Rettig Attends Washington’s First Conference Day

by Nathan J. Richman

Washington’s first settlement conference day gained a little gravitas with the surprise appearance of the IRS commissioner and a deputy chief counsel.

IRS Commissioner Charles Rettig and Drita Tonuzi, IRS deputy chief counsel (operations), made an appearance at the December 1 settlement conference day, according to Jennifer Breen and Alex E. Sadler of Morgan, Lewis & Bockius LLP. Rettig took the opportunity to chat with some of the volunteers, law students, and IRS personnel at the event, they said.

Jeffrey E. Gold, associate area counsel (Washington), IRS Small Business/Self-Employed Division, told Tax Notes, “It was great that they came and participated in the pro bono day to show their support for low-income taxpayers and the clinics. It was certainly very memorable to see the commissioner.”

Settlement conference days are organized ahead of Tax Court calendar calls to give pro se petitioners access to free legal advice and the chance to resolve their tax disputes. Perhaps more importantly, the conference days also afford them the opportunity to discuss their cases with the IRS in an environment more conducive to tax advice than a courthouse hallway. The events — sometimes called pro bono days, consultation days, and other variations — have been held in several cities, and pro bono communities in other regions are trying to organize more in the future.

Washington volunteers had been trying to organize a settlement conference day since 2016. Breen is one of the directors of the Washington DC Center for Public Interest Tax Law, an organization that helps match pro bono attorneys with pro se petitioners.

Arrangements

Breen said that Washington’s conference day saw involvement from the local low-income taxpayer clinics, IRS area counsel, and volunteer attorneys. The IRS took the lead on both informing petitioners and scheduling appointments, she said.

The event, which was held at the IRS field office on Massachusetts Avenue, was scheduled to run from 9 a.m. until 3 p.m., but all the matters were resolved by 1 p.m., Sadler said.

Gold said he coordinated conference day with two other Washington IRS area counsel managers. They settled on December 1 to ensure that the event was on a Saturday and that it would fit with the end of the semester to accommodate the local academic LITCs.

The IRS sent out more than 60 letters to petitioners ahead of the conference day, Gold said. The letter included information about the participating LITCs and volunteers and called for petitioners to schedule appointments. As part of the process, Gold’s staff spoke to the Atlanta area counsel office because of its recent success with settlement conference days, he said.

Success

Sixteen petitioners scheduled appointments for December 1. Twelve of them kept their appointments, and one person showed up as a walk-in, Gold said. Some taxpayers who didn’t make appointments responded to the letter, often asking about other chances to try to settle their cases, he said.

The IRS presence included two associate area counsels, two docket attorneys, two revenue officers, and a paralegal, Gold said. The revenue officers met with the petitioners after the conferences with the IRS and volunteers to discuss payment options, he said.

Of the 13 cases discussed at the settlement conference day, 10 settled that day, according to Sadler.

Of the 13 cases discussed at the settlement conference day, 10 settled that day, according to Sadler. Some of those cases involved multiple taxpayers, he said. Gold said some of the settled cases still have some follow-up work required in order to finalize the agreements, including things like adding a second signature to a case involving a joint return.

In one of the three unsettled cases, the petitioner raised a jurisdictional issue and one of the LITCs made an appearance in that case, according to Gold. The other two cases did not
settle, but the conferences helped to frame the issues and inform the taxpayers about what they will need to show to support their positions, Gold said.

Breen said she considers the first Washington settlement conference day a success. Gold said he was encouraged by its results.

**Future Plans**

Breen said she hopes there will be future settlement conference days and that it becomes a regular event. “Now that we’ve gotten one of these under our belt — we’ve tried it and we know how it can work — I think that we should also look at this as an opportunity for clinics to also make appointments for their clients who are not currently on this upcoming [trial session] calendar because there are often cases that could be resolved at a much earlier stage,” Breen said. While petitioners with cases scheduled for the next trial session should be given priority, LITCs could use any remaining time slots to resolve cases even more than a month ahead of trial, she suggested.

“I think we would be open to conducting pro bono days for future [trial sessions], but we would have to look at each [trial session] and see where we are at,” Gold said. He did not have an opinion on the expanded use of settlement conference days that Breen had suggested.

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**3 Republicans to Join Senate Finance Committee**

*by Asha Glover*

Republican Sens. James Lankford of Oklahoma, Steve Daines of Montana, and Todd Young of Indiana have been tapped to join the Finance Committee.

Republicans picked up one seat on the committee on January 3, the first day of the new Congress, and replaced seats vacated by previous committee Chair Orrin G. Hatch of Utah and Dean Heller of Nevada. Sen. Chuck Grassley, R-Iowa, was nominated to chair the committee, according to a release from his office.

Lankford, who has been in Congress since 2015, is a vocal opponent of a section 501(c)(3) provision commonly known as the Johnson Amendment. The provision bans political campaigning by charities and churches.

Lankford was also a key player in negotiating IRS funding last year as the chair of the Senate Appropriations Committee’s Financial Services and General Government Subcommittee. He recently introduced the Lessen Impediments From Taxes (LIFT) for Charities Act (S. 3332), to repeal the inclusion of some fringe benefit expenses in unrelated business taxable income.

Lankford also has urged Treasury Secretary Steven Mnuchin to delay implementation of the Tax Cuts and Jobs Act’s unrelated business income tax provisions affecting nonprofits until one year after final rules are issued by the department.

**Daines and Young**

Daines, who also joined Congress in 2015, was one of eight senators who asked Treasury and the IRS in August to issue regulations treating carbon dioxide used for enhanced oil and gas recovery projects under section 45Q in the same manner as the Environmental Protection Agency does. He worked to resolve differences between the House and Senate versions of a fiscal 2019 “minibus” appropriations bill, including a $400,000 difference in funding for the Congressional Budget Office.

“I will continue fighting for balanced budgets, responsible government spending, less taxes, active management of our public lands and