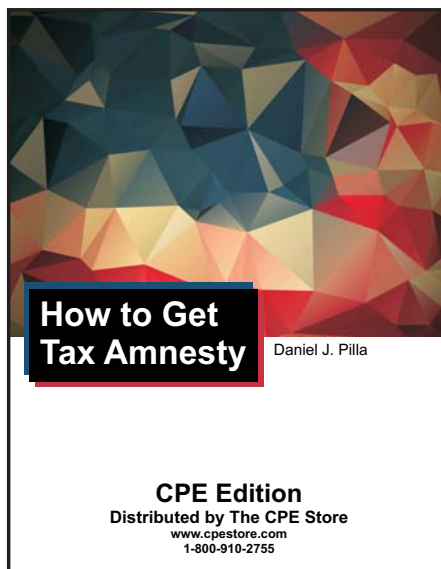


How to Get Tax Amnesty

Course Instructions and Final Examination



The CPE Store
819 Village Square Drive
Tomball, TX 77375
1-800-910-2755

How to Get Tax Amnesty

Table of Contents

	<u>Page</u>
Course Objectives	3
Course Instructions	4
Final Examination	5

COPYRIGHT 2016 – The CPE Store – ALL RIGHTS RESERVED. No portion of this material may be reprinted, reproduced, transmitted, stored in a retrieval system, or otherwise utilized, in any form or by any means, electronic or mechanical, including photocopying or recording, now existing or hereinafter invented, nor may any part of this course be used for teaching without written permission from the publisher and the author.

Course Objectives

After completing this course, you will be able to:

- Choose the definition which best describes the tax gap
- Recognize what creates the tax gap problem
- Select one definition of tax amnesty
- Ascertain what could allow taxpayers the opportunity to extend payment of their taxes due up to six months
- Determine the job of the tax auditor
- Identify what generates a taxpayer's DIF score
- Select what TIGTA has referred to as an epidemic facing taxpayers
- Pinpoint the Internal Revenue Code section that refers to offenses involving the failure to pay tax at the time required
- Recognize the most critical of all evidence needed to sustain a tax conviction based on proof beyond a reasonable doubt
- Select the single most important aspect of a criminal case from a taxpayer's standpoint
- Identify the most crushing blow the IRS can deal in the collection context
- Determine which category is exempt from lien by merely capping its value
- Choose an IRS policy designed to minimize a potential collection surprise
- Spot a goal in avoiding tax enforcement
- Choose a situation in which the IRS can avoid normal deficiency procedures
- Discern how a CDP hearing is usually conducted
- Recognize the effect of a tolling event
- Chapter 6
- Ascertain the purpose of the subordination procedure
- Select a little-known federal law that authorizes one to sue the United States to settle an ownership of property issue with respect to a tax lien
- Spot the IRS code section that authorizes an administrative appeal of the imposition of a lien
- Determine how long funds remain in an account after the IRS issues a bank levy
- Pinpoint the concern IRS employees had over section 1203 of the IRS Restructuring and Reform Act of 1998
- Recognize the specific type of case in which a Taxpayer Assistance Order is appropriate
- Identify the chief way to bring a case to the attention of the Taxpayer Advocate Service
- Choose the minimum amount of income (in 2015) that a married couple with no children must earn before they are required to file a joint return
- Select the percentage of a taxpayer's prior year's tax liability that must be paid in order to avoid both a tax delinquency and the penalty for underpayment of estimated taxes
- Determine the maximum payment amount a tax debtor should never exceed when under an installment plan
- Identify the most common error made by people when making penalty cancellation requests
- Pinpoint the key problem with the with the frivolous submission penalty
- Ascertain what the IRS must prove if a frivolous submission is omitted from the IRS list of positions it deems frivolous
- Recognize the IMF transaction code that reflects the assessment date based on a return filed by the taxpayer
- Determine the effect a levy has on the Collection Statute Expiration Date (CSED)
- Select an action that tolls the collection statute
- Spot the first step toward achieving uncollectible status
- Choose a viable alternative for collection if the citizen can only pay a small portion of the tax liability
- Identify what, by its definition, should be excluded from negotiations when negotiating for a PPIA
- Recognize the current stated IRS business practice when faced with collection issues
- Select the compromise reached under an OIC based on doubt as to collectability
- Determine the maximum payment period of an OIC cash offer based on the "future income asset"
- Pinpoint a benefit to the government of a Future Income Collateral Agreement
- Ascertain who administers a wage-earner's repayment plan
- Identify a non-dischargeable tax debt
- Choose the 1984 Tax Court case that established the well-accepted definition of a tax return
- Spot the bankruptcy code rule that is consistent with the IRS rule for determining disposable income
- Identify the program administered under Chapter 7 of the bankruptcy code
- Select an example of consumer debt
- Determine the perception one should have toward his or her ability to file bankruptcy when dealing with the IRS and unmanageable tax debts

Course Instructions

To fully benefit from this course, please follow all of the steps below.

1. Read each chapter in the text to get a good understanding of the material.
2. Answer the study guide problems which appear at the end of each chapter. After answering the problems, compare your answers with the correct answers to ensure that you understand the material.
3. When you feel that you have a good understanding of the material contained in the chapter, answer the questions on the final examination.
4. When you have completed the final examination, record your answers on the answer sheet provided and submit it for grading. A score of 70% or better is required to pass. Please also complete the course evaluation and submit it to us along with your answer sheet. Upon passing you will receive a Certificate of Completion stating that you have successfully completed the course and earned the continuing education credit.

Prerequisites and Advance Preparation

No prerequisites or advance preparation are required for this course.

CPE Credit

This course is recommended for 22 CPE credits.

Final Exam Grading

- ▶ Online: Our fastest option, with instant results. Simply go to **www.cpestore.com** and click the link for online grading. Just follow the instructions from there. When you finish entering your answers, you'll receive instant test results and a Certificate of Completion to print.
- ▶ By Mail: Mail your test and course evaluation to us. We grade the tests the day we receive them and mail the results and Certificate of Completion to you the following business day.
- ▶ By Fax: Just fax your answer sheet to 1-281-255-4337. If you need us to fax the Certificate of Completion back to you, please provide us with your fax number and write "please fax back" on your answer sheet. If you don't need the Certificate faxed back, please write "no fax needed" on your answer sheet.

Refunds

The CPE Store guarantees your satisfaction. If, for any reason, you are not completely satisfied with your purchase, return it to us unused within 30 days for a prompt refund, no questions asked. (Sorry, but shipping fees are not refundable.)

Customer Service

The CPE Store holds itself to the highest standards. If we have not met your expectations, something is missing, or you just have a question please contact us at 1-800-910-2755 or customerservice@cpestore.com.

About Our Courses

The CPE Store's courses are developed to satisfy the continuing education requirements of the American Institute of Certified Public Accountants, each state's Board of Accountancy and the National Association of State Boards of Accountancy (NASBA). If your state requires registration of sponsors, our sponsor number will appear on your Certificate of Completion.

Our courses are designed to meet the continuing education requirements of accounting professionals. A great deal of care has been taken to ensure that the course material is both interesting and relevant to the practice of accounting. The information presented is, to the best of our knowledge, current and accurate. However, The CPE Store is not in the business of rendering legal, accounting or other professional advice and as such, the material presented in our courses is intended as an overview. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

How to Get Tax Amnesty

22-Credit Course

Final Examination

A score of 70% or higher is required to pass the exam. If you score less than 70% on your first attempt, we will allow you to take the test a second time.

Chapter 1 – Promises of Hope

1. What is the real issue the IRS fails to comprehend when it comes to collecting delinquent taxes?
 - A. How much does the person owe
 - B. Citizens are being driven underground
 - C. IRS demands are generally unreasonable
 - D. What can an individual realistically pay
2. Which of the following best describes the tax gap?
 - A. The difference between the amount of tax owed and what is paid without enforcement action
 - B. Congress spending in excess of what is paid in taxes
 - C. The difference in what is allocated to the IRS versus what is actually needed for enforcement
 - D. Taxes lost by taxpayer cheating
3. What creates the tax gap problem?
 - A. Lack of taxpayer knowledge
 - B. Government burdens imposed on taxpayers
 - C. Lack of resources available to the IRS
 - D. Penalties and interest shortfalls
4. What is one definition of tax amnesty?
 - A. A formal program offered by the IRS
 - B. Freedom from tax debt oppression
 - C. Taxpayer challenges to audit decisions
 - D. Tax rate reduction

Chapter 2 – How Do I Owe Thee? Let Me Count the Ways!

5. What can allow taxpayers the opportunity to extend payment of their taxes due by up to six months?
 - A. Filing Form 4868
 - B. Avoiding excessive debt
 - C. Filing Form 1127
 - D. Utilizing Automated Collection Service
6. What is the job of the tax auditor?
 - A. Carry the burden of proof regarding the correctness of returns
 - B. Collect the tax assessment
 - C. Assess interest and penalties
 - D. Determine the correct liability
7. What generates a taxpayer's DIF score?
 - A. Verification of supporting schedules on a return
 - B. Mathematical correctness of a return
 - C. Comparison of a taxpayer's return entries with averages
 - D. Comparison of information returns with income on the return
8. Of the following, which is perhaps the worst strategy that has been used to reduce or eliminate a family's debt?
 - A. Negotiate loan modifications with mortgage lenders
 - B. Negotiate full or partial debt cancellation directly with credit card companies
 - C. Turned to bankruptcy
 - D. Voluntary or legal foreclosure on their homes or other property

Final Exam

9. What documentation is received by a taxpayer who has experienced debt forgiveness?
 - A. Form 941
 - B. Form 1099-C
 - C. Letter 3172
 - D. Form 940
10. What is the initial assessment on individuals for delinquent withheld employment taxes?
 - A. Matching payments
 - B. Non-trust fund assessment
 - C. Trust Fund Recovery Penalty
 - D. Personal asset seizure
11. What group makes up the vast majority of citizens involved in the tax protester movement?
 - A. Honest citizens
 - B. Tax attorneys
 - C. Tax evaders
 - D. Tax scheme promoters

Chapter 3 – Am I Going to Jail?

12. TIGTA has referred to which of the following as an epidemic facing taxpayers?
 - A. Legal-source tax crimes
 - B. Identity theft
 - C. IRS impersonation
 - D. Pursuit of criminal investigations
13. Who is employed by the IRS's Collection function?
 - A. Special agents
 - B. Tax auditors
 - C. Revenue agents
 - D. Revenue officers
14. Which Internal Revenue Code section refers to offenses involving the failure to pay tax at the time required?
 - A. 7201
 - B. 7214
 - C. 7206(a)
 - D. 7203
15. What is the most critical of all evidence needed to sustain a tax conviction based on proof beyond a reasonable doubt?
 - A. Element of willingness
 - B. Proof of a false return filing
 - C. Negligence
 - D. Malum in se
16. Which of the following is the current IRS stance on voluntary disclosure of a tax crime?
 - A. Disclosure will not lead to prosecution
 - B. Disclosure has no effect on potential prosecution
 - C. Disclosure does not necessarily preclude prosecution
 - D. The IRS does not have a favorable view of voluntary disclosure
17. What is the single most important aspect of a criminal case from a taxpayer's standpoint?
 - A. Decision to cooperate
 - B. Acted in good faith
 - C. Lack of personal statements
 - D. Do not cooperate voluntarily

Chapter 4 – The Tax Man Cometh

18. What is perhaps the most crushing blow the IRS can deal in the collection context?
 - A. Third party levy
 - B. Tax lien
 - C. Subpoena
 - D. Summons
19. Which category is exempt from lien by merely capping its value?
 - A. Workman's compensation
 - B. Personal household goods
 - C. Service-connected disability payments
 - D. Unemployment benefits
20. Which of the following is usually the first notice of collection following the filing of a return?
 - A. CP14
 - B. CP504
 - C. CP501
 - D. LT11
21. Once a Final Notice of collection is received by a taxpayer, within how many days must the taxpayer pay or face levy action?
 - A. Sixty
 - B. Forty-five
 - C. Thirty
 - D. Ten
22. Of the following, which may be allowed by filing a CDP appeal?
 - A. An amicable settlement is possible
 - B. The IRS can commence collection until a meeting is held with the Appeals Office
 - C. Collection action is not stayed
 - D. The IRS controls the case until resolution of the case
23. Which type of remedy is a CDP lien appeal?
 - A. Pre-action
 - B. Final
 - C. Post-action
 - D. Subordination
24. Which of the following is an IRS policy designed to minimize a potential collection surprise?
 - A. High-dollar cases are routinely assigned to a local special agent for collection
 - B. Enforcement may be executed without a Final Notice
 - C. A revenue officer will make only phone contact with the delinquent citizen
 - D. The IRS is required to inform taxpayers annually of taxes due
25. Under which of the following are IRS computers utilized to obtain a non-filer's assessment?
 - A. Malignant approach
 - B. Tax Delinquency Inquiry
 - C. Benign approach
 - D. Tax Delinquency Investigation
26. Why are revenue agents much easier to deal with than revenue officers?
 - A. Revenue agents have no power
 - B. They may issue unilateral determinations on income tax liabilities
 - C. Revenue agents are not trained in determining tax liabilities
 - D. Revenue officers hold out for records
27. What word best describes the IRS's pursuit of unpaid employment taxes?
 - A. Sympathetic
 - B. Benign
 - C. Forestalled
 - D. Tenacious

Final Exam

28. Which of the following is among the biggest reasons delinquent citizens hesitate to step forward?
- A. Lack of financial resources
 - B. Fear of the unknown
 - C. No knowledge of collection efforts
 - D. Criminal activity involvement

Chapter 5 – Damage Control: How to Stabilize Collection

29. What is a goal in avoiding tax enforcement?
- A. CNC status
 - B. ACS
 - C. EH
 - D. CDP
30. During the CDP hearing, what is a proper IRS deficiency procedure which is required to be proven?
- A. Determined the taxpayer has the burden of proof
 - B. Verified an assessment is on the books
 - C. Notices and appeal rights were issued
 - D. Verified assessment is legally collectible
31. In which situation can the IRS avoid normal deficiency procedures?
- A. Making a SFR assessment
 - B. Assessing the Trust Fund Recovery Penalty
 - C. Challenging a self-assessment
 - D. Failing to issue a Notice of Deficiency
32. How is a CDP hearing usually conducted?
- A. Face-to-face at a mutually agreed upon location
 - B. In Tax Court
 - C. In the Appeals Officer's office
 - D. Over the phone
33. What is used to determine that the proposed collection action does not overly intrude upon the person affected?
- A. Balancing test
 - B. Judicial review
 - C. Verification of the legal procedures
 - D. Follow-up conference
34. What is the effect of a tolling event?
- A. Stops the statute of limitations from running
 - B. The IRS has less time to collect
 - C. Expiration of the ten-year collection statute
 - D. Loss of Tax Court appeal rights
35. What is an attribute of a DETL?
- A. It is a levy issued to collect income taxes
 - B. There must have been a prior, timely CDP request for a hearing
 - C. It pursues taxes owed by a business that has not previously requested a CDP hearing
 - D. A prior CDP request involved taxes that arose in the three-year period before the period served
36. Which of the following is one of the specific circumstances under which enforced collection is frozen in connection with an installment agreement (IA)?
- A. If the IA request is rejected, the stay continues in effect for an additional sixty days
 - B. If the IRS terminates an IA, the taxpayer has forty-five days after termination to file an appeal
 - C. If the IA application is pending, the IRS can enforce collection until a decision is made
 - D. If the IA is formalized, the IRS cannot enforce collection while it is effective

37. If a revenue officer visits a citizen about a tax debt, what should be initially expected?
 - A. A potential levy threat
 - B. An offer of an installment plan
 - C. An attempt to collect in full
 - D. A request for Form 900
38. Which of the following is a criterion for a guaranteed installment agreement?
 - A. The debt cannot exceed \$75,000
 - B. The taxpayer may be an individual or corporation
 - C. The subject payment must be paid in full within ten years
 - D. The citizen must offer the agreement
39. What is an element of a streamlined installment agreement?
 - A. Detailed financial information is required
 - B. The amount owed is \$50,000 or less
 - C. The amount can be fully paid within forty-eight months
 - D. Payment may only be made by cashier's check or payroll deduction
40. Other than determining whether the citizen is unable to pay in full, what is the other reason for requiring a financial statement in connection with an IA?
 - A. Determine the expected payment
 - B. Allow the IRS to make arbitrary payment demands
 - C. Identify levy sources
 - D. To identify unreported income
41. Which of the following is the installment payment amount?
 - A. Disposable income
 - B. Gross income less necessary expenses, before taxes
 - C. A reasonable amount offered by the taxpayer
 - D. Standardized income
42. Which of the IRS's Standards for determining allowable expenses is largely unrealistic today?
 - A. National
 - B. Transportation
 - C. Local
 - D. Medical
43. What is the very least that a citizen can expect once an installment agreement is finalized?
 - A. Making the payment
 - B. It's the final solution
 - C. IRS monitoring of performance
 - D. Negotiation of future return liabilities
44. What is the one element of enforced collection that the taxpayer has the least control?
 - A. Renegotiation of an installment agreement
 - B. Modification of an installment agreement
 - C. Tax lien
 - D. Disposable income
45. Which entity makes the decision to commence a summons enforcement proceeding?
 - A. Office of Appeals
 - B. Revenue officer
 - C. Settlement officer
 - D. Office of Area Counsel
46. Which taxpayer payment meets the definition of a voluntary payment?
 - A. Procured by a levy
 - B. Subject to a court proceeding in which the government seeks collection
 - C. Paid to a revenue officer
 - D. Refund offset

Final Exam

Chapter 6 – Coping with Liens, Levies, and Seizures

47. What is the one key overarching factor in deciding to file a tax lien?
 - A. Overall compliance history
 - B. Protection of the government's interest
 - C. The balancing test
 - D. Size of the tax liability
48. What is the very purpose of the subordination procedure?
 - A. Facilitate tax collection
 - B. Encumber taxpayer property
 - C. Vindicate a citizen from a damaging lien
 - D. Removal of the lien
49. What is a little-known federal law that authorizes one to sue the United States to settle an ownership of property issue with respect to a tax lien?
 - A. Appeal the filing of a tax lien
 - B. Administrative remedy
 - C. Property double the amount of the liability
 - D. Quiet Title action
50. Which Internal Revenue Code section authorizes an administrative appeal of the imposition of a lien?
 - A. 6326
 - B. 6343
 - C. 6320
 - D. 6325
51. Which of the following allowed Alessio Azzario to achieve lien relief in a Tax Court case?
 - A. The IRS failed to carry its burden of proof
 - B. The nature of evidence provided
 - C. The lien was erroneously filed
 - D. Tax was paid in full prior to the lien filing
52. When the IRS issues a bank levy, how long do the funds remain in the account?
 - A. Fourteen days
 - B. Seven days
 - C. Five days
 - D. Twenty-one days
53. Under Treasury Regulation section 301.6343-1(b)(2), when does the Director have the discretion to release a levy?
 - A. To facilitate collection
 - B. Tax liability is unenforceable
 - C. In all situations
 - D. The levy creates an economic hardship
54. What is an IRS claim that is simply untrue with regard to a levy release?
 - A. Levy is an option even if the asset has no equity
 - B. It is uncommon for the IRS to issue wage and bank levies to non-filers
 - C. A taxpayer must be current with filed returns
 - D. The IRS will release a levy before the citizen cures all deficiencies
55. When should an IRS seizure of property be considered?
 - A. The citizen cannot pay in full
 - B. As a first resort
 - C. The citizen will pay the tax but needs time
 - D. As a last resort
56. Which argument can defeat the anti-injunction act?
 - A. The proposal overlooks the ownership interest of a non-debtor
 - B. The assessment is arbitrary and erroneous
 - C. A minimum bid is grossly understated
 - D. A plan of alternative collection methods is provided

57. What should be argued if the IRS threatens a levy on an IRA?
- A. Economic hardship
 - B. "Spend-thrift" clause
 - C. Premature assessment
 - D. Injured spouse
58. What is a point that must be proven by an injured spouse?
- A. The injured spouse owed a portion of the debt
 - B. The injured spouse did not have to make and report tax payments on the joint return
 - C. The injured spouse did not live in a community property state
 - D. The injured spouse did not have to earn and report income on the joint return
59. Of the following, which best describes innocent spouse liability?
- A. Liable for underpayments
 - B. Liable for what was known or should have known
 - C. All or nothing liability
 - D. A spouse's share of a refund is wrongfully seized

Chapter 7 – Dial 911 – Emergency Measures to Stop Collection

60. What concern did IRS employees have over section 1203 of the IRS Restructuring and Reform Act of 1998?
- A. Increased workload
 - B. Reduction in pay
 - C. Culture of abuse
 - D. Threat of termination
61. What is subject to Tax Court review?
- A. CAP appeal
 - B. CDP appeal
 - C. Equivalent hearing
 - D. ACS levy
62. In which specific case is a Taxpayer Assistance Order appropriate?
- A. Significant hardship
 - B. General collection disputes
 - C. Non-filing patterns
 - D. Delinquent accounts
63. What form should be filed in order to bring a case to the attention of the Taxpayer Advocate Service?
- A. Form 9423
 - B. Form 12153
 - C. Form 911
 - D. Form 668-W

Chapter 8 – How to Step Forward: The Non-Filer Program

64. For tax year 2015, what is the minimum amount of income that must be earned before a married couple with no children is required to file a joint return?
- A. \$18,300
 - B. \$10,300
 - C. \$16,600
 - D. \$14,300
65. A wage earner that has not filed a return for the past ten years should file, at a minimum, how many returns?
- A. All ten years
 - B. Most recent three years
 - C. Most recent six years
 - D. Most recent year

Final Exam

66. To avoid both a tax delinquency and the penalty for underpayment of estimated taxes, what percentage of a taxpayer's prior year's tax liability, if using that option, must be paid in estimated taxes?
- A. 75%
 - B. 90%
 - C. 50%
 - D. 100%
67. The payment a tax debtor should pay under an installment plan should never exceed what amount?
- A. The amount obtained through loan proceeds
 - B. Disposable income
 - C. Current year's tax
 - D. Negotiated amount

Chapter 9 – Forgiveness of Penalties

68. What does a current IRS Policy Statement make perfectly clear regarding penalties?
- A. Penalties are to be based on facts and circumstances
 - B. Penalty assessments will be inconsistent
 - C. Penalties will be imposed automatically
 - D. Penalties are arbitrary
69. What is the most common error made by people when making penalty cancellation requests?
- A. Lack of bargaining points
 - B. Delayed response
 - C. Failure to provide detail
 - D. Refusal to accept audit decisions
70. Which of the following refers to an IRS administrative waiver that can benefit a person with a clear compliance history?
- A. FTA
 - B. SFR
 - C. CAP
 - D. TAO
71. What is the key problem with the frivolous submission penalty?
- A. It cannot be challenged through the CDP appeal process
 - B. The taxpayer has the burden of proof
 - C. It is not subject to the normal deficiency procedures
 - D. It is not subject to "de novo" review
72. If a frivolous submission is omitted from the IRS list of positions it deems frivolous, what must the IRS prove?
- A. Tax defier history
 - B. Desire to delay administration of the tax laws
 - C. The position is unorthodox
 - D. History of controversial positions

Chapter 10 – The Collection Statute of Limitations

73. Which IMF transaction code reflects the assessment date based on a return filed by the taxpayer?
- A. TC 240
 - B. TC 300
 - C. TC 290
 - D. TC 150
74. What effect does a levy have on the Collection Statute Expiration Date (CSED)?
- A. Tolls
 - B. Survives
 - C. Extends
 - D. Suspends

75. For purposes of the CSED, which of the following is not considered to be a “fixed and determinable” income stream?
- A. Wages
 - B. Annuity
 - C. Social security benefits
 - D. Pension
76. Of the following, which action tolls the collection statute?
- A. A citizen is outside the U.S. for a continuous period of five months
 - B. An appeal with respect to a disqualified employment tax levy
 - C. A CAP appeal
 - D. A wrongful levy

Chapter 11 – Tax Amnesty Programs Number 1 and 2: The Life Jackets

77. What is the first step toward achieving uncollectible status?
- A. Stop making payment to the IRS
 - B. Increase living expenses
 - C. File Form 433-A
 - D. Adhere to the NS and LS guidelines
78. What is a viable alternative for collection if the citizen can only pay a small portion of the tax liability?
- A. PPIA
 - B. Normal installment agreement
 - C. Enforcement action
 - D. Uncollectible status
79. If negotiating a PPIA, which of the following, by its very definition, should be excluded from negotiations?
- A. Monthly payments
 - B. Two-year review process
 - C. Collection waiver
 - D. Revenue officer involvement

Chapter 12 – Tax Amnesty Program Number 3: The Offer in Compromise – Cents on the Dollar

80. What is the current stated IRS business practice when faced with collection issues?
- A. Maximum collection with the least cost
 - B. Negotiation and compromise
 - C. Get all you can
 - D. Punish the wrongdoers
81. On what grounds does the IRS have the authority to accept an OIC for less than one’s “reasonable collection potential”?
- A. Effective Tax Administration
 - B. Doubt as to collectability
 - C. Doubt as to liability
 - D. Special circumstances
82. What term is used for the compromise reached under an OIC based on doubt as to collectability?
- A. Installment agreement
 - B. PPIA
 - C. RCP
 - D. ETA
83. What is the maximum payment period of an OIC cash offer based on the “future income asset”?
- A. Twelve months
 - B. Twenty-four months
 - C. Five months
 - D. Six months

Final Exam

84. Which of the following is likely considered to be a dissipated asset?
- A. Stock losses based on risky investments
 - B. Legal fees incurred to hire counsel to deal with the IRS
 - C. Using IRA proceeds to pay living expenses while unemployed
 - D. Transfer of a car to a relative four years before submitting an OIC
85. What is a benefit to the government of a Future Income Collateral Agreement?
- A. Tax payments are certain
 - B. Elements of the agreement are non-negotiable
 - C. It is "adequate" but less desirable than an income averaging arrangement
 - D. An increased percentage of taxpayer income
86. If a taxpayer's realizable equity in assets is \$30,000, and assuming there is no future income amount, what is the required OIC amount including a collateral agreement?
- A. \$24,000
 - B. \$15,000
 - C. \$30,000
 - D. \$0
87. If a citizen's equity in assets is \$15,000, and disposable income is \$400 per month, how much is the monthly payment due under a periodic payment OIC?
- A. \$3,960
 - B. \$1,025
 - C. \$3,168
 - D. \$792
88. Which OIC variation is viable when there is no other basis for making an OIC?
- A. Doubt as to liability
 - B. Doubt as to collectability
 - C. Special circumstances
 - D. ETA
89. What is one thing Congress clearly intended by creating the ETA offer?
- A. Allow tax only offers
 - B. Avoid evaluation of offers on a case-by-case basis
 - C. Collect penalties and interest legally due
 - D. Collect at least the RCP
90. With respect to an ETA offer on public policy or equity grounds, what additional burden must be met to comply with IRM part 5.8.11.2.3?
- A. Payment will not cause a financial hardship
 - B. The taxpayer's case is different from others with similar means
 - C. The taxpayer's must reacquire any dissipated assets
 - D. It will not undermine compliance with the tax laws
91. Why is it key to a successful OIC to fund as much as possible with revenue from a third-party source?
- A. Such revenue cannot otherwise be reached by the IRS
 - B. It helps to close the case
 - C. Voluntary compliance is encouraged
 - D. It's an alternative to uncollectible amounts
92. If an individual's OIC is based on "special circumstances," which core form should be filed?
- A. Form 656-L
 - B. Form 656
 - C. Form 433-A
 - D. Form 14640
93. If a down payment is made with an OIC at the time of filing, and the offer is subsequently rejected, what happens to the money?
- A. Funds are not returned and the government spends the money at its option
 - B. Applied to the liability at the government's discretion, regardless of the taxpayer's input
 - C. Funds are returned to the taxpayer
 - D. Applied to the amount owed as designated by the taxpayer

94. Which of the following indicates that an OIC application is processable?
- A. It does not list the tax year or total due
 - B. The Form 656 filed is an obsolete edition
 - C. A financial statement is not provided with an OIC based upon doubt as to liability
 - D. The amount offered and the terms of payment are not clear
95. Who has the burden of proving that a citizen is entitled to an OIC?
- A. Offer specialist
 - B. Citizen
 - C. Settlement officer
 - D. Offer examiner
96. If an OIC is accepted, which form closing out the CDP appeal should not be signed by the citizen?
- A. Form 12256
 - B. Form 656-PPV
 - C. Form 12257
 - D. Form 656-B
97. If an OIC is declined, what is the importance of a formal rejection letter?
- A. Requires more IRS work than a withdrawal of the offer
 - B. Preserves the right to appeal
 - C. A protest letter is automatically filed
 - D. The case is routinely forwarded to the Office of Appeals
98. Of the following, which is an important reason to monitor wage withholding during the OIC process?
- A. The IRS will keep any refund regardless of year once an offer is filed
 - B. The IRS will deny any refund
 - C. The IRS will keep refunds owed up to the year the OIC is accepted
 - D. An SFR will be adjusted to reflect no refund due

Chapter 13 – Tax Amnesty Program Number 4: Wage-Earners Repayment Plan

99. Which entity administers a wage-earner's repayment plan?
- A. IRS Office of Appeals
 - B. Tax Court
 - C. IRS Collection division
 - D. Federal Bankruptcy Court
100. Which of the following is the best-kept legal secret in the United States?
- A. Bankruptcy filing will impact one's credit worthiness
 - B. Federal income taxes are often dischargeable in bankruptcy
 - C. Debtors in bankruptcy can retain certain assets
 - D. The ability to discharge unmanageable debt in bankruptcy is a Constitutional right
101. What is a non-dischargeable tax debt?
- A. "Non-priority" tax debt that meets the requirements of bankruptcy section 523
 - B. Federal income taxes
 - C. Taxes attributable to unfiled tax returns
 - D. Taxes paid on a late return filed three years prior to filing bankruptcy
102. Which 1984 Tax Court case established the well-accepted definition of a tax return?
- A. Beard
 - B. Colsen
 - C. McCoy
 - D. Hindenlang
103. Why must Form 4549 be accompanied by a statement signed under penalties of perjury?
- A. To confirm agreement with the proposed exam discrepancies
 - B. To constitute a "substitute for return"
 - C. To initiate a tax assessment
 - D. To constitute a return for bankruptcy purposes

Final Exam

104. In order to file bankruptcy, what must be accomplished within the 180-day period prior to filing?
- A. Approved credit counseling
 - B. Preparation of personal financial statements
 - C. File any tax returns not filed for the past three years prior to filing bankruptcy
 - D. Sign any outstanding SFRs prepared by the IRS
105. Which bankruptcy code rule is consistent with the IRS rule for determining disposable income?
- A. Exclusion from income for child support
 - B. Expenses necessary for the operation of a business
 - C. Reduction for charitable contributions
 - D. Actual expenses for home energy costs
106. Among the numerous benefits of bankruptcy law, what stands out as perhaps the most compelling, especially for someone taken advantage of by IRS auditors?
- A. Collection Due Process hearing
 - B. Automatic stay
 - C. Bankruptcy code section 505
 - D. Disposable income definition

Chapter 14 – Tax Amnesty Program Number 5: The Fresh Start

107. Which of the following is a program administered under Chapter 7 of the bankruptcy code?
- A. Fresh start
 - B. Wage-earner's repayment plan
 - C. Partial Pay agreement
 - D. BAPCPA
108. A citizen can usually purchase property from the bankruptcy estate for what percentage of the declared value?
- A. 90%
 - B. 25%
 - C. 75%
 - D. 50%
109. Which of the following is an example of consumer debt?
- A. Business debt
 - B. Home mortgage
 - C. Credit card debt used to pay business expenses
 - D. Tax liabilities
110. When dealing with the IRS and unmanageable tax debts, what perception should one have toward his or her ability to file bankruptcy?
- A. Weakness
 - B. Compelling strength
 - C. Not a solution
 - D. Negotiable

**Thank you for taking our course.
We hope you enjoyed it.**

How to Get Tax Amnesty

Course Number: TAX261809

IRS Course Number: BSND7-T-00050-16-S

Qualifies for 22 hours of CPE credit

If you are mailing or faxing your test to us for grading, please fill in Member ID _____ and Validation number _____.

Name as it should appear on your Certificate:

Where should we send your results?

License State(s): _____

License Number: _____

Date Course Completed: _____

PTIN: _____



* Note: If you are registered with the IRS as a tax preparer, you must provide your PTIN in order for us to report this course completion to the IRS.

* Answer each question A, B, C, or D as appropriate

* Be sure you are answering questions from the "Final Examination" not from the "Study Guide"

* For instant online grading, go to www.cpestore.com and click the link for Online Grading

- | | | | | | | | | | |
|-----|--------------------------|-----|--------------------------|-----|--------------------------|-----|--------------------------|------|--------------------------|
| 1. | <input type="checkbox"/> | 23. | <input type="checkbox"/> | 45. | <input type="checkbox"/> | 67. | <input type="checkbox"/> | 89. | <input type="checkbox"/> |
| 2. | <input type="checkbox"/> | 24. | <input type="checkbox"/> | 46. | <input type="checkbox"/> | 68. | <input type="checkbox"/> | 90. | <input type="checkbox"/> |
| 3. | <input type="checkbox"/> | 25. | <input type="checkbox"/> | 47. | <input type="checkbox"/> | 69. | <input type="checkbox"/> | 91. | <input type="checkbox"/> |
| 4. | <input type="checkbox"/> | 26. | <input type="checkbox"/> | 48. | <input type="checkbox"/> | 70. | <input type="checkbox"/> | 92. | <input type="checkbox"/> |
| 5. | <input type="checkbox"/> | 27. | <input type="checkbox"/> | 49. | <input type="checkbox"/> | 71. | <input type="checkbox"/> | 93. | <input type="checkbox"/> |
| 6. | <input type="checkbox"/> | 28. | <input type="checkbox"/> | 50. | <input type="checkbox"/> | 72. | <input type="checkbox"/> | 94. | <input type="checkbox"/> |
| 7. | <input type="checkbox"/> | 29. | <input type="checkbox"/> | 51. | <input type="checkbox"/> | 73. | <input type="checkbox"/> | 95. | <input type="checkbox"/> |
| 8. | <input type="checkbox"/> | 30. | <input type="checkbox"/> | 52. | <input type="checkbox"/> | 74. | <input type="checkbox"/> | 96. | <input type="checkbox"/> |
| 9. | <input type="checkbox"/> | 31. | <input type="checkbox"/> | 53. | <input type="checkbox"/> | 75. | <input type="checkbox"/> | 97. | <input type="checkbox"/> |
| 10. | <input type="checkbox"/> | 32. | <input type="checkbox"/> | 54. | <input type="checkbox"/> | 76. | <input type="checkbox"/> | 98. | <input type="checkbox"/> |
| 11. | <input type="checkbox"/> | 33. | <input type="checkbox"/> | 55. | <input type="checkbox"/> | 77. | <input type="checkbox"/> | 99. | <input type="checkbox"/> |
| 12. | <input type="checkbox"/> | 34. | <input type="checkbox"/> | 56. | <input type="checkbox"/> | 78. | <input type="checkbox"/> | 100. | <input type="checkbox"/> |
| 13. | <input type="checkbox"/> | 35. | <input type="checkbox"/> | 57. | <input type="checkbox"/> | 79. | <input type="checkbox"/> | 101. | <input type="checkbox"/> |
| 14. | <input type="checkbox"/> | 36. | <input type="checkbox"/> | 58. | <input type="checkbox"/> | 80. | <input type="checkbox"/> | 102. | <input type="checkbox"/> |
| 15. | <input type="checkbox"/> | 37. | <input type="checkbox"/> | 59. | <input type="checkbox"/> | 81. | <input type="checkbox"/> | 103. | <input type="checkbox"/> |
| 16. | <input type="checkbox"/> | 38. | <input type="checkbox"/> | 60. | <input type="checkbox"/> | 82. | <input type="checkbox"/> | 104. | <input type="checkbox"/> |
| 17. | <input type="checkbox"/> | 39. | <input type="checkbox"/> | 61. | <input type="checkbox"/> | 83. | <input type="checkbox"/> | 105. | <input type="checkbox"/> |
| 18. | <input type="checkbox"/> | 40. | <input type="checkbox"/> | 62. | <input type="checkbox"/> | 84. | <input type="checkbox"/> | 106. | <input type="checkbox"/> |
| 19. | <input type="checkbox"/> | 41. | <input type="checkbox"/> | 63. | <input type="checkbox"/> | 85. | <input type="checkbox"/> | 107. | <input type="checkbox"/> |
| 20. | <input type="checkbox"/> | 42. | <input type="checkbox"/> | 64. | <input type="checkbox"/> | 86. | <input type="checkbox"/> | 108. | <input type="checkbox"/> |
| 21. | <input type="checkbox"/> | 43. | <input type="checkbox"/> | 65. | <input type="checkbox"/> | 87. | <input type="checkbox"/> | 109. | <input type="checkbox"/> |
| 22. | <input type="checkbox"/> | 44. | <input type="checkbox"/> | 66. | <input type="checkbox"/> | 88. | <input type="checkbox"/> | 110. | <input type="checkbox"/> |



The CPE Store
 819 Village Square Drive
 Tomball, TX 77375
 Phone 1-800-910-2755
 Fax 281-255-4337
 www.cpestore.com

Course Evaluation

Course # _____

Your Name _____

About the Course

Were the stated learning objectives met?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

If applicable, were prerequisite requirements appropriate and sufficient?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely N/A

Was the text well-written, accurate and easy to understand?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Was the final exam well-written, accurate and easy to understand?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Were course materials relevant and did they contribute to the achievement of the learning objectives?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Was the time allotted to the learning activity appropriate?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

If applicable, were the individual instructors effective?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely N/A

About the Service

Were you satisfied with the ordering process?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Were your course materials in good condition when they arrived?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Did you receive your materials in a timely manner?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

About You

What is your preferred method for completing your CPE?

- Textbook PDF materials downloaded from the internet Online courses Live seminars

Would you like us to notify you by email of our weekly specials and new courses?

- No Yes, my email address is _____ Already receiving

Comments Please

Are there any particular topics you would like to see covered in a CPE course or any additional services you would like to see us provide? _____

Please provide any additional feedback, either positive or negative, regarding our products or our service: _____