

Mark Allison Comments on IRS's Global High Wealth Audits

04.05.2019

ProPublica

On June 30, 2016, an auto-parts magnate received the kind of news anyone would dread: The Internal Revenue Service had determined he had engaged in abusive tax maneuvers. He stood accused of masking about \$5 billion in income. The IRS wanted over \$1.2 billion in back taxes and penalties.

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Taxpayers who received such requests recoiled. Attacking the core idea that Shulman had said would animate the audits, their attorneys and accountants argued the examinations sought too much information, creating an onerous burden. The audits “proceeded into a proctology exam, unearthing every aspect of their lives,” said Mark Allison, a prominent tax attorney for Caplin & Drysdale who has represented taxpayers undergoing Global High Wealth audits. “It was extraordinarily intrusive. Not surprisingly, these people tend to be private and are not used to sharing.”

Tax practitioners took their concerns directly to the agency, at American Bar Association conferences and during the ABA’s regular private meetings with top IRS officials. “Part of our approach was to have private sit-downs to raise issues and concerns,” said Allison, who has served in top roles in the ABA’s tax division for years. We were “telling them this was too much, unwieldy and therefore unfair.” Allison said he told high-ranking IRS officials, “You need to rein in these audit teams.”

For years, politicians have hammered the IRS for its supposed abuse of taxpayers. Congress created a “Taxpayer Bill of Rights” in the mid-1990s. Today, the IRS often refers to its work as “customer service.” One result of constant congressional scrutiny is that senior IRS officials are willing to meet with top tax lawyers and address their concerns. “There was help there. They stuck their necks out for me,” Allison said.

For the full article, please visit *ProPublica*'s website.

Excerpt taken from the article “The IRS Tried to Take on the Ultrawealthy. It Didn’t Go Well.” by Jesse Eisinger and Paul Kiel for ProPublica.

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