

Internal Revenue Service
Appeals Office
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San Francisco, CA 94105

Department of the Treasury

Person to Contact:

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Date: August 27, 2007

Refer Reply to:

AP:FW:SFO:RKB

D S
91 ESS ST
INDEPENDENCE OR 9735

In Re:

Collection Due Process - Levy
**Social Security or Employer
Identification Number:**

Tax Period(s) Ended:

12/1999 12/2000 12/2001 12/2002

Appeals Received Your Request for a Collection Due Process Hearing

Dear Mr. D S :

This letter is our acknowledgment that we received your request for a Collection Due Process (CDP) Hearing in our San Francisco Appeals Office on May 26, 2006.

Appeals is separate from - and independent of - the office of the Internal Revenue Service proposing the action you do not agree with. What we do is review and resolve disputes. I will consider the specific facts in your case and try to resolve your dispute with the Service.

If you are new to Appeals we strongly urge you to read the enclosed Publication 4165 which includes more details about the Appeals process, your right to representation and Collection Due Process. Please note that while you are in Appeals and until you pay your tax liability in full, interest will continue to be charged on any balance due, including accruals of penalty and interest.

I have scheduled a telephone conference call for you on September 11, 2007 at 10:00AM Pacific time. Please call me at the date and time indicated above. This call will be your primary opportunity to discuss with me the reasons you disagree with the collection action and/or to discuss alternatives to the collection action. If this time is not convenient for you, or you would prefer your conference to be held by correspondence, please let me know by 09/05/2007.

Your CDP hearing request regarding proposed levy action on the following tax periods was timely: Form 1040, for tax periods December 31, 1999, December 31, 2000, December 31, 2001 and December 31, 2002. During your hearing, and until any appeals become final for these tax periods, the legal collection period is suspended and no levy action may be taken.

The issues you raise in your CDP Request are those that Courts have determined are frivolous or Appeals does not consider.

Please be advised that Appeals does not provide a face-to-face conference if the only items you wish to discuss are those:

1. Courts have determined are frivolous (Examples of arguments that are considered frivolous are provided in "The Truth About Frivolous Tax Arguments" on the IRS Internet website at http://www.irs.gov/pub/irs-utl/friv_tax.pdf. It is not a complete list of frivolous arguments).
2. Appeals does not consider irrelevant issues, such as moral, religious, political, constitutional, conscientious, or similar grounds.

You will be allowed a face-to-face conference on any nonfrivolous issue; however you will need to provide the nonfrivolous issue in writing or by calling me within 14 days from the date of this letter before a face-to-face conference will be scheduled.

During the hearing, I must consider:

- Whether the IRS met all the requirements of any applicable law or administrative procedure
- Any **nonfrivolous** issue(s) you wish to discuss. These can include:
 1. Collection alternatives to levy such as full payment of the liability, installment agreement, or offer in compromise. Although they may not necessarily be considered an "alternative" to a notice of lien filing, these collection options may also be discussed at a lien hearing.
 2. Challenges to the appropriateness of collection action. If this is a lien hearing, you may ask us to determine if the notice of lien filing was appropriate and if you qualify for a lien withdrawal or other lien options, such as subordination.
 3. Spousal defenses, when applicable.
- We may also consider whether you owe the amount due, but only if you have not otherwise had an opportunity to dispute it with Appeals or did not receive a statutory notice of deficiency.
- We will balance the IRS' need for efficient tax collection and your legitimate concern that the collection action be no more intrusive than necessary.

You are entitled to have your conference with an Appeals employee who has had no **prior involvement** with the tax periods at issue (other than a prior CDP Hearing), either in Appeals or in the Compliance division. I do not recall any prohibited previous involvement with these tax periods; however, if you believe I have had previous involvement, please notify me immediately. If I have been involved but you would still like me to conduct your hearing, you may waive this right. For me to consider alternative collection methods such as an installment agreement or offer in compromise, you must

provide any items listed below. In addition, you must have filed all federal tax returns required to be filed.

The items to be provided are:

- Completed Collection Information Statement Form 433-A for individuals

Please send me the items listed or checked above within 14 days from the date of this letter. I cannot consider collection alternatives at your conference nor can I consider alternatives during the hearing process without the information requested above. I am enclosing the applicable forms and a return envelope for your convenience.

At the conclusion of the hearing process, we will issue a **determination letter** as required by law **for the tax periods for which your CDP hearing request was received timely**. If you do not agree with our determination you may appeal the case to the appropriate court. We will provide information about the appropriate court in your determination letter.

Before you decide whether to petition a notice of determination, you should know that the Tax Court is empowered to impose monetary sanctions up to \$25,000 for instituting or maintaining an action before it primarily for delay or for taking a position that is frivolous or groundless [Pierson v. Commissioner, 115 T.C. 576 (2000); Forbes v. Commissioner, T.C. Memo 2006-10 (\$20,000 penalty imposed); Aston v. Commissioner, T.C. Memo 2003-128 (\$25,000 penalty imposed)].

We will issue a **decision letter for the tax periods for which your CDP hearing request was determined not to be timely**. There is no right to challenge Appeals' decision in court. However, you may appeal to the appropriate court if you disagree with our decision that your hearing request was late. You may also be entitled to appeal a spousal defense issue and/or denial of an interest abatement claim, provided you timely file an appeal.

If you do not participate in the conference or respond to this letter, the determination and/or decision letter that we issue will be based on your CDP request, any information you previously provided to this office about the applicable tax periods, and the Service's administrative file and records.

Please contact me with any questions or concerns you have regarding this letter or the CDP procedures. My telephone number is listed above.

Sincerely,

R. Beck
Settlement Officer

Enclosures: