



**LITC**

**Low Income  
Taxpayer Clinics**

**2022 PROGRAM REPORT**





# Low Income Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

## OUR MISSION

Low Income Taxpayer Clinics ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak English as a second language by:

- ♦ Providing *pro bono* representation on their behalf in tax disputes with the IRS;
- ♦ Educating them about their rights and responsibilities as taxpayers; and
- ♦ Identifying and advocating for issues that impact these taxpayers.

## ABOUT THE PROGRAM

The LITC Program is a federal grant program that provides up to \$100,000 per year to qualifying organizations. For grant year 2023, the maximum grant amount has been temporarily increased to \$200,000. The program unites a nationwide network of independent organizations under a shared mission to protect taxpayer rights. The LITC Program Office is part of the Office of the Taxpayer Advocate.



**[www.TaxpayerAdvocate.irs.gov/litc](http://www.TaxpayerAdvocate.irs.gov/litc)**

## TABLE OF CONTENTS

Letter From the National Taxpayer Advocate .....	3
Infographic.....	4
LITC Locations .....	6
Introduction .....	8
Program Overview.....	9
LITC Representation .....	17
LITC Education.....	29
LITC Advocacy .....	31
LITC Program Office Responsibilities .....	34
Conclusion .....	36
Endnotes .....	37



Left: Centro Hispano LITC educating the community.



Right: Texas A&M School of Law Tax Dispute Resolution Clinic Students with Clinic Director Bob Probasco.

# LETTER FROM THE NATIONAL TAXPAYER ADVOCATE

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Dear Reader:

It is my pleasure to introduce the Low Income Taxpayer Clinic (LITC) Program Report covering the 2021 grant year. At legal services organizations, academic institutions, and nonprofits across the country, a network of LITCs is guided by a unifying mission to represent and educate low-income and English as a second language (ESL) taxpayers and advocate for resolution to systemic issues impacting these taxpayers. During the 2021 grant year, LITCs were challenged more than ever as the country emerged from mass shutdowns and began to grapple with the myriad changes in many facets of daily life.

The IRS continued to help lead the nation's recovery efforts with implementation of a number of COVID-19 relief programs, including issuing the final round of stimulus payments and the monthly Advance Child Tax Credit (AdvCTC) payments. Although these provisions were implemented to meet the immediate needs of struggling U.S. taxpayers, the IRS focus and resource shift meant taxpayers and tax professionals trying to reach the IRS with other questions or to resolve controversy issues were confronted with barriers – closed offices, unanswered phone lines, and unopened correspondence.

Even when faced with unprecedented challenges, LITCs continued to provide top quality representation and education services to taxpayers by finding new and creative ways to get their jobs done. In fact, the numbers of taxpayers represented in 2021 surpassed pre-pandemic 2019 numbers.<sup>1</sup> The infographic and short success stories provided on the following pages demonstrate the many ways that LITCs impacted taxpayers and tax administration in 2021. It's astounding how much they accomplished.

LITCs play an integral role in ensuring the voices of low-income and ESL taxpayers are heard. The work they do is bolstered and enhanced by the many volunteers who give their time to help. LITC volunteers include attorneys, certified public accountants, enrolled agents, interpreters, and students. Their efforts are key to expanding the reach of many of the LITCs. This past October, I recognized the important contributions of our volunteers and joined in the annual National Pro Bono Celebration by [personally thanking all LITC volunteers](#). However, the clinics can always use more assistance. Please consider volunteering your time at a clinic near you for a rewarding experience assisting those in need and working alongside dedicated and passionate LITC clinicians.

Thank you to all who made the 2021 grant year a success, even while continuing to battle the impacts of the pandemic. I am grateful for and proud of the work of the LITCs! I look forward to the year ahead and strengthening clinic partnerships with TAS as we continue to work together to ensure a fair and just tax system for all.

Sincerely,

A handwritten signature in black ink, appearing to read "Erin M. Collins". The signature is fluid and cursive, with a long horizontal line extending from the end.

**Erin M. Collins**

*National Taxpayer Advocate*



**Low Income  
Taxpayer Clinics**

## REPRESENTATION • EDUCATION • ADVOCACY

The Low Income Taxpayer Clinic (LITC) Program provides matching grants of up to \$100,000 per year to qualifying organizations to operate a low-income taxpayer clinic. LITCs provide service to low-income and English as a second language (ESL) taxpayers. Representation is provided for free or a nominal fee.

### How do LITCs help low-income taxpayers?



#### REPRESENT

**Represent low-income individuals in disputes with the IRS and state tax agencies and help taxpayers:**

- Achieve better outcomes in cases
- Access benefits administered through the tax code
- Resolve tax debts, levies, and liens
- Litigate cases in U.S. Tax Court and other federal courts



#### EDUCATE

**Educate ESL and low-income taxpayers about their rights and responsibilities and help them:**

- Understand the U.S. tax system
- Exercise their rights as taxpayers
- Comply with their responsibilities as taxpayers



#### ADVOCATE

**Advocate for low-income and ESL taxpayers about relevant issues that impact them and help the IRS:**

- Identify and fix problems with the tax system
- Ensure the fairness and integrity of the tax system for all taxpayers

*Performance data from 2021 LITC Year-End Report, GrantSolutions; Funding data from 2022 PMS LITC Accounts\_All\_10062022 Report.*



In grant year 2022, the LITC Program awarded **over \$12 million** in grants to **130 organizations** in 46 states and the District of Columbia.

Grant recipients are generally legal aid or legal services organizations; clinics at law, business, or accounting schools; and other not-for-profit organizations that provide services to low-income individuals and their families.

**20,358**

Taxpayers represented

**15,901**

Taxpayers provided consultation or advice



**2,761**

Taxpayers brought into filing compliance

**3,311**

Taxpayers brought into collection compliance

**Over \$6.7 million**

Refunds secured for low-income taxpayers



**Over \$62 million**

Liabilities decreased or corrected



**1,211**

Volunteers

**46,309**

Volunteer hours

**990**

Educational activities



**143,260**

Attendees at educational activities



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Department of the Treasury  
**Internal Revenue Service**  
[www.irs.gov](http://www.irs.gov)

[www.TaxpayerAdvocate.irs.gov/litc](http://www.TaxpayerAdvocate.irs.gov/litc)



The work of LITCs has a tremendous impact on the lives of low-income and ESL taxpayers across the country as well as on the fairness and integrity of the U.S. tax system. The best way to understand that impact is through the cases the LITCs work and the projects and initiatives they conduct. Below are three examples.



## REPRESENTATION

A low-income taxpayer sought help from a LITC to address federal and state income tax balances that had accrued over multiple years. She was laid off at the beginning of the recession in 2009 and began withdrawing funds from her Individual Retirement Accounts (IRAs) for basic living expenses and job search costs. Because she withdrew funds from her IRAs at a low point of the market, she lost over half of her investments, eventually exhausted her savings, and was unable to find work. In 2012, her troubles were compounded by Hurricane Sandy, which battered her neighborhood and caused flood damage to her apartment. She developed severe respiratory health issues that left her disabled and struggling to afford her medications. The LITC submitted an offer in compromise (OIC) to resolve the taxpayer's state and federal tax debts. Both the IRS and the state approved OICs of \$100 each, resolving nearly \$70,000 in tax debts.



## EDUCATION

Colorado Legal Services LITC partners with high schools with large numbers of employed students to educate them about their rights and responsibilities as taxpayers. The LITC's presentations to the students include an overview of the history of the U.S. tax system and how it currently works. The presentations also include line-by-line instructions for filing federal income tax returns and discussions about filing status, income, basic recordkeeping needed to track income and expenses for self-employed individuals, and different types of tax credits. Students are also encouraged to bring tax returns they have filed for discussion and review. The classes educate these first-time filers about the tax system and offer a foundational step to encourage continuing tax compliance.



## ADVOCACY

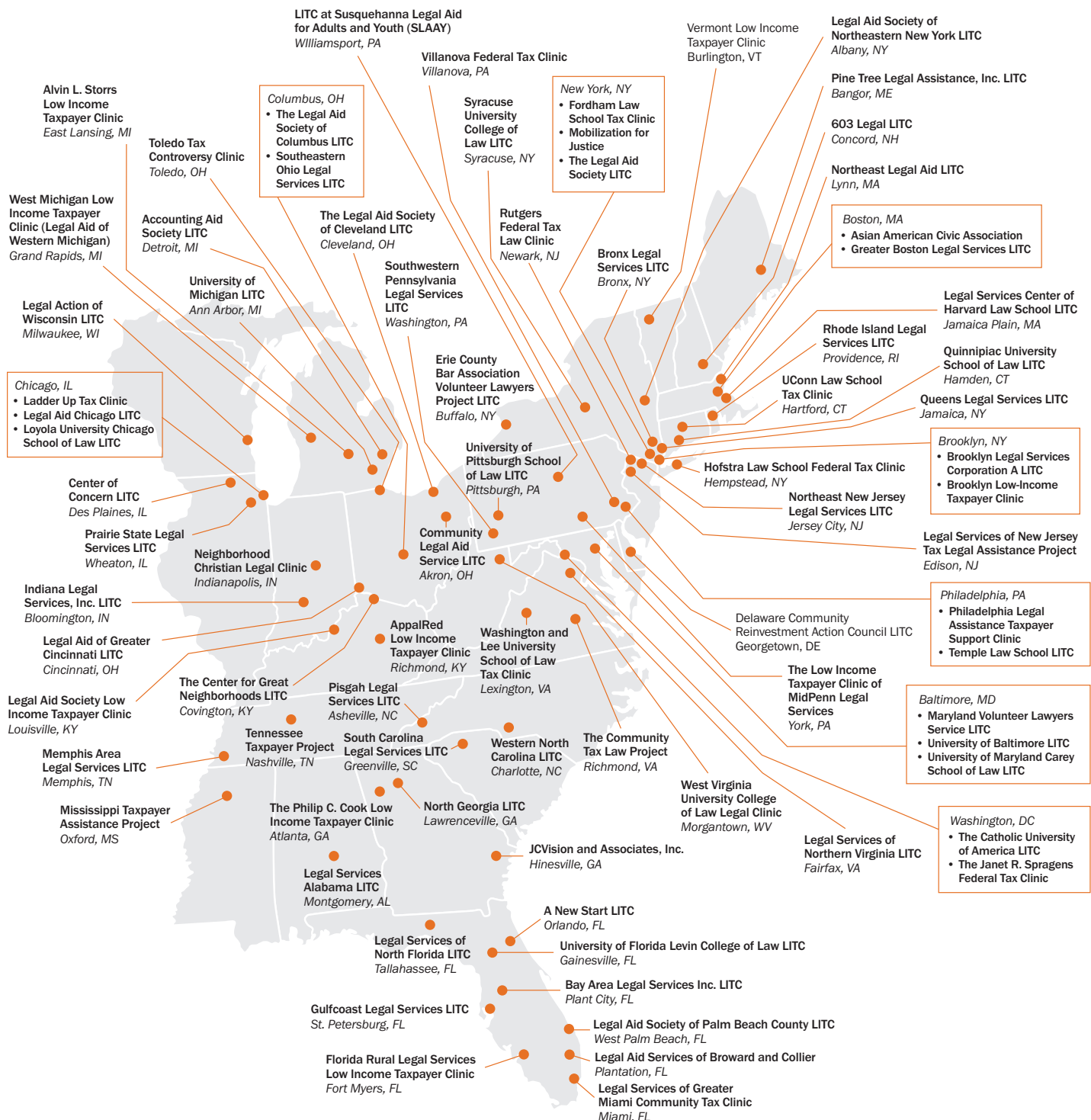
Starting in 2016, the Harvard Legal Services Center Tax Clinic (the clinic) litigated whether certain Tax Court filing deadlines are jurisdictional or claims processing rules subject to equitable tolling. Pursuing the issue across the country, the clinic directly represented clients and filed *amicus* briefs on which clinic students worked and volunteer counsel assisted. Shortly prior to oral argument in the Eighth Circuit, the petitioner's counsel asked if the clinic would take on the oral argument as well. A recent clinic alumna, who argued the same issue in the Fourth Circuit, agreed to argue the case *pro bono* with the backing of her firm. She became part of an all-woman team at the firm that argued the merits of the case successfully before the Supreme Court. In reversing lower court rulings, the U.S. Supreme Court held unanimously in *Boechler P.C. v. Commissioner*, 142 S.Ct. 1493 (Apr. 21, 2022), that the time period for filing a Collection Due Process petition in the U.S. Tax Court is not jurisdictional and is subject to equitable tolling. The *Boechler* decision has the potential to impact future court filings of many low-income taxpayers who often face challenging life situations that create obstacles to meeting filing deadlines. The clinic's persistence in fighting this access to justice issue will help ensure that taxpayers can make the case for tolling the time period for filing a Tax Court petition when appropriate.



# LITC LOCATIONS: GRANT YEAR 2023







Note: Map shows clinics funded as of February 2023. For the most up-to-date clinic information, see Publication 4134, Low Income Taxpayer Clinic List, or visit [www.TaxpayerAdvocate.irs.gov/litc](http://www.TaxpayerAdvocate.irs.gov/litc).

# INTRODUCTION

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As we reflect on the good work of the LITCs during the 2021 grant year, we want to recognize their extraordinary efforts and accomplishments during those difficult times. As the National Taxpayer Advocate pointed out in her 2021 Annual Report, the IRS experienced a nearly impossible situation for those trying to help taxpayers resolve their tax problems.

Yet, even during those challenging times, LITCs kept answering calls, addressing online requests for help, and plugging away at cases with persistence and creative problem solving. They also continued to educate taxpayers, finding virtual means to connect with audiences and partnering with community organizations to reach taxpayers most in need of information and guidance. They were a lifeline for many and helped taxpayers even against tremendous odds.

The LITCs succeeded and satisfied their mission, resolving taxpayer issues even when it seemed impossible. They changed the trajectory of people's lives, allowing them to move forward free from the burden of tax debt or putting dollars in their hands to meet basic living expenses.

We hope you will enjoy learning more about the work of the LITCs during the challenging 2021 grant year in the pages and stories that follow.

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The statute currently provides up to a \$100,000 grant for each award with a dollar-for-dollar matching requirement for eligible low-income taxpayer clinics to be administered by the IRS.<sup>8</sup> In December 2022, however, Congress not only included an additional \$13 million in funds for the program, bringing the total up to \$26 million, but also increased the annual per clinic funding cap to \$200,000 for fiscal year 2023.

Along with the authority to grant funds to LITCs, the IRS provides administrative oversight and guidance to grant recipients. From 1999 to 2003, the IRS Wage & Investment Division filled this role. In May 2003, the responsibility was transferred to the Office of the Taxpayer Advocate (more commonly known as the Taxpayer Advocate Service (TAS)), which continues to administer and oversee the grant program today through the LTC Program Office.<sup>9</sup>

## A Unifying Mission

The LTC Program protects taxpayer rights by providing access to representation for low-income taxpayers. Congress recognized that achieving a correct outcome in an IRS dispute should not be dependent on an individual's ability to pay for representation. As ESL taxpayers face an added barrier to understanding and complying with complex tax laws, Congress also authorized funding for organizations to provide education about taxpayer rights and responsibilities to these taxpayers.

Clinics providing representation and education to low-income and ESL taxpayers are also well situated to identify, evaluate, and advocate for taxpayers where the IRS's interpretation and implementation of the tax laws harm taxpayers or hinders them from exercising their rights. Encouraging clinics to identify problems and propose solutions benefits both the taxpayers and tax administration by helping the agency to shape policies to better serve taxpayers and thus more fairly administer tax policy. To help ensure low-income and ESL taxpayers access to representation, education, and advocacy services, the LTC's unifying three-pronged mission was developed and continues to guide the work of the LTC Program Office and the clinics it funds.



**The mission of the LTC Program is to ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak ESL by:**

- ♦ Providing *pro bono* representation on their behalf in tax disputes with the IRS;
- ♦ Educating them about their rights and responsibilities as taxpayers; and
- ♦ Identifying and advocating for issues that impact these taxpayers.

When low-income taxpayers have access to free or low-cost tax advocacy, either in a controversy with the IRS or as part of an educational program, important public policies are served. The access ultimately helps ensure that taxpayers obtain fair results within the tax system and that tax administration becomes more responsive to the needs of all taxpayers, regardless of income level. Assisting ESL taxpayers and educating them about their tax reporting and payment obligations also enhances voluntary compliance, the cornerstone of the U.S. tax system.<sup>10</sup>

## Important Tax Legislation Impacting LITCs

In June 2014, the IRS adopted the Taxpayer Bill of Rights (TBOR), a set of ten fundamental rights taxpayers should know when interacting with the IRS.<sup>11</sup> Pulling together these rights that appear throughout the tax code, regulations, and guidance into one document makes them more visible and accessible to all taxpayers. The emphasis on TBOR was heightened when Congress enacted IRC § 7803(a)(3) in December 2015, which lists the rights that already existed in the Code.<sup>12</sup> One of these ten rights is the *right to retain representation*.<sup>13</sup>

The *right to retain representation* means a taxpayer can seek the help of an authorized representative to challenge an IRS notice, action, or inaction. LITCs are key in helping low-income taxpayers exercise this right by representing taxpayers regardless of their ability to pay for services. Representation is a vital way LITCs use grant funds to help taxpayers access justice and obtain fair resolutions in disputes with the IRS. Access to a representative who understands the complexities of the tax code empowers low-income taxpayers to also exercise their *rights to pay no more than the correct amount of tax, to challenge the IRS's position and be heard, and to appeal an IRS decision in an independent forum*.<sup>14</sup> LITCs further utilize the tenets of TBOR as a tool to bolster their arguments on behalf of taxpayers before the IRS and in the courts, pointing out when rights may be violated and demanding adherence.

Besides providing a means for taxpayers to obtain representation, LITCs play an important role in empowering taxpayers to exercise all their rights. LITCs strive to ensure taxpayers' rights are communicated, utilized, and protected through the education and advocacy they provide. The education about taxpayer rights and responsibilities that LITCs provide to low-income and ESL taxpayers and to community partners who provide services to these groups also furthers taxpayers' *right to be informed*.<sup>15</sup> LITCs also help advocate for taxpayers' *right to a fair and just tax system*<sup>16</sup> by elevating concerns to the IRS or TAS when they identify systemic issues or IRS practices or procedures that have the potential to harm taxpayers or interfere with taxpayer rights. Once issues are identified, LITCs continue their advocacy by proposing solutions.

With the enactment of IRC § 7803(a)(3)(I), Congress tasked the IRS Commissioner and all IRS employees to act in accordance with taxpayer rights, including the right for taxpayers to be informed that they may be eligible for assistance from an LTC if they cannot afford to hire a representative. The IRS informs taxpayers of their rights in first contacts regarding examination and collection notices.<sup>17</sup> To help educate taxpayers about what the *right to retain representation* means, the IRS issued guidance on [IRS.gov](https://www.irs.gov).<sup>18</sup> The agency has further emphasized this right by adding information about the availability of LITCs in taxpayer notices and correspondence.

In 2019, Congress enacted the Taxpayer First Act (TFA).<sup>19</sup> The law includes several important provisions improving taxpayer service and ensuring the IRS enforces the tax laws in a fair and impartial manner. Two sections of the TFA are of particular importance to the mission of the LTC Program. Section 1402 provides IRS employees the ability to refer a taxpayer to a specific LTC for assistance whenever it appears a taxpayer may be eligible for and in need of assistance without violating the standards of conduct.<sup>20</sup>

Section 1401 of the TFA promotes collaboration between LITCs and Volunteer Income Tax Assistance (VITA)<sup>21</sup> grant recipients by encouraging them to advise taxpayers about the availability of LITCs, eligibility requirements

## THE TAXPAYER BILL OF RIGHTS

*The Right to Be Informed*

*The Right to Quality Service*

*The Right to Pay No More Than the Correct Amount of Tax*

*The Right to Challenge the IRS's Position and Be Heard*

*The Right to Appeal an IRS Decision in an Independent Forum*

*The Right to Finality*

*The Right to Privacy*

*The Right to Confidentiality*

*The Right to Retain Representation*

*The Right to a Fair and Just Tax System*

for LITC assistance, and clinic locations and contact information.<sup>22</sup> These provisions have been helpful in encouraging referrals to LITCs from both IRS offices as well as VITA and Tax Counseling for the Elderly (TCE) sites across the country. On January 10, 2023, these programs held a summit to discuss ways to improve how the IRS can help these partners build on existing collaborations and encourage new ones to help improve services to taxpayers.

## Annual LITC Grant Funding

In grant year 2021, the LITC Program awarded over \$12 million in grants to 130 organizations across the United States, including five that received an award for the first time. Although the maximum amount of an LITC grant is \$100,000 per year,<sup>23</sup> some receive smaller sums. Despite the modest size of all the grants, each clinic was required to maintain a staff that includes an attorney, certified public accountant (CPA), or enrolled agent (EA) who can represent taxpayers before the IRS. In 2021, the average award to an LITC was \$92,340, with many of the grant recipients receiving the maximum award of \$100,000.

The LITC Program requires a dollar-for-dollar match from each grant recipient.<sup>24</sup> Matching funds are provided in cash or third-party in-kind contributions (e.g., time worked by volunteers or donated case management software), often in excess of the award amount. For example, if every award recipient in 2021 provided only the minimum match, the average total resources (grant award plus matching funds) expended on behalf of taxpayers for each clinic program would have been approximately \$184,680. Yet, in 2021, the average award of \$92,340 saw an actual average matching funds contribution valued at approximately \$118,699. The additional contributions of award recipients increased the average total program resources for each clinic program to over \$206,000.

The matching funds requirement ensures that each LITC grant represents a financial partnership between the grant recipient and the federal government to benefit low-income and ESL taxpayers. The commitment of matching funds leverages the federal funding investment so an LITC can assist more taxpayers in need. The maximum award the law allows for an LITC grant, however, has stayed constant since the creation of the LITC Program, while the demand on grant recipients has grown and continues to intensify. The cost of providing service has not remained static; yet, LITCs have continued to deliver superb results despite the many challenges and pressures they face. Sadly, it is anticipated that more organizations, especially those with smaller budgets and from economically disadvantaged areas, will make the difficult decision to cease offering LITC services because the need to supplement funding dollar-for-dollar from other sources will become too much of a strain on resources.

Over half of the 34 organizations that received an award in 1999, the first year of the LITC Program, are still with the program today.<sup>25</sup> In late December 2022, Congress recognized the important work of the LITCs in the omnibus legislation.<sup>26</sup> The Fiscal Year 2023 appropriation increased the per-clinic funding cap from \$100,000 to \$200,000 and increased the overall grant funding total from \$13 million to \$26 million. This is a big step forward for the LITC Program, but it's not a permanent fix. There is hope that by increasing or lifting the maximum limit on the grant award, the remaining clinics will stay with the program in 2023 and beyond. In the [National Taxpayer Advocate's 2023 Purple Book](#), she recommends that Congress adopt a permanent fix and amend IRC § 7526 to remove the per-clinic funding cap and allow the IRS to reduce the match requirement to 25 percent if doing so would provide coverage for additional taxpayers.<sup>27</sup>



Figure 2 details how LITCs spent federal and matching funds during grant year 2021. The major expenditures incurred by LITCs were personnel costs and fringe benefits paid to provide direct representation, education, and advocacy services to low-income and ESL taxpayers. Personnel costs and fringe benefits total more than \$20.2 million. Equipment costs include only those items that cost \$5,000 or more,<sup>28</sup> and the other expenses matching funds total includes the value of volunteer in-kind services provided to LITCs during the grant year. Grant recipients, however, are prohibited from using matching funds to pay indirect expenses, including their general overhead costs.<sup>29</sup> This ensures more program funds are spent on direct taxpayer services rather than administrative costs.<sup>30</sup>

FIGURE 2

<b>LITC Grant Funds Expended: Grant Year 2021 (as of 10/28/22)</b>				
<b>EXPENDITURES</b>	<b>FEDERAL FUNDS</b>	<b>+</b>	<b>MATCHING FUNDS</b>	<b>= TOTAL *</b>
<b>PERSONNEL</b>	<b>\$ 8,401,249</b>	<b>+</b>	<b>\$ 7,530,344</b>	<b>= \$ 15,931,593</b>
<b>FRINGE BENEFITS</b>	<b>\$ 1,664,876</b>	<b>+</b>	<b>\$ 2,697,170</b>	<b>= \$ 4,362,046</b>
<b>TRAVEL</b>	<b>\$ 16,639</b>	<b>+</b>	<b>\$ 21,875</b>	<b>= \$ 38,514</b>
<b>EQUIPMENT</b>	<b>\$ -</b>	<b>+</b>	<b>\$ -</b>	<b>= \$ -</b>
<b>SUPPLIES</b>	<b>\$ 84,716</b>	<b>+</b>	<b>\$ 205,516</b>	<b>= \$ 290,233</b>
<b>CONTRACTUAL</b>	<b>\$ 268,842</b>	<b>+</b>	<b>\$ 828,524</b>	<b>= \$ 1,097,366</b>
<b>OTHER EXPENSES</b>	<b>\$ 94,039</b>	<b>+</b>	<b>\$ 4,147,438</b>	<b>= \$ 4,241,476</b>
<b>INDIRECT CHARGES</b>	<b>\$ 888,560</b>	<b>+</b>	<b>\$ -</b>	<b>= \$ 888,560</b>
<b>TOTALS</b>	<b>\$ 11,418,921</b>	<b>+</b>	<b>\$ 15,430,866</b>	<b>= \$ 26,849,788</b>

\*Note: Numbers may not total due to rounding



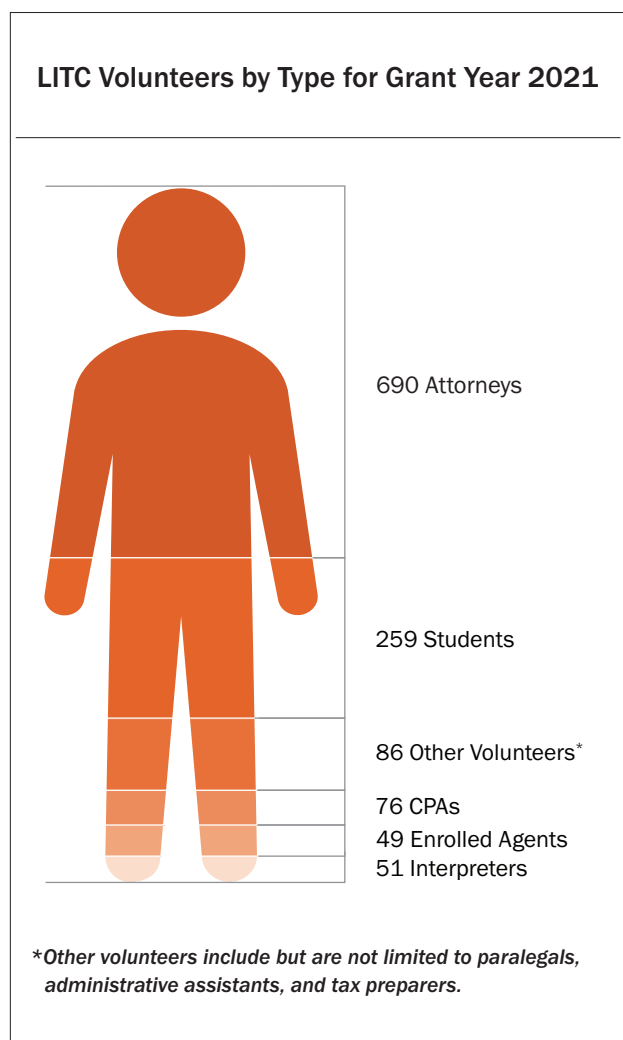
## Volunteers Are Key to Helping Expand LITC Reach

Every LITC must staff key personnel (Clinic Director, Qualified Tax Expert, and Qualified Business Administrator), and at least one staff member must be authorized to represent taxpayers before the IRS.<sup>31</sup> In addition, tax law expertise is needed to work technical, substantive, and procedural federal tax matters. Many clinics use volunteers to help expand their reach and the number of taxpayers they can assist. LITCs are also strongly encouraged to develop and maintain a *pro bono* volunteer panel to which they may refer taxpayers needing representation. Each LITC must have a staff member or a *pro bono* panel member who is admitted to practice before the U.S. Tax Court and other federal courts to represent taxpayers in litigation matters. LITCs may also partner with and make case referrals to existing *pro bono* panels, such as those operated by state and local bar associations or professional organizations.

*Pro bono* panel members are volunteers authorized to practice before the IRS and admitted to practice before the U.S. Tax Court or other federal courts. With these additional tax experts available, LITCs can assist even more low-income taxpayers with a wide range of tax issues. Volunteers may have different experience and expertise that can further help clinics to effectively work with the IRS to address issues on behalf of taxpayers. This combination of skills and expertise allows LITC practitioners and clinic *pro bono* volunteers to help taxpayers navigate the complex IRS systems and tax laws, exercise the rights available to them, and achieve fair and just outcomes.

Volunteers also assist LITCs in ways other than providing representation. For example, some LITCs utilize student volunteers to provide case support by researching tax laws and organizing tax documentation. Other volunteers assist by providing translation and interpretation assistance at community outreach and networking events, clerical support, and website development and maintenance. There are myriad ways volunteers can assist an LITC. Clinics are encouraged to think creatively about how they use volunteers to not only expand their reach but also to enhance the services they offer and best utilize the resources available to operate the clinic. Many clinicians take on more than one role, providing administrative support, grant management, and taxpayer representation. For example, one LITC recruited a volunteer tax attorney to help mentor and supervise the clinic's student attorneys on the days when the clinic director was teaching a class or conducting an outreach or educational event offsite. The use of volunteers in these ways is a win-win for all involved. The volunteers have an opportunity to give back in a way that best utilizes their skills and experience or learn something new while the clinic staff can allocate its limited resources to most benefit the clinic and its clients.

FIGURE 3





## ***Pro Bono* Volunteers Help Taxpayer Prevail in U.S. Tax Court**

A Spanish-speaking taxpayer providing childcare, a critical service in high demand, was audited by the IRS. During the examination, the IRS reviewed her tax return filed as a sole proprietor and disallowed various credits, including the Earned Income Tax Credit (EITC). For lower income sole proprietors, tax credits can be critically important in helping the proprietor pay their Social Security and Medicare taxes. For this taxpayer, the need was even more acute as the refund was earmarked to help her meet the needs for her own special needs child. Two of the LITC's volunteer attorneys stepped in to represent this mother and childcare provider in the U.S. Tax Court. With the attorneys' assistance, the IRS disallowance was reversed, and she received all the credits she claimed on her tax return.

The commitment of tax professionals and others to LITCs and the taxpayers they assist is truly amazing. We recognize all LITC volunteers and thank them for their hard work throughout the year. In 2021, over 1,200 generous volunteers provided over 46,000 hours of their time to the LITCs across the country.<sup>[32](#)</sup> Of those volunteers, over 67 percent were attorneys, CPAs, or EAs.<sup>[33](#)</sup> LITCs need the support of volunteers; their role is critical to expanding access to services and enhancing the services being provided by staff.

## **Volunteer Spotlights<sup>[34](#)</sup>**



### **Greater Boston Legal Services LITC**

Greater Boston Legal Services (GBLS) undertook an organized effort to assist incarcerated taxpayers and their families in Massachusetts to claim their stimulus payments and the Recovery Rebate Credit. To assist, GBLS recruited a volunteer intern from the Roxbury Community College Associate Degree Program in Criminal Justice. Carlene Ware was available several hours a day each week for three months to field inquiries from inmates, loved ones, and attorneys seeking information. "She was a great student," reported Clinic Director Luz Arevalo.

Carlene's favorite thing about volunteering at GBLS was being able to help individuals who felt like their voices were not being heard or were not receiving the help they needed from the government. She stated, "It was a very empowering experience to not only assist these clients with getting their documents and everything that they needed to receive their rebates, but also reassuring them that they do matter and that I will work hard to get them the results they were hoping for. What motivates me to want to give back to my community is when I see the resilience in our community, motivated by the support that is given. Seeing the hope in the faces of our community members, young or old, because they know that change can and will happen."

Carlene completed her internship and received her degree in December 2021. She will carry this experience with her as she embarks on her next chapter.

## Delaware Community Reinvestment Action Council LITC



Jim Angus

According to Rashmi Rangan, Executive Director of Delaware Community Reinvestment Action Council (DCRAC), “For more than a decade, Jim Angus has been an exceptional guide, mentor, and attorney to the DCRAC LITC family. Staff, clients, and fellow volunteers have learned from him firsthand over the years, and our LITC shows just how critical his contributions are.”

After retiring from the U.S. Department of Justice, Jim sought to continue his decades of public service as a volunteer. A colleague connected the two in 2009, and Jim has been a constant presence at DCRAC ever since. From 2009 to 2016, Jim volunteered full-time with the LITC, wholly committed to dozens of clients and his small team of other *pro bono* attorneys with whom he worked. His dedication to the job inspires all of us; once, Jim even updated the LITC team on his last-minute calls to the IRS Office of Chief Counsel (OCC) while being wheeled into surgery! Today, Jim continues to stay connected with DCRAC and the LITC. His legacy includes receiving the Governor’s Outstanding Volunteer Service Award, and each year DCRAC honors him by awarding the James S. Angus Excellence in Community Service Award.



If these stories of volunteerism inspire you, locate a clinic near you using the [locator tool](#) on the TAS website (scroll to the bottom of the page) or review IRS [Publication 4134, Low Income Taxpayer Clinic List](#), and contact an LITC today to explore the volunteer opportunities they offer and how you can help.

# LITC REPRESENTATION

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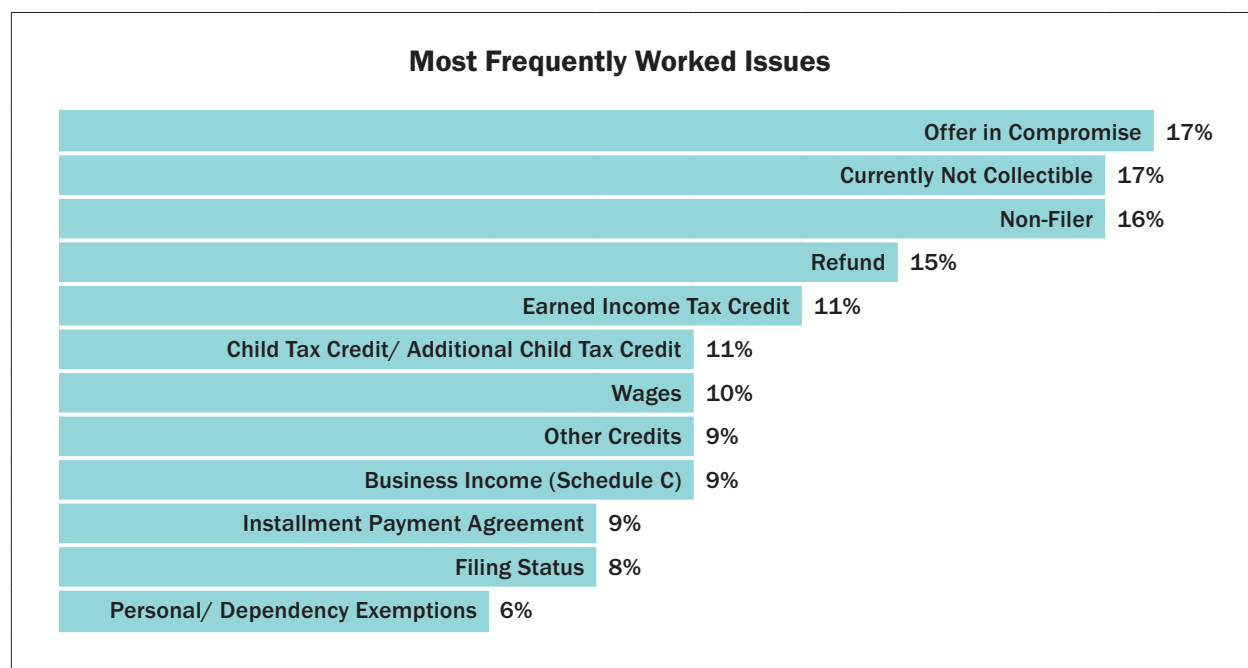
## Why Having Access to Representation Matters

Studies have found that a represented taxpayer is nearly twice as likely to receive a positive outcome as an unrepresented taxpayer in a dispute with the IRS, both in administrative proceedings<sup>35</sup> and those in the U.S. Tax Court.<sup>36</sup> Tax professionals' knowledge of tax law and its practical application helps them to know what questions need to be asked and how the answers to those questions can lead to identifying the best solution for an individual's situation. Their familiarity with the IRS's structure and administrative procedures enables them to navigate the system on the taxpayer's behalf. However, the cost of professional tax services limits or prohibits access for low-income taxpayers. LITCs make these services available to thousands of taxpayers who otherwise may not afford representation. LITCs are required to provide all services for no more than a nominal fee (except for reimbursement of actual costs incurred)<sup>37</sup> but nearly all charge *no fee* for their assistance.

With limited IRS resources, LITCs played an even more important role in the controversy resolution process in 2021. During that year, they represented 20,358 taxpayers with an IRS tax controversy.<sup>38</sup> A controversy with the IRS refers to a proceeding brought by a taxpayer under Title 26 of the U.S. Code (also called the Internal Revenue Code, or IRC) or any dispute between an individual and the IRS concerning the determination, collection, or refund of any tax, penalty, or interest. The definition of a controversy is very broad and encompasses all disputes arising under the IRC except for criminal tax matters. The dispute does not have to arise under the IRC so long as the dispute is with the IRS. Thus, controversies include examinations, issuance of math error notices, denial of refund claims, collection actions, or pursuit of other relief where the IRS is the other party involved in the controversy.<sup>39</sup> An LITC's assistance with a federal tax controversy may also extend to addressing a companion state or local tax issue. For example, an audit finding at the federal level can cause an assessment of state or local tax due to information sharing between the IRS and state and local taxing authorities.<sup>40</sup> Removing the assessment at the federal level without addressing the state or local tax assessment may leave the taxpayer in a financially precarious position and still carrying the burden of unresolved tax issues.

Most cases with which LITCs help taxpayers involve collection, refund, and status issues. Collection issues are a common reason why low-income taxpayers contact clinics for assistance. These issues arise when the IRS has issued a notice that a tax is due. The taxpayer may want to exercise the *right to challenge the IRS's position and be heard*,<sup>41</sup> pay the amount due, or negotiate an alternative. Refund cases are also common for low-income taxpayers and involve disputes over the amount of a refund or the IRS's audit of a taxpayer's return and a determination that the taxpayer is not eligible for certain credits, which may affect the amount of a taxpayer's refund. A third category, status issues, includes an individual's tax return filing status, worker classification as an employee or independent contractor, and navigation of the consequences of unfiled returns. When the right outcome isn't reached with the IRS through administrative channels, LITCs continue to help taxpayers with exercising the *right to appeal an IRS decision in an independent forum*,<sup>42</sup> including filing a case in the U.S. Tax Court or other federal courts as allowed.

Each grant year, LITCs gather data on the case issues they work, and Figure 4 shows the most frequently worked issues in 2021. The percentages are based on the number of cases worked with a particular issue as compared to the total worked. Cases often include more than one issue, which can increase the complexity of a matter, making it important for LITCs to be available for low-income taxpayers who might want help resolving their cases but can't afford to pay for representation.

FIGURE 4<sup>43</sup>

## Collection Issues

Approximately 38 percent of all taxpayers who clinics represented in 2021 sought help with IRS collection issues.<sup>44</sup> Communicating with the IRS and choosing the appropriate avenue for seeking relief in a collection-related controversy can be an overwhelming process. A taxpayer may not be able to pay the balance shown as due in an IRS notice, may not understand the notice, or may be unable to communicate effectively with the IRS to provide needed information to dispute the amount owed or negotiate a collection alternative. They may not have funds or assets with which they can fully pay or may not have funds left over to make payments after they meet their basic living expenses. They may be experiencing an illness or a hardship that has temporarily or permanently reduced their income, such as a sudden job loss. Mounting penalties and interest on the original tax balance may further exacerbate a taxpayer's difficult financial situation. Coupled with the IRS having powerful tools at its disposal to collect unpaid liabilities, such as the ability to impose liens and levies,<sup>45</sup> it is not a surprise that many taxpayers seek LITC assistance each year.

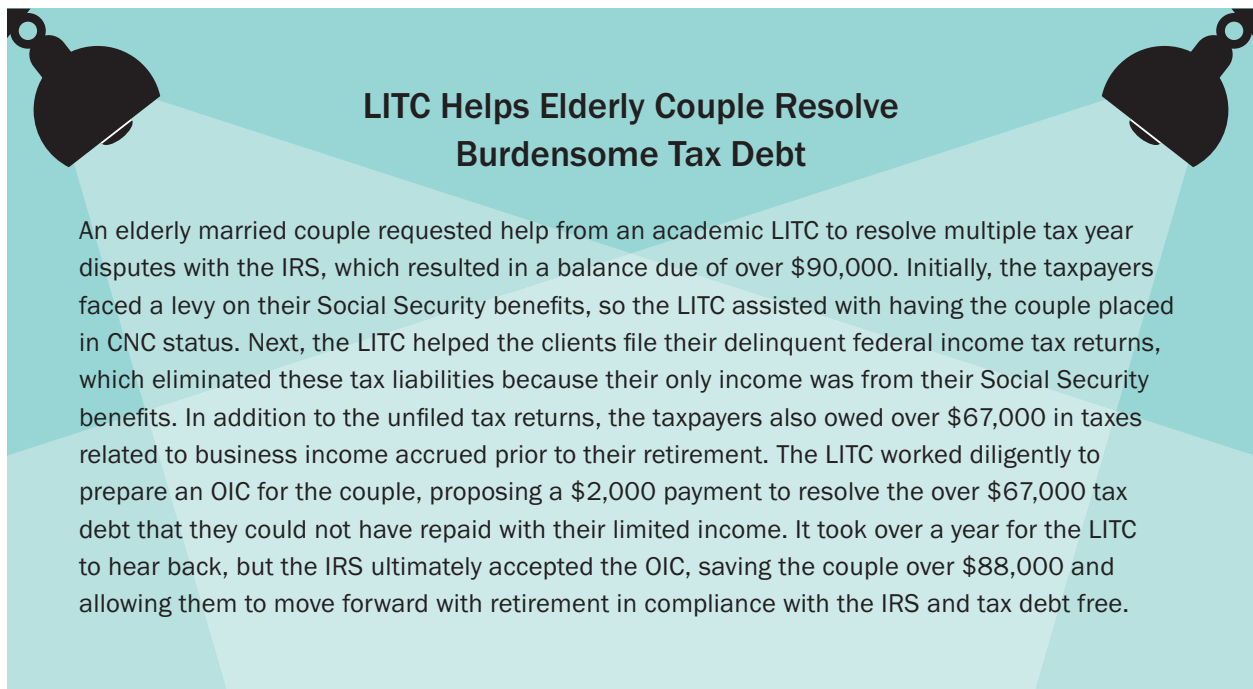


In 2021, the combined efforts of clinic staff, students, and volunteers provided relief for over 7,600 taxpayers facing IRS collection actions, which enabled these taxpayers to move forward with their lives, free from the burden of that unresolved debt.

One possible collection alternative involves asking the IRS to temporarily suspend collection efforts against taxpayers experiencing financial hardship by placing them in **currently not collectible (CNC) status**.<sup>46</sup> Once the IRS approves this option, it will cease collection efforts and annually evaluate the taxpayer's circumstances and potential ability to pay when the taxpayer files a federal income tax return.<sup>47</sup> LITC representatives help taxpayers make an informed decision about whether seeking CNC status is the best option for their situation. When it is the right option, LITCs assist with the process to obtain the status, including helping the taxpayer to gather and present the necessary financial information and documentation. Clinicians also talk with their clients about other collection alternatives that will resolve the outstanding

tax debt and educate them about future compliance. One such collection alternative offered by the IRS is **installment agreements** (payment plans), including streamlined installment agreements guaranteed for taxpayers who owe tax under a certain amount and who indicate they can pay the tax in installments over six years or less.<sup>48</sup> If a taxpayer falls behind on installment agreement payments or stops paying, the IRS can cancel the agreement and place the taxpayer in default. If this occurs, the IRS has several collection options, including garnishing wages or seizing assets. The taxpayer, however, has options to correct the default, including making back payments to bring the agreement current or renegotiating the repayment terms. LITCs play a significant role in helping taxpayers determine the amount they can afford to pay, negotiating the agreement with the IRS, and educating taxpayers about the terms and conditions of the agreement.

For taxpayers with little chance of a change in economic status, resolving their controversy with an **offer in compromise (OIC)** may provide a better long-term solution for all parties.<sup>49</sup> The IRS saves resources attempting collection against someone unable to pay, and vulnerable taxpayers are provided opportunities to resolve past due tax debts. Entering into an OIC requires the taxpayer to become filing compliant and remain compliant by timely filing federal tax returns and paying any federal tax obligations for five years from when the OIC is accepted. Importantly, an OIC also provides a final resolution that eliminates the debt that may have been weighing on the taxpayer for many years.

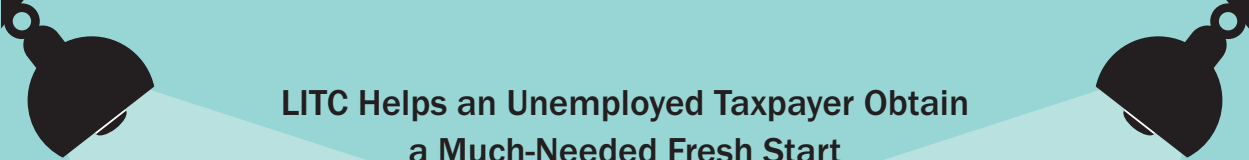
A graphic featuring two black lightbulbs at the top corners, casting light onto a central teal-colored box. The box contains the title "LITC Helps Elderly Couple Resolve Burdensome Tax Debt" and a detailed paragraph about an elderly couple's tax situation.

### LITC Helps Elderly Couple Resolve Burdensome Tax Debt

An elderly married couple requested help from an academic LITC to resolve multiple tax year disputes with the IRS, which resulted in a balance due of over \$90,000. Initially, the taxpayers faced a levy on their Social Security benefits, so the LITC assisted with having the couple placed in CNC status. Next, the LITC helped the clients file their delinquent federal income tax returns, which eliminated these tax liabilities because their only income was from their Social Security benefits. In addition to the unfiled tax returns, the taxpayers also owed over \$67,000 in taxes related to business income accrued prior to their retirement. The LITC worked diligently to prepare an OIC for the couple, proposing a \$2,000 payment to resolve the over \$67,000 tax debt that they could not have repaid with their limited income. It took over a year for the LITC to hear back, but the IRS ultimately accepted the OIC, saving the couple over \$88,000 and allowing them to move forward with retirement in compliance with the IRS and tax debt free.

Taxpayers may experience financial hardship when the IRS takes a collection action. Fortunately, taxpayers are afforded important due process protections against collection actions, and LITCs strive to ensure low-income taxpayers are afforded those protections to which they are entitled. The **Collection Due Process (CDP)** hearing procedure was created by RRA 98 and provides taxpayers with rights to appeal federal tax lien and levy actions. The United States has an automatic lien on all property belonging to the taxpayer if, after notice and demand, the taxpayer refuses to pay his or her tax liability.<sup>50</sup> The IRS must notify a taxpayer in writing within five business days after it files a Notice of Federal Tax Lien and at least 30 days prior to serving a Notice of Levy.<sup>51</sup> These statutory notices outline the appeal rights of the taxpayer. The determinations of an Appeals Officer at a CDP hearing are subject to judicial review. In 2021, LITCs worked 323 CDP cases for taxpayers, educating them about the CDP process and representing those who exercised their right to appeal an IRS decision in court.





## LITC Helps an Unemployed Taxpayer Obtain a Much-Needed Fresh Start

A recently unemployed taxpayer sought LITC assistance with a federal tax liability of over \$9,000. Prior to losing his job, he was the sole provider for the family household of five, which included his partner, their child, and his partner's two children from a previous relationship. The biological father of the partner's two children provided no support for them and was uninvolved in their lives for many years. To the taxpayer, all the children were his children and, as such, he provided for their care and support. Unfortunately, how he defined who his children are is at odds with how qualifying children are defined under the law. The tax liability stemmed from the taxpayer's claims for the EITC, Child Tax Credit (CTC), and dependency credits for his non-biological children. The taxpayer did not receive the IRS notices about the disallowances and deficiency because he had lost his job and had to move his family. He reached out to the LITC after he learned about the final Notice of Intent to Levy. The LITC worked to stop the levy by filing a request for a CDP hearing. During the hearing, they convinced the IRS to place the taxpayer in CNC status. Next, an OIC was submitted and eventually approved for \$120. The LITC reduced the tax liability by over \$8,000! Coincidentally, the week the OIC was approved also happened to be when the taxpayer began a new job. He called the LITC to share the good news and was overjoyed by the fresh start made possible by the clinic. Equipped with the knowledge of what caused his problem, the taxpayer now knows what he needs to do to avoid repeating it.

## Refund Issues

Issues arise when the IRS fully or partially disallows expenses, deductions, or credits that taxpayers claimed on their returns. This results in taxpayers not receiving the full refund they expected or owing money to the IRS for a refund received that is later adjusted. An added consequence is that a taxpayer may have to take extra steps to claim certain credits or face a ban from receiving credits on future tax returns. Cases involving refunds accounted for over 15 percent of the overall caseload of LITCs in 2021,<sup>52</sup> and clinics secured over \$6.7 million in refunds for low-income taxpayers.<sup>53</sup>

Often, parents or relatives of a child seek help from an LITC after they claimed a child-related refundable tax credit such as the **EITC**<sup>54</sup> or the **CTC**<sup>55</sup> and their tax returns are audited by the IRS. When the audit is conducted after the credit has been paid to the taxpayer, it can result in a proposed balance due. If the audit takes place before the credit is paid, the refund may be denied. A delay or denial of a refund can create financial hardships for low-income taxpayers; refundable credits provide a significant portion of the annual income for countless low-income families.







## LITC Partners with TAS to Help Taxpayer in Financial Distress

Following the COVID-19 shutdowns, an unemployed single mother of two boys struggled to provide and care for her family. Addressing her situation was especially difficult because she was living with a serious degenerative illness. Money to pay expenses was tight, and she needed her federal tax refund to stabilize her housing situation. She had two barriers to address - three years of unfiled tax returns *and* a significant tax liability that arose shortly after the conclusion of a particularly acrimonious divorce. The LITC analyzed the case and reached out to TAS for help resolving the taxpayer's immediate financial hardship. TAS explained the process and the tax returns needed for her to become compliant and qualify for an Offset Bypass Refund (OBR), which is a refund released to a taxpayer who is suffering a significant financial hardship even with a balance due to the IRS. The LITC helped the taxpayer quickly file three years of unfiled tax returns, and TAS requested the OBR. Within five days of the request, the taxpayer received a tax refund of over \$8,000, which she used to secure housing for the next six months. This provided greater stability for her children and avoided a potential custody dispute had she and her children lost their housing.

Sometimes the IRS disallows a tax credit or tax deduction because the taxpayer did not provide sufficient documentation to justify entitlement to the claim. In those instances, the IRS may assess a tax liability or reduce the refund the taxpayer expected. LITCs, however, can assist a taxpayer to challenge a tax liability through the **audit reconsideration** process, which may eliminate or reduce the amount the taxpayer owes and increase the expected refund. This administrative remedy is used to reopen the results of a prior audit and is available when the taxpayer has new information to present that the IRS did not previously consider. For an audit reconsideration, the IRS must have either assessed additional tax that remains unpaid or disallowed a tax credit.<sup>56</sup> The audit reconsideration process provides the taxpayer with the opportunity to challenge the tax assessed and pay only the correct amount of tax.



In 2021, LITCs worked over 540 audit reconsideration cases<sup>57</sup> and, overall, helped correct or reduce over \$62 million in assessed liabilities through the audit reconsideration process and other remedies.



## LITC Utilizes Audit Reconsideration to Resolve a Lien on a Family Home

A low-income taxpayer was notified that a liability had been assessed against her deceased mother, resulting in a lien on the family home. The liability, more than \$14,000, resulted from identity theft, which led to over \$25,000 of income being wrongfully reported to the IRS under the mother's name and Social Security number. The LITC requested an audit reconsideration and provided documentation to the IRS, including bank records, demonstrating that the tax liability was due to identity theft. The IRS decided in favor of the taxpayer, which eliminated the entire tax liability and resolved the lien. The three remaining family members were grateful to remain living in the family home, free of the lien, and for housing security moving forward.

## Status Issues

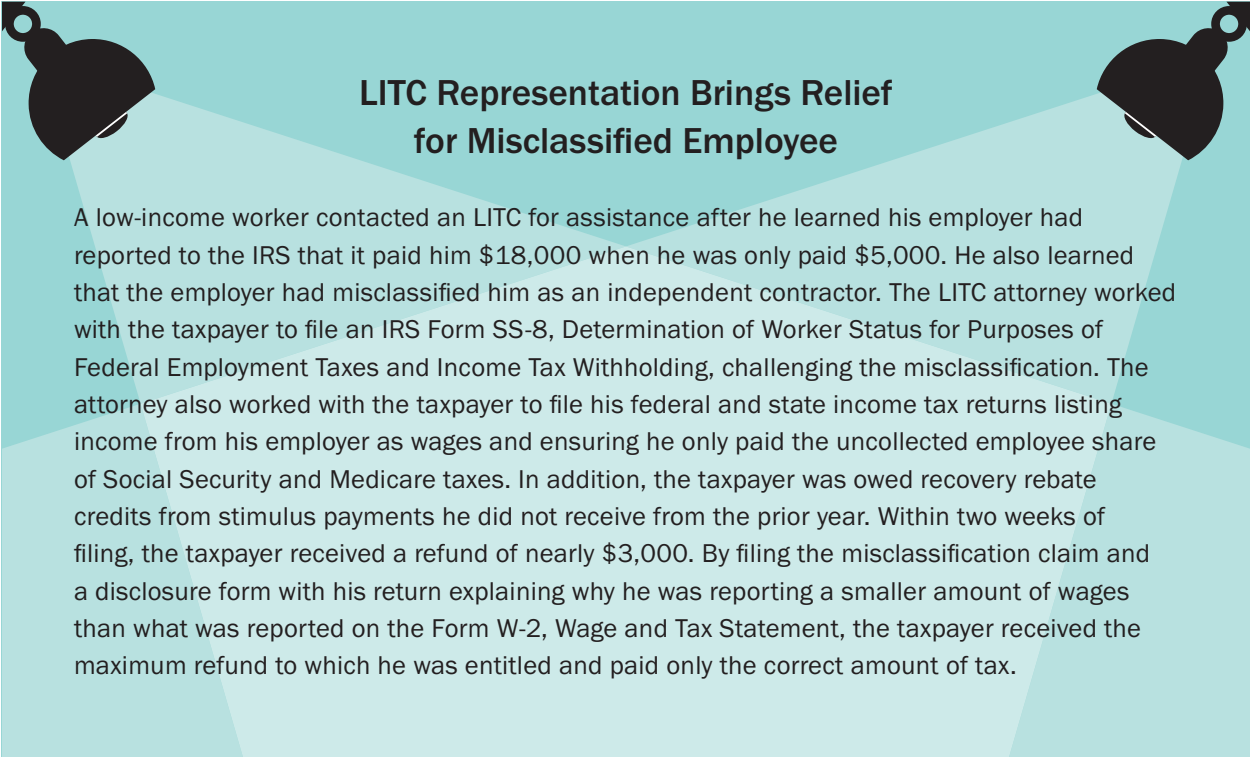
A taxpayer's filing status is important because it's used to determine whether a taxpayer must file a tax return, the standard deduction to be applied, and the tax to be paid. Filing status also determines whether a taxpayer is eligible for certain other deductions and credits.<sup>58</sup> Controversy cases that involve a taxpayer's filing status often involve the application of different laws and administrative rules and policies that an unrepresented taxpayer may find difficult to understand and challenge. Status issue cases are a broad category and include a taxpayer's worker classification (employee vs. independent contractor) and non-filer cases where a taxpayer has not filed the required tax returns. LITC representatives have the expertise needed to navigate the rules and laws involved in these cases and are especially helpful to low-income taxpayers facing controversies involving these issues. In 2021, for example, LITCs assisted taxpayers in over 1,400 cases involving **filing status**, over 1,000 cases involving **personal/dependency exemptions**, and over 3,000 cases with **non-filer** issues.<sup>59</sup>



## LITC Helps Taxpayer Caring for Disabled Brother

A widowed taxpayer sought LITC assistance with an IRS audit of her 2018 tax return. She was the sole provider for her adult brother who had been disabled since birth. She took on responsibility for her brother when her parents passed away. The IRS sent a letter proposing to disallow the head of household filing status, dependency exemption for her brother, and the EITC. The IRS froze the portion of her refund attributable to her brother and asked for proof she was entitled to claim him. The LITC attorney helped the taxpayer gather the documentation needed to substantiate the claim and presented it to the auditor. The IRS issued a determination granting the taxpayer's claims in full, and she received the balance of her refund with interest.

Whether a worker is classified by his or her employer as an employee or an independent contractor for federal and state employment tax purposes can make a big difference in the Social Security and Medicare tax an individual will owe. Independent contractors may be responsible for a larger portion of tax that an employer would otherwise pay for persons classified as employees. The IRS has procedures for reviewing the employment relationship if individual taxpayers believe they have been misclassified.<sup>60</sup> The factual and legal issues can be complex, causing the process to take several months or longer. There may be other ramifications of challenging a taxpayer's worker classification, including the possibility of being discharged from their employment, regardless of whether such a discharge may violate state employment law. LITCs help low-income taxpayers weigh the possible ramifications and determine if challenging the classification is the best course of action. LITCs represented 215 taxpayers in **worker classification** cases during the 2021 grant year.



### LITC Representation Brings Relief for Misclassified Employee

A low-income worker contacted an LTC for assistance after he learned his employer had reported to the IRS that it paid him \$18,000 when he was only paid \$5,000. He also learned that the employer had misclassified him as an independent contractor. The LTC attorney worked with the taxpayer to file an IRS Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, challenging the misclassification. The attorney also worked with the taxpayer to file his federal and state income tax returns listing income from his employer as wages and ensuring he only paid the uncollected employee share of Social Security and Medicare taxes. In addition, the taxpayer was owed recovery rebate credits from stimulus payments he did not receive from the prior year. Within two weeks of filing, the taxpayer received a refund of nearly \$3,000. By filing the misclassification claim and a disclosure form with his return explaining why he was reporting a smaller amount of wages than what was reported on the Form W-2, Wage and Tax Statement, the taxpayer received the maximum refund to which he was entitled and paid only the correct amount of tax.

Another common status issue arises due to joint and several liability. When two taxpayers sign a joint tax return, the tax laws provide that both are responsible for the entire tax liability, or joint and severally liable. Both taxpayers continue to be liable for the debt even if they later divorce and the divorce decree states that one spouse will be held responsible for the tax.<sup>61</sup> The law provides three types of relief from joint and several liability;<sup>62</sup> however, understanding the various requirements and navigating the process can be tricky for taxpayers to do on their own. In 2021, LITCs stepped up and assisted 640 taxpayers with requests for joint and several liability relief.<sup>63</sup>



## LITC Helps Survivor of Domestic Violence Receive a Fair Outcome

A struggling single mother and survivor of domestic violence submitted a request to the IRS for relief from joint and several liability for a federal tax deficiency in excess of \$18,000 that stemmed from a year when she was married. The request was denied. Not wanting to give up, she filed a petition in the U.S. Tax Court to challenge the IRS denial. She contacted an LITC for assistance. The attorney learned that the taxpayer had secured an Order of Protection against her then-spouse and fled the marital home for safety with only her most important possessions. Using the information gathered, the attorney made a compelling case for why this mother was entitled to relief. Through the negotiation process, IRS Counsel agreed to an allocation of the deficiency based on equitable grounds resulting in \$0 liability for the taxpayer. She was extremely relieved and grateful for this result, which bolstered her efforts to build a new and stable life for herself and her children.

### LITCs Represent Taxpayers in Court

Some taxpayers may challenge IRS determinations through the courts when they cannot resolve their controversy using IRS administrative channels. LITCs represent taxpayers in the U.S. Tax Court (“Tax Court”) and other federal courts, including U.S. district courts, the U.S. Court of Federal Claims, U.S. Courts of Appeals, and even the U.S. Supreme Court. The Tax Court, however, is the only prepayment judicial forum in which taxpayers may challenge an IRS examination decision or collection action. The Tax Court provides taxpayers the opportunity to challenge IRS assessments before paying the disputed tax.

According to a 2015 study, the number of self-represented petitioners filing Tax Court petitions was increasing, accounting for over 70 percent of all the Tax Court petitions being filed.<sup>64</sup> Although the Tax Court tries to help *pro se* taxpayers (those representing themselves) navigate the rules and procedures of the Tax Court, it can still be a difficult process for a non-lawyer. LITCs, therefore, are strongly encouraged to represent taxpayers in the Tax Court, especially those who may have filed a petition on their own and intended to represent themselves because they could not afford representation.



Over eight percent of all LITC cases worked in 2021 involved litigation, and the majority (over 1,400) were in the U.S. Tax Court.<sup>65</sup>

## U.S. Tax Court Programs

The Tax Court is committed to access to justice for all petitioners and has taken significant steps to inform self-represented petitioners about the court and its processes and procedures via printed information and the Tax Court's website.<sup>66</sup> The Tax Court works diligently to alert taxpayers to the availability of free representation for eligible taxpayers by LITCs through its Clinical Program and to facilitate the participation of practitioners from LITCs and volunteers from bar associations to participate in the Calendar Call Program.

The Clinical Program allows LITCs to submit a notice directed at self-represented taxpayers who file a petition in the Tax Court. The notice informs taxpayers about the availability of free representation through the LTC Program and the contact information for the local participating clinics. The Tax Court includes the notice in its mailings to unrepresented petitioners who have elected a place of trial served by the clinic.

Another component of the Tax Court's efforts to ensure access to justice is the Tax Court's Calendar Call Program. The Tax Court's website contains the following statement: "Tax clinics and Bar sponsored calendar call programs provide important advice and assistance to many low income, self-represented taxpayers who have disputes with the Internal Revenue Service."<sup>67</sup> In many cities, the U.S. Tax Court relies upon a local LTC clinician to coordinate services to taxpayers wanting assistance from available practitioners. The calendar call takes place on the first day the Tax Court is scheduled to hear cases in a particular location. The clerk reads the names of all the cases that remain unresolved and are set for trial. For many taxpayers, the day of the calendar call will be the first time they speak with an IRS employee face-to-face. Some may simply want a chance to explain their circumstances. Others may want to take advantage of the opportunity to litigate their cases instead of having to pay the liability and sue for a refund in a U.S. district court or the U.S. Court of Federal Claims. LTC representatives attend the calendar call sessions and are available to consult with taxpayers as needed.

The U.S. Tax Court is routinely invited to speak at the Annual LTC Grantee Conference. Participation in events such as this helps the Tax Court maintain strong programs. It provides the judges an opportunity to discuss the Tax Court in general but also to discuss operation of these key programs, including any emerging issues or concerns. Likewise, clinicians are provided an opportunity to ask questions and discuss their experiences participating in the programs. This is often when newly funded clinics learn about these programs and begin to make plans for how they will participate.

The pandemic necessitated the development of different ways of doing business and in many cases adopting new technology. When holding in-person trials was not considered safe, the court procured technology to hold trials virtually. As the need for virtual trials to protect public safety receded, the Tax Court announced a return to in-person trials. In August 2021, the court issued a notice providing litigants with the option to request remote proceedings by filing a Motion to Proceed Remotely.<sup>68</sup> Allowing for both remote and in-person proceedings demonstrates the Tax Court's continued commitment to promoting access to all who seek to bring their IRS controversies to the Tax Court for resolution. Many clinicians have shared that virtual trials are a welcome option for those taxpayers who are not able to travel or take time off work to attend a court proceeding that may be several hours away. By maintaining this option, the Tax Court also makes it possible for practitioners to assist taxpayers in cities where there is no LTC and no *pro bono* participation in the Tax Court's programs.


## Clinicians Going Above and Beyond



*Bob Probasco*

Multiple LITC clinicians, like Attorney Bob Probasco at Texas A&M, have been rendering assistance to taxpayers with cases pending before the U.S. Tax Court in places that are hundreds, if not thousands, of miles away. The Tax Court tries to have a practitioner at each calendar call session to provide consultations to those without counsel, and Attorney Probasco is one of those LITC clinicians who has answered the call time and time again to render assistance at calendar call days in areas where there is no local LITC. His ability and the ability of others who have also answered this call to help has been possible, in part, because air travel and overnight stays were not needed while the pandemic was in full swing and Tax Court proceedings were virtual. When proceedings went back to in-person, Bob continued to help outside his local area, going above and beyond to provide LITC assistance where needed. Due to clinicians being able to assist virtually and willing to travel when and where needed, many additional taxpayers have received assistance with their Tax Court cases.

For years, practitioners from LITCs and individuals from IRS Office of Chief Counsel (OCC) have worked together to try to settle cases prior to trial. In 2020, this effort gained a great boost when a cadre of OCC attorneys put together guidance for sponsoring these events and set a goal to hold events nationwide. The success of these events has led to a sustained effort to make settlement days a regular activity preceding U.S. Tax Court calendar call sessions.



## LITC Successfully Resolves Difficult Cases During Settlement Day Event

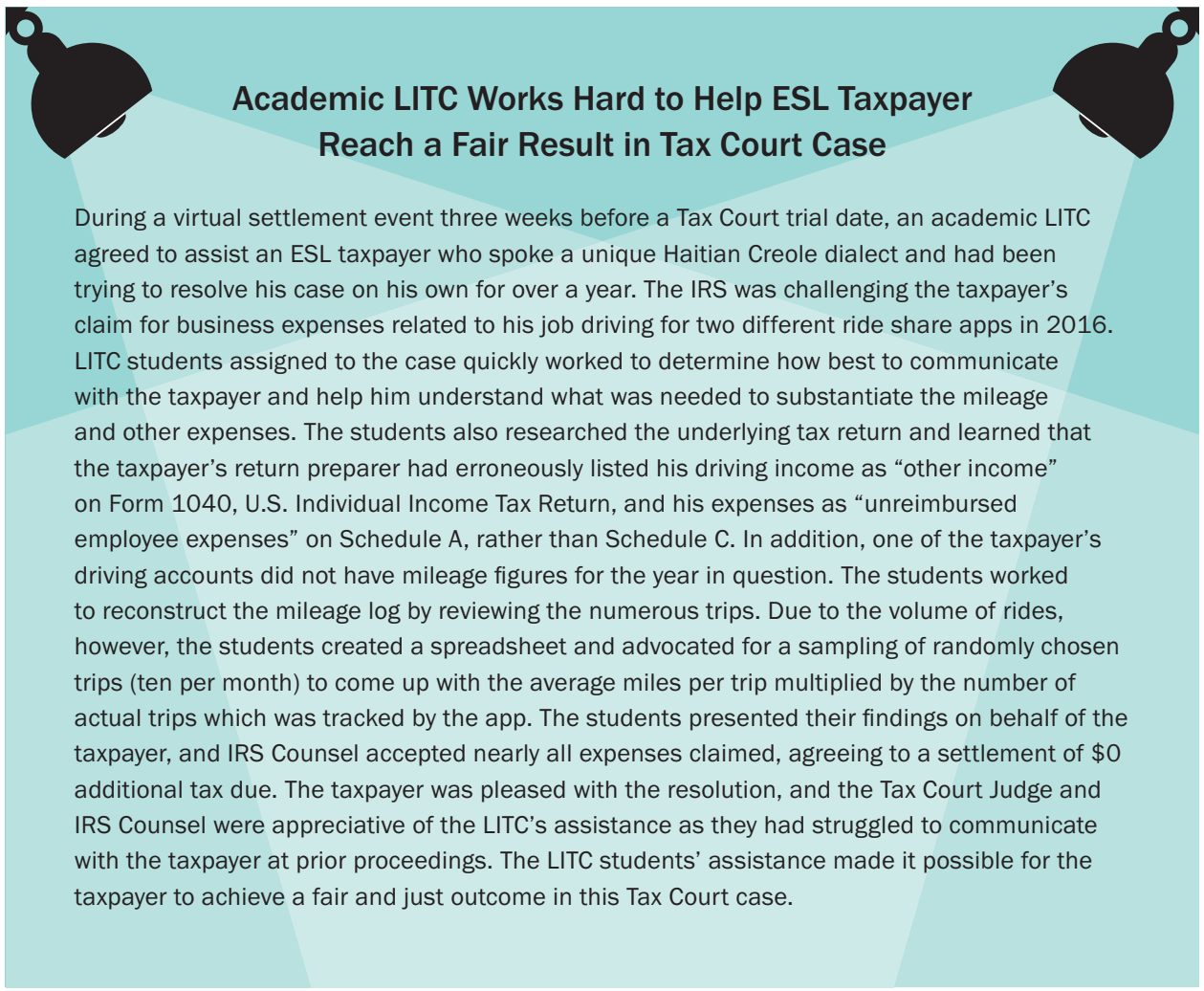
Two different taxpayers with cases involving denied requests for joint and several liability relief attended an IRS settlement day event in March 2021 and met with an LITC attorney. The taxpayers shared much in common. They were both single parents who had suffered at the hands of abusive spouses. Both taxpayers had obtained Orders of Protection and their abusive spouses had been charged criminally. One more thing the taxpayers had in common - they felt victimized by the tax system. The LITC represented both taxpayers during settlement conferences with IRS Counsel. The settlement process was tremendously beneficial for several reasons. They received the relief they requested without the additional time and stress involved in going to trial. A benefit that in many ways is just as important is that they developed respect for the process and the government. They saw that IRS Counsel was interested in getting to the right result in an expedited manner. Their willingness to persevere and remain engaged was rewarded. From a tax administration perspective, this collaboration also saved substantial resources for both IRS Counsel and the LITC because the taxpayers were able to share their information in a less formal setting. They didn't have to track down documentation, fill out more forms, set aside a day or several days to attend trial, or draft additional motions. The LITC students accompanying their supervisor to this settlement event had the rare opportunity to work cases from the beginning to end during one short law school semester. During the one-week event, the LITC attorneys and students resolved 21 docketed cases!

In 2021, 124 of the 130 funded LITCs participated in the Tax Court's Clinical Program and attended calendar calls to consult with and advise self-represented taxpayers, and in some cases, enter an appearance before the Tax Court as a taxpayer's representative.<sup>69</sup> LITC representatives consulted with 445 self-represented taxpayers at Tax Court calendar calls and provided expert, independent, on-site counsel.<sup>70</sup> This number was up from 406 in 2020, likely due in part to the Tax Court resuming in-person calendar call sessions. This increase was, however, achieved even while the IRS OCC continued efforts to resolve cases ahead of calendar call sessions at virtual settlement day events across the country.<sup>71</sup> The increase, even during a time when settlements were being facilitated by the OCC, demonstrates the clinics' dedication to ensuring *pro se* taxpayers have the information, guidance, and support they need to be successful and achieve a fair and just result in the Tax Court. The advice and assistance provided by LITCs better equipped taxpayers with information about how the tax law applied to the facts of their case before they testified and ensured they were afforded an informed opportunity to exercise their *right to challenge the IRS's position and be heard*.



## Training Students to Provide High-Quality Representation Services

LITCs must have a staff member or a *pro bono* panel member who is admitted to practice before the Tax Court to handle litigation matters. Recent law school graduates or students at accredited accounting, business, or law schools who are working at an LTC may also represent taxpayers before the IRS<sup>72</sup> and the Tax Court. These students and recent law graduates play an important role in delivering LTC services. In academic clinical programs under the supervision of qualified representatives (attorneys, CPAs, or EAs), students and law graduates assist with all aspects of LTC cases, including determining a taxpayer's eligibility for services, researching issues, gathering information from the taxpayer and the IRS, and helping to develop a strategy for representation. They also assist with litigation-related tasks such as collecting and reviewing evidence, drafting motions and briefs, and participating in hearings and oral arguments. Creating an environment where students work directly with taxpayers to resolve disputes with the IRS allows the students to develop their advocacy skills and instills in them a professional commitment to community involvement, fostering a *pro bono* tradition and helping to keep low-income taxpayers' costs for representation to a minimum.

A graphic with a light blue background and two black lightbulb icons at the top corners. The title is centered between them.

### Academic LTC Works Hard to Help ESL Taxpayer Reach a Fair Result in Tax Court Case

During a virtual settlement event three weeks before a Tax Court trial date, an academic LTC agreed to assist an ESL taxpayer who spoke a unique Haitian Creole dialect and had been trying to resolve his case on his own for over a year. The IRS was challenging the taxpayer's claim for business expenses related to his job driving for two different ride share apps in 2016. LTC students assigned to the case quickly worked to determine how best to communicate with the taxpayer and help him understand what was needed to substantiate the mileage and other expenses. The students also researched the underlying tax return and learned that the taxpayer's return preparer had erroneously listed his driving income as "other income" on Form 1040, U.S. Individual Income Tax Return, and his expenses as "unreimbursed employee expenses" on Schedule A, rather than Schedule C. In addition, one of the taxpayer's driving accounts did not have mileage figures for the year in question. The students worked to reconstruct the mileage log by reviewing the numerous trips. Due to the volume of rides, however, the students created a spreadsheet and advocated for a sampling of randomly chosen trips (ten per month) to come up with the average miles per trip multiplied by the number of actual trips which was tracked by the app. The students presented their findings on behalf of the taxpayer, and IRS Counsel accepted nearly all expenses claimed, agreeing to a settlement of \$0 additional tax due. The taxpayer was pleased with the resolution, and the Tax Court Judge and IRS Counsel were appreciative of the LTC's assistance as they had struggled to communicate with the taxpayer at prior proceedings. The LTC students' assistance made it possible for the taxpayer to achieve a fair and just outcome in this Tax Court case.

# LITC EDUCATION

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Taxpayers who have received LITC assistance over the last 20+ years often share a common trait - the desire to comply with their tax return filing and payment responsibilities. For many individuals with tax controversies, however, the root of the problem is an inadequate knowledge of the U.S. tax system and how to navigate the many, and sometimes confusing, provisions of law. In providing education to taxpayers, the second prong of the LITC mission, clinics inform ESL and low-income taxpayers about their taxpayer rights and responsibilities and other tax topics, including the availability and eligibility rules for certain credits, the danger of tax scams and how to avoid them, and proper tax-related recordkeeping.

ESL taxpayers may face additional barriers to finding understandable and reliable information about their rights and responsibilities as taxpayers. Those who have immigrated to the U.S. may come from countries where the tax systems operate much differently, and those arriving from countries with pervasive corruption may distrust government institutions such as the IRS. When seeking to comply with the tax laws, they may be exposed to risks, including identity theft or return preparer misconduct from unscrupulous tax return preparers who steal or divert refunds and disappear long before their bad acts are discovered.

Taxpayers also face difficulty in receiving live assistance from the IRS given, in recent years, its move to more online, self-help resources as a cost-cutting measure.<sup>73</sup> LITCs offer personalized, one-on-one services for low-income and ESL taxpayers that online tools may not provide. When LITCs educate taxpayers, they create an environment where participants can interact with the instructor and other participants, and pose questions regarding their unique situations. LITCs break down complex tax topics and address the needs of taxpayers who require information to be provided in a language other than English.



**LITCs work with community partners and stakeholders, such as VITA sites or ESL class providers, to schedule and conduct training and outreach for low-income and ESL taxpayers.**

Tailoring taxpayer education topics to the needs of specific communities and presenting this information in a taxpayer's native language helps LITCs reach taxpayers who may not otherwise be able to overcome communication barriers with the IRS. While the IRS offers publications and online resources in seven languages on its website,<sup>74</sup> LITCs go further by assisting and distributing tax materials they have prepared in a far greater number of languages.<sup>75</sup> LITCs also have staff, volunteers, and interpreter services available to conduct educational activities in languages spoken by the clinics' targeted audiences. LITCs address a wide range of substantive tax topics in their educational programs and materials. Some topics covered include filing requirements, tax-related recordkeeping, family status issues, refundable credits, worker classification, identity theft, information about the audit and appeals processes, and collection alternatives.

In addition to education, clinics also conduct outreach. Although outreach generally informs others about the availability of LITCs and the services they can provide, many clinics use outreach as an opportunity to provide some basic tax-related education, such as letting members of the community know about the availability of the EITC. They also share information about the availability of TAS, VITA sites, and other resources for taxpayer assistance in their local communities. LITCs work with community partners and stakeholders, such as VITA sites or ESL class providers, to schedule and conduct training and outreach for low-income and ESL taxpayers. Often the partnering organizations already have a captive audience or have gained the trust of the taxpayers the LITC is trying to reach.

The need to practice social distancing during the pandemic changed how LITCs delivered educational presentations to taxpayers and challenged them to move to virtual platforms. LITCs, however, accepted the challenge and conducted 990 free educational activities to over 143,260 low-income and ESL taxpayers.<sup>76</sup> LITCs also provided an additional 444 educational trainings about tax law basics and other tax topics to over 21,344 staff members and volunteers at partner community groups, government agencies, and other organizations that assist low-income and ESL taxpayers.<sup>77</sup> Such activities strengthen the LITCs' relationships and networks with community stakeholders, expand the scope of their outreach and education, and enable other service providers to look at a client's problems holistically and ensure the individual's tax issues are also addressed. These vast networks and partnerships that LITCs have developed throughout the country allow for mutual referrals to address the many needs of low-income and ESL individuals.

LITCs that are part of a larger entity may work with other clinics within the academic institution or practice groups within the legal services organization of which they are a part to deliver outreach and training. At many academic LITCs, students may lead or participate in outreach and educational events focusing on low-income and ESL taxpayers. The positive impact of this involvement is twofold: students learn how to explain complex tax law in a way that lay people can understand, and clinics meet their obligation to educate low-income and ESL taxpayers. More importantly, this involvement instills in the students a sense of empathy and a commitment to community service.

## Educating Others About Domestic Violence and Tax Issues



Nancy Rossner



Terri Morris

The clinicians at The Community Tax Law Project (CTLP) of Richmond, Virginia saw a need for increased education about the intersection of domestic violence and tax issues, and took action to address it. Attorney Terri Morris, the Christine Brunswick Public Service Fellow at CTLP, focused her fellowship efforts on combatting financial abuse in relationships. Attorney Morris along with CTLP Attorney Nancy Rossner presented to the Been There Got Out domestic violence support organization, the Virginia Sexual

and the Domestic Violence Action Alliance, and the Connecticut Coalition Against Domestic Violence and Sexual Abuse. They developed targeted presentations about domestic violence and tax issues, including guidance about COVID-19 relief and advance CTC payments, in an effort to get those much-needed dollars into the hands of those most in need. They also helped to educate their colleagues by presenting at sessions through the American Bar Association (ABA) *Pro Bono* Tax Clinic Committee and the LTC Annual Grantee Conference. To help bring about a greater understanding of these issues and the impact on taxpayers, Attorney Rossner also shared her knowledge with representatives from the U.S. House of Representatives Ways and Means Committee, the National Network to End Domestic Violence, the U.S. Congress, and the White House.

# LITC ADVOCACY

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The third prong of the LITC mission is advocacy. Advocacy efforts are meant to have larger impact and scope. LITCs are uniquely positioned to identify emerging issues or trends in tax administration that impact low-income and ESL taxpayers. As representatives, educators, and advocates for low-income and ESL taxpayers, LITCs see firsthand how IRS policies and procedures affect individual taxpayers and entire populations. LITCs also network with one another, which permits clinicians to gain a broader perspective on the extent to which taxpayers in other localities experience similar problems.



**LITCs are uniquely positioned to identify emerging issues or trends in tax administration that impact low-income and ESL taxpayers.**

LITCs are also encouraged to share what they have learned to help improve service delivery by the broader practitioner community. Clinicians share this knowledge in many ways, including developing resource materials and providing training to other practitioners. The knowledge they share is not limited to substantive tax expertise but may also address removing barriers and improving outcomes by changing the way service is delivered.

## Advocacy in Action

Advocacy efforts often require sustained effort. Raising awareness and building understanding takes the time and efforts of many. It is often only once this initial work is done that real work on implementing change can begin. An example of one such effort is the work that LITCs have done, and continue to do, in the area of human trafficking.

Over the past decade, LITCs have slowly started to see survivors of human trafficking coming to them with tax issues. These clients might connect with the LITC on their own or be referred by organizations serving survivors. When practitioners started to see these cases, survivors of human trafficking were not really recognized as a distinct population of taxpayers who might face unique issues and barriers. For the longest time there were few, if any, resources that dealt with the intersection of tax and human trafficking. There was little or no training addressing this specific topic.

In September 2019, the Director of the Human Trafficking Prevention Project spoke with the Director of an LITC (both housed at the University of Baltimore School of Law) about tax issues they were seeing. They identified a need and collaborated with the firm of Ropes and Gray to create “An Advocate’s Guide to Tax Issues Affecting Victims of Human Trafficking.”<sup>78</sup> This guide helped raise awareness of this issue for both organizations serving survivors of trafficking and tax practitioners. In 2020, the authors from the University of Baltimore School of Law joined a panel at the Annual LITC Grantee Conference. This training provided a basic introduction to tax



controversies for survivors of trafficking and the concept of trauma-informed advocacy to over 200 LITC practitioners from across the country. Following that session, clinicians asked for a more in-depth training on trauma-informed advocacy. In 2021, clinicians received an extended training led by the Director of the Human Trafficking Prevention Project at the University of Baltimore School of Law on how trauma-informed advocacy can improve interactions for survivors, build trust, and improve the quality of services delivered by tax practitioners.

Equipped with this new knowledge, resources, and tools, these practitioners will be better able to identify these issues, deliver quality service, and advocate for improvements in the IRS response to the tax issues survivors of trafficking face.

Clinics are also encouraged to use the Systemic Advocacy Management System (SAMS) on the TAS website to report potential systemic issues.<sup>79</sup> TAS analysts follow up on every SAMS submission, conducting research to determine the extent of the impact of the reported issue, ascertaining whether there is already a similar or related project underway, and formulating the next steps to address the problem. TAS works with various IRS business units to propose and implement solutions. If TAS and the IRS cannot reach resolution, the National Taxpayer Advocate may write about the systemic issues in reports to Congress (and on the National Taxpayer Advocate blog<sup>80</sup>) and propose administrative and legislative recommendations to resolve those issues. In 2021, LITCs submitted 150 issues through SAMS.

When public comment is sought on IRS proposed administrative rules, LITCs often respond individually or in collaboration with the ABA's Tax Section *Pro Bono* and Tax Clinics Committee. They advocate through the comments they provide to help ensure IRS rules and procedures are fair and equitable for taxpayer populations who may not have the knowledge or resources to advocate for their own interests.

LITCs also successfully contest systemic issues, administratively, within the IRS and through the cases they litigate in the Tax Court and other federal courts. Litigating cases reaches beyond helping one taxpayer and can affect whole groups of taxpayers and how they are treated under the tax laws in future court cases and administrative processes.



## LITC Files an *Amicus* Brief in a Case Impacting Low-Income Taxpayers

In 2021, the LITC at the Legal Services Center of Harvard Law School filed an *amicus* brief<sup>81</sup> in *Seaview Trading, LLC v. Commissioner*, 34 F.4th 666 (9th Cir. 2022). The case involved the question of whether a tax return given by the taxpayer to an IRS revenue agent at the request of the agent constituted filing. The taxpayer, a partnership, claimed to have filed its 2001 tax return in July of 2002. In July 2005, an IRS revenue agent issued the taxpayer a letter, indicating that the IRS had never received the taxpayer's 2001 return. In response, the taxpayer's accountant faxed a copy of the return to the revenue agent. More than three years after faxing the return to the revenue agent, the IRS claimed the taxpayer never filed its return and issued a notice of deficiency. The Tax Court held that the taxpayer failed to file its return at the appropriate IRS service center and upheld the IRS's position.<sup>82</sup> The taxpayer appealed, and the Ninth Circuit reversed the Tax Court's decision; however, because of the importance of the issue, the IRS requested an en banc hearing, a special procedure where all judges of the court will hear the case.<sup>83</sup> The final outcome of the case awaits the decision of the en banc panel and perhaps the U. S. Supreme Court if one of the parties further appeals.

Although the taxpayer in this case was well-represented by several practitioners from private law firms, the LITC filed an *amicus* brief because the issue of what constitutes proper filing with the IRS is one that low-income taxpayers regularly face. The LITC argued that the revenue agent's request for the tax return in this situation should satisfy the return filing requirement based on reliance. In addition, the language of the applicable regulation is undercut by contrary guidance in the IRS's Internal Revenue Manual. By filing an *amicus* brief in this case, the LITC is striving to ensure that low-income taxpayers are heard as an issue that has the potential to impact many in this community is decided.



# LITC PROGRAM OFFICE RESPONSIBILITIES

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## Program Support

The LITC Program Office manages and administers the LITC grant program to ensure federal funding is expended and funded programs are implemented in full accordance with all applicable statutory, regulatory, and public policy requirements. The LITC Program Office fulfills its responsibilities by:

- ♦ Administering the award and payment of grant funds;
- ♦ Providing guidance and assistance to prospective applicants and grant recipients; and
- ♦ Overseeing and monitoring the performance of grant recipients.

The LITC Program Office staff consists of:

- ♦ The LITC Program Director who reports directly to the National Taxpayer Advocate;
- ♦ Headquarters staff who report to the LITC Program Director, including an Operations Manager, Advocacy Manager, a program analyst, a senior analyst, and two technical advisors;
- ♦ Operations analysts who report to the Operations Manager and process grant applications, awards, payments, and reports;
- ♦ Budget analysts who report to the Operations Manager and review all clinic budget and financial reports; and
- ♦ Advocacy analysts who report to the Advocacy Manager and review and analyze clinic reports, conduct site assistance visits, assess grant recipient performance, and serve as the primary liaison between grant recipients and the LITC Program Office.

## Grant Administration

The LITC Program Office administers the grant by:

- ♦ Publicly advertising the opening of the grant application period on [IRS.gov](https://www.irs.gov) and in the *Federal Register*;
- ♦ Processing LITC grant applications and making awards to qualifying and successful applicants;
- ♦ Revising and annually issuing Publication 3319, Low Income Taxpayer Clinic Grant Application Package and Guidelines;
- ♦ Maintaining the LITC Toolkit, a website used to disseminate program information and guidance to grant recipients and provide resources to assist clinics in implementing their program plans in support of the program mission;
- ♦ Updating and maintaining Publication 4134, Low Income Taxpayer Clinic List, a list of all federally-funded LITCs, and ensuring that the publication is included in IRS mailings and referenced in IRS publications and notices;
- ♦ Publishing annually Publication 5066, LITC Program Report, which reports the activities of the LITCs to internal and external stakeholders;
- ♦ Reviewing and analyzing data from reports submitted by grant recipients to identify trends and recognize best practices; and
- ♦ Submitting grant award information for posting on [USASpending.gov](https://www.USASpending.gov).



## Grant Guidance and Assistance

The LITC Program Office guides and assists potential applicants and grant recipients by:



*Shahin Rahimi of the Legal Aid Society of San Diego LITC, LITC Advocacy Manager Tim Shepard, San Diego Local Taxpayer Advocate Michelle Breed, and LITC Advocacy Analyst Frank Bustos meeting for an operational site visit.*

- ◆ Providing technical assistance and guidance, including pairing new LITCs with mentors and LITC networks;
- ◆ Informing the public about the availability of LITCs and maintaining up-to-date information on [IRS.gov](https://www.irs.gov);
- ◆ Sponsoring and organizing the Annual LITC Grantee Conference that delivers instruction and continuing education to all grant recipients and provides an opportunity for attendees to meet and network with colleagues from LITCs throughout the country to share ideas and strategies to better assist low-income and ESL taxpayers;
- ◆ Conducting orientation site assistance visits to familiarize new grant recipients with LITC Program requirements and to identify potential areas where the clinic may need to create systems, improve processes, or otherwise need assistance;
- ◆ Fostering the working relationship between grant recipients and Local Taxpayer Advocate (LTA) offices by facilitating annual LTA visits to each LITC and providing resources to assist LTAs in collaborating with the clinic on outreach and education opportunities;
- ◆ Issuing special appearance authorizations that permit students and law graduates supervised by a practitioner to represent taxpayers before the IRS; and
- ◆ Coordinating access to e-Services products offered by the IRS.

## Grant Oversight and Monitoring

The LITC Program conducts oversight and monitoring of grant recipients by:

- ◆ Processing Interim and Year-End Reports, assessing grant recipients' progress in meeting program goals and any challenges in delivering the agreed-upon programs, identifying emerging issues, and aggregating performance data submitted by grant recipients;
- ◆ Reviewing budgets and financial reports submitted by grant recipients to ensure that federal funds are properly expended and that matching funds are properly sourced, spent, and valued;
- ◆ Conducting operational site assistance visits to interview clinic personnel, observe facilities, review procedures and internal controls, corroborate report information, and evaluate operations;
- ◆ Coordinating civil rights pre-award compliance reviews for all grant applicants with the IRS Office of Equity, Diversity and Inclusion; and
- ◆ Coordinating or conducting other required compliance reviews, such as federal tax compliance.



## LITC Program Office Highlights

- ♦ Provided support and consultation to Wage and Investment's Grant Office while they worked with IRS Enterprise Case Management to develop a grants management program. This program was needed to assist the Grant's Office with the processing and monitoring of hundreds of VITA and TCE grants;
- ♦ Worked with the IRS Return Integrity Office to develop a method for LITCs to authenticate the identities of their clients whose returns were selected by identity theft filters and due to IRS delays were unable to timely authenticate through normal IRS channels; and
- ♦ Coordinated two virtual trainings. The first week-long event provided information to assist new grant recipients in meeting the administrative requirements of the grant and supplied a bootcamp style training providing a basic overview to tax controversy representation. The bootcamp session was required for new grant recipients but open to all staff at existing LITCs, including new staff at those LITCs or staff who wanted a refresher. A second week of training provided important information to all LITCs about administering the grant and provided an opportunity for clinic staff to discuss trends in tax administration, law, and practice. This event also offered networking opportunities to participants.

## Conclusion

On behalf of the LITC Program, the LITCs across the country, and the many taxpayers the clinics educate and represent, we thank the members of Congress for their continued support. We also thank all the LITC clinicians, students, law graduates, and volunteers who work tirelessly to represent, educate, and advocate for their clients. LITCs have a profound impact on the lives of taxpayers they assist in the many diverse communities throughout the United States. We look forward to continuing this work in the year ahead to fulfill the LITC Program mission. This includes tackling the challenges that may arise and embracing opportunities to improve and collaborate with partners in the taxpayer community to think creatively about service delivery and solutions to barriers that may impede progress. We look ahead to 2023 with resolve and a steadfast commitment to helping taxpayers and ensuring a fair and just tax system for all.

# ENDNOTES

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1. See IRS Pub. 5066, Low Income Taxpayer Clinics 2020 Program Report (Rev. 11-2020).
2. Information about cases has been redacted or revised as necessary to protect the identity of the taxpayers involved.
3. See IRS Pub. 4134, Low Income Taxpayer Clinic List (Rev. 11-2022).
4. See IRS Pub. 4134, Low Income Taxpayer Clinic List (Rev. 2-2023).
5. Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, Div. E (Dec. 29, 2022).
6. For a detailed chronological history of the growth of the LITC Program, see T. Keith Fogg, *History of Low-Income Taxpayer Clinics*, WORKING PAPER SERIES, <https://digitalcommons.law.villanova.edu/wps/art177> (Feb. 6, 2013).
7. Pub. L. No. 105-206, § 3601, 112 Stat. 685, 774 (1998).
8. IRC § 7526.
9. See Internal Revenue Manual (IRM) 1.1.8.3.3, Low Income Taxpayer Clinic Program Office (Nov. 4, 2022).
10. See *IRS Restructuring Hearing Before the Senate Committee on Finance*, 105th Cong. (Feb. 5, 1998) (statement of Nina E. Olson, Executive Director, Community Tax Law Project) (“[F]or the vast majority of taxpayers in this country there is no conflict between taxpayer compliance and taxpayer rights. The latter enhances the former. Access to justice and representation within the tax system bring these two goals into harmony.”).
11. See IRS, IR-2014-72, IRS Unveils Taxpayer Bill of Rights (June 10, 2014).
12. Pub. L. No. 114-113, § 401, 129 Stat. 2242, 3117 (2015).
13. IRC § 7803(a)(3)(I).
14. See IRC § 7803(a)(3)(C), (D), (E).
15. See IRC § 7803(a)(3)(A).
16. See IRC § 7803(a)(3)(J).
17. IRS Pub. 1, Your Rights as a Taxpayer (Rev. 9-2017).
18. See IRS Tax Tip 2018-60 (April 18, 2018). See also IRS Tax Tip 2022-143 (Sept. 19, 2022).
19. Taxpayer First Act, Pub. L. No. 116-25, 133 Stat. 981 (2019).
20. *Id.* at 997.
21. VITA sites offer free tax help to people who need assistance preparing their own tax returns, including people who generally make \$60,000 or less, persons with disabilities, and limited English-speaking taxpayers.
22. Taxpayer First Act, Pub. L. No. 116-25, § 1401, 133 Stat. 981, 993 (2019).
23. As described earlier, for fiscal year 2023, Congress appropriated \$26 million and increased the cap on grants to \$200,000 per clinic per year. See Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, Div. E (Dec. 29, 2022).
24. IRC § 7526(c)(5).
25. Compare IRS, IR-1999-63, IRS Encourages Growth of Low-Income Taxpayer Clinics with \$1.5 Million in Grants (July 14, 1999) with IRS Pub. 4134, Low Income Taxpayer Clinic List (Rev. 11-2022).
26. See Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, Div. E (Dec. 29, 2022).
27. See National Taxpayer Advocate 2023 Purple Book, *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration* 145-147 (Legislative Recommendation: Expand the Protection of Taxpayer Rights by Strengthening the Low Income Taxpayer Clinic Program).
28. See 2 CFR § 200.1
29. See IRC § 7526(c)(5).
30. Numbers may not total due to rounding; LITC 2021 Year-End Report, Form 13424-L, Statement of Grant Expenditures, data compiled from GrantSolutions.
31. See IRC § 7526(b)(3). See also IRS Pub. 3319, LITC Grant Application Package and Guidelines 38 (Rev. 4-2022). Attorneys, CPAs, EAs, and certain others may be authorized to practice before the IRS. 31 CFR § 10.3.
32. LITC 2021 Year-End Report, Form 13424-A, Low Income Taxpayer Clinic (LITC) General Information Report, data compiled from GrantSolutions.
33. *Id.*

34. These volunteer highlights are not a recommendation to retain a particular representative or organization. The decision to retain a representative should be made by a taxpayer after considering their individual needs and whether the representative has the experience and training needed to meet those needs.
35. See National Taxpayer Advocate 2007 Annual Report to Congress vol. 2, at 93-116 (*Research Studies and Reports: IRS Earned Income Credit Audits – A Challenge to Taxpayers*).
36. Janene R. Finley & Allan Karnes, *An Empirical Study of the Effectiveness of Counsel in United States Tax Court Cases*, 16 J. OF AM. ACAD. OF BUS. 1-10 (Sept. 2010).
37. See IRC § 7526(b)(1)(A)(i).
38. LITC 2021 Year-End Report, Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
39. See IRS Pub. 3319, LITC Grant Application Package and Guidelines, 6-7 (Rev. 4-2022).
40. See IRS, State Information Sharing, [www.irs.gov/government-entities/governmental-liaisons/state-information-sharing](https://www.irs.gov/government-entities/governmental-liaisons/state-information-sharing) (May 6, 2022).
41. IRC § 7803(a)(3)(D).
42. IRC § 7803(a)(3)(E).
43. LITC 2021 Year-End Report, Form 13424-B, Low Income Taxpayer Clinic (LITC) Case Issues Report, and Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions. Each case can have more than one issue so the total will not equal 100 percent.
44. LITC 2021 Year-End Report, Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
45. A lien is a legal claim against a taxpayer's property to secure payment of an outstanding tax debt, while a levy is a legal seizure of property to satisfy the tax debt. See IRC §§ 6321 and 6331, respectively.
46. See IRM 5.16.1, Currently Not Collectible (April 13, 2021).
47. IRM 5.16.1.2, Currently Not Collectible Procedures (April 13, 2021).
48. See IRC § 6159. See also IRM 5.14.1.2, Installment Agreements and Taxpayer Rights (Dec. 23, 2022) and IRM 5.14.5.2, Streamlined Installment Agreements (Oct. 14, 2021).
49. See IRC § 7122. See also IRM 5.8.1, Offer in Compromise Overview (April 10, 2021).
50. See IRC § 6321.
51. See IRC §§ 6320 and 6330.
52. LITC 2021 Year-End Report, Form 13424-B, Low Income Taxpayer Clinic (LITC) Case Issues Report, and Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
53. Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
54. See IRC § 32. EITC is a tax credit designed for the benefit of low-income workers (primarily workers with children). It has become one of the government's largest means-tested anti-poverty programs. For instance, as of December 2022, more than 31 million workers and families received about \$64 billion in EITC. The average amount of EITC received nationwide was about \$2,043. See IRS, About EITC, [www.eitc.irs.gov/eitc-central/about-eitc/about-eitc](https://www.eitc.irs.gov/eitc-central/about-eitc/about-eitc) (last visited Jan. 18, 2023).
55. See IRC § 24. The CTC entitles a taxpayer to claim a credit for each qualifying child, as defined in IRC § 152(c), who is under age 17 at the end of the tax year (with an exception for certain non-citizens). The amount of the credit is applied to any taxes due and, in some instances, is refundable (known as the Additional CTC). Under the tax reform legislation passed in December 2017, the amount of the credit and income qualifications for the credit have changed. See Tax Cuts and Jobs Act (TCJA), Pub. L. No. 115-97, § 11022, 131 Stat. 2054, 2073 (2017). Whereas in previous tax years, the credit has only been available for low- to middle-income households, it is now available to many more taxpayers due to an increase in phaseout thresholds. For instance, the credit began to disappear in 2017 for married couples filing a joint return who earned more than \$110,000 and for single filers with modified adjusted gross income above \$75,000. All changes to the CTC made under the TCJA will expire after December 31, 2025. In March 2021, the American Rescue Plan Act (ARPA) increased the credit from \$2,000 to \$3,600 for children under six and \$3,000 for other children under age 18, expanded the scope of the credit to children 17 years old and younger, provided for advance payments from July to December 2021, made the credit fully refundable, and extended the credit to families in Puerto Rico and the other United States territories. See ARPA of 2021, Pub. L. No. 117-§§ 9611, 9612, 135 Stat. 4, 144-52 (2021).

56. For more information about audit reconsideration, see IRS Pub. 3598, What You Should Know About the Audit Reconsideration Process (Rev. 2-2015).
57. LITC 2021 Year-End Report, Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
58. See IRS Pub. 501, Dependents, Standard Deduction, and Filing Information (Rev. 2022).
59. LITC 2021 Year-End Report, Form 13424-B, Low Income Taxpayer Clinic (LITC) Case Issues Report and Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions. A taxpayer can claim a deduction for personal exemptions for his or herself, spouse, and for each person claimed as a dependent on the tax return. The TCJA reduced the personal exemption amount to \$0 for tax years 2018 through 2025. See Pub. L. No. 115-97, § 11041, 131 Stat. 2054, 2082 (2017). However, eligibility for exemption in years prior to enactment of TCJA continues to be an issue for many taxpayers.
60. See IRM 7.50.1, Form SS-8 Worker Classification Determinations – Form SS-8 Processing Handbook (Oct. 29, 2020).
61. IRC § 6013(d)(3).
62. IRC § 6015; IRS Pub. 971, Innocent Spouse Relief (Rev. Dec. 2021).
63. LITC Program progress reporting forms (Form 13424-B, Low Income Taxpayer Clinic (LITC) Case Issues Report and Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report) reference “innocent spouse relief” which includes all forms of relief from joint and several liability provided under IRC § 6015; LITC 2021 Year-End Report, Form 13424-B, Low Income Taxpayer Clinic (LITC) Case Issues Report, and Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
64. *The United States Tax Court and Calendar Call Programs*, Panuthos, Hon. Peter J., 68 Tax Law. 439, 440 (Spring 2015).
65. LITC 2021 Year-End Report, Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
66. See [www.ustaxcourt.gov](http://www.ustaxcourt.gov) (last visited Jan. 18, 2023).
67. See [www.ustaxcourt.gov/clinics.html](http://www.ustaxcourt.gov/clinics.html) (last visited Jan. 18, 2023).
68. United States Tax Court, Administrative Order No. 2021-01.
69. LITC 2021 Year-End Report, Form 13424-K, Low Income Taxpayer Clinic (LITC) Case Information Report, data compiled from GrantSolutions.
70. *Id.*
71. See IRS, IR-2021-93, IRS Office of Chief Counsel’s first National Virtual Settlement Month successful in resolving almost 150 Tax Court cases (April 26, 2021).
72. See IRM 1.2.2.14.18, Delegation Order 25-18 (Rev. 4) (April 8, 2021).
73. See National Taxpayer Advocate 2016 Annual Report to Congress 1-41 (Special Focus: *IRS Future State: The National Taxpayer Advocate’s Vision for a Taxpayer-Centric 21st Century Tax Administration*).
74. See National Taxpayer Advocate 2022 Annual Report to Congress 74-89 (Most Serious Problem: *Taxpayers Continue to Experience Difficulties and Frustration Obtaining Telephone and Face-to-Face Assistance to Resolve Their Tax Issues and Questions*).
75. For a complete list of LITC names, geographic locations, and languages in which services are available, see IRS Pub. 4134, Low Income Taxpayer Clinic List (Rev. 11-2022).
76. LITC 2020 Year-End Report, Form 13424-A, Low Income Taxpayer Clinic (LITC) General Information Report, data compiled from GrantSolutions.
77. *Id.*
78. See <https://www.htlegalcenter.org/wp-content/uploads/An-Advocates-Guide-to-Tax-Issues-Affecting-Victims-of-Human-Trafficking.pdf> (last visited Jan. 18, 2023).
79. See [www.irs.gov/Advocate/Systemic-Advocacy-Management-System-SAMS](http://www.irs.gov/Advocate/Systemic-Advocacy-Management-System-SAMS) (Dec. 19, 2022).
80. See [www.taxpayeradvocate.irs.gov/taxnews-information/blogs-nta/](http://www.taxpayeradvocate.irs.gov/taxnews-information/blogs-nta/) (last visited Jan. 18, 2023).
81. An *amicus* brief is a brief filed by a person or a group who is not a party to the lawsuit but has an interest in the outcome of the lawsuit and has received permission from the court to file such brief.
82. T.C. Memo. 2019-122.
83. *Seaview Trading, LLC v. Commissioner* 54 F.4th 608 (9th Cir. Nov. 10, 2022).

[www.TaxpayerAdvocate.irs.gov/LITC](https://www.TaxpayerAdvocate.irs.gov/LITC)



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