

Special Enrollment Examination:

Part 3 - Representation, Practices, and Procedures

1	PRACTICES AND PROCEDURES	26
1A	Practice before the IRS	
1A1	What constitutes practice before the IRS	
1A2	Categories of individuals who may practice and extent of practice privileges	
1B	Requirements for Enrolled Agents	
1B1	Information to be furnished to the IRS	
1B2	Omission or error on return, document, or affidavit	
1B3	Rules for employing or accepting assistance from former IRS employees or disbarred/suspended persons	
1B4	Rules for restrictions on advertising, solicitation and fee information	
1B5	Rules regarding fees (e.g., contingent, unconscionable)	
1B6	Due diligence requirements	
1B7	Conflict of interest	
1B8	Rules for refund check negotiation	
1B9	Standards for written advice, covered opinions, tax return positions and preparing returns	
1B10	Continuing education requirements	
1B11	Enrollment cycle and renewal	
1B12	Rules for prompt disposition of matters before the IRS	
1B13	Rules for returning a client's records and documents	
1B14	PTIN requirements	
1B15	Practitioner supervisory responsibilities	
1C	Sanctionable acts	
1C1	Incompetence and disreputable conduct	
1C2	Sanctions imposed by the Office of Professional Responsibility	
1C3	Frivolous submissions (returns and documents)	
1C4	Fraudulent transactions (e.g., badges of fraud)	

1D	Rules and penalties
1D1	Assessment and appeal procedures for preparer penalties
1D2	Types of penalties (e.g., negligence, substantial understatement, overvaluation)
1D3	Furnishing a copy of a return to a taxpayer
1D4	Signing returns and furnishing identifying numbers
1D5	Keeping copies or lists of returns prepared
1D6	Employees engaged or employed during a return period (e.g., IRC section 6060)
1D7	Preparer due diligence penalties
2	REPRESENTATION BEFORE THE IRS 25
2A	Power of attorney
2A1	Purpose of power of attorney
2A2	Signature authority (e.g., extension of assessment period, closing agreement)
2A3	Authority granted by taxpayer
2A4	Limitations on signing tax returns on behalf of taxpayer
2A5	Proper completion of power of attorney (Form 2848)
2A6	Alternate forms of power of attorney (durable)
2A7	Rules for client privacy and consent to disclose
2A8	Distinctions between power of attorney (Form 2848) and tax information authorization (Form 8821)
2A9	Requirements to be met when changing or dropping representatives or withdrawal of representative
2A10	Purpose of a Centralized Authorization File (CAF) number
2A11	Conference and practice requirements (Publication 216)
2B	Building the taxpayer's case – Preliminary work
2B1	Identification of tax issue(s) with supporting details
2B2	Potential for criminal aspects
2B3	Competence, expertise, and time to handle issue
2B4	Conflict of interest in regards to representation
2B5	Transcripts from IRS (e.g., access to and use of e-services)
2C	Taxpayer financial situation
2C1	Taxpayer's ability to pay the tax (e.g., installment agreements, offer in compromise, currently not collectible)

2C2	General financial health (e.g., bankruptcy, lawsuits, garnishments, cash flow, assets, and insolvency)
2C3	Third-party research (e.g., property assessment for taxes, asset values, state and local tax information)
2C4	Discharge of the tax liability in bankruptcy
2C5	IRS Collection Financial Standards
2D	Supporting documentation
2D1	Financial documents and expense records (e.g., cancelled checks or equivalent, bank statements, credit card statements, receipts, brokerage records)
2D2	Legal documents (e.g., birth certificate, divorce decrees, lawsuit settlements)
2D3	Prior and subsequent tax returns
2D4	Other substantive and contemporaneous documentation (e.g., corporate minutes)
2D5	Business entity supporting documents (e.g., partnership agreement, corporate bylaws)
2E	Legal authority and references
2E1	Internal Revenue Code and income tax regulations
2E2	Revenue rulings and revenue procedures
2E3	Case law
2E4	IRS forms, instructions, and publications
2E5	Private letter ruling
2E6	Internal Revenue Manual
2E7	Authoritative versus non-authoritative source material
2E8	Tax treaties
2F	Related issues
2F1	Statute of limitations
2F2	Post-filing correspondence (e.g., math error notices, under-reporting notices)
2F3	Deadlines and timeliness requirements
2F4	Third-party correspondence (e.g., witness communications, employment records)
2F5	Freedom of Information Act (FOIA) requests
2F6	Tax avoidance vs tax evasion
2F7	Tax return disclosure statements
2F8	Taxpayer Advocate Service (e.g., criteria for requesting assistance)
2F9	Taxpayer identity Theft
2F10	Judicial levels of representation beyond the scope of EA representation

3	SPECIFIC AREAS OF REPRESENTATION	20
3A	Representing a taxpayer in the collection process	
3A1	Extension of time to pay (e.g., Form 1127)	
3A2	Installment agreements	
3A3	Offer in compromise	
3A4	Collection appeals program (e.g., denial of installment agreements, discharge applications)	
3A5	Collection appeals and due process (e.g., lien, levy, and Form 12153)	
3A6	Adjustments to the taxpayer's account (e.g., abatements and refund offsets)	
3A7	Requesting an audit reconsideration (e.g., documents and forms)	
3A8	Representing a decedent	
3A9	Collection notice and Notice of Federal Tax Lien	
3A10	Levy and seizure of taxpayer's property	
3A11	Currently Not Collectible (e.g., reasons and reactivation)	
3A12	IRS Collection Summons (e.g., purposes)	
3A13	Collections statute of limitations	
3A14	Trust fund recovery penalty	
3A15	Amended returns and claims for refund (e.g., Form 1040X, Form 843, effect on statute of limitations)	
3A16	Passport revocation	
3B	Penalties and/or interest abatement	
3B1	Penalties subject to abatement	
3B2	Basis for having penalties abated or refunded	
3B3	Basis for having interest abated or refunded	
3B4	Interest recalculation	
3B5	Procedures for requesting abatement	
3C	Representing a taxpayer in audits/examinations	
3C1	IRS authority to investigate	
3C2	Limited practitioner privilege (e.g., IRC section 7525)	
3C3	Verification and substantiation of entries on the return	
3C4	IRS authority to fix time and place of investigation	
3C5	Steps in the process (e.g., initial meeting, submission of IRS requested information)	

3C6	Interpretation and analysis of revenue agent report (RAR) (e.g., 30-day letter)
3C7	Interpretation and analysis of CP-2000 notice and correspondence audits
3C8	Explanations of taxpayer options (e.g., agree or appeal)
3C9	Taxpayer's burden of proof
3D	Representing a taxpayer before appeals
3D1	Right to appeal Revenue Agent findings
3D2	Request for appeals consideration (e.g., preparation, elements contained)
3D3	Enrolled Agent appearance at appeals conference
3D4	Settlement function of the appeals process
3D5	Issuance of 90-day letter
4	FILING PROCESS 14
4A	Accuracy
4A1	Reliance on software (e.g., review of results)
4A2	Miscalculations and recognition of duplicate entries
4B	Record maintenance
4B1	Length of time to retain returns and records
4B2	Data security (e.g., electronic, systems, paper)
4C	Electronic filing
4C1	Application process to be an e-file provider (e.g., e-services, EFIN)
4C2	E-file mandate and exceptions (Form 8948)
4C3	Advertising standards
4C4	Definition and responsibilities of an ERO
4C5	Levels of infractions
4C6	Compliance requirements to continue in program
4C7	EFIN revocation appeal process
4C8	E-file authorization and supporting documentation (e.g., Form 8879 and Form 8453)
4C9	Rejected returns and resolution (e.g., client notification, IP PIN)