

Does Your Choice of Tax Adviser Increase Your Chances of Audit?

To the Editor:

I write to highlight my concerns with two matters discussed in your article entitled “OPR Aspires to Open Regional Offices,” published in this issue (see p. 828): (1) the IRS may be maintaining secret files on attorneys and other tax practitioners; and (2) the IRS may be making determinations about the scope and nature of their investigations on the basis of the identity and practice area of a taxpayer’s attorney.

OPR Director Hawkins acknowledged that her office receives complaints of “contemptuous [tax practitioner] conduct” from IRS agents and that those complaints are catalogued at OPR. There are two problems with this process: (1) tax practitioners may not be advised of the complaints; and (2) tax practitioners have no opportunity to expunge those complaints from the IRS’s secret files. With all due respect, IRS employees sometimes mistake disagreement on substantive issues with the type of

“contemptuous conduct” discussed by Ms. Hawkins. OPR should not be accumulating a secret file on tax practitioners. Tax practitioners should be given notification and an opportunity to respond to *any and all* complaints that are filed with OPR.

Under no circumstances should the IRS be maintaining “profiles,” official or unofficial, of accounting or law firms or their clients’ legal issues and then basing examinations or investigations of *taxpayers* on such profiles. Under no circumstances should IRS revenue agents determine the scope and nature of investigations of taxpayers based on Internet searches of taxpayers’ attorneys or otherwise judge a taxpayer or tax issues by profiling the taxpayer’s attorney or tax practitioner.

Your article raises serious concerns that require further explanation by the IRS. If the IRS is in fact basing investigations on a taxpayer’s choice of representative then this matter requires immediate investigation.

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SUBMISSIONS TO TAX NOTES

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