



Clever Strategies to Reduce/Eliminate CP2000 Notices (1 CPE)

July 27, 2021

1:00 PM to 1:50 PM PT

COURSE DESCRIPTION

The IRS AUR (**A**utomated **U**nder**R**eporter) Program is an effective compliance tool to verify that taxpayers *properly* report ALL their income and their itemized deductions. The AUR system compares current year filed returns with the IRS Wage & Income Transcripts and “FLAGS” those returns which meet their error criteria. The CP2000 UnderReporter Flag (Code 922 - Review of Unreported Income) is shown in the IRS account transcripts 5 months BEFORE the AUR Unit sends a CP2000 notice. By “monitoring” the Account Transcripts for the CP2000 Flag, tax professionals can “see” the flag, review the return and, as required, voluntarily amend the return and submit a QAR (Qualified Amended Return) BEFORE the IRS sends the CP2000 Notice, thus sidestepping the potential 20% Accuracy-Related Penalty.

The specifics of the IRS AUR program timing are explored to improve the understanding of when the CP2000 notices are mailed.

Learning Objectives:

Understand how the IRS AUR (**A**utomated **U**nder**R**eporter) System is implemented.

- ✓ Show various techniques to monitor the account transcripts for the CP2000 Flag.
- ✓ When a CP2000 Flag is discovered in the account transcripts, provide an action plan to offer a Qualified Amended Return BEFORE the IRS mails the CP2000 notice.
- ✓ Account Transcripts can be “monitored” for CP2000 Flags and for AUDIT Flags. This “monitoring” can be offered as a tax client benefit and can be monetized.
- ✓ When a new referral client comes in with a CP2000 Letter, discuss the various strategies to ensure that the taxpayer pays the **“correct”** amount of tax. If the taxpayer has received a Notice of Deficiency, make the taxpayer aware of the benefits of petitioning U.S. Tax Court Pro Se to force the correct outcome.

When a CP2000 notice changes the federal return, make sure that the state return is amended to reflect the CP2000 changes.



Bill Nemeth, EA

Bill Nemeth, EA, has over 17 years as an enrolled agent and over 30 years as a tax professional. Bill’s specialty is working with troubled taxpayers, assisting them with representation issues, such as audits, serial non-filers and helping taxpayers petition the US Tax Court.