

**Low Income Taxpayer Clinic (LITC)  
Interim and Year-End Report  
Controversy Case Information**

**OMB Number**  
1545-1648

Name of clinic

Grant year

Reporting Period  Interim Report - January 1 through June 30  Year-End Report - January 1 through December 31

**Case Inventory**

1	A. Beginning case inventory <i>(the number of controversy cases that were worked in the previous year that remained open as of the first day of the reporting period)</i>	
	B. New cases opened during the reporting period	
	C. Total number of controversy cases worked during the reporting period <i>(add lines 1A and 1B)</i>	
	D. Cases closed during the reporting period	
	E. Ending case inventory <i>(the number of controversy cases that remained open as of the last day of the reporting period (subtract line 1D from line 1C))</i>	

**Cases Worked**

2 For the cases reported on line 1C, indicate the IRS function or U.S. court where the controversy is being addressed as of the last day of the reporting period. If the case was closed during the period, indicate the IRS function or U.S. court where the case was handled immediately before closing. Each case should be counted only once per reporting period.

**Accounts Management**

A. Return Processing	
B. Penalty Abatement	
C. Injured Spouse	
D. Backup Withholding	

**Exams**

E. Correspondence Exam	
F. Office or Field Exam	
G. Automated Underreporter (AUR)	
H. Automated Substitute-for-Return (ASFR)	
I. Audit Reconsideration	

**Collection**

J. Automated Collection System (ACS)	
K. Field Collection (RO)	
L. Offer-In-Compromise (OIC)	
M. Lien Unit	
N. Bankruptcy	

**Appeals**

O. Exam Appeals	
P. Collection Due Process (CDP)	
Q. Collection Appeals Process (CAP)	
R. OIC Appeals	
S. Penalty Abatement Appeals	
T. Other Appeals	

**Litigation**

U. U.S. Tax Court	
V. Other Federal Courts	

**Miscellaneous**

W. Identity Protection Specialized Unit (IPSU)	
X. Innocent Spouse Unit	
Y. SS-8 Unit	
Z. ITIN Unit	
AA. Trust Fund Recovery Penalty	

**TOTAL** *(add items 2A through 2AA) (Must equal value in line 1C)*

**Low Income Taxpayer Clinic (LITC)  
Interim and Year-End Report  
Controversy Case Information**

Name of clinic

**Additional Case Information**

**For the cases reported on line 1B, indicate the number of cases where:**

3	The amount in controversy exceeds \$50,000 per tax period. <i>(for cases reported on line 3, include an explanation for each in the Program Narrative, Item 2.vii)</i>	
4	The taxpayer's income exceeds 250% of the federal poverty guidelines	

**For the cases reported on line 1C, indicate the number of cases involving:**

5	Matters worked in more than one IRS function or U.S. court	
6	More than one tax year	
7	Representation of ESL taxpayers	
8	Joint representation of taxpayers	
9	Representation by volunteers	
10	State tax matters	

**U.S. Tax Court Activities**

11	Does the clinic participate in the U.S. Tax Court Clinical Program <input type="checkbox"/> Yes <input type="checkbox"/> No	
----	---	--

List the place(s) of trial location served:

12	Number of U.S. Tax Court cases worked during the reporting period in which an appearance was entered pursuant to Tax Court Rule 24	
13	Number of U.S. Tax Court cases worked during the reporting period in which the clinic represented the taxpayer, but no appearance was entered	
14	Number of informal consultations in the U.S. Tax Court during the reporting period in which the clinic provided advice to a taxpayer, but not representation	

**Closed Case Outcomes**

15	For the cases reported on line 1D, indicate the:	
	A. Number of cases in which the taxpayer was brought into filing compliance	
	B. Number of cases in which the taxpayer was brought into collection compliance	
	C. Total amount of dollars refunded in cash to taxpayers	
	D. Total decrease in corrected tax liabilities, penalties, and interest <i>(but not below zero for any taxpayer)</i>	

---

## Instructions for Form 13424-K, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Case Information

---

**Note:** Each controversy clinic must complete Form 13424-A, *General Information*, Form 13424-C, *Advocacy Information*, Form 13424-K, *Controversy Case Information*, and Form 13424-B, *Controversy Issues*.

When submitting your Interim and Year-End Reports, include this form (Form 13424-K) as part of the Program Narrative. Interim Report and Year-End Report requirements are described in Publication 3319, sections III.B.i and III.B.ii, respectively.

**Note:** Interim and Year-End Reports (including this report form) may be released under the Freedom of Information Act (FOIA). In response to a FOIA request, the LITC Program Office will release these reports after appropriate redactions to ensure confidentiality of taxpayer information.

### Purpose

This form is used to report certain information about the work performed by a clinic while representing taxpayers in controversy cases.

The Program Office uses the information reported on this form and the other reporting forms to determine the scope of services provided and the breadth of work done by clinics. Data is also aggregated to provide program-wide statistical information about services provided to low income and English as a Second Language (ESL) taxpayers. Please be careful to follow the instructions for this form and to report all information completely and accurately.

### Reporting Requirements

**Controversy.** If your clinic has been funded to provide representation in controversy cases, complete all parts of this form.

**Reporting Period.** Clinics are required to report on clinic activities twice for each grant year. The *grant year* is January 1 through December 31 for the year in which a grant award is received. An Interim Report is required to report activities conducted for the period from January 1, through June 30; a Year-End Report is required to report activities conducted for the entire grant year, the period from January 1 through December 31. Check the appropriate box at the beginning of the form indicating for which period the report is being completed.

#### Definition of a controversy case

A controversy is a dispute between a taxpayer and the IRS concerning the determination, collection, or refund of any tax, additions to tax, additional amounts, penalties, or interest. In order for a client relationship to qualify as a controversy case, the services provided by the clinic must include advocacy and not merely fact finding or advice. Matters involving fact finding or advice only are properly counted and reported as consultations on Form 13424-A. If a taxpayer (or jointly filing taxpayers) has multiple years at issue and the different years are being handled by different IRS units, this would be counted as a single case. Multiple tax issues arising from a single case may be properly reported on Form 13424-B.

### Specific Instructions

#### Case Inventory

Report on the volume of case inventory in this section.

**Line 1A.** Report on this line the number of controversy cases that were worked in the previous year that remained open as of January 1.

**Line 1B.** Report on this line the number of new controversy cases that were opened during the reporting period.

**Line 1C.** Report on this line the total number of controversy cases worked during the reporting period. The number reported on this line should equal the total of lines 1A and 1B.

**Line 1D.** Report on this line the number of cases closed during the reporting period.

**Line 1E.** Report on this line the number of controversy cases that remained open at the end of the reporting period. The number reported on this line is the result of line 1D subtracted from line 1C.

---

## Instructions for Form 13424-K, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Case Information

---

### Cases Worked

Report on controversy cases worked during the reporting period in this section. The information reported in this section should provide the Program Office with a snapshot of what types of controversy cases the clinic worked during the reporting period.

**Lines 2A-AA.** If the case was open at the end of the reporting period, then indicate the IRS function or U.S. court where the controversy is being addressed as of the end of the reporting period. If the case was closed during the reporting period, indicate the IRS function or U.S. court where the case was handled immediately before closing. Each case should be counted only once during a reporting period; however, a case that remains open beyond a single reporting period may be properly reported as being handled by a different function from one reporting period to the next. Thus, a case may be reported as being handled by a different function in the Year-End report than was reported in the Interim report. If a single case is being addressed by more than one IRS function at the end of a reporting period, report that case where the primary issue is being addressed. The total reported on lines 2A through 2AA should equal the total number of cases worked during the reporting period as reported on line 1C.

**Example 1:** Clinic A is representing a taxpayer in a dispute involving a proposed deficiency. On May 15, Clinic A submitted correspondence to the IRS's examination unit on behalf of the taxpayer. On August 1, the IRS issued a Notice of Deficiency. On November 20, Clinic A filed a petition in the United States Tax Court. On its Interim report, Clinic A would report the case on line 2E because the case was being addressed in the Correspondence Exam unit as of June 30. On its Year-End report, Clinic A would report the case on line 2U because the case was being addressed in Tax Court as of December 31.

**Example 2:** Clinic B is representing a taxpayer in a dispute involving eligibility for the earned income tax credit (EITC) for tax years 2008 and 2009. At the close of the reporting period, tax year 2009 is being addressed in the United States Tax Court and tax year 2008 is being addressed in an audit reconsideration. The clinic may report the case on either line 2I or 2U, but may not report the case on both lines. Clinic B has discretion to decide whether to report the case on line 2I or 2U, taking into account whatever factors it deems important to help the Program Office better understand the status of the casework performed as of the end of the reporting period.

### Additional Case Information

Report in this section additional information about controversy cases. Note that lines 3 and 4 relate to new cases opened during the reporting period, as reported on line 1b. Note that lines 5 through 8 apply to all cases worked during the reporting period, as reported on line 1C.

**Line 3.** Report on this line the number of new cases opened during the reporting period in which the amount in controversy exceeds \$50,000 for any tax year. The amount in controversy includes penalties, but does not include interest. A clinic may represent a taxpayer in a case in which the amount in controversy exceeds \$50,000. However, the clinic must include an explanation of why each case was accepted for representation in its Interim and Year-End report Program Narratives, Item 2.vii (sections III.B.i and III.B.ii, respectively, of Publication 3319).

**Line 4.** Report on this line the number of new cases opened during the reporting period for taxpayers whose income exceeds 250% of federal poverty guidelines.

**Line 5.** Report on this line the number of cases worked during the reporting period that involved matters being worked in more than one IRS function or federal court.

**Example 1:** Clinic A is representing a taxpayer in a collection matter in which the IRS is levying the taxpayer's Social Security benefits. The clinic agrees to represent the taxpayer and contacts Automated Collection System (ACS) to prove financial hardship, get the levy released, and have the taxpayer's account placed in Currently Not Collectible (CNC) status. The clinic later assists the taxpayer in submitting an Offer in Compromise. Clinic A should report this case on line 5.

**Example 2:** Clinic B is representing a taxpayer in a dispute involving eligibility for the earned income tax credit (EITC) for tax years 2007 and 2008. At the close of the reporting period, tax year 2009 is being addressed in the United States Tax Court and tax year 2008 is being addressed in an audit reconsideration. Clinic B should report this case on line 5.

**Line 6.** Report on this line the number of cases worked during the reporting period in which the clinic is representing a taxpayer in a dispute involving more than one tax year.

**Line 7.** Report on this line the number of cases worked during the reporting period in which the clinic is representing an ESL taxpayer.

**Line 8.** Report on this line the number of cases worked during the reporting period in which the clinic is representing both the taxpayer and the taxpayer's spouse.

**Line 9.** Report on this line the number of cases worked during the reporting period in which the clinic is using a volunteer to represent the taxpayer.

**Line 10.** Report on this line the number of cases worked during the reporting period in which the clinic is representing a taxpayer on state or local tax matters related to a federal tax controversy.

---

## Instructions for Form 13424-K, Low Income Taxpayer Clinic (LITC) Interim and Year-End Report Controversy Case Information

---

### U.S. Tax Court Activities

**Line 11.** Check the appropriate box to indicate whether the clinic participates in the United States Tax Court Clinical Program. If the box is checked indicating Yes, list the "place of trial" city or cities served.

**Line 12.** Report on this line the number of appearances entered to represent taxpayers in the United States Tax Court during the reporting period, whether through an entry of appearance or via a petition submitted by the clinic.

**Line 13.** Report on this line the number of cases worked in the United States Tax Court during the reporting period, where negotiations were conducted with the IRS on behalf of the taxpayer, but where no entry of appearance was submitted by the clinic. For example, if a clinic staff attorney is representing a client in a tax controversy and the attorney negotiates a settlement with the IRS in Tax Court but does not enter an appearance, it would be counted on Line 13.

**Line 14.** Report on this line the number of informal consultations conducted with taxpayers in the United States Tax Court during the reporting period. Representation of taxpayers reported on line 13 should not be reported on this line. For example, if a clinic staff member encounters a taxpayer at a United States Tax Court calendar call and provides advice to the taxpayer but does not enter an appearance, it would be counted on line 14.

### Closed Case Outcomes

Report in this section the outcomes of cases that were closed during the reporting period. Information reported in this section should only relate to cases reported on line 1d. The information reported in this section will help the Program Office better understand the impact of the clinic's controversy casework on taxpayers.

**Line 15A.** Report on this line the number of cases closed during the period in which the taxpayer was brought into filing compliance during the representation. Cases where a taxpayer is successfully assisted or referred for assistance with return preparation in order to resolve a collection matter can be included here.

**Line 15B.** Report on this line the number of cases closed during the period in which the taxpayer was brought into collection compliance during the representation. Cases where the taxpayer is placed on an approved installment plan or where the taxpayer was placed in currently not collectible status can be included here.

**Line 15C.** Report on this line the total dollars in tax refunds that were paid to taxpayers whose cases were closed during the reporting period. Do not include refunded dollars that were offset against any other outstanding liability. This amount may include all refunds issued to the taxpayer during the representation that relate to the tax years in dispute. Include state and local tax refunds if the clinic represented taxpayers before those agencies on a matter related to the federal tax controversy.

**Line 15D.** Report on this line the total dollars in tax liabilities, penalties, and interest avoided by taxpayers whose cases were closed during the reporting period. Include an abatement of tax, penalties, or interest, a reduction in a proposed deficiency, the amount of innocent spouse relief obtained, the difference between the full amount owed and the total amount to be paid on an accepted offer in compromise, and similar items.

**Example 1:** A clinic represented a taxpayer facing a proposed deficiency of \$3,000. After review of the facts, the clinic determined that the IRS failed to credit \$4,000 in withholding. The \$3,000 liability was abated in full, and the taxpayer received a cash refund of \$1,000. The clinic should report \$1,000 on line 15C, and \$3,000 on line 15D.