



Robert W. Wood

THE TAX LAWYER

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Choose Your Ground In Tax Disputes

Don't fight every tax bill. If you know the IRS is correct, don't fight. Likewise, if the IRS is seeking a small amount of tax, you are better off not fighting even if you are right. For more, see [Received An IRS Notice? 10 Simple Tips](#).

But in most cases, if you get a bill for additional taxes you'll want to preserve your rights. Timelines and procedure are critical. Prepare a timely response and observe applicable procedural rules.

For example, if you receive an IRS [Notice of Deficiency](#) (which must come via Certified Mail), the only way to respond is to file a Petition in [U.S. Tax Court](#). For more, see [10 Things To Know About Fighting An IRS Bill](#). If you don't respond to a Notice of Deficiency properly within 90 days, you normally must pay the taxes and file a claim for refund. If your refund request is not granted, you can sue for a refund in [federal district court](#) or the [U.S. Claims Court](#).

The primary advantage of proceeding in Tax Court is that you need not pay the tax first. In contrast, most taxpayer suits in U.S. District Court or U.S. Claims Court are **after** the tax has been paid. Sometimes, though, you can cleverly shoehorn yourself into one forum even though it might seem that you don't satisfy the rules.

Take the case of [Colosimo v. U.S.](#) There, the IRS pursued the company and its owners for payroll taxes. The owners sued in District Court for a ruling they were not "responsible persons" required to pay the payroll taxes. But the owners paid only a fraction of the taxes the IRS was

seeking. This was a clever use of the notion that sometimes you can pay only a portion of the tax due, with your suit resolve both pieces of the asserted tax: the part you paid and the part you didn't. For more, see [With Taxes "Responsible" Means Holding The Bag](#).

Remember, there are many different types of IRS notices. There are notices relating to tax liens, levies, summonses and more. See [Received An IRS Notice? 10 Simple Tips](#). Forms of response vary and procedure is important. You're best advised to get some professional help.

For more, see:

[10 Ways To Audit Proof Your Tax Return](#)

[Becoming Tax Mr. Clean](#)

[Ten Tax Protester Claims To Avoid](#)

*Robert W. Wood practices law with [Wood & Porter](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009, [Tax Institute](#)), he can be reached at wood@woodporter.com. This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*