

LET'S TALK CIRCULAR 230 – TWO ETHICAL DILEMMAS

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**Treasury Department
Circular No. 230
(Rev. 6-2014)**

Catalog Number 16586R

www.irs.gov

**Regulations Governing Practice before
the Internal Revenue Service**

Circular 230

**Department
of the
Treasury**

**Internal
Revenue
Service**

**Title 31 Code of Federal Regulations,
Subtitle A, Part 10,
published (June 12, 2014)**

- **Who is covered by Circular 230?**
 - CPAs, Enrolled Agents, Attorneys, etc.
 - Section 10.8(c) of Circular 230 provides
 - Any individual who for compensation
 - Prepares (or assists)
 - All or a substantial portion
 - A document pertaining to tax liability
 - Submitted to IRS
 - Subject to Circular 230

Section 10.20

- Information to be furnished to IRS
 - Practitioner must promptly submit requested information
 - Unless privileged

Section 10.21

- Knowledge of Error or Omission
 - Must promptly advise client of
 - Error or omission or non-compliance
 - Consequences of such items

Section 10.29

- Conflicting Interests
 - A practitioner may not represent a client if
 - The representation of one client is adverse to the interest of another client
 - The representation of a client would be limited due to the personal interests of the practitioner

Section 10.29

- If a conflict exists, representation is permitted if
 - The practitioner reasonably believes they can provide competent and diligent representation
 - The client waives the conflict and gives informed written consent

Section 10.34

- Preparation Standards
 - Practitioner may not willfully or incompetently sign a return or advise a client
 - Lacks a reasonable basis
 - Willfully attempts to understate the tax
 - Intentionally disregards rules and regulations

Section 10.34

- Preparation Standards
 - Practitioner may not advise or allow a client to submit a document or paper to IRA that is
 - Frivolous
 - Intentionally disregards rules and regulations