

# Dealing with Sticky Situations: Overbroad IDRs, Requests for Client Interviews, and Other Tricky Audit Situations

UT Law 70<sup>th</sup> Annual Taxation Conference  
November 30, 2022

Mary A. McNulty  
Lee S. Meyercord

Holland & Knight

1

## Overview

- Opening Conference
- IDR Basics
- Strategy Considerations
- Tricky IDRs and Issues
- Acknowledgment of Facts (AOF) IDRs
- Summons Enforcement

Holland & Knight

2

2

# Opening Conference

- Initial meeting to discuss administrative matters of the audit
- Discuss audit plan and taxpayer is provided a copy
- Discuss issues, audit steps, timeline, and IDR practices
  - Establish communication strategy.
  - Select a single point of contact with the IRS
- What if auditor asks substantive questions during the opening conference?

# IDR Basics

- The IRS has the authority to examine any books, papers, records, or other data that may be relevant or material to determining tax liability
- IDRs are issued to gather information
- Does not include things that do not exist; IRS can't force taxpayer to create materials



# Issuance of IDRs

- Issue focused
  - One issue per IDR
  - Exception: IDR issued at beginning of examination that requests basic books and records and general information about a taxpayer's business
- Discussed with taxpayer before issuance
- Mutually agreed upon response date
- Date by which Exam must advise taxpayer as to whether the response is satisfactory

See [Publication 5125, the LB&I Examination Process](#)

# Issuance of IDRs

Form 4564	Department of the Treasury Internal Revenue Service Information Document Request	Request Number FP-065
To: [REDACTED]	Subject: Capital Gain - [REDACTED]	SAIN: 408-01
		Submitted to: [REDACTED]
		Date of Previous Request: 12/31/2013

Description of Documents Requested:  
If you have any questions with respect to this request, please contact the individual named below or the case manager. Either individual is willing to discuss the requested information.

Transfer of information requested relates to tax [REDACTED]

Note: This IDR will be reviewed within 15 days and a response will be provided to you on whether the response satisfies my request.

Information Due By:	At Next Appointment <input checked="" type="checkbox"/>	Mail In <input type="checkbox"/>
Name and Title of Requestor	FP&T Extension, Badge Number [REDACTED]	Date:
FROM:	Office Location: 4650 Alpha Road, Dallas, Texas 75244 MC: 4020NDAL	
	Tel: [REDACTED] Fax: [REDACTED]	Page 1

Form 4564

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

## Title search: Dealing with Sticky Situations: Overbroad IDRs, Requests for Client Interviews, and Other Tricky Audit Situations

Also available as part of the eCourse

[2022 Taxation eConference: Day 1 - Controversy](#)

First appeared as part of the conference materials for the  
70<sup>th</sup> Annual Taxation Conference: Day 1 - Controversy session

"Dealing with Sticky Situations: Overbroad IDRs, Requests for Client Interviews, and Other Tricky Audit Situations"