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IRS practice unit: Reasonable cause and good faith

The IRS Large Business and International (LB&I) division publicly released a “practice unit”—part of a series of IRS examiner “job aides” and training materials intended to describe for IRS agents leading practices about tax concepts in general and specific types of transactions.

The title of this “concept unit” (as referred to by the IRS) is: Reasonable cause and good faith

Taxpayers may assert that the IRS’s application of penalties is not warranted due to a variety of reasons—the concept unit addresses a taxpayer’s defense that the return position was based on reasonable cause and that the taxpayer acted in good faith.

Read the concept unit on the IRS practice unit webpage (posting date of July 2, 2020).

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