an involuntary change in method of accounting, employment tax, employee plans and exempt organizations. Regular Appeals procedures apply, including taxpayer conferences. For complete information, see Revenue Procedure 99-28.

ARBITRATION
Taxpayers may request arbitration for qualifying, factual issues already in the Appeals administrative process after settlement negotiations are unsuccessful. Arbitration is also available after unsuccessful attempts to enter into a closing agreement under Internal Revenue Code section 7121.

Some of the cases excluded from Appeals arbitration are:
- Compliance and Appeals Coordinated Issues;
- Legal issues;
- Certain Collection issues;
- Those not consistent with sound tax administration;
- Frivolous arguments; and
- Those where you did not act in good faith during settlement negotiations.

If settlement negotiations are unsuccessful, the taxpayer or Appeals may request binding arbitration after consulting with the other party. A model agreement to arbitrate allows the parties certain flexibility in designing the arbitration process. For complete information, see Revenue Procedure 2006-44.

EX PARTE COMMUNICATIONS
Section 1001(a) of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98) requires the IRS Commissioner to ensure an independent Appeals function, including the prohibition of ex parte communications between Appeals personnel and other Service personnel. See Revenue Procedure 2000-43 for guidance in a question and answer format about the prohibition on ex parte communications. The prohibition against ex parte communications between Appeals personnel and other Service personnel provided by RRA 98 does not apply to the communications arising in Fast Track Settlement or Fast Track Mediation because Appeals personnel, in facilitating an agreement between the taxpayer and LMSB or SB/SE, are not acting in their traditional Appeals settlement role.

MISSION
The mission of Appeals is to resolve tax controversies, without litigation, on a basis that is fair and impartial to both the Government and the taxpayer, and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service. Today, alternative dispute resolution instead of litigation is widely valued and applied in many areas of our society. Customers expect more dispute resolution options, and Appeals has adapted its approach to keep up with the new methods and developments. This brochure has been developed to distinguish six dispute resolution options that are sometimes confused with one another.

OTHER USEFUL RESOURCES
- TTY/TTD: 1-800-829-4059
- IRS Toll Free: 1-800-829-1040
- Forms and Publications: 1-800-829-3676
FAST TRACK MEDIATION (FTM)

Fast Track Mediation is designed to help Small Business/Self Employed (SB/SE) taxpayers resolve many disputes resulting from examinations (audits), offers in compromise, trust fund recovery penalties, and other collection actions. Your case stays with SB/SE.

Appeals personnel trained in mediation help you and an IRS representative discuss the issues involved in your disagreement, and possible ways to resolve it. Our goal is to reach a jointly agreeable solution, consistent with relevant law, within forty days. The mediator will not require either party to accept a certain outcome.

You and the IRS representative must sign an agreement to mediate before the first mediation session. You don’t have to file a written protest to request fast track mediation.

Most cases not docketed in any court qualify for fast track mediation. Some of the excluded cases are:
- Issues with no legal precedent;
- Issues where the courts’ decisions differ between jurisdictions;
- Campus and Automated Collection System cases;
- Collection Appeals Program cases; and
- Those with only frivolous arguments.

For mediation to succeed, all the decision-makers must be present. You may represent yourself at the mediation session, or you may officially appoint someone to represent you. You can bring anyone you choose to support your position. You may withdraw from the mediation process anytime. You retain all the usual appeal rights for any issues that do not get resolved through fast track mediation. For complete information, see Publication 3605 and Revenue Procedure 2003-41.

FAST TRACK SETTLEMENT (FTS)

Fast Track Settlement is designed to help other IRS Operating Division taxpayers expeditiously resolve disputes during an examination while their case is still in Examination or Collection. Fast Track Settlement brings Appeals resources to the audit site to resolve the dispute before the 30-day letter is issued. A specially trained Appeals employee facilitates the discussion between you and the team manager or group manager to reach and execute a settlement with which you both agree.

You may request Fast Track Settlement after Form 5701, Summary of Issues, Examination Re-Engineering Lead Sheets or other similar document has been issued and you have provided a written response. FTS may be available for factual and legal issues, including listed transactions, Compliance and Appeals Coordinated issues, and issues that require consideration of the hazards of litigation.

Your benefits with Fast Track Settlement include:
- A one-page application;
- Consideration of the hazards of litigation;
- An answer within 120 days for Large and Midsize Business (LMSB) cases and within 60 days for Small Business Self Employed (SB/SE) cases;
- No ‘hot’ interest under IRC 6621;
- An option to withdraw from the process at any time;
- Retention of all traditional appeal rights;
- Significantly shorter IRS experience;
- Only one tax computation;
- Your case closes agreed in the other Operation Division; and
- Immediate use of Delegation Order 236.

Fast Track Settlement is available for certain LMSB and SB/SE taxpayers. The program is also available to other IRS Operating Division taxpayers on a case-by-case basis.

For complete information see:
- LMSB - Revenue Procedure 2003-40;
- SBSE – Announcement 2006-61.

MEDIATION

Mediation is an extension of the Appeals process. The mediator’s role is to help resolve your dispute only after good faith negotiations in Appeals have been unsuccessful. Mediators can come from Appeals, or you can use non-IRS co-mediators, but at your own expense.

You may request mediation if you are already in the Appeals administrative process with any qualifying issues, and your case is not docketed in any court. It is available for both factual issues, such as valuation and transfer pricing issues, and legal issues. There are no dollar limits. Qualifying issues include Compliance and Appeals Coordinated Issues. It is also available after unsuccessful attempts to enter into a closing agreement under Internal Revenue Code section 7121.

Some of the cases excluded from Appeals mediation are:
- Collection issues;
- Those not consistent with sound tax administration;
- Frivolous arguments; and
- Those where you did not act in good faith during settlement negotiations.

Mediation is optional. You and an Appeals Team Case Leader or Appeals Officer may request mediation after consulting with each other. You initiate mediation by sending a written request to the appropriate Appeals Team Manager, with a copy to the appropriate Area Director and Chief, Appeals. For complete information, see Revenue Procedure 2002-44.

EARLY REFERRAL

Taxpayers whose returns are under the jurisdiction of Examination or Collection may request the transfer of a developed but unresolved issue to Appeals, while the other issues in the case continue to be developed in Examination or Collection. The early resolution of a key issue may encourage taxpayers and the Service to agree on other issues in the case. Early referral can also be requested with respect to issues regarding