



Tax Reduction Letter

[CLICK HERE](#) to return to the home page

Internal Revenue Manual Section 8.25.1.5 (12-07-2012)

TFRP Assessment Process

1. The Collection function has sole responsibility for recommending assertion of the TFRP. Examination function personnel may refer potential TFRP cases to Collection for investigation.
2. Revenue Officers (ROs) are responsible for determining collection potential as well as investigating whom they believe was responsible and willful for non-payment. Appeals does not consider collectibility.
3. ROs use the Automated Trust Fund Recovery (ATFR) program to calculate the amount of the penalty to be proposed, as well as to document their investigation and request for assertion, which requires managerial approval.
4. Before a TFRP is assessed, taxpayers must be mailed or hand delivered a 60-Day Notice of Proposed Assessment, Letter 1153. Letter 1153 advises taxpayers of the proposed penalty and of their appeal rights. Issuance of the Letter 1153 prior to the ASER is required on all TFRP assessments.
 - A. If the taxpayer agrees with the proposed penalty, he/she will return a signed Form 2751, *Proposed Assessment of the Trust Fund Recovery Penalty*.
 - B. If the taxpayer disagrees, he/she may discuss the proposed penalty with the revenue officer group manager, request Fast Track Mediation, or file a timely written protest.

Note:

See IRC 7502, IRC 7503, and IRC 7508A for general information on determining timely receipt.

5. Fast Track Mediation takes place before a protest is submitted, but it does not extend the time allowed to request a pre-assessment (TBOR2) appeal.
6. Except in the case of a Jeopardy assessment, the taxpayer has 60 days in which to file a timely pre-assessment protest (75 if the letter was addressed outside of the United States). A TBOR2 protest is considered timely if it is mailed on or before the 60th day (75th if outside of the United States), i.e., timely mailed is timely filed. The 60-day period is measured from the mailing date of the Letter 1153 or from the delivery date if Letter 1153 is delivered in person.
7. A timely mailed protest is still timely for purposes of IRC 6672(b)(3)(B) even if the protest is inadequate.
8. Most TFRP cases that are considered by Appeals are pre-assessment (TBOR2) protests; however, Appeals may receive Fast Track Mediation, Jeopardy, post assessment TFRP claims, claim reconsiderations and post-Appeals mediation cases as well.
9. Although IRM 8.25 includes basic information for all of these TFRP appeals, its main focus remains pre-assessment TBOR2 appeals and TFRP Refund Claims and Reconsiderations. IRM 8.25.2, *Working Trust Fund Recover Penalty Cases In Appeals*, contains detailed information on these TFRP appeals.
10. For specific instructions on working Fast Track Mediation and Post Appeals Mediation cases see IRM 8.26.10, *Trust Fund Recovery Penalty Mediation Procedures*.
11. Guidance for Jeopardy assessment appeals is found in IRM 8.7.1.6, *Jeopardy and Termination Assessments Cases*.