PRACTICE EXAM 30: 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 whether the applicant has ever been the subject of a state bar disciplinary action because such disclosure allows the IRS to:

A. Automatically deny the application regardless of the specific action's actual current status or ultimate merit presented currently overall presented
B. Evaluate the applicant's overall pattern of professional conduct across licensing bodies before granting enrollment before the agency
C. Notify the specific state bar of the applicant's own pending enrollment application with the IRS at this time presented currently
D. Calculate a mandatory increased application fee based specifically on the nature of the disciplinary action itself presented currently overall

2. A practitioner's continuing education hours earned through a course requiring completion of case study exercises generally qualify for credit provided:

A. The practitioner simply purchased the course materials regardless of whether the exercises were ever actually completed by the practitioner
B. The case study course happened to be developed by a provider located in the practitioner's own home state specifically at that time
C. The exercises genuinely require the practitioner's own active engagement with the material rather than passive consumption alone
D. The practitioner personally knows the specific course author 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 preferred method of receiving official IRS correspondence generally exists because:

A. The IRS relies on accurate delivery preference information to ensure important communications genuinely reach the practitioner promptly presented currently overall
B. Delivery method preferences are treated as more legally significant than a practitioner's own individual enrollment status generally overall presented currently overall
C. IRS regulations specifically require practitioners to select only a single, IRS-mandated delivery method at all times presented currently overall presented
D. Failing to update the delivery preference 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 referring it to another agency generally reflects consideration of whether:

A. Only the practitioner's own personal preference regarding which process OPR should actually pursue in the specific matter presented currently overall
B. Only the specific calendar month in which the underlying conduct happened to occur during that particular year presented currently overall presented
C. Only whether the practitioner has ever previously interacted with OPR in any capacity whatsoever before this specific matter presented currently overall
D. The conduct genuinely falls within OPR's own jurisdiction over practice before the IRS rather than another agency's separate jurisdiction

5. A practitioner's due diligence obligation regarding a client's claimed moving expense deduction for a member of the Armed Forces generally requires:

A. Independent verification directly with the specific military base to which the taxpayer is being relocated presented currently overall presented currently overall
B. Automatic disallowance of any moving expense claim exceeding a specific fixed dollar amount overall presented currently overall presented currently overall
C. No inquiry whatsoever, since military moving expense claims are presumed accurate automatically by default presented currently overall presented currently overall

D. A reasonable inquiry into whether the move genuinely satisfies the applicable requirements specific to active-duty military relocations presented currently overall

6. A practitioner's advice regarding a position with substantial authority generally accounts for whether an IRS acquiescence in a court decision was later withdrawn because:

A. Withdrawn acquiescences are always treated as carrying more weight than an acquiescence the IRS has never withdrawn presented currently overall
B. An acquiescence's withdrawal is treated as entirely irrelevant to any substantial authority determination whatsoever presented currently overall presented currently overall
C. A withdrawn acquiescence genuinely signals the IRS's own changed litigating position, affecting the weight the acquiescence should carry going forward
D. The signing obligation is entirely waived wherever any acquiescence, withdrawn or not, exists on the specific issue involved presented currently overall

7. A contingent fee arrangement is generally permitted for representation regarding a claim for a refund arising from a claim of right adjustment under Section 1341 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. Treated as sufficiently distinct from an original substantive return position to fall within a recognized exception presented currently overall presented currently overall
C. Prohibited in every context except the specific claim of right adjustment context described specifically here presented currently overall presented currently overall presented
D. Specifically required by the IRS to be handled on a contingent fee basis in every such instance presented currently overall presented currently overall presented currently

8. A practitioner's fee arrangement involving a blended team rate covering multiple staff members working simultaneously on a matter generally should specify:

A. How the blended rate was calculated and what it genuinely represents in terms of the actual staff composition involved presented currently overall
B. Only the practitioner's own general preference for how blended rates should typically be structured overall presented currently overall presented currently overall

C. Only the specific bank where the blended rate payments will ultimately be deposited by the firm presented currently overall presented currently overall presented

D. Only the total number of years the practitioner has personally used blended rate arrangements in the practice presented currently overall presented currently overall

9. A practitioner's advertisement claiming to be "the area's leading tax resolution firm" without further detail is generally:

A. Always permitted, since superlative marketing language is categorically exempted from any scrutiny whatsoever presented currently overall presented currently overall presented

B. Permitted only if every single competing firm in the area formally agrees with the superlative claim's accuracy presented currently overall presented currently overall presented

C. Irrelevant to Circular 230, since it is treated as harmless marketing puffery under all circumstances presented currently overall presented currently overall presented currently

D. Potentially misleading unless the practitioner can substantiate the specific superlative claim with genuine, verifiable supporting data presented currently overall presented

10. A practitioner's conflict of interest analysis for representing a taxpayer in a matter where the practitioner's own spouse serves as a director of a nonprofit that is now an adverse party generally should evaluate:

A. Only the specific total compensation the spouse receives for serving as a director of the nonprofit organization presented currently overall presented currently overall

B. Whether the spouse's directorship could reasonably be perceived as affecting the practitioner's independent judgment in the current matter presented currently overall

C. Only whether the practitioner personally supports the nonprofit organization's own stated charitable mission generally presented currently overall presented currently overall

D. Only the specific number of years the spouse has served as a director of the nonprofit organization presented currently overall presented currently overall presented

11. A practitioner's written consent documentation for a conflict arising from a spouse's directorship of an adverse nonprofit organization should generally address the specific:

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

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 spouse's directorship 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 serving as directors of organizations on the opposing side by:

A. Requiring disclosure of the relationship and evaluation of whether it presents a genuine conflict for the current matter presented currently overall presented currently overall

B. Automatically declining every such matter regardless of the actual specific circumstances involved in the case presented currently overall presented currently overall presented

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 carryforward amount known to have been previously disallowed in an earlier examination, if the practitioner:

A. Simply used the same carryforward amount applied consistently in prior years without any further specific inquiry conducted presented currently overall presented

B. Actually knew or recklessly disregarded that the carryforward amount had genuinely been previously disallowed in the earlier examination presented currently overall

C. Had never personally prepared the original return that generated the carryforward amount at issue at that earlier time presented currently overall presented

D. Delegated the task of actually confirming the carryforward's current status 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 applicable holding period and a representation the practitioner:

A. Made verbally and a statement the practitioner made in a formal written document submitted to the IRS instead presented currently overall presented currently overall

B. 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

C. Made during business hours and a statement made outside of normal business hours entirely instead presented currently overall presented currently overall presented currently overall

D. Knows misstates the underlying acquisition or disposition dates rather than merely arguing for a favorable characterization of those genuine admitted dates presented currently overall

15. A practitioner's written tax opinion should generally identify the specific taxpayer to whom the opinion is addressed to:

A. Allow anyone reviewing the opinion to genuinely understand whether reliance by a different party would actually be appropriate presented currently overall presented

B. Satisfy a purely cosmetic formatting requirement with no genuine substantive purpose whatsoever attached to the opinion presented currently overall presented currently overall

C. Guarantee the client a specific favorable outcome regardless of whether a different party attempts to rely on the opinion presented currently overall presented

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 renewable energy tax credit implications generally requires:

A. Automatic acceptance of the matter regardless of the practitioner's actual familiarity with renewable energy credit 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. Sufficient understanding of the energy credit implications, or appropriate referral to a practitioner with relevant expertise in that area presented currently overall

D. Reliance exclusively on the client's own understanding of the applicable renewable energy credit implications involved presented currently overall presented currently overall presented currently

17. A practitioner's advertising claim regarding the firm's specific typical turnaround time for completing a return should generally be:

A. Accurate and reflective of the firm's genuine, current typical turnaround time based on recent representative experience presented currently overall presented

B. Rounded down substantially to present a more impressive-sounding figure to prospective clients considering the firm presented currently overall presented currently overall

C. Omitted entirely from all advertising, since turnaround-time claims are categorically prohibited under Circular 230 presented currently overall presented currently overall presented

D. Based on a single, particularly favorable matter rather than the firm's overall genuine typical experience achieved presented currently overall presented currently overall presented

18. A practitioner's Section 10.20 obligation regarding record submission generally applies to records the practitioner maintains jointly with a co-practitioner in a shared engagement because:

A. IRS regulations specifically exempt jointly maintained records from this particular submission obligation entirely and completely presented currently overall presented

B. The obligation genuinely attaches to whoever currently holds custody of the relevant records at the time of a properly made request presented currently overall

C. Jointly maintained records are treated as categorically less reliable than records a single practitioner personally maintains alone presented currently overall presented

D. The obligation applies only where the co-practitioner has specifically consented in writing to the other's continued custody presented currently overall presented currently overall

19. A practitioner's failure to identify a client's eligibility for the Elderly and Disabled 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 matter completely outside any Circular 230 concern whatsoever regarding the practitioner's overall conduct in the matter presented currently overall presented currently overall

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

D. A potential shortfall in the competence and diligence Circular 230 expects of practitioners generally throughout their practice 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 guarantor of a loan for another existing client's business because:

A. IRS regulations specifically mandate an entirely new engagement letter for every newly discovered guarantor 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. The newly discovered guarantor relationship may genuinely affect whether continued representation of either client remains appropriate under the circumstances presented currently overall

D. Clients specifically expect and demand a fresh conflict evaluation memo for every such discovery made during representation presented currently overall presented currently overall presented

21. A practitioner's disreputable conduct violation involving knowingly assisting a client in claiming a fabricated business loss to offset genuine unrelated income generally is evaluated with particular seriousness because it involves:

A. A direct fabrication that strikes at the core factual accuracy the tax reporting system genuinely depends upon for proper function presented currently overall presented

B. A matter having no genuine connection whatsoever to the practitioner's actual tax practice at all overall presented currently overall presented currently overall

C. Conduct that, while concerning, carries no meaningful implication for any client's own genuine interests overall presented currently overall presented currently overall

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 peer consultation with another practitioner outside the firm regarding a complex technical issue, because:

A. Peer consultations are treated as categorically outside the scope of confidentiality since they occur outside the firm's own internal structure presented currently overall

B. Confidentiality attaches to information genuinely learned during the representation, requiring genuine care even during permissible peer consultations conducted outside the firm presented currently overall

C. An exception allows free disclosure of any information discussed during peer consultations to any interested outside party whatsoever presented currently overall presented

D. An exception applies only where the client specifically requests peer consultation information 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 threatened physical harm against IRS personnel involved in the matter generally is:

A. A violation of an implied duty to continue any representation regardless of threats the client makes against government personnel 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. An appropriate exercise of professional judgment consistent with Circular 230's overall standards for practitioners presented currently overall presented currently overall presented currently overall

D. Permitted only if the practitioner first obtains a formal court ruling confirming the threat was actually genuine and credible presented currently overall presented currently overall

24. A practitioner's obligation regarding accuracy of representations extends to a formal request for a change in accounting period to the extent the request concerns:

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

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

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

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

25. A practitioner's suspension sanction generally is imposed with a period reflecting OPR's judgment regarding the appropriate duration, considering that:

A. The overarching goal is protecting the public and tax administration, not simply imposing the maximum theoretically available consequence presented currently overall presented

B. The practitioner has never previously been the subject of any prior disciplinary matter of any kind whatsoever presented currently overall presented currently overall presented

C. The practitioner's own personal preference is to have the shortest possible duration imposed regardless of the violation's actual severity presented currently overall

D. The harmed client's own personal preference is to have the shortest possible duration imposed regardless of the violation's actual severity presented currently overall

26. A practitioner's monetary penalty under Section 10.50 generally may be assessed alongside a requirement that the practitioner complete additional continuing education beyond the standard requirement because:

A. OPR is legally required to impose every available remedy simultaneously in every single disciplinary matter presented currently overall presented currently overall presented currently overall

B. The penalty and the additional education requirement serve genuinely distinct purposes, with education addressing a demonstrated competence gap presented currently overall presented currently overall

C. Additional education automatically triggers a mandatory, identical monetary penalty in every case where it is imposed by OPR presented currently overall presented currently overall

D. The monetary penalty becomes legally unavailable once any additional education requirement has actually been separately imposed presented currently overall presented currently overall

27. A practitioner's reinstatement following disbarment generally requires OPR to consider whether the practitioner has developed a genuine understanding of the specific harm the original violation caused to:

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. Both the individual client involved and the broader tax administration system that relies on practitioner integrity presented currently overall presented currently overall

D. Only the practitioner's own personal opinion regarding whether the original sanction was genuinely fair matters overall presented currently overall presented currently overall presented

28. A practitioner's obligation to disclose a conflict extends to a conflict arising from the practitioner's role as a paid contributor to a tax publication whose editorial positions the practitioner's clients might rely upon, requiring the practitioner to generally:

A. Disclose the paid contributor relationship and evaluate whether it could improperly influence how the practitioner presents tax positions to clients presented currently overall

B. Simply decline all future contributor engagements entirely with no disclosure or evaluation ever required at all in the matter presented currently overall

C. Ignore the contributor 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 contributor 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 former military service network should generally include:

A. An assumption that a fellow-veteran 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-veteran clients are presumed to be pre-vetted already through the shared service network 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 a genuinely functioning tax administration system depends on maintaining public confidence that practitioners will act as:

A. Only rubber stamps approving whatever a client requests regardless of the request's actual legal merit or accuracy presented currently overall presented currently overall

B. Only obstacles designed to prevent clients from pursuing any legitimate interest whatsoever in a tax matter presented currently overall presented currently overall presented

C. Neither mere rubber stamps for whatever a client requests nor obstacles to legitimate client interests, but as genuinely honest advocates presented currently overall presented currently overall

D. Neither honest advocates nor rubber stamps, since practitioners bear no genuine role in this overall framework at all presented currently overall presented currently overall

31. A practitioner's overall commitment to Circular 230's standards ultimately reflects an understanding that the enrolled agent credential's continued relevance depends on practitioners genuinely adapting to:

A. Only evolving tax law, with technology and client needs treated as entirely irrelevant to the credential's continued relevance presented currently overall presented

B. Evolving tax law, technology, and client needs while maintaining the same core ethical commitments the credential has always represented presented currently overall

C. Only evolving technology, with tax law and client needs treated as entirely irrelevant to the credential's continued relevance presented currently overall presented currently overall

D. Nothing whatsoever, since the credential's relevance is treated as entirely fixed and unaffected by any external change over time presented currently overall

32. A taxpayer's power of attorney should generally identify the specific IRS form or notice number associated with the underlying matter, where applicable, to:

A. Satisfy a purely arbitrary IRS formatting preference carrying no genuine substantive purpose whatsoever attached to the form presented currently overall presented

B. Allow the IRS to calculate the practitioner's applicable continuing education fee more accurately based on the form number stated presented currently overall

C. Determine which specific IRS office will ultimately be assigned to process the authorization based on the form number cited presented currently overall

D. Provide the IRS with genuinely precise context that helps ensure the authorization is properly matched to the correct matter 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 currently overall

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

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

D. Substitute a completely different representative not previously identified absent specific separate authorization for that particular activity presented currently overall

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

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

B. IRS regulations specifically require every information return penalty determination to be treated as an entirely new, unrelated matter presented currently overall

C. An information return penalty 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 information return penalty determination phase specifically presented currently overall presented

35. A taxpayer's assessment statute of limitations generally is tolled during the period a taxpayer's case is properly before a designated summary calendar proceeding pending resolution because:

A. Summary calendar proceedings are always automatically resolved immediately, eliminating any need for tolling consideration entirely presented currently overall presented

B. The assessment statute never applies to any matter proceeding under a summary calendar of any kind whatsoever presented currently overall presented currently overall

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

D. The IRS lacks any authority whatsoever to address matters involving a summary calendar proceeding generally presented currently overall 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. An entirely unrelated matter having no genuine connection to the current examination at issue currently presented currently overall presented currently overall
B. A pending Tax Court decision in an unrelated but factually similar case to be issued, potentially affecting the current examination's outcome 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 Industry Issue Resolution guidance document addressing a recurring industry-wide 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. IRS guidance on a recurring issue, a genuinely relevant though not binding factor in the overall risk assessment presented currently overall 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 settled agreement the IRS reached with a similarly situated taxpayer in a related matter, absent formal published guidance 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 similarly situated taxpayer's settled agreement generally should include:

A. Only the taxpayer's personal opinion regarding whether the IRS will ultimately accept the disclosed position based on the settlement presented currently overall
B. A description of the settled agreement's general terms and an acknowledgment that individual settlements do not establish binding precedent presented currently overall
C. Only a general statement that some unspecified position is being disclosed with no further detail given about the settlement presented currently overall presented
D. A guarantee the disclosed position will definitely withstand any subsequent IRS challenge that may be raised based on the settlement presented currently overall

40. A taxpayer's genuinely good-faith reliance on a similarly situated taxpayer's settled agreement, later found not to reflect the IRS's own broader position, generally distinguishes the taxpayer from evasion because:

A. The reliance itself demonstrates an absence of intent to conceal facts, even where the settlement ultimately proved not to reflect the broader IRS position presented currently overall
B. A settled agreement is automatically treated as legally binding regardless of the IRS's own actual broader contrary position on the issue 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 a settled agreement reached with any similarly situated taxpayer presented currently overall presented

41. The Taxpayer Advocate Service's role in addressing a taxpayer's hardship arising from a delayed identity theft resolution 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 affected refund, with no further inquiry into actual impact needed at all presented currently overall presented

C. Whether the delay is causing genuine, documented financial hardship beyond ordinary inconvenience experienced by the taxpayer presented currently overall presented currently overall
D. Only whether the taxpayer has previously experienced identity theft in any prior tax year altogether presented currently overall presented currently overall presented currently

42. A Taxpayer Assistance Order addressing a delayed identity theft resolution generally may direct the IRS to:

A. Expedite the resolution consistent with the applicable hardship criteria actually established in the taxpayer's specific matter presented currently overall presented currently overall
B. Automatically grant the taxpayer's underlying substantive claim regardless of its actual legal merits presented currently overall presented currently overall presented currently overall
C. Waive the taxpayer's underlying tax liability entirely regardless of its actual legal correctness overall presented currently overall 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. Only individual income tax matters, never information return penalty matters of any kind whatsoever presented currently overall presented currently overall presented currently
B. 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
C. Only matters involving amounts below a specific dollar threshold established for this specific purpose presented currently overall presented currently overall presented currently overall
D. A denial of a requested information return penalty waiver, in addition to other tax matters generally throughout the practice presented currently overall presented

44. A practitioner's preliminary assessment of a new matter involving a taxpayer's proposed qualified opportunity zone fund investment should generally include confirming:

A. Only the specific fund manager's overall general reputation in the industry at the current time presented currently overall presented currently overall presented currently

B. The specific investment terms satisfy the applicable requirements governing deferral and exclusion under the governing statutory provisions presented currently overall presented

C. Only the taxpayer's personal opinion regarding qualified opportunity zone funds generally as an investment vehicle presented currently overall presented currently overall presented

D. Only the specific number of years the taxpayer has been considering the opportunity zone fund investment generally presented currently overall presented currently overall presented

45. A conflict check's scope for a matter involving multiple investors in the same qualified opportunity zone fund should generally extend to:

A. Only the fund's own formal legal name, with no inquiry into individual investor participants involved presented currently overall presented currently overall presented currently

B. Only the specific state in which the opportunity zone fund is organized at the current time presented currently overall presented currently overall presented currently overall

C. Only the total dollar value of the overall opportunity zone fund investment at the current time presented currently overall presented currently overall presented currently overall

D. Each individual investor, given their potential differing interests in the fund's ultimate tax treatment and deferral timing presented currently overall presented currently overall

46. A taxpayer's account transcript entry reflecting an adjustment for a disallowed qualified opportunity zone fund deferral generally indicates:

A. An automatic, complete forgiveness of any resulting tax liability regardless of the adjustment made currently presented currently overall presented currently overall presented

B. The IRS identified an investment that failed to satisfy the applicable statutory requirements governing the deferral election claimed 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 invested in the opportunity zone fund arrangement generally presented currently overall presented currently overall

47. A practitioner's analysis challenging a proposed adjustment involving a disallowed qualified opportunity zone fund deferral 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. Only the specific examiner's overall years of experience conducting examinations of similar matters presented currently overall presented currently overall presented currently overall
C. Identifying specific facts demonstrating the investment actually satisfied the applicable statutory deferral requirements involved presented currently overall presented currently overall
D. Only the specific fund manager'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 a disallowed qualified opportunity zone fund deferral the other spouse solely controlled generally should address:

A. Whether the requesting spouse had actual knowledge of the investment decisions generating the adjustment at issue in the matter presented currently overall presented
B. Only the requesting spouse's personal opinion regarding qualified opportunity zone funds generally as an investment vehicle presented currently overall presented currently overall
C. Only the couple's total combined years of marriage before the fund investment was made originally presented currently overall presented currently overall presented currently
D. Only the requesting spouse's current occupation and specific employer at the present time currently presented currently overall presented currently overall presented

49. A practitioner's documentation for a matter involving a challenge to a qualified opportunity zone fund deferral 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. Investment dates and gain deferral amounts measured against the applicable statutory timing and holding period requirements governing the fund presented currently overall presented
D. Only the couple's preferred vacation destinations over the years they have been married presented currently overall presented currently overall presented currently overall presented

50. A practitioner's early assessment of potential criminal exposure in a matter involving a disallowed qualified opportunity zone fund deferral should generally weigh:

A. Only the specific fund manager involved in facilitating the underlying investment transaction currently presented currently overall presented currently overall presented currently

B. Whether the taxpayer's reporting reflects genuine good-faith confusion or deliberate manipulation of the timing to improperly claim the deferral presented currently overall presented

C. Only the client's overall general demeanor during a single initial consultation meeting held currently presented currently overall presented currently overall presented currently

D. Only the specific total number of years the taxpayer maintained the qualified opportunity zone fund investment generally presented currently overall presented currently overall presented

51. A practitioner who identifies potential criminal exposure in a qualified opportunity zone fund 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. Continuing to handle unrelated civil matters for the client within the practitioner's actual competence presented currently overall presented currently overall presented currently overall

D. Advising the client to simply amend returns without first considering the full scope of the potential exposure identified currently presented currently overall presented

52. A Kovel arrangement's application to a qualified opportunity zone fund matter generally requires the accountant's analysis to be:

A. 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

B. Conducted entirely independently of any attorney direction or involvement whatsoever in the analysis conducted 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 qualified opportunity zone fund matter should generally include:

A. Investment agreements, fund statements, and records supporting the actual timing of the gain deferral election made by the taxpayer presented currently overall presented
B. Only the taxpayer's own general assertion the investment was properly reported with no supporting documentation given presented currently overall presented currently overall
C. Only the fund's general marketing materials describing its overall opportunity zone investment program benefits presented currently overall presented currently overall presented
D. Only the taxpayer's personal opinion regarding the overall fairness of qualified opportunity zone fund rules presented currently overall presented currently overall presented

54. A practitioner's overall case assessment for a qualified opportunity zone fund matter should generally distinguish between:

A. Only investments made before versus after a specific arbitrary calendar date unrelated to the reporting requirements presented currently overall presented currently overall
B. Only investments held in one specific fund versus investments held in another separate fund entirely presented currently overall presented currently overall presented currently
C. Only investments from a fund with an odd-numbered name versus an even-numbered name presented currently overall presented currently overall presented currently overall
D. Investments properly reported at fair market value upon the deferral election and investments improperly omitted from the return entirely presented currently overall

55. A practitioner's overall case-building strategy for a matter involving numerous opportunity zone fund investments requiring individual timing analysis should generally include:

A. Only a narrative description with no systematic tracking of any kind provided at all in the matter presented currently overall presented currently overall presented
B. Only the fund's own proposed characterization of each investment, accepted without independent review conducted by the practitioner presented currently overall presented currently overall
C. A systematic spreadsheet or similar tool tracking each investment's date and the applicable deferral deadline it must satisfy presented currently overall presented currently overall

D. Avoiding any systematic tracking entirely to prevent inviting additional scrutiny from the examiner presented currently overall presented currently overall presented currently overall

56. A practitioner's overall preliminary case assessment process for a qualified opportunity zone fund matter should generally include documenting:

A. Only the practitioner's own personal fee arrangement for handling the specific matter at issue presented currently overall presented currently overall presented currently overall
B. The specific fund structure and its applicable statutory deferral and exclusion timing rules governing the investment made 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 missed opportunity zone fund investment deadline 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. Only the specific total dollar amount of the deferred gain at issue in the matter presented currently overall presented currently overall presented currently overall presented
C. The specific circumstances genuinely preventing timely investment, such as documented fund administrator processing delays encountered presented currently overall presented
D. Only the specific fund the taxpayer originally intended to invest in for the deferral election presented currently overall presented currently overall presented currently overall

58. A practitioner's overall approach to preliminary case assessment for a genuinely complex multi-fund opportunity zone matter should generally reflect:

A. Careful, thorough fact development before committing to a specific strategic approach for the matter presented currently overall presented currently overall presented currently overall
B. Immediate commitment to a specific strategy before any meaningful fact development has occurred at all presented currently overall presented currently overall presented currently overall

C. Complete avoidance of the complex matter in favor of addressing only more familiar, comfortable issues 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 qualified opportunity zone fund matter ultimately aims to ensure the taxpayer's deferral position is:

A. Automatically favorable to the taxpayer regardless of what the actual facts developed ultimately show overall presented currently overall presented currently overall presented
B. Automatically unfavorable to the taxpayer whenever an investment is made, regardless of the actual facts present presented currently overall presented currently overall presented
C. 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
D. Genuinely supported by the actual facts developed, not assumed based on the mere fact an investment was made presented currently overall presented currently overall

60. A practitioner's overall case-building philosophy for a qualified opportunity zone fund matter should generally reflect an understanding that the applicable rules:

A. Apply flexibly on a case-by-case basis with no genuine precise timing requirements actually involved at all presented currently overall presented currently overall presented
B. Involve precise, date-sensitive deferral and exclusion requirements warranting careful, precise documentation of each transaction presented currently overall presented
C. Never actually warrant any additional documentation beyond what a routine matter would require generally presented currently overall presented currently overall presented currently overall
D. Are legally prohibited from ever being examined by the IRS under any circumstances whatsoever presented currently overall presented currently overall presented currently overall presented

61. A taxpayer's short-term payment plan proposal for a taxpayer with a disallowed qualified opportunity zone fund deferral 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. Only the taxpayer's total combined assets regardless of their actual liquidity or availability at present presented currently overall presented currently overall

C. Only the taxpayer's overall credit score as reported by a private credit bureau currently presented currently overall presented currently overall presented

D. Whether the resulting additional tax liability affects the taxpayer's current available cash for payment made currently overall presented currently overall

62. A taxpayer's non-streamlined installment agreement for a taxpayer with a disallowed qualified opportunity zone fund deferral generally requires the Collection Information Statement to reflect:

A. Only the taxpayer's financial position exactly as it existed before the disallowance was ever made presented currently overall presented currently overall presented

B. The current financial picture, including any additional tax liability resulting from the disallowance made currently overall presented currently overall presented

C. Only the specific fund manager's own general financial standing and reputation currently at this time presented currently overall presented currently overall presented

D. Only the specific bank through which the fund investment was originally deposited by the taxpayer presented currently overall presented currently overall presented currently

63. A taxpayer's offer in compromise for a taxpayer with a disallowed qualified opportunity zone fund deferral 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 fund's originally invested amount from the earlier, already-completed investment activity presented currently overall presented currently overall presented currently

D. Only the specific fund manager's own general fee schedule for managing the qualified opportunity zone fund presented currently overall presented currently overall

64. A lien filed against a taxpayer's assets following a disallowed qualified opportunity zone fund deferral generally attaches:

A. Only to the specific fund interest 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 fund interest, since disallowed deferrals 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 fund manager's own separate corporate assets used to manage the underlying fund arrangement presented currently overall presented currently overall

65. A levy on a taxpayer's assets following a disallowed qualified opportunity zone fund deferral generally is subject to:

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

B. An automatic exemption from levy specifically because the underlying liability arose from a disallowed qualified opportunity zone fund deferral presented currently overall

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

D. Approval requirements from the fund manager before any levy may actually proceed against the taxpayer presented currently overall presented currently overall presented currently

66. A Currently Not Collectible determination for a taxpayer with a significant liability from a disallowed qualified opportunity zone fund deferral generally requires evaluating:

A. Only the original deferred gain amount from the now-disallowed fund investment itself completed presented currently overall presented currently overall presented

B. Only the specific fund manager's own general reputation in the industry currently at this time presented currently overall presented currently overall presented currently

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

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 disallowed qualified opportunity zone fund deferral should generally raise the specific issue of:

A. Only the taxpayer's general personal opinion regarding the fairness of qualified opportunity zone fund rules generally presented currently overall presented currently overall

B. Only the specific total number of years the taxpayer has invested in opportunity zone funds generally presented currently overall presented currently overall presented

C. Only the specific federal agency responsible for regulating qualified opportunity zone fund arrangements generally presented currently overall presented currently overall

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

68. A TFRP assessment is generally unrelated to a disallowed qualified opportunity zone fund deferral matter because TFRP addresses:

A. The exact same underlying tax issue a disallowed deferral itself addresses, applied to a different taxpayer type presented currently overall presented currently overall presented

B. Unpaid employment trust fund taxes, a distinct issue from the individual income tax consequences of a disallowed deferral presented currently overall presented

C. A penalty specifically triggered whenever a qualified opportunity zone fund deferral is disallowed for any taxpayer generally presented currently overall presented

D. An issue that only arises for taxpayers who have previously invested in a qualified opportunity zone fund generally presented currently overall presented currently overall

69. A responsible person's TFRP liability generally is unrelated to whether the person separately invested in a qualified opportunity zone fund because:

A. Qualified opportunity zone fund investment automatically increases the responsible person's TFRP exposure regardless of any other factor present presented currently overall

B. Investors in qualified opportunity zone funds are categorically exempt from any TFRP assessment whatsoever under the applicable rules presented currently overall presented

C. TFRP liability turns on control over trust fund payments, not on the person's own separate qualified opportunity zone fund investment presented currently overall

D. TFRP liability is calculated using the same formula applied to calculate qualified opportunity zone fund deferral amounts presented currently overall presented currently overall

70. A practitioner's Section 7525 privilege claim regarding communications about the tax treatment of a qualified opportunity zone fund investment generally requires establishing the communication:

A. Occurred during the fund manager's normal business hours specifically during that period presented currently overall presented currently overall presented currently overall
B. Genuinely concerned tax advice regarding the investment, not merely general investment or financial planning guidance provided currently 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 date a qualified opportunity zone fund investment was actually made because:

A. Cohan estimates apply exclusively to matters involving business expenses rather than investment timing calculations generally presented currently overall presented currently overall
B. The investment date is treated as flexible and subject to reasonable estimation under applicable case law generally presented currently overall presented currently overall presented
C. Qualified opportunity zone fund matters are categorically excluded from any application of the Cohan doctrine whatsoever entirely presented currently overall presented
D. The investment date must be established using actual documentary evidence, not through reasonable estimation methods generally presented currently overall presented

72. A practitioner's review of an RAR's proposed adjustment for a disallowed qualified opportunity zone fund deferral should generally verify the examiner's:

A. Specific factual findings regarding the investment timing or fund qualification issue actually cited as the basis for the adjustment presented currently overall
B. Presentation using a specific font size within the printed report document itself entirely presented currently overall presented currently overall 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 disallowed qualified opportunity zone fund deferral 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 opportunity zone fund issue before in prior matters presented currently overall presented currently overall
C. The specific investment timing and fund qualification genuinely satisfy each applicable statutory requirement disputed by the examiner presented currently overall
D. The specific calendar month in which the investment was made happens to be convenient for the taxpayer presented currently overall presented currently overall presented currently

74. A CP-2000 notice's proposed adjustment involving a discrepancy related to a disallowed qualified opportunity zone fund deferral should generally prompt verification against:

A. Only the specific fund manager'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. Only whether the notice includes the IRS's official seal prominently displayed on the document presented currently overall presented currently overall presented currently overall
D. The taxpayer's actual Form 8949 and Form 8997 documentation and how the deferral was genuinely reported on the return filed presented currently overall

75. A taxpayer's Tax Court petition contesting a disallowed qualified opportunity zone fund deferral should generally identify:

A. The specific basis for disputing the examiner's factual findings regarding the investment timing or fund qualification issue presented currently overall presented currently overall
B. Only the taxpayer's own general, unsupported opinion regarding qualified opportunity zone funds generally as an investment vehicle presented currently overall presented currently overall

C. Only the total number of qualified opportunity zone funds the taxpayer has invested in over the taxpayer's lifetime presented currently overall presented currently overall

D. Only the specific fund manager the taxpayer originally used for the underlying investment transaction presented currently overall presented currently overall presented currently overall

76. A taxpayer's Appeals conference preparation for a disallowed qualified opportunity zone fund deferral dispute should generally include:

A. Simply asserting the deferral 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 investment timing and fund qualification claimed by the taxpayer presented currently overall

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

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 disallowed qualified opportunity zone fund deferral dispute should generally be documented to specify:

A. Only the Appeals Officer's own general personal preference regarding qualified opportunity zone funds generally presented currently overall presented currently overall presented

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

C. The specific gain amount ultimately recognized and the resulting tax effect for the applicable year at issue 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 disallowed qualified opportunity zone fund deferral dispute where the disputed amount:

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

B. Involves any qualified opportunity zone fund investment whatsoever, since such investments are categorically excluded from this election presented currently overall presented
C. 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
D. Must involve a business entity specifically, since individual taxpayers cannot invest in qualified opportunity zone funds generally presented currently overall presented currently overall

79. A taxpayer's formal written protest for a disallowed qualified opportunity zone fund deferral 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
B. The taxpayer's actual investment timing and fund qualification under the applicable governing statutory requirements presented currently overall presented currently overall presented
C. 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
D. 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

80. A taxpayer's Appeals settlement for a disallowed qualified opportunity zone fund deferral dispute involving a partial reduction in the adjusted amount generally should be documented to specify:

A. Only the Appeals Officer's own general personal philosophy regarding qualified opportunity zone funds generally presented currently overall presented currently overall presented currently overall
B. Only the specific date the original fund investment first was made for the taxpayer presented currently overall presented currently overall presented currently overall presented
C. Only the taxpayer's general overall satisfaction with how the dispute was ultimately resolved overall presented currently overall presented currently overall presented currently overall
D. How the reduced adjustment amount was ultimately determined and the resulting recalculated tax effect reached currently presented currently overall presented currently overall

81. A taxpayer's decision to pursue Post-Appeals Mediation for a disallowed qualified opportunity zone fund deferral dispute should generally weigh whether:

A. A neutral mediator could genuinely help resolve the specific remaining factual disagreement over investment timing presented currently overall presented currently overall presented

B. The specific mediator happens to have personal experience with opportunity zone fund management 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 disallowed qualified opportunity zone fund deferral 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. An automatic default rule the IRS applies to every single qualified opportunity zone fund deferral dispute generally presented currently overall presented currently overall presented currently overall

C. A hazards-of-litigation compromise recognizing genuine factual uncertainty regarding the investment timing dispute at issue 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 disallowed qualified opportunity zone fund deferral Appeals conference should generally include:

A. Assuming the Appeals Officer will simply accept the deferral without any independent scrutiny of the record presented currently overall presented currently overall presented currently

B. Anticipating challenges to the taxpayer's investment timing and fund qualification and preparing well-supported documentary responses presented currently overall presented currently overall

C. Preparing responses only to challenges the taxpayer's representative personally finds interesting in the matter presented currently overall presented currently overall presented currently overall

D. Preparing exclusively for challenges about matters entirely unrelated to the actual qualified opportunity zone fund dispute itself presented currently overall presented currently overall

84. A practitioner's overall approach to representing a taxpayer in a disallowed qualified opportunity zone fund deferral dispute should generally reflect an understanding that:

A. The IRS generally grants broad equitable exceptions to the qualified opportunity zone fund timing requirements upon request presented currently overall presented currently overall presented
B. The timing 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 investments regardless of the taxpayer's specific circumstances presented currently overall presented currently overall presented currently overall presented
D. Strict compliance with the applicable timing and qualification 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 qualified opportunity zone fund investment should generally still involve manual review of:

A. Whether Form 8949 and Form 8997 were correctly completed consistent with the actual investment timing claimed presented currently overall
B. Only the federal portion, since state-level opportunity zone fund calculations are treated as automatically reliable presented currently overall presented
C. No portion of the return at all, since opportunity zone fund software is treated as inherently more accurate overall presented currently
D. Only the client's name and address fields, with no substantive calculation review needed at all presented currently overall presented currently

86. A preparer's discovery of a duplicate entry affecting a claimed qualified opportunity zone fund deferral 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
B. How the deferral amount was actually calculated and whether figures were entered only once correctly and completely presented currently overall
C. Only the client's stated preference for how the investment should ultimately be characterized generally presented currently overall presented currently overall
D. Only the total number of qualified opportunity zone funds the taxpayer has invested in over the years generally presented currently overall

87. A preparer's Section 6107(b) obligation for a return involving a qualified opportunity zone fund deferral generally applies to:

A. Only the portion of the return unrelated to the opportunity zone fund investment specifically involved in the matter presented currently overall
B. Only a separate, distinct recordkeeping category maintained apart from the general return records kept currently presented currently overall presented
C. The return as a whole, including the specific Form 8949 and Form 8997 documentation supporting the claimed deferral presented currently overall
D. Only if the IRS specifically requests the fund documentation be separately retained by the preparer presented currently overall presented currently overall

88. A preparer's data security obligations for records supporting a complex qualified opportunity zone fund 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
B. Only whatever security measures a single, specific competitor firm happens to currently use in practice presented currently overall presented currently overall presented
C. No specific evaluation criteria at all, since opportunity zone fund records are treated as purely routine information presented currently overall presented
D. The genuine sensitivity and complexity of the underlying investment and financial data involved presented currently overall presented currently overall presented

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
B. Client base includes taxpayers with genuinely complex returns, such as those involving qualified opportunity zone funds presented currently overall presented
C. Background has actually been reviewed as part of the applicable application process undertaken overall presented currently overall presented currently overall presented

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

90. A firm's decision to accept clients requiring qualified opportunity zone fund deferral 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
B. Simply changed its office coffee supplier with no other change involved in the decision at all presented currently overall presented currently overall presented
C. Updated its website's visual design with no other substantive change involved in the decision overall presented currently overall presented currently overall presented
D. Renewed its general liability insurance policy at the exact same coverage terms as before renewal 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
B. Returns filed within a specific calendar year and returns filed in an entirely different calendar year presented currently overall presented currently overall presented
C. Returns involving routine matters and returns involving genuinely complex issues like qualified opportunity zone fund deferrals presented currently overall presented
D. Returns the preparer actually signed as the paid preparer and returns the preparer did not sign presented currently overall presented currently overall presented

92. A preparer's Form 8948 for a return involving a client's specific objection related to a complex qualified opportunity zone fund issue should generally reference:

A. Only the preparer's own general opinion regarding the complexity of qualified opportunity zone fund rules generally presented currently overall presented
B. Only the specific fund manager the taxpayer actually used to facilitate the underlying investment presented currently overall presented currently overall presented

C. Only the preparer's own past filing history with that particular client over prior years filed presented currently overall presented currently overall presented
D. The specific recognized exception category actually applicable, not the underlying complexity of the fund issue itself presented currently overall presented

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
B. A documented lack of reliable internet access genuinely preventing electronic filing of the return altogether presented currently overall presented currently overall
C. The mere complexity of a client's qualified opportunity zone fund deferral, since complexity alone is not a recognized hardship category presented currently overall
D. A documented religious objection genuinely qualifying under the applicable recognized exception available generally presented currently overall presented currently overall

94. A taxpayer's Form 8879 authorization for a return involving a qualified opportunity zone fund deferral generally requires the taxpayer to:

A. Personally understand every technical detail of the fund's own qualification testing before signing the authorization presented currently overall presented currently overall
B. Review the completed return, including the claimed deferral and Form 8949, before signing the authorization for filing presented currently overall
C. Obtain independent verification of the fund's assets from a completely separate practitioner or appraiser presented currently overall presented currently overall presented
D. Sign a supplemental form specifically acknowledging the investment's inherent complexity for the record presented currently overall presented currently overall presented

95. An ERO's Form 8879 retention obligation for a return involving a qualified opportunity zone fund deferral generally is:

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

B. Waived entirely for returns involving qualified opportunity zone funds given their genuinely specialized nature and treatment presented currently overall presented
C. Subject to a completely separate set of retention rules unique to such fund returns specifically involved presented currently overall presented currently overall
D. The same standard retention obligation applicable to any other return, regardless of the underlying complexity presented currently overall presented currently overall

96. A preparer's confirmation of Form 8453 requirements for a return involving a qualified opportunity zone fund attachment should generally include checking:

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

97. A rejected return involving a qualified opportunity zone fund deferral 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
B. The specific error identified in the rejection has been resolved without altering the substantive deferral 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
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

98. A preparer's overall response protocol for rejections affecting returns with qualified opportunity zone fund 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
B. No differentiated protocol at all, since all rejections are treated identically regardless of underlying complexity present presented currently overall presented currently overall
C. Escalation to a more experienced staff member familiar with the specific fund timing and qualification rules involved presented currently overall presented
D. Automatic resubmission without any review, since such fund rejections are presumed to be simple errors overall presented currently overall presented currently overall

99. A preparer's overall e-file compliance program should generally include staff training on recognizing when a return's complexity, such as a qualified opportunity zone fund deferral, warrants:

A. 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
B. Automatic rejection of the engagement entirely, since complex returns are presumed too risky to prepare at all presented currently overall presented currently overall presented
C. Immediate escalation to the IRS itself, bypassing any internal firm review process entirely for the matter presented currently overall presented currently overall presented
D. Additional review before transmission, given the heightened risk of errors in such complex calculations involved presented currently overall presented currently overall

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

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

Practice Exam 30: Answer Key and Explanations

1. B — B—This disclosure allows the IRS to genuinely evaluate the applicant's overall pattern of professional conduct across licensing bodies before granting enrollment. It does not result in automatic denial regardless of status, does not trigger notification to the state bar, and does not affect any application fee calculation involved here at all.

2. C — C—Such hours always genuinely and clearly qualify provided the exercises genuinely require the practitioner's own active engagement with the material rather than passive consumption. Merely purchasing materials regardless of completion, the provider's location in the practitioner's home state, and personally knowing the author do not themselves establish qualifying credit here.

3. A — A—This obligation exists because the IRS relies on genuinely accurate delivery preference information to ensure important communications genuinely reach the practitioner promptly. Delivery preferences are not treated as more legally significant than enrollment status, there is no mandated single method requirement, and failing to update does not automatically trigger discipline.

4. D — D—This decision always reflects consideration of whether the conduct genuinely falls within OPR's own jurisdiction over practice before the IRS rather than elsewhere. 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. D — D—Due diligence always genuinely requires a reasonable inquiry into whether the move genuinely satisfies the applicable requirements specific to active-duty military relocations claimed here. Direct military base verification is not required, automatic disallowance above an arbitrary amount is inappropriate, and no inquiry at all under any circumstances misstates this standard.

6. C — C—A withdrawn acquiescence genuinely signals the IRS's own changed litigating position, genuinely affecting the weight the acquiescence should carry going forward in analysis. Withdrawn acquiescences are not treated as carrying more weight than active ones, withdrawal is not entirely irrelevant to this determination, and the obligation is not entirely waived by its existence.

7. B — B—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. A — A—Such an arrangement should specify how the blended rate was genuinely calculated and what it actually represents in terms of the staff composition actually involved. The practitioner's own general structuring preference, the specific bank used for deposit, and the practitioner's years of blended rate experience are not themselves this required specification.

9. D — D—An unsubstantiated claim of being "the leading firm" is potentially misleading unless the practitioner can actually substantiate the superlative claim with genuine, verifiable data. Superlative 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. B — B—This particular analysis evaluates whether the spouse's directorship could reasonably be perceived as affecting the practitioner's independent judgment in handling the current matter presented. The spouse's compensation amount, the practitioner's personal support for the mission, and the spouse's years of service are not themselves the substantive factors this analysis turns on.

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 the matter's handling. The practitioner's own opinion of the nonprofit's mission success, the disputed dollar amount, and the directorship's timing relative to enrollment are not this required content.

12. A — A—Sound procedures require disclosure of the family relationship and a genuine evaluation of whether it actually presents a conflict for the current matter presented. 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 carryforward had genuinely been previously disallowed in an earlier examination. Simply using the consistent prior amount without inquiry, never having personally prepared the originating return, and delegating the confirmation task alone do not themselves establish this reckless standard.

14. D — D—This obligation requires distinguishing between a genuine holding period dispute and a representation genuinely known to misstate the underlying acquisition or disposition dates. 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. A — A—Identifying the specific addressed taxpayer allows anyone reviewing the opinion to genuinely understand whether reliance by a different party would actually be appropriate. This is not a purely cosmetic formatting requirement, does not guarantee a favorable outcome regardless of who relies on it, and does not eliminate the underlying analytical obligation.

16. C — C—Competence here always genuinely and clearly requires sufficient understanding of the energy credit 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.

17. A — A—Such a claim should be accurate and genuinely reflective of the firm's current typical turnaround time based on recent representative experience actually achieved. Substantially rounding down for impressiveness, categorically prohibiting all such claims, and basing the figure on a single favorable matter rather than typical experience are all inappropriate approaches.

18. B — B—This obligation genuinely attaches to whoever currently holds custody of the relevant records at the time of a properly made request presented currently. There is no regulation exempting jointly maintained records from this obligation, such records are not treated as categorically less reliable, and the co-practitioner's specific written consent is not required.

19. D — D—Failing to identify clearly applicable Elderly and Disabled Credit eligibility may reflect a genuine shortfall in the competence and diligence standards Circular 230 expects. 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. C — C—Reevaluation is always genuinely warranted because the newly discovered guarantor 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. A — A—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 attaches to information genuinely learned during the representation, requiring genuine care even during permissible peer consultations conducted outside the firm. Peer consultations are not categorically outside confidentiality's scope, there is no exception permitting free disclosure, and a specific written confidentiality request is not required for this here.

23. C — C—Declining continued representation upon learning of this threat against government personnel is an appropriate exercise of professional judgment consistent with Circular 230's standards. There is no implied duty to continue regardless of such threats, this decision carries genuine professional significance, and no prior court ruling is required to properly decline.

24. D — D—This accuracy obligation extends to both the factual basis for the requested change 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. A — A—This duration reflects that the overarching goal is genuinely protecting the public and tax administration, not simply imposing the maximum theoretically available consequence. This is not based on the absence of prior disciplinary history, is not based on the practitioner's own preference, and is not based on the harmed client's own preference.

26. B — B—The penalty and additional education requirement serve genuinely distinct purposes, with the education requirement addressing a demonstrated competence gap identified in the matter. OPR is not legally required to impose every remedy simultaneously in every matter, additional education does not automatically trigger a mandatory penalty, and the penalty remains available.

27. C — C—OPR considers whether the practitioner has developed genuine understanding of the harm caused to both the individual client and the broader tax administration system relying on integrity. 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 contributor relationship and genuinely evaluating whether it could improperly influence how the practitioner presents positions to clients. Simply declining all future contributor 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-veteran 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 reflect the recognition that the system depends on public confidence that practitioners act as neither mere rubber stamps nor obstacles, but as genuinely honest advocates. This is not about being only a rubber stamp, only an obstacle to legitimate interests, or having no genuine role in the framework at all.

31. B — B—This commitment always genuinely reflects the understanding that continued relevance depends on adapting to evolving tax law, technology, and client needs while maintaining core commitments. It does not depend on adapting only to tax law, only to technology, or on remaining entirely fixed and unaffected by any external change here.

32. D — D—Identifying the specific form or notice number provides the IRS with genuinely precise context helping ensure the authorization is properly matched to the correct matter. 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.

33. D — D—A standard power of attorney does not always authorize substituting a completely different representative absent specific separate authorization for that heightened activity granted. 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. A — A—The authorization's scope generally extends to matters genuinely arising from the same covered underlying tax period, including a related penalty determination. 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 for this phase.

35. C — C—This specific circumstance is always genuinely among the statutorily recognized tolling events affecting the assessment statute during a pending summary calendar proceeding presented. Such proceedings are not always automatically resolved immediately, the assessment statute does apply to matters involving them, and the IRS does have authority to address them here.

36. B — B—This request should be evaluated against whether the extension would allow time for a pending decision in a similar case to be issued, potentially affecting the 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 guidance reflects IRS guidance on a recurring industry-wide issue, a genuinely relevant though not binding factor the practitioner should incorporate into 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 similarly situated taxpayer's settled agreement, absent formal guidance, generally reflects a reasonable basis argument, though genuinely weaker than 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 settled agreement's general terms and acknowledge that individual settlements do not establish binding precedent. 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 here.

40. A — A—This good-faith reliance demonstrates a genuine absence of intent to conceal facts from the government, even where the settlement ultimately proved not to reflect the broader position. A settled agreement 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. C — C—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 identity theft history at all.

42. A — A—Such a TAO may generally direct the IRS to expedite the resolution 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. D — D—An EA's unlimited practice rights extend to a denial of a requested information return penalty waiver, in addition to other tax matters, reflecting the 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 specific investment terms genuinely satisfy the applicable requirements governing deferral and exclusion under statutory provisions. The fund manager's general industry reputation, the taxpayer's opinion of such funds generally, and the years of consideration alone are not themselves the substantive factors this assessment should focus on.

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

46. B — A—This entry generally indicates the IRS identified an investment that genuinely failed to satisfy the applicable statutory requirements governing the deferral election claimed. 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 invested in the fund.

47. C — C—A proper challenge focuses on identifying specific facts genuinely demonstrating the investment actually satisfied the applicable statutory deferral requirements involved in the matter. The taxpayer's general opinion of fairness, the examiner's years of experience, and the manager's stock market performance are not themselves the substantive basis this challenge should focus on.

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

49. C — C—Proper documentation always genuinely addresses the specific investment dates and gain deferral amounts measured against the applicable statutory timing and holding period requirements governing the fund. Wedding venue choice, shared home decor taste, and vacation preferences are not themselves the substantive factors this specific timing-related challenge should actually address here.

50. B — B—A sound assessment weighs whether the taxpayer's reporting genuinely reflects good-faith confusion or instead deliberate manipulation of timing to improperly claim the deferral. The specific fund manager 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. D — D—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. A — A—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. A — A—Proper documentation should always include investment agreements, fund statements, and records genuinely supporting the actual timing of the gain deferral election actually made by the taxpayer. A bare general assertion with no supporting documentation, the fund's marketing materials, and the taxpayer's opinion of fairness are not themselves this required documentation.

54. D — D—A proper case assessment always distinguishes between investments properly reported at fair market value upon the deferral election and investments genuinely improperly omitted entirely here. An arbitrary unrelated date, the specific fund used, and mere naming convention are not themselves meaningful analytical distinctions this assessment should draw here at all.

55. C — C—Case-building for numerous investments requiring individual timing analysis should always genuinely include a systematic spreadsheet tracking each investment's date and applicable deferral deadline set. Relying only on narrative with no tracking, simply accepting the fund's characterization without review, and avoiding tracking entirely all fail to properly manage this complexity here.

56. B — B—A thorough preliminary assessment should always genuinely include documenting the specific fund structure and its applicable statutory deferral and exclusion timing rules governing the investment made here. 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. C — C—Case-building for this reasonable cause claim should always genuinely document the specific circumstances genuinely preventing timely investment, such as documented fund administrator processing delays encountered here. The taxpayer's own subjective belief alone, merely the deferred gain's total dollar amount, and merely the intended fund are not themselves this required documentation.

58. A — A—A sound approach reflects careful, thorough fact development before committing to a specific strategic approach for this genuinely complex multi-fund 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. D — D—The genuine aim is ensuring the deferral position is actually supported by the facts genuinely developed, not simply assumed favorable or unfavorable based on the mere investment. 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. B — B—This philosophy should always reflect the understanding that the applicable rules involve precise, date-sensitive deferral and exclusion requirements warranting careful, precise documentation set. The rules do not apply flexibly with no genuine precise requirements, do warrant additional documentation, and the IRS is not prohibited from examining such matters here at all.

61. D — D—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. B — B—This statement should always genuinely reflect the current financial picture, genuinely including any additional tax liability resulting from the disallowance made. It is not based on the pre-disallowance position alone, is not based on the manager's own financial standing, and is not based on merely the bank used for deposit here at all.

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 here. The taxpayer's mere structural preference, the fund's earlier invested amount, and the manager'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 fund interest, is not exempt from attaching to the taxpayer's assets, and does not attach to the manager's own separate corporate assets.

65. A — A—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 manager's approval to proceed.

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

67. D — D—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 fund rules fairness, total years investing in such funds, and the regulating agency's identity are not themselves the substantive issue here presented currently.

68. B — B—TFRP always genuinely addresses unpaid employment trust fund taxes, a distinct issue entirely separate from the individual income tax consequences of a disallowed deferral. It does not address the same underlying issue as such a deferral, is not specifically triggered by disallowance, and does not arise only for taxpayers who invested in such a fund.

69. C — C—TFRP liability always genuinely turns on control over trust fund tax payments, entirely unrelated to whether the person separately invested in such a fund here. Fund investment does not automatically increase TFRP exposure, investors are not exempt from TFRP, and the two use entirely different calculation methods altogether in every case presented.

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

71. D — D—The investment date always must be established using actual documentary evidence genuinely supporting the timing, not through Cohan-style estimation methods used. Cohan estimates do not apply exclusively to business expense matters, the investment date is not treated as flexible for estimation, and such matters generally are not categorically excluded from Cohan.

72. A — A—A proper review always genuinely verifies the examiner's specific factual findings regarding the investment timing or fund qualification issue 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. C — C—The response should always genuinely and quite clearly address whether the specific investment timing and fund qualification genuinely satisfy each applicable statutory requirement disputed here. A mere unspecified alternative treatment preference, the representative's prior general experience, and the investment's convenient timing are not themselves the substantive issue here at all.

74. D — D—This should always genuinely prompt verification against the taxpayer's actual Form 8949 and Form 8997 documentation and how the deferral was genuinely reported. The manager'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.

75. A — A—A proper petition always genuinely identifies the specific basis for disputing the examiner's factual findings regarding the investment timing or fund qualification issue disputed here. A general unsupported opinion about such funds, mere lifetime fund investment count, and merely the fund manager used are not themselves the required substantive content here.

76. B — B—Preparation for this dispute should always genuinely include a clear presentation of the specific evidence supporting the actual investment timing and fund qualification claimed. 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. C — C—Proper settlement documentation should always clearly specify the specific gain amount ultimately recognized and the resulting genuine tax effect for the applicable year at issue here. The Officer's general personal preference regarding such funds, the specific conference room location, and the taxpayer's general satisfaction are not themselves this required documentation.

78. A — A—The small tax case election always genuinely is available where the disputed amount falls at or below the applicable dollar threshold, regardless of complexity. Qualified opportunity zone fund investments are not categorically excluded from this election, no advance IRS consent is required to elect it, and individual taxpayers can also invest in such funds.

79. B — B—A proper protest always genuinely cites specific evidence supporting the taxpayer's actual investment timing and fund qualification under governing statutory requirements cited here. 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. D — D—Proper documentation should always clearly specify how the reduced adjustment amount was ultimately determined and the resulting genuine recalculated tax effect reached here now. The Officer's general philosophy regarding such funds, the original investment date, and the taxpayer's general satisfaction are not themselves this required documentation content here at all.

81. A — A—This decision should always carefully and genuinely weigh whether a neutral mediator could genuinely help resolve the specific remaining factual disagreement over investment timing disputed here. The mediator's unrelated personal fund management experience, a preferred scheduling day, and the representative's unrelated prior mediation experience are not themselves the substantive factors here.

82. C — C—A partial IRS concession always genuinely reflects a genuine hazards-of-litigation compromise, recognizing real factual uncertainty regarding the investment timing 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. B — B—Effective preparation always genuinely includes carefully and quite thoroughly anticipating challenges to the taxpayer's investment timing and fund qualification and preparing well-supported responses. Assuming the Officer will accept the deferral without scrutiny, preparing only for personally interesting challenges, and preparing only for unrelated matters all reflect inadequate preparation given here.

84. D — D—This approach should always genuinely reflect the understanding that strict compliance with the applicable timing and qualification 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 Form 8949 and Form 8997 were correctly completed consistent with the actual investment timing claimed. 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 — A—This particular discovery always genuinely illustrates the importance of reviewing how the deferral amount was actually calculated and confirming figures entered once carefully. The specific software version, the client's characterization preference, and the total funds invested in 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 Form 8949 and Form 8997 documentation supporting the claimed deferral. 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. D — D—Reasonable security should always genuinely reflect the genuine sensitivity and complexity of the underlying investment and financial data actually involved. 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 at all.

89. B — B—Approval always genuinely reflects meeting suitability standards regardless of whether the applicant's client base includes taxpayers with genuinely complex returns like such funds 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. C — C—This determination always genuinely does not distinguish between routine returns and returns involving genuinely complex issues like such fund deferrals, 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. D — D—Form 8948 should always genuinely reference the specific recognized exception category actually applicable to the paper filing, not the underlying complexity itself here now. It should not merely reference the preparer's general opinion of fund complexity, the specific fund manager 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 fund deferral, 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 deferral and Form 8949, before signing the Form 8879 authorization here at all. The taxpayer need not personally understand every technical qualification testing detail, need not obtain a separate independent verification, and need not sign a specific supplemental form.

95. D — D—This retention obligation always genuinely is the same standard obligation applicable to any other return, regardless of the underlying fund 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. A — A—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 deferral is favorable or unfavorable, the specific deferral amount, and prior fund 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 deferral position actually taken here now. 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 fund timing and qualification 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. D — D—Training should always genuinely address recognizing when complexity like a qualified opportunity zone fund deferral warrants additional internal review, given the heightened risk of errors present. 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. A — A—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.