

Examination Content Outline

The following outline is a list of topics for each part of the examination. Not every topic on the list will necessarily appear on the examination and the list should not be viewed as all-inclusive. Some topics may appear in more than one examination part. This list is also available at www.prometric.com/see.

Part 3 – Representation, Practices and Procedures

1. Practices and Procedures

1.1 Practice before the IRS

- What constitutes practice before the IRS
- Categories of individuals who may practice and extent of practice privileges

1.2 Requirements for Enrolled Agents

- Information to be furnished to the IRS
- Omission or error on return, document, or affidavit
- Rules for employing or accepting assistance from former IRS employees or disbarred/suspended persons
- Rules for restrictions on advertising, solicitation and fee information
- Fee rules (e.g., contingent, unconscionable)
- Due diligence requirements
- Conflict of interest
- Rules for refund check negotiation
- Standards for written advice, covered opinions, tax return positions and preparing returns
- Continuing education requirements
- Tax shelters
- Enrollment cycle and renewal
- Rules for prompt disposition of matters before the IRS

- Rules for returning a client's records and documents
- PTIN requirements
- Practitioner supervisory responsibilities (Circular 230 Section 10.36)

1.3 Sanctionable acts

- Disreputable conduct that may result in a disciplinary proceeding
- Sanctions imposed by the Office of Professional Responsibility
- Frivolous submissions (returns and documents)
- Fraudulent transactions (e.g., badges of fraud)

1.4 Rules and penalties

- Assessment and appeal procedures for preparer penalties
- Types of penalties (e.g., negligence, substantial understatement, overvaluation)
- Furnishing a copy of a return to a taxpayer
- Signing returns and furnishing identifying numbers
- Keeping copies or lists of returns prepared
- Employees engaged or employed during a return period (e.g. IRC Section 6060)
- Preparer due diligence and penalties (e.g., refundable credits, head of household status)

2. Representation before the IRS

2.1 Power of attorney

- Purpose of power of attorney
- Signature authority (e.g., extension of assessment period, closing agreement)
- Authority granted by taxpayer
- Limitations on signing tax returns on behalf of taxpayer
- Proper completion of power of attorney (Form 2848)
- Alternate forms of power of attorney (durable)
- Rules for client privacy and consent to disclose
- Distinctions between power of attorney (Form 2848) and tax information authorization (Form 8821)
- Requirements to be met when changing or dropping representatives or withdrawal of representative
- Purpose of a Centralized Authorization File (CAF) number
- Conference and practice requirements (Publication 216)

2.2 Building the taxpayer's case-Preliminary work

- Identification of tax issue(s) with supporting details
- Potential for criminal aspects
- Competence, expertise and time to handle issue
- Conflict of interest
- Transcripts from IRS (e.g., access to and use of e-services)

2.3 Taxpayer financial situation

- Taxpayer's ability to pay the tax (e.g., installment agreements, offer in compromise)
- General financial health (e.g., filed for bankruptcy, lawsuits,

garnishments, cash flow, assets, and insolvency)

- Third-party research (e.g., property assessment for municipal taxes, asset values, state and local tax information)
- Discharge of the tax liability in bankruptcy
- IRS Collection Financial Standards

2.4 Supporting documentation

- Financial documents (e.g., cancelled checks or equivalent, bank statements, credit card statements, receipts, brokerage records)
- Legal documents (e.g., birth certificate, divorce decrees, lawsuit settlements)
- Prior and subsequent tax returns
- Other substantive and contemporaneous documentation (e.g., corporate minutes)
- Employment reimbursement policies
- Business entity supporting documents (e.g., partnership agreement, corporate bylaws)
- Expense records (e.g., deductible, allowable, personal, mileage log)

2.5 Legal authority and references

- Internal Revenue Code
- Income tax regulations
- Revenue rulings
- Revenue procedures
- IRS notices
- Case law
- IRS publications
- Private letter rulings
- Forms and instructions
- Internal Revenue Manual
- Authoritative versus non-authoritative source material

- Tax treaties and other international agreements

2.6 Related issues

- Statute of limitations
- Post-filing correspondence (e.g., math error notices, under-reporting notices)
- Deadlines and timeliness requirements
- Third-party correspondence (e.g., witness communications, employment records)
- Freedom of Information Act (FOIA) requests
- Tax avoidance vs. tax evasion
- Tax return disclosure statements
- Taxpayer Advocate Service (e.g., criteria for requesting assistance)
- Identity Theft
- Judicial levels of representation beyond the scope of EA representation

3. Specific Types of Representation

3.1 Representing a taxpayer in the collection process

- Extension of time to pay (e.g., Form 1127)
- Installment agreements
- Types of offer in compromise
- Collection appeals program (e.g., denial of installment agreements, discharge applications)
- Collection appeals and due process (e.g., lien, levy, and Form 12153)
- Adjustments to the taxpayer's account (e.g., abatements and refund offsets)
- Requesting an audit reconsideration (e.g., documents and forms)

- Decedent Issues
- Collection notice and Notice of Federal Tax Lien
- Levy and seizure of taxpayer's property
- Case being reported Currently Not Collectable (e.g., reasons and reactivation)
- IRS Collection Summons (e.g., purposes)
- Collections statute of limitations
- Trust fund recovery penalty
- Amended returns and claims for refund (e.g., Form 1040X, Form 843, appropriateness and timeliness)
- Passport revocation

3.2 Penalties and/or interest abatement

- Penalties subject to abatement
- Basis for having penalties abated or refunded
- Reasonable cause
- Basis for having interest abated or refunded
- Interest recalculation
- Procedures for requesting abatement

3.3 Representing a taxpayer in audits/examinations

- IRS authority to investigate
- Limited practitioner privilege (e.g., IRC Section 7525)
- Verification and substantiation of entries on the return
- IRS authority to fix time and place of investigation
- Steps in the process (e.g., initial meeting, submission of IRS requested information)
- Innocent spouse
- Interpretation and analysis of Revenue Agent Report (RAR) (e.g., 30-day letter)

- Interpretation and analysis of CP-2000 notice and correspondence audits
 - Explanations of taxpayer options (e.g. agree or appeal)
 - Partnership level audit and opt-out
 - Preparer conflict of interest
- 3.4 Representing a taxpayer before appeals
- Right to appeal Revenue Agent findings
 - Request for appeals consideration (e.g., preparation, elements contained)
 - Enrolled Agent appearance at appeals conference
 - Settlement function of the appeals process
 - Issuance of 90-day letter
- Application process to be an e-file provider (e.g., e-services, EFIN)
 - E-file mandate and exceptions (Form 8948)
 - Advertising standards
 - Definition and responsibilities of an ERO
 - Levels of infractions
 - Compliance requirements to continue in program
 - EFIN revocation appeal process
 - E-file authorization and supporting documentation (e.g. Form 8879 and Form 8453)
 - Rejected returns and resolution (e.g. client notification)
 - Identity theft procedures and resolution (e.g., IP PIN)

4. Completion of the Filing Process

4.1 Accuracy

- Reliance on software (e.g. review of results)
- Inconsistencies within the source data
- Miscalculations
- Recognition of duplicate entries

4.2 Information shared with taxpayer

- Record-keeping requirements
- Significance of signature (e.g., joint and several liability, penalty of perjury)
- Consequences of dishonesty

4.3 Record maintenance

- Length of time to retain returns and records
- List of returns prepared (e.g. name, social security number, and type of return)
- Due diligence requirements
- Data security (e.g., electronic, systems, paper)

4.4 Electronic filing