRS audit findings and go to IRS Appeals, or even Tax Court. But nothing happens quickly, and you'll have legal or accounting fees too. Fortunately, the IRS has expanded a way to speed up the long, expensive IRS administrative process. It's called [Fast Track Settlement](#). Although it isn't [new](#), its availability to millions more taxpayers is.

Fast Track Settlement can resolve audit disagreements in as little as sixty days, rather than possibly years. It is an alternative dispute resolution mechanism *within* the IRS. Normally, if you don't agree with the results of an audit you must protest. The protest stage can take months or years while you wait to be assigned to the IRS Appeals division, have a hearing with the Appeals Officer, and either settle the case or move on to court. The Appeals process is tedious, and you can often find yourself re-hashing much of what was discussed with the original auditor.



Fast Track Settlement has been available for complex audits with the IRS Large Business & International Unit (LB&I) for [some time](#). And [since the mid-2000s](#), smaller taxpayers in certain cities have been able to participate too. Now, the IRS covers all taxpayers audited by the Small Business/Self-Employed (SBSE) division, which handles most audits of small businesses and individuals (except [IRS wealth squad](#) audits).

The idea of Fast Track Settlement is for you and the IRS auditor to agree on the issues, and have a mediator

from the IRS Appeals Office hear both sides. The mediator tries to find middle ground. After all, IRS auditors usually can't settle issues. If the auditor thinks you owe \$500,000, and you think you owe nothing, the auditor can't split the baby. That usually requires [IRS Appeals](#). But Fast Track Settlement leapfrogs and aims for a quick deal. Fast Track Settlement could resolve your audit within sixty days from the date the IRS accepts you and the auditor into the program.

Application into this IRS program requires you, the IRS auditor, and the auditor's manager to agree. You and the auditor must prepare an application packet, [IRS Form 14017](#) along with a list of specific issues for possible settlement. If you are accepted, the IRS mediator will review both sides and set a conference to discuss the issues. You and the IRS agent will present your positions, and the resolutions you each think are appropriate. At the end, the mediator will propose a deal. You are not bound by the proposal, and you can leave the process at any time if you want. If you leave, you can go through the normal IRS protest process. But if you do agree with some or all of the settlement, you can tie it up.

Fast Track Settlement is only available if the IRS auditor agrees. If you have a poor relationship with your auditor, or his or her manager, they may not be willing to accommodate you. Plus, Fast Track Settlement does close one specific IRS door. Any issues that are certified for settlement cannot then be considered in yet another IRS expedited resolution process called [Post Appeals Mediation](#). But that route is not frequently used, and is essentially a last chance before going to Tax Court, so it can be worth forgoing it. As with all things tax, determining the best course is often nuanced, so be careful. Still, Fast Track Settlement can be appealing for many taxpayers, particularly if your case is ripe for settlement.

*For alerts to future tax articles, email me at [Wood@WoodLLP.com](mailto:Wood@WoodLLP.com). This discussion is not legal advice.*