

THS 433A/433F Scenario

Santa Claus, the potential troubled taxpayer client, and his wife Jane come into your office and advises they owe the IRS and would like some help. They inform you they do not have their paystubs or detailed expenses but can get them. They also do not have any of the IRS letters but think that there might still be something at the post office “waiting on a signature”. They have no idea what the tax debt amount is. They file their taxes every year with turbo tax and he has filed every year including this year.

Santa advises this has been wearing on him and he is prepared to pay a \$1,500 cash retainer if you are able to start helping him today.

In this scenario you will complete the 433A in THS using as much third-party data you have immediate access to. Luckily it is a weekday and you recently subscribed to EnQ. Santa advises his wife does not work and she does not have any accounts in her name.

Note: The optional resolution package is required to complete this scenario in the software. For those that are on the initial \$250 trial it is included in that package.

Step 1: Enter the couple into your THS system then generate 8821 or 2848 and have Santa and Jane sign You should check the years back to 1990 since they have no idea what or when their tax debt is. See next page for provided personal info:

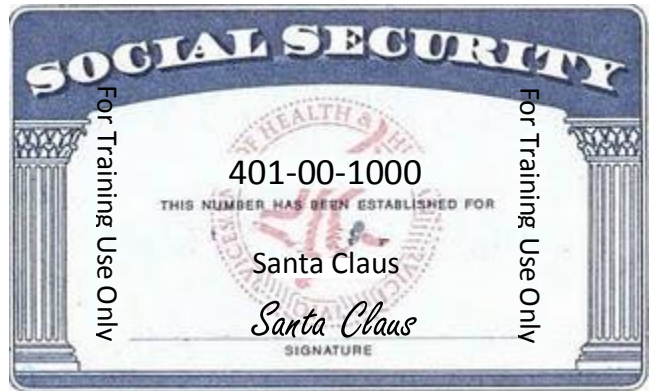
Florida

Fake Driver's License



DL NO. 9876543 **DOB** 04/15/1960
CLASS C **EXP** 02/05/2025
Santa Claus
2813 Shamrock N
Tallahassee, FL 32309 Sex M Eyes GRN
Leon County Hgt 5'-10" Wgt 165 lb
Restrictions A
Iss 02/05/2010

Santa Claus



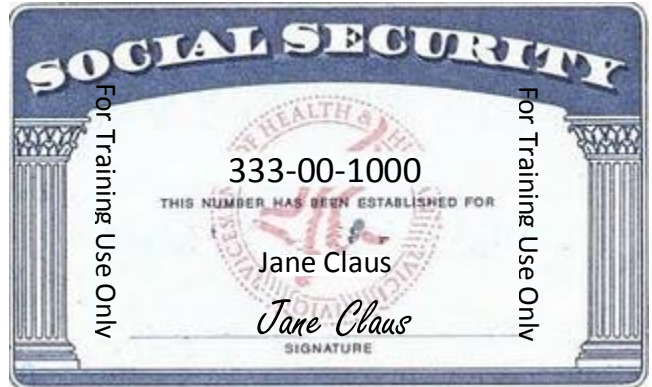
Florida

Fake Driver's License



DL NO. 6258974 **DOB** 10/12/1965
CLASS C **EXP** 03/02/2024
Jane Claus
2813 Shamrock N
Tallahassee, FL 32309 Sex F Eyes GRN
Leon County Hgt 5'-6" Wgt 130 lb
Restrictions A
Iss 04/05/2002

Jane Claus



Step 2:

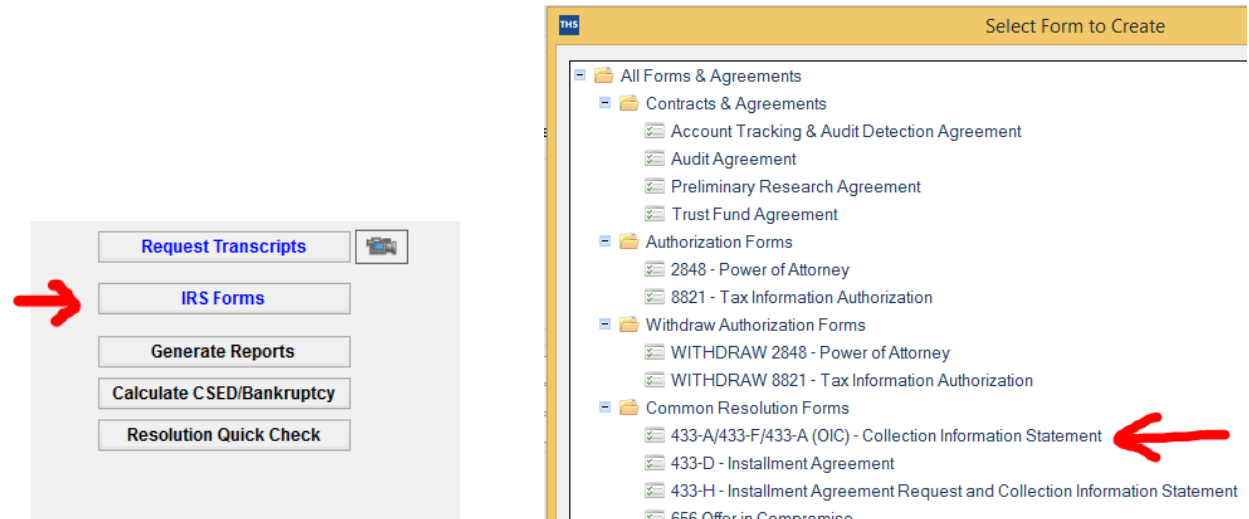
With EnQ you are able to call the Priority Practitioner line at 866-860-4259 and receive Santa's IRS transcripts. For the purposes of this scenario Jane Claus' transcripts are not needed since they are MFJ and assume her Wage & Income is blank.

Step 3:

- Make sure you have already added Santa Claus into THS by clicking on "Add Individual" on the main dashboard left menu near the top.
- To import Santa's transcripts into THS copy the folder in the handouts containing the transcripts labeled 401-00-1000.
- Place them in the same folder where your THS transcripts are saved in the THS (THSTranscriptDownloads).
- Note: to find where the THS folders are stored on your computer or network click on System—>System Settings.
- Once the transcripts have been copied over click on "Bulk Generate Reports"
- Scroll through the list until you see 401-00-1000 and just run the reports on that folder by clicking the box and then execute.
- The data should now be available from inside Santa's THS Screen.

Step 4:

From the main dashboard click on Santa Claus. Once Santa's screen opens up click on IRS Forms on the right-hand side of the screen:



Step 5:

Complete the 433A using the following data:

- Checking Account – Bank of Merica 123 Main St, New York, NY 10004
 - Today's balance \$3,000
 - Average lowest 3 month average \$1,500
 - Account #: 123456789
- Vehicle:
 - 2015 Honda Accord Sedan EX-L V6
 - Mileage: 78,000
 - License: abc 123 (FL)
 - Vin: 5555555555555555
 - Purchased: 6/17/2015
 - Loan through Bank of Merica account # 456789
 - Final Payment: 6/17/2022
 - Monthly payment: \$450
- Mortgage on home listed on 1098
 - Purchased 5/23/2016

- Purchase Price: \$475,000
- Monthly payment: \$1,350 (\$1,100 Mortgage and \$250 taxes and insurance)
- Final payment 4/23/2046

Summary (Original Scenario):

Taxpayer would be eligible for a PPIA if the IRS accepts the form as submitted. Monthly Disposable Income is calculated at \$1,199.1 on the 433A. Looking at the THS PDF Report calculated IA the full pay IA amount is 2,225.80. The offer amount is \$107,011.60.

Additional info for the 433A (OIC) scenario:

After gathering the initial information from the taxpayer new information comes to light.

Health insurance monthly payment (Monthly) = \$1,500

Life insurance (no cash value) = \$275

Also, the taxpayer advises COVID has affected home process in his area and advised he just got an appraisal on his home reducing the value from Zillow's estimate of \$560,002 to \$500,000.

Also, Santa turns 60 this year and the years of travelling have worn on him and he plans on retiring in the next 12 months. Santa asks if you can protect his small IRA.

Depending how aggressive you want to get as the tax professional you can get Santa to an OIC he may be able to live with. Also, you could wait until Santa retires and officially and then submit the OIC after his retirement. Mrs Claus does not have a car but is allowed a vehicle so that would be another option they could use to lower their offer amount. There is no right answer on an offer.