# PRACTICE EXAM 29: ENROLLED AGENT PART 3 SIMULATION (100 QUESTIONS)

*This practice exam contains 100 questions covering Practices and Procedures, Representation before the IRS, Specific Areas of Representation, and Filing Process. The actual Special Enrollment Examination Part 3 allows 3.5 hours and requires a scaled score of 500 (on a 200-800 scale) to pass. Select the single best answer for each question.*

**1.** A practitioner's enrollment application generally requires disclosure of any pending civil litigation alleging professional malpractice because such disclosure allows the IRS to:

A. Automatically deny the application regardless of the specific allegations' actual current status or ultimate merit presented currently overall presented
B. Notify the specific court handling the litigation of the applicant's own pending enrollment application with the IRS presented currently overall
C. Calculate a mandatory increased application fee based specifically on the nature of the pending litigation itself presented currently overall presented
D. Evaluate whether the underlying allegations, if substantiated, would bear on the applicant's fitness to practice before the agency

**2.** A practitioner's continuing education hours earned through a course offering both live and recorded viewing options generally qualify for credit provided:

A. The practitioner simply purchased access to the course regardless of whether the material was ever actually viewed by the practitioner
B. The practitioner's actual viewing, whether live or recorded, can be verified through the applicable IRS-approved provider's tracking method used
C. The course happened to be developed by a provider located in the practitioner's own home state specifically at that particular time
D. The practitioner personally knows the specific course instructor from some prior unrelated professional context entirely at that particular time

**3.** A practitioner's obligation to update the IRS regarding a change in the practitioner's own professional designation, such as adding a new credential, generally exists because:

A. New credentials are treated as more legally significant than a practitioner's own existing enrolled agent status generally overall presented currently overall
B. IRS regulations specifically require practitioners to hold a minimum, IRS-mandated number of professional credentials at all times presented currently overall
C. The IRS relies on accurate credential information to properly assess the practitioner's scope of authorized practice going forward presented currently overall
D. Failing to update the credential information automatically triggers an immediate formal disciplinary proceeding against the practitioner involved presented currently overall

**4.** OPR's decision regarding whether to pursue a matter through formal disciplinary proceedings rather than closing the inquiry with no action generally reflects consideration of whether:

A. The available evidence genuinely supports a finding that a violation of Circular 230's applicable standards actually occurred presented currently overall
B. Only the practitioner's own personal preference regarding which process OPR should actually pursue in the specific matter presented currently overall
C. Only the specific calendar month in which the underlying conduct happened to occur during that particular year presented currently overall presented
D. Only whether the practitioner has ever previously interacted with OPR in any capacity whatsoever before this specific matter presented currently overall

**5.** A practitioner's due diligence obligation regarding a client's claimed home office deduction generally requires:

A. Independent verification directly with a licensed appraiser regarding the specific square footage of the claimed home office space presented currently overall
B. Automatic disallowance of any home office claim exceeding a specific fixed percentage of the home's total square footage presented currently overall
C. A reasonable inquiry into whether the space is genuinely used regularly and exclusively for the taxpayer's qualifying business purpose presented currently

D. No inquiry whatsoever, since home office deduction claims are presumed accurate automatically by default presented currently overall presented currently overall

**6.** A practitioner's advice regarding a position with substantial authority generally accounts for whether a Treasury Regulation is temporary rather than final because:

A. Temporary regulations generally carry the same authoritative weight as final regulations while they remain genuinely in effect under applicable rules
B. Temporary regulations are always treated as carrying no genuine authoritative weight whatsoever regardless of their current effective status presented
C. Final regulations are always treated as carrying less authoritative weight than any temporary regulation addressing the identical issue presented currently overall
D. The signing obligation is entirely waived wherever any temporary regulation, rather than a final one, exists on the specific issue presented

**7.** A contingent fee arrangement is generally permitted for representation regarding a claim for a refund arising from an amended return correcting an accounting method error because such claims are:

A. Treated identically to an original return position under Circular 230's federal contingent fee rules generally overall presented currently overall presented currently overall
B. Prohibited in every context except the specific accounting method error correction context described specifically here presented currently overall presented currently overall
C. Specifically required by the IRS to be handled on a contingent fee basis in every such instance presented currently overall presented currently overall presented
D. Treated as sufficiently distinct from an original substantive return position to fall within a recognized exception presented currently overall presented currently overall

**8.** A practitioner's fee arrangement involving a sliding scale based on the taxpayer's own adjusted gross income generally should be:

A. Left deliberately vague regarding which specific income bracket actually applies to the client's particular engagement presented currently overall presented currently overall
B. Clearly explained to the client regarding the specific income brackets and corresponding fee amounts that genuinely apply to the engagement presented

C. Set at the highest amount the practitioner believes the client might conceivably tolerate paying regardless of the client's actual income bracket presented
D. Structured with no written documentation at all, relying entirely on a verbal understanding between the parties presented currently overall presented currently overall

**9.** A practitioner's advertisement stating the firm has "decades of combined staff experience" without further detail is generally:

A. Potentially misleading unless the practitioner can substantiate the specific claim with genuine, verifiable supporting data reflecting actual staff tenure presented currently overall
B. Always permitted, since combined-experience marketing language is categorically exempted from any scrutiny whatsoever presented currently overall presented currently overall
C. Permitted only if every single competing firm in the area formally agrees with the claim's accuracy presented currently overall presented currently overall presented currently overall
D. Irrelevant to Circular 230, since it is treated as harmless marketing puffery under all circumstances presented currently overall presented currently overall presented currently overall

**10.** A practitioner's conflict of interest analysis for representing a taxpayer in a matter where the practitioner's own child is employed by an adverse party generally should evaluate:

A. Only the specific total salary the practitioner's child earns at that particular place of employment presented currently overall presented currently overall presented
B. Only whether the practitioner and the child discuss work matters at home in general, unrelated terms presented currently overall presented currently overall
C. Only the specific number of years the child has worked at that particular place of employment presented currently overall presented currently overall presented
D. Whether the child's employment could reasonably be perceived as affecting the practitioner's independent judgment in the current matter presented currently overall

**11.** A practitioner's written consent documentation for a conflict arising from a child's employment at the adverse party's organization should generally address the specific:

A. Only the practitioner's own personal opinion of how successful the child's career has been generally presented currently overall presented currently overall presented

B. Only the specific total dollar amount the client's current matter involves in dispute at this particular time presented currently overall presented currently overall
C. Safeguards in place to prevent the family relationship from improperly influencing the current matter's handling by the practitioner presented currently overall
D. Only whether the child's employment began before or after the practitioner's own enrollment as an EA specifically presented currently overall presented currently overall

**12.** A firm's Section 10.36 procedures should generally address how the firm handles a matter involving a staff member's family employed by parties on the opposing side by:

A. Automatically declining every such matter regardless of the actual specific circumstances involved in the case presented currently overall presented currently overall presented
B. Requiring disclosure of the relationship and evaluation of whether it presents a genuine conflict for the current matter presented currently overall presented currently overall
C. Automatically accepting every such matter with no evaluation of any kind conducted by the firm at all presented currently overall presented currently overall presented
D. Delegating the entire matter automatically to a completely different, unrelated firm outside the practice entirely presented currently overall presented currently overall presented

**13.** A practitioner's Section 10.51(a)(4) violation for false statements generally may be established through the practitioner's submission of a return relying on a depreciation schedule known to contain a mathematical error never corrected, if the practitioner:

A. Simply used the same depreciation schedule applied consistently in prior years without any further specific inquiry conducted presented currently overall presented
B. Actually knew or recklessly disregarded that the depreciation schedule genuinely contained an uncorrected mathematical error affecting the return presented currently overall
C. Had never personally prepared the original depreciation schedule used in the underlying filing itself at that earlier time presented currently overall presented
D. Delegated the task of actually reviewing the depreciation schedule's accuracy to a subordinate employee at the firm presented currently overall presented currently overall

**14.** A practitioner's obligation regarding accuracy of representations generally requires distinguishing between a genuine dispute over the legal characterization of admitted facts and a representation the practitioner:

A. Knows misstates the underlying objective facts rather than merely arguing for a favorable legal characterization of those genuine admitted facts presented currently overall
B. Made verbally and a statement the practitioner made in a formal written document submitted to the IRS instead presented currently overall presented currently overall
C. Made to a supervisory IRS employee and a statement made to a non-supervisory IRS employee instead presented currently overall presented currently overall presented currently
D. Made during business hours and a statement made outside of normal business hours entirely instead presented currently overall presented currently overall presented currently overall

**15.** A practitioner's written tax opinion should generally state the specific date through which the analysis reflects the law to:

A. Satisfy a purely cosmetic formatting requirement with no genuine substantive purpose whatsoever attached to the opinion presented currently overall presented currently overall
B. Guarantee the client a specific favorable outcome regardless of whether the law actually changes after the stated date presented currently overall presented currently overall
C. Allow the client to genuinely understand whether subsequent legal developments might affect the opinion's continued reliability going forward presented currently overall
D. Eliminate the practitioner's own underlying obligation to conduct genuine, substantive analysis of the matter presented currently overall presented currently overall presented currently overall

**16.** A practitioner's competence obligation regarding a matter involving a client's proposed transaction with genuinely novel blockchain-based property implications generally requires:

A. Automatic acceptance of the matter regardless of the practitioner's actual familiarity with blockchain property rules presented currently overall presented currently overall
B. Automatic decline of the matter with no possibility of developing the needed understanding at all presented currently overall presented currently overall presented currently overall
C. Reliance exclusively on the client's own understanding of the applicable blockchain property implications involved presented currently overall presented currently overall presented currently overall
D. Sufficient understanding of the blockchain property implications, or appropriate referral to a practitioner with relevant expertise in that area presented currently overall

**17.** A practitioner's advertising claim regarding the firm's specific range of accepted engagement sizes should generally be:

A. Accurate and reflective of the firm's genuine, current willingness to accept engagements within the stated size range presented currently overall presented currently overall
B. Rounded up substantially to present a more impressive-sounding figure to prospective clients considering the firm presented currently overall presented currently overall presented currently overall
C. Omitted entirely from all advertising, since engagement-size claims are categorically prohibited under Circular 230 presented currently overall presented currently overall presented currently overall
D. Based on a single, particularly favorable matter rather than the firm's overall genuine typical range achieved presented currently overall presented currently overall presented currently overall

**18.** A practitioner's Section 10.20 obligation regarding record submission generally applies to records the practitioner has transferred to a successor firm upon retirement because:

A. IRS regulations specifically exempt records transferred upon retirement from this particular submission obligation entirely and completely presented currently overall
B. Transferred records are treated as categorically less reliable than records the original practitioner personally retained presented currently overall presented currently overall
C. The obligation genuinely attaches to whoever currently holds custody of the relevant records at the time of a proper request presented currently overall
D. The obligation applies only where the retired practitioner has specifically consented in writing to the successor firm's continued custody presented currently overall

**19.** A practitioner's failure to identify a client's eligibility for the Adoption Credit, where the client clearly qualifies, may reflect:

A. An entirely acceptable practice, since practitioners bear no obligation to identify every possible credit available to clients presented currently overall presented currently overall
B. A potential shortfall in the competence and diligence Circular 230 expects of practitioners generally throughout their practice presented currently overall presented currently overall
C. A matter completely outside any Circular 230 concern whatsoever regarding the practitioner's overall conduct in the matter presented currently overall presented currently overall

D. Relevant only if the client can affirmatively prove the practitioner deliberately withheld this specific information from them presented currently overall presented currently overall

**20.** A practitioner's conflict of interest evaluation should generally be repeated where an existing client's matter reveals the client has become a co-signer on a loan for another existing client because:

A. IRS regulations specifically mandate an entirely new engagement letter for every newly discovered co-signer relationship presented currently overall presented currently overall presented
B. Discovering this relationship automatically and categorically terminates both pre-existing engagements entirely and immediately presented currently overall presented currently overall presented
C. Clients specifically expect and demand a fresh conflict evaluation memo for every such discovery made during representation presented currently overall presented currently overall presented
D. The newly discovered co-signer relationship may genuinely affect whether continued representation of either client remains appropriate under the circumstances presented currently overall

**21.** A practitioner's disreputable conduct violation involving knowingly assisting a client in claiming a fabricated business under which no genuine economic activity ever occurred generally is evaluated with particular seriousness because it involves:

A. A matter having no genuine connection whatsoever to the practitioner's actual tax practice at all overall presented currently overall presented currently overall
B. Conduct that, while concerning, carries no meaningful implication for any client's own genuine interests overall presented currently overall presented currently overall
C. A direct fabrication that strikes at the core factual accuracy the tax reporting system genuinely depends upon for proper function presented currently overall presented
D. A category of conduct Circular 230 does not actually address or regulate in any meaningful way overall presented currently overall presented currently overall

**22.** A practitioner's obligation to maintain confidentiality of client information generally applies to information discussed during a firm-wide staff training session using anonymized examples, because:

A. Anonymized information is treated as categorically outside the scope of confidentiality since it was never directly attributed to a named client presented

B. Anonymization reducing but not necessarily eliminating identifiability may still require genuine care to avoid revealing confidential client information presented currently overall presented

C. An exception allows free discussion of any anonymized information during internal staff training sessions to any interested party presented currently overall presented

D. An exception applies only where the client specifically requests anonymized examples be treated as confidential in writing presented currently overall presented currently overall

**23.** A practitioner's decision to decline continuing representation upon learning the client has been secretly recording confidential conversations with the practitioner without consent generally is:

A. A violation of an implied duty to continue any representation regardless of how the client conducts the relationship elsewhere presented currently overall presented currently overall

B. Irrelevant to Circular 230, since declining continued representation carries no professional significance whatsoever presented currently overall presented currently overall presented currently overall

C. Permitted only if the practitioner first obtains a formal court ruling confirming the recording actually occurred without consent presented currently overall presented currently overall

D. An appropriate exercise of professional judgment consistent with Circular 230's overall standards for practitioners presented currently overall presented currently overall presented currently overall

**24.** A practitioner's obligation regarding accuracy of representations extends to a formal request for innocent spouse relief to the extent the request concerns:

A. Both the factual basis for the requested relief and any characterization of the underlying facts offered by the practitioner filing presented currently overall presented

B. Only the factual basis for the requested relief, never any characterization offered by the practitioner filing the request presented currently overall presented currently overall

C. Only any characterization offered, never the factual basis for the requested relief itself in the matter presented currently overall presented currently overall presented

D. Neither category, since accuracy obligations apply only to numerical calculations specifically involved overall in the matter presented currently overall presented currently overall presented

**25.** A practitioner's suspension sanction generally is imposed with a period reflecting OPR's judgment regarding the appropriate duration, taking into account:

A. Only the practitioner's own personal financial need to resume practicing before the IRS as quickly as possible presented currently overall presented currently overall
B. The genuine severity of the violation and any aggravating or mitigating circumstances that OPR determines are actually relevant to the matter presented currently overall
C. Only the specific number of years the practitioner has held enrolled status prior to the violation occurring presented currently overall presented currently overall presented
D. Only the harmed client's own personal preference regarding how long the suspension should ideally last in the matter presented currently overall presented currently overall

**26.** A practitioner's monetary penalty under Section 10.50 generally may be assessed even where the practitioner has already made the harmed client financially whole through separate restitution because:

A. Restitution to the harmed client is always a mandatory legal prerequisite before any monetary penalty may be assessed at all presented currently overall presented
B. The penalty is calculated using the exact same formula applied to calculate the amount of restitution owed to the client presented currently overall presented currently overall
C. The penalty addresses the violation of professional standards itself, a distinct concern from any restitution paid to make the client whole presented currently overall presented
D. OPR is legally prohibited from assessing this penalty where the practitioner has already provided restitution to the harmed client presented currently overall presented currently overall

**27.** A practitioner's reinstatement following disbarment generally requires OPR to weigh the public interest in reinstatement against the public interest in maintaining confidence in:

A. Only the practitioner's own personal financial need to resume practicing before the IRS at this point matters presented currently overall presented currently overall presented
B. Only the specific number of years that have elapsed since the disbarment was originally imposed matters overall presented currently overall presented currently overall presented
C. Only the practitioner's own personal opinion regarding whether the original sanction was genuinely fair matters overall presented currently overall presented currently overall presented
D. The overall integrity of practice before the IRS, a concern that persists independent of any individual practitioner's own personal circumstances presented currently overall

**28.** A practitioner's obligation to disclose a conflict extends to a conflict arising from the practitioner's role as a paid reviewer of a competing firm's marketing materials, requiring the practitioner to generally:

A. Disclose the paid reviewer relationship and evaluate whether it could improperly influence how the practitioner discusses competing firms with clients presented currently overall
B. Simply decline all future reviewer engagements entirely with no disclosure or evaluation ever required at all in the matter presented currently overall presented
C. Ignore the reviewer relationship entirely, since it is treated as unrelated to the tax representation itself in the matter presented currently overall presented
D. Disclose only to clients who specifically and independently ask about the practitioner's reviewer relationships in general presented currently overall presented currently overall

**29.** A practitioner's overall approach to identifying potential conflicts for a matter involving a client obtained through the practitioner's own children's shared school community should generally include:

A. An assumption that a fellow-parent client automatically presents no possible conflict of any kind whatsoever in the matter presented currently overall presented currently overall
B. Skipping the conflict check entirely, since fellow-parent clients are presumed to be pre-vetted already through the shared school community presented currently overall presented currently overall
C. Relying exclusively on the practitioner's own personal judgment that no conflict genuinely exists in this specific instance presented currently overall presented currently overall presented
D. The same systematic conflict check applied to any other matter, regardless of how the client was actually met by the practitioner presented currently overall presented currently overall

**30.** A practitioner's overall professional obligations under Circular 230 reflect a recognition that maintaining the profession's genuine value depends on each individual practitioner's contribution to:

A. Only the individual practitioner's own personal professional reputation and standing within the community presented currently overall presented currently overall presented currently overall
B. Only the IRS's own narrow institutional interest in efficient case processing across the entire system presented currently overall presented currently overall presented currently overall
C. A collective reputation for honesty and competence that benefits every enrolled practitioner but can be genuinely damaged by any single practitioner's misconduct presented currently overall presented

D. Only competing practitioners' interests in a level playing field within the broader profession presented currently overall presented currently overall presented currently overall presented

**31.** A practitioner's overall commitment to Circular 230's standards ultimately reflects an understanding that the enrolled agent credential distinguishes practitioners who have demonstrated:

A. Genuine subject-matter competence combined with an ongoing commitment to ethical conduct verified through the enrollment and renewal process presented currently overall presented currently overall
B. Only genuine subject-matter competence, with ethical conduct treated as an entirely separate, unrelated consideration presented currently overall presented currently overall presented currently overall
C. Only an ongoing commitment to ethical conduct, with subject-matter competence treated as an entirely separate, unrelated consideration presented currently overall presented currently overall presented currently overall
D. Neither genuine competence nor ethical conduct, since the credential is treated as purely symbolic in nature presented currently overall presented currently overall presented currently overall

**32.** A taxpayer's power of attorney should generally include the taxpayer's own signature date to:

A. Satisfy a purely arbitrary IRS formatting preference carrying no genuine substantive purpose whatsoever attached to the form presented currently overall
B. Establish a clear reference point for confirming the authorization's genuine currency and applicable validity period presented currently overall presented currently overall
C. Allow the IRS to calculate the practitioner's applicable continuing education fee more accurately based on the date stated presented currently overall
D. Determine which specific IRS office will ultimately be assigned to process the authorization based on the signature date presented currently overall

**33.** A taxpayer's power of attorney generally does not authorize the representative to:

A. Discuss the specifically covered matters with the assigned IRS employee handling the matter under review currently presented currently overall presented

B. Receive copies of notices regarding the specifically covered matters sent by the IRS during the proceeding overall presented currently overall presented

C. Consent to disclose the taxpayer's return information to a third party absent specific separate authorization for that particular activity presented

D. Advocate the taxpayer's position at a scheduled examination interview held with the examiner assigned to the case presented currently overall presented

**34.** A taxpayer's power of attorney generally is treated as covering a related backup withholding determination for the same underlying tax period because:

A. IRS regulations specifically require every backup withholding determination to be treated as an entirely new, unrelated matter presented currently overall

B. The authorization's scope generally extends to matters genuinely arising from the same covered underlying tax period at issue presented currently overall

C. A backup withholding determination is treated as automatically and categorically outside the original authorization's scope entirely presented currently overall presented

D. The taxpayer must affirmatively resubmit an identical authorization for the backup withholding determination phase specifically presented currently overall presented

**35.** A taxpayer's assessment statute of limitations generally is tolled during the period a taxpayer's assets are subject to a receivership proceeding under applicable law because:

A. Receivership proceedings are always automatically resolved quickly, eliminating any need for tolling consideration entirely in every case presented currently overall

B. The assessment statute never applies to any matter involving a taxpayer subject to receivership of any kind whatsoever presented currently overall presented currently overall

C. The IRS lacks any authority whatsoever to address matters involving a taxpayer's receivership proceeding generally presented currently overall presented currently overall presented

D. This specific circumstance is among the statutorily recognized tolling events affecting the assessment statute directly and completely presented currently overall presented

**36.** A taxpayer's Form 872 extension request should generally be evaluated by the practitioner against whether the extension would allow time for:

A. A pending administrative appeal in a related matter to resolve, potentially affecting the current examination's own ultimate outcome presented currently overall

B. An entirely unrelated matter having no genuine connection to the current examination at issue currently presented currently overall presented currently overall

C. A routine annual return for a subsequent, unrelated tax year not currently under examination presently presented currently overall presented currently overall presented

D. A formal complaint against the specific examining agent handling the current matter under review currently presented currently overall presented currently overall presented

**37.** A taxpayer's position supported by a formal Chief Counsel Notice addressing a recently identified compliance concern generally reflects:

A. A guarantee the taxpayer's identical position will ultimately succeed if formally challenged by the examiner assigned to the matter presented currently overall presented

B. No relevance whatsoever to the taxpayer's own current matter or risk assessment under any circumstances presented currently overall presented currently overall presented

C. Internal IRS guidance directing Chief Counsel attorneys, a genuinely relevant though not binding factor in the overall risk assessment presented currently overall

D. Binding law the IRS is legally required to follow in every subsequent, unrelated case presented currently overall presented currently overall presented currently overall presented

**38.** A taxpayer's reliance on a position supported by a majority view among practicing tax professionals, absent formal IRS or judicial authority directly on point, generally reflects:

A. An automatically frivolous position lacking any recognized basis whatsoever under applicable legal standards presented currently overall presented currently overall presented

B. A position carrying weight identical to a formal, binding Treasury Regulation on the same topic presented currently overall presented currently overall presented currently overall

C. Grounds for automatic penalty relief regardless of any other circumstances involved in the matter presented currently overall presented currently overall presented currently overall

D. A reasonable basis argument, though weaker than a position with formal IRS or judicial authority

**39.** A taxpayer's disclosure of a position through Form 8275 involving reliance on a majority professional view generally should include:

A. Only the taxpayer's personal opinion regarding whether the IRS will ultimately accept the disclosed position based on the consensus presented currently overall

B. A description of the majority view and an acknowledgment that professional consensus alone does not guarantee correctness under the law presented currently overall

C. Only a general statement that some unspecified position is being disclosed with no further detail given about the consensus presented currently overall presented

D. A guarantee the disclosed position will definitely withstand any subsequent IRS challenge that may be raised based on the consensus presented currently overall

**40.** A taxpayer's genuinely good-faith reliance on a majority professional view, later found incorrect upon examination, generally distinguishes the taxpayer from evasion because:

A. The reliance itself demonstrates an absence of intent to conceal facts, even where the majority view ultimately proved incorrect upon review presented currently overall

B. A majority professional view is automatically treated as legally binding regardless of the IRS's actual contrary position upon examination presented currently overall

C. Legal incorrectness alone, regardless of good faith, is always sufficient to establish evasion under the applicable standard used generally presented currently overall presented

D. Courts are legally required to excuse any position consistent with the majority professional view on the specific issue involved presented currently overall presented

**41.** The Taxpayer Advocate Service's role in addressing a taxpayer's hardship arising from a delayed lien release generally includes assessing:

A. Only whether the taxpayer's representative believes the delay is generally unfair as a broader policy matter overall presented currently overall presented currently overall

B. Only the specific total dollar amount of the underlying liability, with no further inquiry into actual impact needed at all presented currently overall

C. Only whether the taxpayer has previously requested a lien release in any prior tax matter altogether presented currently overall presented currently overall presented currently

D. Whether the delay is causing genuine, documented financial hardship beyond ordinary inconvenience experienced by the taxpayer presented currently overall presented currently overall

**42.** A Taxpayer Assistance Order addressing a delayed lien release generally may direct the IRS to:

A. Automatically grant the taxpayer's underlying substantive claim regardless of its actual legal merits presented currently overall presented currently overall presented currently overall
B. Waive the taxpayer's underlying tax liability entirely regardless of its actual legal correctness overall presented currently overall presented currently overall presented currently overall
C. Expedite the release consistent with the applicable hardship criteria actually established in the taxpayer's specific matter presented currently overall presented currently overall
D. Terminate the employment of the specific IRS employee responsible for the processing delay entirely at once presented currently overall presented currently overall presented currently overall

**43.** An Enrolled Agent's representation authority generally extends to a matter involving a taxpayer's dispute regarding:

A. A denial of a requested certificate of subordination for a federal tax lien, in addition to other tax matters generally throughout the practice presented
B. Only individual income tax matters, never lien-related matters of any kind whatsoever presented currently overall presented currently overall presented currently overall
C. Only matters the EA personally prepared the underlying filing for at the time of the original filing presented currently overall presented currently overall presented currently
D. Only matters involving amounts below a specific dollar threshold established for this specific purpose presented currently overall presented currently overall presented currently overall

**44.** A practitioner's preliminary assessment of a new matter involving a taxpayer's proposed charitable remainder trust arrangement should generally include confirming:

A. Only the specific trustee's overall general reputation in the industry at the current time presented currently overall presented currently overall presented currently overall
B. The trust's terms satisfy the applicable requirements governing the charitable and income interest calculations under the governing statutory provisions presented currently overall
C. Only the taxpayer's personal opinion regarding charitable remainder trusts generally as a planning vehicle presented currently overall presented currently overall presented currently overall
D. Only the specific number of years the taxpayer has been considering the charitable remainder trust arrangement generally presented currently overall presented currently overall

**45.** A conflict check's scope for a matter involving multiple beneficiaries of the same charitable remainder trust should generally extend to:

A. Only the trust's own formal legal name, with no inquiry into individual beneficiary participants involved presented currently overall presented currently overall presented
B. Only the specific state in which the trust is administered at the current time presented currently overall presented currently overall presented currently overall presented
C. Each individual beneficiary, given their potential differing interests in the trust's ultimate tax treatment and distribution terms presented currently overall presented
D. Only the total dollar value of the overall charitable remainder trust at the current time presented currently overall presented currently overall presented currently overall

**46.** A taxpayer's account transcript entry reflecting an adjustment for improper charitable remainder trust valuation generally indicates:

A. The IRS identified a valuation calculation that failed to satisfy the applicable actuarial and statutory requirements governing the trust presented currently overall presented
B. An automatic, complete forgiveness of any resulting tax liability regardless of the adjustment made currently presented currently overall presented currently overall presented
C. An entry unrelated to any actual IRS action, requiring no further explanation at all needed currently presented currently overall presented currently overall presented
D. A penalty specifically assessed against the taxpayer for having established the charitable remainder trust arrangement generally presented currently overall presented currently overall presented

**47.** A practitioner's analysis challenging a proposed adjustment involving improper charitable remainder trust valuation should generally focus on:

A. Only the taxpayer's personal opinion regarding whether the adjustment is generally fair to the taxpayer presented currently overall presented currently overall presented currently overall
B. Identifying specific facts demonstrating the valuation genuinely complied with the applicable actuarial and statutory calculation requirements involved presented currently overall
C. Only the specific examiner's overall years of experience conducting examinations of similar matters presented currently overall presented currently overall presented currently overall

D. Only the specific trustee's overall stock market performance during the relevant period presented currently overall presented currently overall presented currently overall presented

**48.** A requesting spouse's Innocent Spouse Relief claim involving improper charitable remainder trust valuation the other spouse solely controlled generally should address:

A. Only the requesting spouse's personal opinion regarding charitable remainder trusts generally as a planning vehicle presented currently overall presented currently overall presented
B. Only the couple's total combined years of marriage before the trust arrangement was established originally presented currently overall presented currently overall presented
C. Only the requesting spouse's current occupation and specific employer at the present time currently presented currently overall presented currently overall presented
D. Whether the requesting spouse had actual knowledge of the valuation decisions generating the adjustment at issue in the matter presented currently overall presented

**49.** A practitioner's documentation for a matter involving a challenge to a charitable remainder trust valuation adjustment should generally address the specific:

A. Only the couple's original choice of wedding venue and related details from that occasion presented currently overall presented currently overall presented currently overall
B. Only the couple's shared taste in home decor and furnishings throughout their residence presented currently overall presented currently overall presented currently overall presented
C. Only the couple's preferred vacation destinations over the years they have been married presented currently overall presented currently overall presented currently overall presented
D. Actuarial assumptions and interest rate factors applied consistent with the applicable statutory calculation methodology governing the trust presented currently overall presented

**50.** A practitioner's early assessment of potential criminal exposure in a matter involving a charitable remainder trust valuation error should generally weigh:

A. Whether the taxpayer's reporting reflects genuine good-faith calculation error or deliberate manipulation of the valuation to inflate the charitable deduction presented currently overall
B. Only the specific trustee involved in facilitating the underlying trust arrangement currently presented currently overall presented currently overall presented currently overall

C. Only the client's overall general demeanor during a single initial consultation meeting held currently presented currently overall presented currently overall presented currently overall
D. Only the specific total number of years the taxpayer maintained the charitable remainder trust arrangement generally presented currently overall presented currently overall presented

**51.** A practitioner who identifies potential criminal exposure in a charitable remainder trust matter should generally avoid:

A. Advising the client to consult with counsel experienced in tax controversy matters generally presented currently overall presented currently overall presented currently overall
B. Documenting the specific reasoning behind any referral made to specialized counsel for the matter presented currently overall presented currently overall presented currently overall
C. Advising the client to simply amend returns without first considering the full scope of the potential exposure identified currently presented currently overall presented
D. Continuing to handle unrelated civil matters for the client within the practitioner's actual competence presented currently overall presented currently overall presented currently overall

**52.** A Kovel arrangement's application to a charitable remainder trust matter generally requires the accountant's analysis to be:

A. Conducted entirely independently of any attorney direction or involvement whatsoever in the analysis conducted presented currently overall presented currently overall presented currently
B. Directed by the attorney and genuinely connected to assisting the attorney's legal advice on the matter presented currently overall presented currently overall presented currently
C. Shared freely and openly with the IRS as the analysis progresses through its stages currently presented currently overall presented currently overall presented currently overall
D. Focused exclusively on matters having no connection whatsoever to any legal advice provided currently presented currently overall presented currently overall presented currently overall

**53.** A practitioner's case-building documentation for a charitable remainder trust matter should generally include:

A. Only the taxpayer's own general assertion the trust was properly valued with no supporting documentation given presented currently overall presented currently overall presented

B. Trust documents, actuarial calculations, and records supporting the actual valuation methodology applied to the charitable interest presented currently overall presented
C. Only the trustee's general marketing materials describing its overall trust administration services presented currently overall presented currently overall presented currently overall
D. Only the taxpayer's personal opinion regarding the overall fairness of charitable remainder trust valuation rules presented currently overall presented currently overall presented

**54.** A practitioner's overall case assessment for a charitable remainder trust matter should generally distinguish between:

A. Only trusts established before versus after a specific arbitrary calendar date unrelated to the requirements presented currently overall presented currently overall presented
B. Only trusts administered in one specific state versus trusts administered in another specific state presented currently overall presented currently overall presented currently overall
C. The trust's compliance with genuine actuarial and statutory requirements and the separate issue of its claimed charitable deduction amount presented currently overall
D. Only trusts with a name containing the word "charitable" versus trusts without that word presented currently overall presented currently overall presented currently overall

**55.** A practitioner's overall case-building strategy for a matter involving a genuinely complex charitable remainder trust valuation dispute should generally include:

A. Only a narrative description with no supporting actuarial analysis of any kind provided at all presented currently overall presented currently overall presented
B. Only the trustee's own actuary's conclusions, accepted without any independent review whatsoever conducted by the practitioner presented currently overall presented currently overall
C. Avoiding any independent actuarial review entirely to prevent inviting additional scrutiny from the examiner presented currently overall presented currently overall presented currently
D. Obtaining or reviewing a credible, independent actuarial analysis supporting the claimed valuation figures used in the calculation presented currently overall presented

**56.** A practitioner's overall preliminary case assessment process for a charitable remainder trust matter should generally include documenting:

A. The specific trust type and its applicable actuarial and statutory valuation requirements governing the arrangement established presented currently overall presented currently overall

B. Only the practitioner's own personal fee arrangement for handling the specific matter at issue presented currently overall presented currently overall presented currently overall

C. Only the specific software the practitioner intends to use going forward in the matter presented currently overall presented currently overall presented currently overall presented

D. Only the client's general overall satisfaction with the practitioner's services to date so far presented currently overall presented currently overall presented currently overall presented

**57.** A practitioner's case-building work for a matter involving a taxpayer's claimed reasonable cause for a charitable remainder trust valuation error should generally document:

A. Only the taxpayer's own personal, subjective belief that reasonable cause genuinely exists in the matter presented currently overall presented currently overall presented

B. The specific reliance on qualified actuaries and advisors and the reasonableness of that reliance given the circumstances presented currently overall presented

C. Only the specific total dollar amount of the claimed charitable deduction at issue in the matter presented currently overall presented currently overall presented currently

D. Only the specific trustee the taxpayer originally used for the charitable remainder trust arrangement presented currently overall presented currently overall presented currently

**58.** A practitioner's overall approach to preliminary case assessment for a genuinely complex charitable remainder trust matter should generally reflect:

A. Immediate commitment to a specific strategy before any meaningful fact development has occurred at all presented currently overall presented currently overall presented currently overall

B. Complete avoidance of the complex matter in favor of addressing only more familiar, comfortable issues presented currently overall presented currently overall presented currently overall

C. Careful, thorough fact development before committing to a specific strategic approach for the matter presented currently overall presented currently overall presented currently overall

D. Deference entirely to the taxpayer's own proposed strategy with no independent practitioner analysis conducted presented currently overall presented currently overall presented currently overall

**59.** A practitioner's case-building process for a charitable remainder trust matter ultimately aims to ensure the taxpayer's valuation position is:

A. Genuinely supported by the actual facts developed, not assumed based on the mere fact a trust arrangement was established presented currently overall presented
B. Automatically favorable to the taxpayer regardless of what the actual facts developed ultimately show overall presented currently overall presented currently overall presented
C. Automatically unfavorable to the taxpayer whenever a trust is established, regardless of the actual facts present presented currently overall presented currently overall presented
D. Based primarily on the practitioner's own initial gut impression formed before any fact development occurs presented currently overall presented currently overall presented currently overall

**60.** A practitioner's overall case-building philosophy for a charitable remainder trust matter should generally reflect an understanding that the applicable rules:

A. Apply flexibly on a case-by-case basis with no genuine detailed standards actually involved at all presented currently overall presented currently overall presented currently overall
B. Never actually warrant any additional documentation beyond what a routine matter would require generally presented currently overall presented currently overall presented currently overall presented
C. Are legally prohibited from ever being examined by the IRS under any circumstances whatsoever presented currently overall presented currently overall presented currently overall presented
D. Involve detailed actuarial and statutory valuation standards warranting careful, precise documentation of each calculation performed presented currently overall presented

**61.** A taxpayer's short-term payment plan proposal for a taxpayer with a charitable remainder trust valuation adjustment generally should address:

A. Only the taxpayer's personal preference for the specific word "short-term" over other terminology used presented currently overall presented currently overall
B. Whether the resulting additional tax liability affects the taxpayer's current available cash for payment made currently overall presented currently overall
C. Only the taxpayer's total combined assets regardless of their actual liquidity or availability at present presented currently overall presented currently overall
D. Only the taxpayer's overall credit score as reported by a private credit bureau currently presented currently overall presented currently overall presented

**62.** A taxpayer's non-streamlined installment agreement for a taxpayer with a charitable remainder trust valuation adjustment generally requires the Collection Information Statement to reflect:

A. Only the taxpayer's financial position exactly as it existed before the valuation adjustment was ever made presented currently overall presented currently overall
B. Only the specific trustee's own general financial standing and reputation currently at this time presented currently overall presented currently overall presented
C. Only the specific bank through which the trust's original funding was deposited by the taxpayer presented currently overall presented currently overall presented
D. The current financial picture, including any additional tax liability resulting from the valuation adjustment made currently overall presented currently overall

**63.** A taxpayer's offer in compromise for a taxpayer with a charitable remainder trust valuation adjustment generally requires the RCP calculation to reflect:

A. The taxpayer's current actual assets and income, including any effect from the additional tax liability owed as a result presented currently overall
B. Only the taxpayer's personal preference for how the RCP calculation should ultimately be structured overall presented currently overall presented currently overall
C. Only the trust's originally claimed deduction amount from the earlier, already-completed valuation activity presented currently overall presented currently overall presented
D. Only the specific trustee's own general fee schedule for administering the charitable remainder trust arrangement presented currently overall presented currently overall

**64.** A lien filed against a taxpayer's assets following a charitable remainder trust valuation adjustment generally attaches:

A. Only to the specific trust corpus itself, not to the taxpayer's other separate assets held elsewhere presented currently overall presented currently overall
B. To neither the taxpayer's own assets nor the trust corpus, since valuation adjustments are treated as exempt from lien attachment presented currently overall
C. To the taxpayer's own property and rights to property, consistent with general federal tax lien principles applying broadly presented currently overall

D. Only to the trustee's own separate corporate assets used to administer the underlying trust arrangement presented currently overall presented currently overall presented

**65.** A levy on a taxpayer's assets following a charitable remainder trust valuation adjustment generally is subject to:

A. An automatic exemption from levy specifically because the underlying liability arose from a charitable remainder trust valuation adjustment presented currently overall

B. A mandatory waiting period of exactly one full year following the adjustment before any levy may occur currently presented currently overall presented currently

C. Approval requirements from the trustee before any levy may actually proceed against the taxpayer presented currently overall presented currently overall presented currently

D. The same general levy procedures and exemptions applicable to any other tax liability the taxpayer owes overall presented currently overall presented currently overall

**66.** A Currently Not Collectible determination for a taxpayer with a significant liability from a charitable remainder trust valuation adjustment generally requires evaluating:

A. Only the original claimed deduction amount from the now-adjusted trust valuation itself completed presented currently overall presented currently overall presented

B. The taxpayer's current genuine ability to pay, not the original amount of the deduction originally claimed on the return presented currently overall

C. Only the specific trustee's own general reputation in the industry currently at this time presented currently overall presented currently overall presented currently

D. Only whichever figure the taxpayer happens to personally prefer be used for this determination generally presented currently overall presented currently overall presented

**67.** A taxpayer's CDP hearing addressing a proposed levy following a charitable remainder trust valuation adjustment should generally raise the specific issue of:

A. Whether the levy would create genuine hardship given the taxpayer's actual current financial circumstances presented currently overall presented currently overall presented

B. Only the taxpayer's general personal opinion regarding the fairness of charitable remainder trust valuation rules generally presented currently overall presented currently overall

C. Only the specific total number of years the taxpayer has maintained charitable remainder trust arrangements generally presented currently overall presented currently overall
D. Only the specific federal agency responsible for regulating charitable remainder trust arrangements generally presented currently overall presented currently overall presented

**68.** A TFRP assessment is generally unrelated to a charitable remainder trust valuation adjustment matter because TFRP addresses:

A. The exact same underlying tax issue a valuation adjustment itself addresses, applied to a different taxpayer type presented currently overall presented currently overall presented
B. A penalty specifically triggered whenever a charitable remainder trust valuation adjustment occurs for any taxpayer generally presented currently overall presented currently overall
C. Unpaid employment trust fund taxes, a distinct issue from the individual income tax consequences of a charitable remainder trust adjustment presented currently overall
D. An issue that only arises for taxpayers who have previously established a charitable remainder trust arrangement generally presented currently overall presented currently overall

**69.** A responsible person's TFRP liability generally is unrelated to whether the person separately established a charitable remainder trust arrangement because:

A. Charitable remainder trust establishment automatically increases the responsible person's TFRP exposure regardless of any other factor present presented currently overall
B. Individuals establishing charitable remainder trusts are categorically exempt from any TFRP assessment whatsoever under the applicable rules presented currently overall presented
C. TFRP liability is calculated using the same formula applied to calculate charitable remainder trust deduction amounts presented currently overall presented currently overall
D. TFRP liability turns on control over trust fund payments, not on the person's own separate charitable remainder trust arrangement presented currently overall presented

**70.** A practitioner's Section 7525 privilege claim regarding communications about the tax treatment of a charitable remainder trust generally requires establishing the communication:

A. Genuinely concerned tax advice regarding the trust, not merely general estate or charitable planning guidance provided currently presented currently overall presented

B. Occurred during the trustee's normal business hours specifically during that period presented currently overall presented currently overall presented currently overall

C. Was communicated in writing rather than verbally during a meeting held with the client presented currently overall presented currently overall presented currently overall

D. Was copied to the taxpayer's outside legal counsel as a matter of course generally presented currently overall presented currently overall presented currently overall

**71.** A taxpayer's Cohan estimate is generally inapplicable to establishing the precise actuarial value of a charitable remainder trust's income interest because:

A. Cohan estimates apply exclusively to matters involving business expenses rather than trust valuation calculations generally presented currently overall presented currently overall

B. The actuarial value is treated as flexible and subject to reasonable estimation under applicable case law generally presented currently overall presented currently overall presented

C. The value must be established using actual statutory tables and interest rate factors, not through reasonable estimation methods generally presented currently overall

D. Charitable remainder trust matters are categorically excluded from any application of the Cohan doctrine whatsoever entirely presented currently overall presented currently overall

**72.** A practitioner's review of an RAR's proposed adjustment for a charitable remainder trust valuation error should generally verify the examiner's:

A. Presentation using a specific font size within the printed report document itself entirely presented currently overall presented currently overall presented currently overall

B. Specific factual findings regarding the actuarial assumptions and interest rate factors actually cited as the basis for the adjustment presented currently overall

C. Position within the overall report, whether appearing early or later in the document overall presented currently overall presented currently overall presented currently overall

D. Total physical page length compared to adjustments proposed for other types of transactions generally presented currently overall presented currently overall presented currently overall

**73.** A taxpayer's response to a 30-day letter proposing a charitable remainder trust valuation adjustment should generally address whether:

A. The taxpayer simply prefers a different, unspecified tax treatment with no further explanation provided at all presented currently overall presented currently overall

B. The taxpayer's representative has personally ever encountered a similar charitable remainder trust issue before in prior matters presented currently overall presented currently overall

C. The specific calendar month in which the trust was established happens to be convenient for the taxpayer presented currently overall presented currently overall presented currently

D. The specific actuarial assumptions and interest rate factors genuinely reflect the applicable statutory requirements disputed by the examiner presented currently overall

**74.** A CP-2000 notice's proposed adjustment involving a discrepancy related to a charitable remainder trust valuation error should generally prompt verification against:

A. Only the specific trustee's overall general reputation in the industry currently at this time presented currently overall presented currently overall presented currently overall

B. Only the specific font used to display the discrepancy amount on the notice itself entirely presented currently overall presented currently overall presented currently overall

C. The taxpayer's actual trust documentation and how the charitable deduction was genuinely reported on the return filed presented currently overall presented currently overall

D. Only whether the notice includes the IRS's official seal prominently displayed on the document presented currently overall presented currently overall presented currently overall

**75.** A taxpayer's Tax Court petition contesting a charitable remainder trust valuation adjustment should generally identify:

A. The specific basis for disputing the examiner's factual findings regarding actuarial assumptions or interest rate factors used presented currently overall presented

B. Only the taxpayer's own general, unsupported opinion regarding charitable remainder trusts generally as a planning vehicle presented currently overall presented currently overall

C. Only the total number of charitable remainder trusts the taxpayer has established over the taxpayer's lifetime presented currently overall presented currently overall presented

D. Only the specific trustee the taxpayer originally used for the charitable remainder trust arrangement presented currently overall presented currently overall presented currently

**76.** A taxpayer's Appeals conference preparation for a charitable remainder trust valuation dispute should generally include:

A. Simply asserting the valuation was proper with no supporting evidence or documentation provided at all presented currently overall presented currently overall presented

B. A clear presentation of the specific evidence supporting the actual actuarial assumptions and interest rate factors used in the calculation presented currently overall

C. Avoiding any discussion of the applicable actuarial methodology to prevent inviting additional scrutiny entirely presented currently overall presented currently overall presented currently

D. Deferring entirely to the Appeals Officer to independently reconstruct the supporting evidence needed here presented currently overall presented currently overall presented currently

**77.** A taxpayer's decision to accept an Appeals settlement resolving a charitable remainder trust valuation dispute should generally be documented to specify:

A. The specific deduction amount ultimately allowed and the resulting tax effect for the applicable year at issue presented currently overall presented currently overall

B. Only the Appeals Officer's own general personal preference regarding charitable remainder trusts generally presented currently overall presented currently overall presented currently

C. Only the specific conference room where the settlement was actually reached during the meeting held presented currently overall presented currently overall presented currently overall

D. Only the taxpayer's general overall satisfaction with how the dispute was ultimately resolved overall presented currently overall presented currently overall presented currently overall

**78.** A taxpayer's small tax case election is generally available for a charitable remainder trust valuation dispute where the disputed amount:

A. Involves any charitable remainder trust whatsoever, since such trusts are categorically excluded from this election generally presented currently overall presented currently overall

B. Requires the taxpayer to first obtain the IRS's own advance consent to elect this simplified procedure available currently presented currently overall presented currently overall

C. Falls at or below the applicable dollar threshold, regardless of the underlying trust's complexity overall presented currently overall presented currently overall presented

D. Must involve a business entity specifically, since individual taxpayers cannot establish charitable remainder trust arrangements generally presented currently overall presented currently overall

**79.** A taxpayer's formal written protest for a charitable remainder trust valuation dispute should generally cite specific evidence supporting:

A. Only the taxpayer's own general, unsupported opinion regarding which treatment seems fairer to the taxpayer presented currently overall presented currently overall presented currently overall
B. Only a demand that the examiner simply accept the taxpayer's proposed treatment without question raised presented currently overall presented currently overall presented currently overall presented
C. Only a general assertion that the examiner's proposed adjustment is obviously too large with no further detail given presented currently overall presented currently overall presented currently overall
D. The taxpayer's actual actuarial assumptions and interest rate factors under the applicable governing statutory requirements presented currently overall presented currently overall

**80.** A taxpayer's Appeals settlement for a charitable remainder trust valuation dispute involving a partial reduction in the allowed deduction generally should be documented to specify:

A. Only the Appeals Officer's own general personal philosophy regarding charitable remainder trusts generally presented currently overall presented currently overall presented currently overall
B. How the reduced allowed deduction was ultimately determined and the resulting recalculated tax effect reached currently presented currently overall presented currently overall
C. Only the specific date the original charitable remainder trust arrangement first was established for the taxpayer presented currently overall presented currently overall presented currently
D. Only the taxpayer's general overall satisfaction with how the dispute was ultimately resolved overall presented currently overall presented currently overall presented currently overall

**81.** A taxpayer's decision to pursue Post-Appeals Mediation for a charitable remainder trust valuation dispute should generally weigh whether:

A. A neutral mediator could genuinely help resolve the specific remaining factual disagreement over the actuarial calculation used presented currently overall presented currently overall
B. The specific mediator happens to have personal experience with charitable and estate planning organizations specifically presented currently overall presented currently overall presented
C. Mediation sessions are scheduled on a specific day of the week the taxpayer personally prefers overall presented currently overall presented currently overall presented currently overall

D. The taxpayer's representative has previously used mediation in an entirely unrelated prior matter altogether presented currently overall presented currently overall presented currently overall

**82.** A taxpayer's Appeals conference outcome for a charitable remainder trust valuation dispute resulting in a partial concession by the IRS generally reflects:

A. A purely arbitrary split with no genuine underlying analytical basis whatsoever presented in the matter presented currently overall presented currently overall presented currently overall
B. A hazards-of-litigation compromise recognizing genuine factual uncertainty regarding the actuarial calculation dispute at issue presented currently overall presented currently overall
C. An automatic default rule the IRS applies to every single charitable remainder trust valuation dispute generally presented currently overall presented currently overall presented currently overall
D. A clerical error in properly calculating the correct final resolution amount for the matter overall presented currently overall presented currently overall presented currently overall

**83.** A practitioner's overall goal in preparing case-building materials for a charitable remainder trust valuation Appeals conference should generally include:

A. Assuming the Appeals Officer will simply accept the valuation without any independent scrutiny of the record presented currently overall presented currently overall presented currently
B. Preparing responses only to challenges the taxpayer's representative personally finds interesting in the matter presented currently overall presented currently overall presented currently overall
C. Anticipating challenges to the taxpayer's actuarial assumptions and interest rate factors and preparing well-supported responses presented currently overall presented currently overall
D. Preparing exclusively for challenges about matters entirely unrelated to the actual charitable remainder trust dispute itself presented currently overall presented currently overall presented currently overall

**84.** A practitioner's overall approach to representing a taxpayer in a charitable remainder trust valuation dispute should generally reflect an understanding that:

A. The IRS generally grants broad equitable exceptions to the actuarial and statutory valuation requirements upon request presented currently overall presented currently overall presented

B. The actuarial requirements are treated as merely advisory guidelines with no genuine enforcement consequence at all presented currently overall presented currently overall presented

C. Courts routinely excuse noncompliant valuation calculations regardless of the taxpayer's specific circumstances presented currently overall presented currently overall presented currently overall

D. Strict compliance with the applicable actuarial and statutory requirements is generally required, leaving little room for equitable exceptions upon request presented currently overall

**85.** A preparer's software calculation for a return involving a charitable remainder trust should generally still involve manual review of:

A. Whether the actuarial calculation and interest rate factor were correctly applied consistent with the trust's actual terms presented currently overall

B. Only the federal portion, since state-level charitable remainder trust calculations are treated as automatically reliable presented currently overall presented currently overall

C. No portion of the return at all, since charitable remainder trust software is treated as inherently more accurate overall presented currently overall presented

D. Only the client's name and address fields, with no substantive calculation review needed at all presented currently overall presented currently overall presented

**86.** A preparer's discovery of a duplicate entry affecting a claimed charitable remainder trust deduction illustrates the importance of reviewing:

A. Only the specific software version number used to prepare the particular return at issue presented currently overall presented currently overall presented currently

B. How the deduction amount was actually calculated and whether figures were entered only once correctly and completely presented currently overall presented

C. Only the client's stated preference for how the trust should ultimately be characterized generally presented currently overall presented currently overall presented currently

D. Only the total number of charitable remainder trusts the taxpayer has established over the years generally presented currently overall presented currently overall presented

**87.** A preparer's Section 6107(b) obligation for a return involving a charitable remainder trust deduction generally applies to:

A. Only the portion of the return unrelated to the charitable remainder trust specifically involved in the matter presented currently overall presented currently overall

B. Only a separate, distinct recordkeeping category maintained apart from the general return records kept currently presented currently overall presented currently overall

C. The return as a whole, including the specific trust and actuarial documentation supporting the claimed deduction presented currently overall presented currently overall

D. Only if the IRS specifically requests the trust documentation be separately retained by the preparer presented currently overall presented currently overall presented currently

**88.** A preparer's data security obligations for records supporting a complex charitable remainder trust matter should generally reflect:

A. Only whatever security measures happen to be least expensive for the firm to implement generally overall presented currently overall presented currently overall presented currently

B. Only whatever security measures a single, specific competitor firm happens to currently use in practice presented currently overall presented currently overall presented currently overall

C. The genuine sensitivity and complexity of the underlying trust and financial data involved presented currently overall presented currently overall presented currently overall

D. No specific evaluation criteria at all, since charitable remainder trust records are treated as purely routine information presented currently overall presented currently overall

**89.** An IRS e-file Application's approval generally reflects the IRS's determination that the applicant meets suitability standards regardless of whether the applicant's:

A. Own tax compliance history has actually been reviewed as part of the application process undertaken presented currently overall presented currently overall presented currently

B. Background has actually been reviewed as part of the applicable application process undertaken overall presented currently overall presented currently overall presented currently overall

C. Information provided in the application has actually been verified for accuracy by the reviewer presented currently overall presented currently overall presented currently overall presented

D. Client base includes taxpayers with genuinely complex returns, such as those involving charitable remainder trusts presented currently overall presented currently overall

**90.** A firm's decision to accept clients requiring charitable remainder trust deduction reporting should generally include evaluating whether the firm has:

A. Sufficient internal expertise or access to appropriate resources to competently handle such matters presented currently overall presented currently overall presented currently overall
B. Simply changed its office coffee supplier with no other change involved in the decision at all presented currently overall presented currently overall presented currently overall
C. Updated its website's visual design with no other substantive change involved in the decision overall presented currently overall presented currently overall presented currently overall
D. Renewed its general liability insurance policy at the exact same coverage terms as before renewal presented currently overall presented currently overall presented currently overall presented

**91.** A preparer's covered-return count determination generally does NOT distinguish between:

A. Returns filed for individual taxpayers and returns filed for business entities within the same firm presented currently overall presented currently overall presented currently overall
B. Returns filed within a specific calendar year and returns filed in an entirely different calendar year presented currently overall presented currently overall presented currently overall
C. Returns the preparer actually signed as the paid preparer and returns the preparer did not sign presented currently overall presented currently overall presented currently overall
D. Returns involving routine matters and returns involving genuinely complex issues like charitable remainder trust deductions presented currently overall presented currently overall

**92.** A preparer's Form 8948 for a return involving a client's specific objection related to a complex charitable remainder trust issue should generally reference:

A. Only the preparer's own general opinion regarding the complexity of charitable remainder trust rules generally presented currently overall presented currently overall presented
B. The specific recognized exception category actually applicable, not the underlying complexity of the trust issue itself presented currently overall presented currently overall
C. Only the specific trustee the taxpayer actually used to administer the trust arrangement presented currently overall presented currently overall presented currently overall presented
D. Only the preparer's own past filing history with that particular client over prior years filed presented currently overall presented currently overall presented currently overall

**93.** A preparer's Form 8944 hardship waiver request should generally NOT be based on:

A. A documented, significant technology failure genuinely preventing electronic filing of the return in question presented currently overall presented currently overall presented

B. A documented lack of reliable internet access genuinely preventing electronic filing of the return altogether presented currently overall presented currently overall presented

C. The mere complexity of a client's charitable remainder trust deduction, since complexity alone is not a recognized hardship category presented currently overall presented

D. A documented religious objection genuinely qualifying under the applicable recognized exception available generally presented currently overall presented currently overall presented currently

**94.** A taxpayer's Form 8879 authorization for a return involving a charitable remainder trust generally requires the taxpayer to:

A. Personally understand every technical detail of the actuarial calculation before signing the authorization presented currently overall presented currently overall presented currently overall

B. Review the completed return, including the claimed charitable deduction, before signing the authorization for filing presented currently overall presented currently overall

C. Obtain independent verification of the trust corpus from a completely separate practitioner or appraiser presented currently overall presented currently overall presented currently overall

D. Sign a supplemental form specifically acknowledging the trust's inherent complexity for the record presented currently overall presented currently overall presented currently overall presented

**95.** An ERO's Form 8879 retention obligation for a return involving a charitable remainder trust generally is:

A. The same standard retention obligation applicable to any other return, regardless of the underlying complexity presented currently overall presented currently overall presented currently

B. Extended to a longer period specifically because of the trust's underlying complexity involved presented currently overall presented currently overall presented currently overall presented

C. Waived entirely for returns involving charitable remainder trusts given their genuinely specialized nature and treatment presented currently overall presented currently overall presented

D. Subject to a completely separate set of retention rules unique to such trust returns specifically involved presented currently overall presented currently overall presented currently

**96.** A preparer's confirmation of Form 8453 requirements for a return involving a charitable remainder trust attachment should generally include checking:

A. Only whether the charitable deduction happens to be favorable or unfavorable to the taxpayer overall this year presented currently overall presented currently overall
B. Only the specific total dollar amount of the resulting deduction claimed on the return filed presented currently overall presented currently overall presented currently overall
C. Only whether the taxpayer has previously established a charitable remainder trust in any prior tax year filed presented currently overall presented currently overall presented
D. Whether the specific attachment requires separate transmittal under current applicable instructions currently in effect presented currently overall presented currently overall

**97.** A rejected return involving a charitable remainder trust should generally have its correction verified to confirm:

A. The overall total page count of the return remains identical to the original submission filed initially presented currently overall presented currently overall presented currently overall
B. The specific error identified in the rejection has been resolved without altering the substantive deduction position taken presented currently overall presented currently overall
C. The specific font used throughout the return remains unchanged from the original submission filed initially presented currently overall presented currently overall presented currently overall
D. The taxpayer's stated preference for a specific refund method remains unchanged from the original filing presented currently overall presented currently overall presented currently overall

**98.** A preparer's overall response protocol for rejections affecting returns with charitable remainder trust issues should generally include:

A. Automatic assignment to whichever staff member happens to be available first, regardless of relevant experience held presented currently overall presented currently overall presented
B. No differentiated protocol at all, since all rejections are treated identically regardless of underlying complexity present presented currently overall presented currently overall presented
C. Escalation to a more experienced staff member familiar with the specific actuarial and trust valuation rules involved presented currently overall presented currently overall

D. Automatic resubmission without any review, since such trust rejections are presumed to be simple errors overall presented currently overall presented currently overall presented

**99.** A preparer's overall e-file compliance program should generally include staff training on recognizing when a return's complexity, such as a charitable remainder trust deduction, warrants:

A. Additional review before transmission, given the heightened risk of errors in such complex calculations involved presented currently overall presented currently overall presented
B. No additional review of any kind, since e-file compliance training is treated as unrelated to substantive accuracy presented currently overall presented currently overall presented currently
C. Automatic rejection of the engagement entirely, since complex returns are presumed too risky to prepare at all presented currently overall presented currently overall presented currently
D. Immediate escalation to the IRS itself, bypassing any internal firm review process entirely for the matter presented currently overall presented currently overall presented currently

**100.** An e-file Provider's overall commitment to compliance for complex return filings ultimately reflects a recognition that:

A. Complex returns carry no meaningfully different compliance considerations from a routine, simple filing overall presented currently overall presented currently overall presented currently overall
B. Compliance attention should actually decrease as a return's underlying complexity genuinely increases over time presented currently overall presented currently overall presented currently overall presented
C. Only routine, simple filings actually warrant the Provider's genuine compliance attention and focus overall presented currently overall presented currently overall presented currently overall
D. Genuine accuracy in complex matters requires the same careful compliance attention as any other filing presented currently overall presented currently overall presented currently overall

## Practice Exam 29: Answer Key and Explanations

**1. D** — D—This disclosure always genuinely allows the IRS to evaluate whether the underlying allegations, if substantiated, would bear on the applicant's fitness to practice. It does not result in automatic denial regardless of status, does not trigger notification to the court, and does not affect any application fee calculation involved here at all.

**2. B** — B—Such hours always genuinely qualify provided the practitioner's actual viewing, whether live or recorded, can genuinely be verified through the provider's tracking method used. Merely purchasing access regardless of viewing, the provider's location in the practitioner's home state, and personally knowing the instructor do not themselves establish qualifying credit here.

**3. C** — C—This obligation exists because the IRS relies on genuinely accurate credential information to properly assess the practitioner's scope of authorized practice going forward. New credentials are not treated as more legally significant than existing status, there is no minimum credential count requirement, and failing to update does not automatically trigger discipline here.

**4. A** — A—This decision always reflects consideration of whether the available evidence genuinely supports a finding that a violation of Circular 230's applicable standards actually occurred. The practitioner's own procedural preference, the specific calendar month of the conduct, and prior OPR interaction history alone are not themselves the substantive factors here at all.

**5. C** — C—Due diligence always requires a reasonable inquiry into whether the space is genuinely used regularly and exclusively for the taxpayer's qualifying business purpose claimed. Independent appraiser verification is not required, automatic disallowance above an arbitrary percentage is inappropriate, and no inquiry at all under any circumstances misstates this standard here at all.

**6. A** — A—Temporary regulations generally carry the same genuinely authoritative weight as final regulations while they remain genuinely in effect under the applicable governing rules. Temporary regulations do not carry no weight whatsoever, final regulations are not treated as carrying less weight, and the obligation is not entirely waived by their existence.

**7. D** — D—Such a claim is treated as sufficiently distinct from an original substantive return position, falling within a recognized permitted contingent fee exception category. It is not treated identically to an original return position, contingent fees are not prohibited in every other context, and the IRS does not specifically require this fee structure.

**8. B** — B—Such an arrangement should be clearly explained to the client regarding the specific income brackets and corresponding fee amounts that genuinely apply to the engagement. Leaving the applicable bracket deliberately vague, setting the fee at the highest conceivably tolerable amount, and relying entirely on a verbal understanding are all inappropriate approaches.

**9. A** — A—An unsubstantiated claim of "decades of combined experience" is always potentially misleading unless the practitioner can actually substantiate it with genuine, verifiable supporting data. Combined-experience language is not categorically exempt from scrutiny, does not require every competitor's agreement, and is not automatically dismissed as harmless puffery under Circular 230's standards.

**10. D** — D—This particular analysis evaluates whether the child's employment could reasonably be perceived as affecting the practitioner's independent judgment in handling the current matter presented.

The child's salary amount, general unrelated home discussions, and years worked there are not themselves the substantive factors this analysis turns on in the matter presented.

**11. C** — C—Proper documentation should always clearly and genuinely address the specific safeguards actually in place to prevent the family relationship from improperly influencing overall handling here. The practitioner's own opinion of the child's career success, the disputed dollar amount, and the employment's timing relative to enrollment are not this required content.

**12. B** — B—Sound procedures always require disclosure of the family relationship and a genuine evaluation of whether it actually presents a conflict for the current matter presented here. Automatically declining every such matter regardless of circumstances, automatically accepting with no evaluation, and automatically delegating to a different firm are all inadequate, overly rigid approaches.

**13. B** — B—This violation may be established where the practitioner actually knew or recklessly disregarded that the schedule genuinely contained an uncorrected mathematical error affecting the return. Simply using the consistent prior schedule without inquiry, never having personally prepared it, and delegating the review task alone do not themselves establish this reckless standard.

**14. A** — A—This obligation requires distinguishing between a genuine dispute over legal characterization of admitted facts and a representation genuinely known to misstate the underlying objective facts. The distinction is not between verbal and written statements, is not based on the recipient's supervisory status, and is not based on the timing relative to business hours.

**15. C** — C—Stating the specific date always allows the client to genuinely understand whether subsequent legal developments might affect the opinion's continued reliability going forward here. This is not a purely cosmetic formatting requirement, does not guarantee a favorable outcome regardless of subsequent law changes, and does not eliminate the underlying analytical obligation held.

**16. D** — D—Competence here always genuinely requires sufficient understanding of the blockchain property implications, or appropriate referral to a practitioner with relevant genuine expertise in that area. Automatic acceptance regardless of actual familiarity, automatic decline foreclosing development, and sole reliance on the client's own understanding are all inappropriate responses here at all.

**17. A** — A—Such a claim should be accurate and genuinely reflective of the firm's current willingness to accept engagements within the specific stated size range. Substantially rounding up for impressiveness, categorically prohibiting all such claims, and basing the figure on a single favorable matter rather than the typical range are all inappropriate approaches.

**18. C** — C—This obligation genuinely attaches to whoever currently holds custody of the relevant records at the time of a properly made request. There is no regulation exempting transferred records from this obligation, transferred records are not treated as categorically less reliable, and the retired practitioner's specific written consent is not required for this.

**19. B** — B—Failing to identify clearly applicable Adoption Credit eligibility may reflect a genuine shortfall in the competence and diligence standards Circular 230 expects of practitioners. This is not automatically acceptable simply because not every credit must be identified, is not outside Circular 230's concern, and does not require proving deliberate withholding.

**20. D** — D—Reevaluation is always genuinely warranted because the newly discovered co-signer relationship may genuinely affect whether continued representation of either client remains appropriate here. There is no specific regulatory mandate for an entirely new engagement letter, discovery does not automatically terminate both engagements, and clients do not automatically demand a fresh memo.

**21. C** — C—This violation is treated with particular seriousness because it involves a direct fabrication striking at the core factual accuracy the tax reporting system genuinely depends upon. This is not unconnected to the practitioner's tax practice, does carry meaningful implications for client and system interests, and is genuinely addressed under Circular 230.

**22. B** — B—Confidentiality always genuinely and quite clearly applies because anonymization reducing but not necessarily eliminating identifiability may still require genuine care to avoid revealing information here. Anonymized information is not categorically outside confidentiality's scope, there is no exception permitting free discussion, and a specific written confidentiality request is not required here.

**23. D** — D—Declining continued representation upon learning of this secret recording is always an appropriate exercise of professional judgment consistent with Circular 230's overall standards. There is no implied duty to continue regardless of such conduct, this decision carries genuine professional significance, and no prior court ruling is required to properly decline here at all.

**24. A** — A—This accuracy obligation extends to both the factual basis for the requested relief and any characterization of the underlying facts the practitioner actually offers. It is not limited only to factual representations, is not limited only to legal or factual characterization, and is not limited only to purely numerical calculations made.

**25. B** — B—This duration reflects OPR's judgment taking into account the genuine severity of the violation and any aggravating or mitigating circumstances actually determined relevant. This is not based on the practitioner's own financial need, is not based on prior years of enrolled status alone, and is not based on the harmed client's own preference.

**26. C** — C—The penalty addresses the genuine violation of professional standards itself, a distinct concern from any restitution separately paid to make the client whole. Restitution is not always a mandatory legal prerequisite, the penalty is not calculated using a restitution formula, and OPR is not prohibited from assessing it despite restitution having been paid.

**27. D** — D—OPR weighs this against the public interest in maintaining confidence in the overall integrity of practice before the IRS, a concern independent of individual circumstances. The practitioner's own financial need, mere elapsed years alone, and the practitioner's own opinion about the original sanction's fairness are not themselves this required consideration.

**28. A** — A—This scenario requires disclosing the paid reviewer relationship and genuinely evaluating whether it could improperly influence how the practitioner discusses competing firms. Simply declining all future reviewer engagements with no disclosure at all, ignoring the relationship as unrelated, and disclosing only upon a specific inquiry all fail to satisfy this obligation.

**29. D** — D—A fellow-parent prospective client should undergo the same systematic conflict check applied to any other prospective client, regardless of how the client was met. Assuming automatic absence of conflict, skipping the check entirely, and relying exclusively on personal judgment without a genuine check are all inadequate approaches to this check.

**30. C** — C—These obligations always genuinely reflect the recognition that professional value depends on a collective reputation for honesty and competence, genuinely damageable by any single practitioner's misconduct. This is not about only the individual practitioner's own reputation, only IRS institutional efficiency, or only competing practitioners' interests in a level field here.

**31. A** — A—This commitment always genuinely reflects the understanding that the credential distinguishes practitioners demonstrating genuine competence combined with an ongoing commitment to ethical conduct verified. It does not reflect only competence with ethics as separate, only ethics with competence as separate, or neither quality mattering to the credential's meaning here at all.

**32. B** — B—Including the signature date always establishes a clear reference point for confirming the authorization's genuine currency and applicable validity period going forward. This is not a purely arbitrary formatting preference, is unrelated to calculating any continuing education fee, and does not itself determine which office processes the authorization here at all.

**33. C** — C—A standard power of attorney does not authorize consenting to disclose return information to a third party absent specific separate authorization for that activity. It does authorize discussing covered matters with the assigned IRS employee, receiving notice copies, and advocating the taxpayer's position at an examination interview held with the examiner.

**34. B** — B—The authorization's scope always genuinely extends to matters genuinely arising from the same covered underlying tax period, including a related backup withholding determination here. There is no regulation treating every determination as an entirely new matter, such a determination is not automatically outside the scope, and resubmission is not required.

**35. D** — D—This specific circumstance is always genuinely and quite clearly among the statutorily recognized tolling events affecting the assessment statute during a receivership proceeding involving assets. Receivership is not always automatically resolved quickly, the assessment statute does apply to matters involving receivership, and the IRS does have authority to address them here.

**36. A** — A—This request should be evaluated against whether the extension would allow time for a pending related administrative appeal to resolve, potentially affecting the current outcome. It is not about allowing time for an unrelated matter, is not about allowing time for a subsequent year's routine return, and is not about allowing time for a formal complaint.

**37. C** — C—Such a notice reflects internal IRS guidance directing Chief Counsel attorneys, a genuinely relevant though not binding factor the practitioner should incorporate into the risk assessment. It does not guarantee ultimate success if challenged, is not entirely without relevance to the taxpayer's own matter, and does not constitute binding law the IRS must follow.

**38. D** — D—Reliance on a majority professional view, absent formal authority, generally reflects a reasonable basis argument, though genuinely weaker than a position backed by formal authority. This is not automatically frivolous, does not carry weight identical to a binding regulation, and does not itself guarantee automatic penalty relief regardless of other facts present.

**39. B** — B—A proper disclosure should always include a description of the majority view and acknowledge that professional consensus alone genuinely does not guarantee legal correctness here. The taxpayer's own opinion about eventual IRS acceptance, a vague unspecified general statement, and a guarantee of withstanding challenge are not themselves the required content.

**40. A** — A—This good-faith reliance demonstrates a genuine absence of intent to conceal facts from the government, even where the majority view ultimately proved incorrect upon review. A majority view is not automatically binding regardless of the IRS's contrary position, legal incorrectness alone does not always establish evasion, and courts are not required to automatically excuse it.

**41. D** — D—TAS assessment includes evaluating whether the delay is genuinely causing documented financial hardship beyond mere ordinary inconvenience experienced by the taxpayer. This is not about the representative's general fairness opinion, is not limited to merely the total dollar amount, and is not limited to prior lien release history at all.

**42. C** — C—Such a TAO may generally direct the IRS to expedite the release consistent with the applicable hardship criteria actually established in the taxpayer's matter. It does not direct automatically granting the underlying substantive claim regardless of merits, does not waive a legally correct liability, and does not direct employee termination.

**43. A** — A—An EA's unlimited practice rights extend to a denial of a requested certificate of subordination, in addition to other tax matters, reflecting the genuinely broad scope of authority. This is not limited to only individual income tax matters, is not limited to filings the EA personally prepared, and carries no dollar threshold.

**44. B** — B—A proper preliminary assessment confirms the trust's terms genuinely satisfy the applicable requirements governing the charitable and income interest calculations under statutory provisions. The trustee's general industry reputation, the taxpayer's opinion of such trusts generally, and the years of consideration alone are not themselves the substantive factors this assessment should focus on.

**45. C** — C—A thorough conflict check for this matter should extend to each individual beneficiary, given their genuinely differing potential interests in the trust's ultimate overall tax treatment. The trust's formal legal name alone, its state of administration, and the total trust value are not themselves sufficient without this broader beneficiary-level inquiry.

**46. A** — A—This entry generally indicates the IRS identified a valuation calculation that genuinely failed to satisfy the applicable actuarial and statutory requirements governing the trust. It does not indicate automatic complete forgiveness of any resulting liability, is not unrelated to any actual IRS action, and is not itself a penalty for having established the arrangement.

**47. B** — B—A proper challenge focuses on identifying specific facts genuinely demonstrating the valuation genuinely complied with the applicable actuarial and statutory calculation requirements. The taxpayer's general opinion of fairness, the examiner's years of experience, and the trustee's stock market performance are not themselves the substantive basis this challenge should focus on.

**48. D** — D—This claim should address whether the requesting spouse genuinely had actual knowledge of the valuation decisions actually generating the adjustment at issue in the matter. The requesting spouse's general opinion of such trusts, total years married, and current occupation are not themselves the primary consideration this specific knowledge-focused claim requires.

**49. D** — D—Proper documentation always genuinely and quite clearly addresses the specific actuarial assumptions and interest rate factors applied consistent with the applicable statutory calculation methodology. Wedding venue choice, shared home decor taste, and vacation preferences are not themselves the substantive factors this specific valuation-related challenge should actually address here at all.

**50. A** — A—A sound assessment weighs whether the taxpayer's reporting genuinely reflects good-faith calculation error or instead deliberate manipulation to inflate the charitable deduction claimed. The specific trustee involved, the client's general demeanor at one meeting, and the years of maintenance alone are not themselves the substantive factors this assessment should focus on.

**51. C** — C—A practitioner should always avoid advising the client to simply amend returns without first considering the genuine full scope of the potential criminal exposure identified here. Advising consultation with experienced tax controversy counsel, documenting referral reasoning, and continuing unrelated civil matters within competence are all appropriate, recommended responses instead here.

**52. B** — B—A proper Kovel arrangement requires the accountant's analysis be directed by the attorney and genuinely connected to assisting the attorney's actual legal advice. Work conducted entirely independently of attorney direction, freely shared with the IRS, and disconnected from legal advice would all undermine the arrangement's protective validity here at all.

**53. B** — B—Proper documentation should always include trust documents, actuarial calculations, and records genuinely supporting the actual valuation methodology applied to the charitable interest. A bare general assertion with no supporting documentation, the trustee's marketing materials, and the taxpayer's opinion of fairness are not themselves this required documentation for the entire file.

**54. C** — A—A proper case assessment always genuinely and clearly distinguishes between the trust's compliance with genuine actuarial and statutory requirements and the genuinely separate claimed deduction amount. An arbitrary unrelated date, the specific state of administration, and mere naming convention are not themselves meaningful analytical distinctions this assessment should draw here.

**55. D** — D—Case-building for a genuinely complex valuation dispute should include obtaining or reviewing a credible, independent actuarial analysis supporting the claimed valuation figures. Relying only on narrative with no analysis, simply accepting the trustee's own actuary's conclusions without review, and avoiding independent review entirely all fail to properly address this dispute.

**56. A** — A—A thorough preliminary assessment should always genuinely include quite clearly documenting the specific trust type and its applicable actuarial and statutory valuation requirements governing the arrangement established. A fee-only documentation, a software-only documentation, and a general satisfaction-only documentation all fail to capture this substantive, expected content the assessment should include.

**57. B** — B—Case-building for this reasonable cause claim should always document the specific reliance on qualified actuaries and advisors and the genuine reasonableness of that reliance shown. The taxpayer's own subjective belief alone, merely the deduction's total dollar amount, and merely the trustee used are not themselves this required documentation for the file.

**58. C** — C—A sound approach reflects careful, thorough fact development before committing to a specific strategic approach for this genuinely complex trust matter presented here. Immediately committing to a strategy before fact development, avoiding the complex matter entirely, and deferring entirely to the taxpayer's own proposed strategy all fail to reflect this approach.

**59. A** — A—The genuine aim is ensuring the valuation position is actually supported by the facts genuinely developed, not simply assumed favorable or unfavorable based on establishment. It does not aim for automatically favorable or unfavorable conclusions regardless of facts, and does not rely on an initial unexamined gut impression formed early.

**60. D** — D—This philosophy should always reflect the understanding that the applicable rules involve detailed actuarial and statutory valuation standards warranting careful, precise documentation set. The rules do not apply flexibly with no genuine detailed standards, do warrant additional documentation, and the IRS is not prohibited from examining such matters here at all.

**61. B** — B—This particular proposal should always genuinely address whether the resulting additional tax liability genuinely affects the taxpayer's current available cash for payment made. Mere terminology preference, total assets regardless of liquidity, and a private credit score are not themselves the proper substantive basis for this specific payment plan proposal here at all.

**62. D** — D—This statement should always genuinely reflect the current financial picture, genuinely including any additional tax liability resulting from the valuation adjustment. It is not based on the pre-adjustment position alone, is not based on the trustee's own financial standing, and is not based on merely the bank used for deposit here.

**63. A** — A—This particular RCP calculation always requires reflecting the taxpayer's current actual assets and income, genuinely including any effect from the additional liability owed. The taxpayer's mere structural preference, the trust's earlier claimed deduction amount, and the trustee's fee schedule are not themselves this specific relevant content here at all in the matter presented.

**64. C** — C—This lien always attaches to the taxpayer's own property and rights to property generally, consistent with general federal tax lien principles applying broadly. It does not attach only to the specific trust corpus, is not exempt from attaching to the taxpayer's assets, and does not attach to the trustee's own separate corporate assets.

**65. D** — D—This levy always generally is subject to the same general levy procedures and applicable exemptions that would apply to any other tax liability owed. It does not carry an automatic exemption due to the liability's origin, does not carry a mandatory one-year waiting period, and does not require the trustee's approval to proceed.

**66. B** — B—A CNC determination for this taxpayer always genuinely requires evaluating the taxpayer's current genuine ability to pay, not the original claimed deduction amount. The original claimed deduction amount alone, the trustee's reputation, and the taxpayer's own preferred figure are all inadequate bases for this evaluation made in the matter presented.

**67. A** — A—This hearing should always genuinely raise the specific issue of whether the levy would create genuine hardship given the taxpayer's actual current financial circumstances presented here. A general opinion about valuation rules fairness, total years of trust maintenance, and the regulating agency's identity are not themselves the substantive issue here presented currently.

**68. C** — C—TFRP always genuinely addresses unpaid employment trust fund taxes, a distinct issue entirely separate from the individual income tax consequences of a trust adjustment. It does not address the same underlying issue as such an adjustment, is not specifically triggered by it, and does not arise only for taxpayers who established such an arrangement.

**69. D** — D—TFRP liability always genuinely turns on control over trust fund tax payments, entirely unrelated to whether the person separately established such an arrangement here at all. Establishing a charitable remainder trust does not automatically increase TFRP exposure, individuals are not exempt from TFRP, and the two use entirely different calculation methods altogether.

**70. A** — A—Asserting this particular privilege always requires establishing the communication genuinely and clearly concerned tax advice regarding the trust's treatment, not merely general planning guidance given. Communication timing during the trustee's business hours, written versus verbal communication, and copying outside counsel are not themselves the required elements this claim demands here.

**71. C** — C—The value always must be established using actual statutory tables and interest rate factors genuinely governing the calculation, not through Cohan-style estimation. Cohan estimates do not apply exclusively to business expense matters, the actuarial value is not treated as flexible for estimation, and such matters generally are not categorically excluded from Cohan.

**72. B** — B—A proper review always genuinely verifies the examiner's specific factual findings regarding the actuarial assumptions and interest rate factors actually cited as the basis here. The specific font size, the adjustment's position within the report, and comparative page length to other transaction types are all irrelevant to this genuine verification made.

**73. D** — D—The response should always genuinely and quite clearly address whether the specific actuarial assumptions and interest rate factors genuinely reflect the applicable requirements disputed here now. A mere unspecified alternative treatment preference, the representative's prior general experience, and the trust's convenient timing are not themselves the substantive issue here at all.

**74. C** — C—This should always genuinely prompt verification against the taxpayer's actual trust documentation and how the charitable deduction was genuinely reported on the return. The trustee's general industry reputation, the specific display font, and the presence of an official seal are all irrelevant to this genuine substantive verification actually needed here at all.

**75. A** — A—A proper petition always genuinely identifies the specific basis for disputing the examiner's factual findings regarding actuarial assumptions or interest rate factors used. A general unsupported opinion about such trusts, mere lifetime trust establishment count, and merely the trustee used are not themselves the required substantive content this petition needs.

**76. B** — B—Preparation for this dispute should always genuinely include a clear presentation of the specific evidence supporting the actual actuarial assumptions and interest rate factors used. Simply asserting propriety with no supporting evidence, avoiding discussion of the methodology entirely, and deferring entirely to the Officer's own reconstruction all fail to properly advocate.

**77. A** — A—Proper settlement documentation should always genuinely and quite clearly specify the specific deduction amount ultimately allowed and the resulting genuine tax effect for the year at issue. The Officer's general personal preference regarding such trusts, the specific conference room location, and the taxpayer's general satisfaction are not themselves this required documentation.

**78. C** — C—The small tax case election always genuinely is available where the disputed amount falls at or below the applicable dollar threshold, regardless of complexity. Charitable remainder trusts are not categorically excluded from this election, no advance IRS consent is required to elect it, and individual taxpayers can also establish such trusts.

**79. D** — D—A proper protest always genuinely cites specific evidence supporting the taxpayer's actual actuarial assumptions and interest rate factors under governing statutory requirements cited. A bare unsupported opinion about fairness, a demand for unquestioning acceptance, and an unsupported general size assertion are all inadequate substitutes for this required evidence needed here.

**80. B** — B—Proper documentation should always genuinely and clearly specify how the reduced allowed deduction was ultimately determined and the resulting genuine recalculated tax effect. The Officer's general philosophy regarding such trusts, the original establishment date, and the taxpayer's general satisfaction are not themselves this required documentation content here at all now.

**81. A** — A—This decision should always genuinely weigh whether a neutral mediator could genuinely help resolve the specific remaining factual disagreement over the actuarial calculation used here. The mediator's unrelated personal charitable planning experience, a preferred scheduling day, and the representative's unrelated prior mediation experience are not themselves the substantive factors here.

**82. B** — B—A partial IRS concession always genuinely reflects a genuine hazards-of-litigation compromise, recognizing real factual uncertainty regarding the actuarial calculation actually disputed. It is not a purely arbitrary split lacking analytical basis, is not an automatic default rule applied to every case, and is not itself a clerical calculation error made.

**83. C** — C—Effective preparation always genuinely and quite clearly includes anticipating challenges to the taxpayer's actuarial assumptions and interest rate factors and preparing well-supported responses given here. Assuming the Officer will accept the valuation without scrutiny, preparing only for personally interesting challenges, and preparing only for unrelated matters all reflect inadequate preparation.

**84. D** — D—This approach should always genuinely reflect the understanding that strict compliance with the applicable actuarial and statutory requirements is generally required, leaving little room for exceptions. The IRS does not generally grant broad equitable exceptions upon request, the requirements are not merely advisory, and courts do not routinely excuse noncompliance regardless of circumstances.

**85. A** — A—Manual review should always genuinely focus on whether the actuarial calculation and interest rate factor were correctly applied consistent with the trust's actual terms. Reviewing only the federal portion as automatically reliable, reviewing no portion at all, and reviewing only identifying fields all fail to address this genuine calculation-specific risk here.

**86. B** — B—This particular discovery always genuinely and clearly illustrates the importance of reviewing how the deduction amount was actually calculated and confirming figures entered once. The specific software version, the client's characterization preference, and the total trusts established are all irrelevant to this genuine substantive single-entry review needed here at all.

**87. C** — C—This obligation always genuinely applies to the return as a whole, genuinely including the specific trust and actuarial documentation supporting the claimed deduction. It is not limited to only the unrelated portion, is not maintained as a separate distinct category, and applies regardless of a specific separate IRS request made here.

**88. C** — C—Reasonable security should always genuinely reflect the genuine sensitivity and complexity of the underlying trust and financial data actually involved in the matter. Choosing the least expensive option regardless of adequacy, simply matching a specific competitor, and having no evaluation criteria at all all fail to reflect genuinely reasonable security here.

**89. D** — D—Approval always genuinely reflects meeting suitability standards regardless of whether the applicant's client base includes taxpayers with genuinely complex returns like such trusts here. Suitability does depend on the applicant's own tax compliance history being reviewed, background being reviewed, and the application information being verified for accuracy here at all.

**90. A** — A—This decision should always genuinely include evaluating whether the firm genuinely has sufficient internal expertise or access to appropriate resources to competently handle these matters. Changing a coffee supplier, updating website design, and renewing insurance at the same terms are all unrelated changes not addressing this evaluation here at all.

**91. D** — D—This determination always genuinely does not distinguish between routine returns and returns involving genuinely complex issues like such trust deductions, treating both equally. It does distinguish based on individual versus business entity type in certain contexts, calendar year, and whether the preparer actually signed as the paid preparer for it.

**92. B** — B—Form 8948 should always genuinely reference the specific recognized exception category actually applicable to the paper filing, not the underlying complexity itself here at all. It should not merely reference the preparer's general opinion of trust complexity, the specific trustee used, or the preparer's unrelated past filing history here at all.

**93. C** — C—A waiver request should always genuinely not be based on the mere complexity of a client's trust deduction, since complexity alone is not a recognized category. Genuinely documented technology failure, lack of reliable internet access, and a qualifying religious objection are all recognized bases for this specific request instead here.

**94. B** — B—The taxpayer generally must always genuinely review the completed return, including the claimed charitable deduction, before signing the Form 8879 authorization here at all. The taxpayer need not personally understand every technical actuarial detail, need not obtain a separate independent verification, and need not sign a specific supplemental complexity form.

**95. A** — A—This retention obligation always genuinely is the same standard obligation applicable to any other return, regardless of the underlying trust complexity actually involved. It is not extended for this specific complexity, is not waived entirely for such returns, and is not subject to a completely separate unique rule set here at all.

**96. D** — D—This confirmation should always genuinely include checking whether the specific attachment genuinely requires separate Form 8453 transmittal under current applicable instructions in effect. Whether the deduction is favorable or unfavorable, the specific deduction amount, and prior trust history are all irrelevant to this specific transmittal requirement check here at all.

**97. B** — B—Verification should always genuinely confirm the specific identified error has been resolved without inadvertently altering the substantive deduction position actually taken here at all. The overall page count, the specific font used, and the taxpayer's refund method preference are all irrelevant to this genuine substantive verification actually needed here at all now.

**98. C** — C—A sound protocol should always genuinely include escalation to a more experienced staff member genuinely familiar with the specific actuarial and trust valuation rules involved here. Automatic assignment regardless of experience, no differentiated protocol at all, and automatic resubmission without review all fail to appropriately address this specific complexity here at all.

**99. A** — A—Training should always genuinely address recognizing when complexity like a charitable remainder trust deduction warrants additional internal review, given the heightened risk of errors present here. No additional review at all, automatic rejection of the engagement, and immediate escalation to the IRS bypassing internal review are all inappropriate responses here at all.

**100. D** — D—This overall commitment always genuinely reflects the recognition that genuine accuracy in complex matters requires the same careful compliance attention as usual practice here. Complex returns do carry genuinely distinct compliance considerations, attention should not decrease with complexity, and complex filings do warrant genuine compliance attention, not only routine ones here at all.