



IRS Audit Defense

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Clients are sometimes reluctant to involve a law firm in an IRS audit. Some believe that their in-house tax department and/or outside accounting firm are sufficient. Others are concerned that engaging a law firm will signal that they have something to hide. In our experience, these concerns are misplaced and can lead to costly mistakes. We regularly advise on discrete issues in collaboration with in-house professionals and/or accounting firms, often behind the curtain. Our detailed knowledge and experience can supplement a team of advisors very efficiently, while enhancing the odds of a favorable result at the audit level.

Ivins, Phillips & Barker regularly advises on clients' responses to information document requests (IDRs). The IDR process can seem straightforward, but carelessly or hastily drafted IDR responses often cause audits to expand in scope. In addition to assisting with IDR responses, IPB provides the following services in the audit process:

- Advising on privilege issues and conducting privilege reviews
- Drafting responses to IRS notices of proposed adjustment
- Drafting advocacy memoranda on discrete issues
- Advising on IRS treaty requests, and summonses under Code section 6038A, for documents located outside the U.S.
- Encouraging IRS Exam Teams to seek Technical Advice or informal advice from the IRS's National Office of Chief Counsel, and representing taxpayers before the National Office
- Preparing witnesses for IRS interviews
- Challenging IRS summonses in court

IPB has advised on IRS audits in a variety of areas of tax law, but has particular experience with audits involving the research credit, tax accounting, international tax issues, consolidated returns, transfer pricing, employment taxes, retirement plan qualification, and estate



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and gift taxes.

Our recent results in IRS audits have included the following:

- Responded to Notice of Proposed Adjustment proposing to disallow \$11 million in bad debt deductions in TEFRA partnership audit of private equity fund. IRS conceded the proposed adjustment.
- With Big Four accounting firm, advised U.S. subsidiary on transfer pricing audit proposing \$4 million adjustment to prices charged by foreign parent company for products imported into the U.S. IRS made no adjustment.
- Negotiated resolutions of dozens of IRS audits of retirement plans (both defined benefit and defined contribution) focusing on issues including advance contributions, missing participants and prohibited transactions.
- Represented pharmaceutical industry client in audit of \$30 million issue arising from interaction between foreign sales corporation regime and alternative minimum tax. IRS made no adjustment.
- Responded to IDR issued by the IRS Large Business & International Division's Deputy Tax Attach in Frankfurt, Germany, pursuant to a treaty request by a foreign government. IRS agreed not to pursue the request.

NEWS

- March 5, 2026
IPB Recognized in Best Law Firms 2026
- March 5, 2026
Twenty-One IPB Attorneys Recognized in Best Lawyers in America and Ones to Watch 2026 Editions
- June 5, 2025
Ivins Attorneys Recognized in Chambers USA 2025
- May 12, 2025
Eric Solomon Honored by ABA Tax Section, Receives 2025 Distinguished Service Award
- November 7, 2024
IPB Recognized in Best Law Firms 2025
- October 13, 2024
IPB Achieves Mansfield Certification Plus for the Third Time
- August 15, 2024
Twenty-Two IPB Attorneys Recognized in Best Lawyers in America and Ones to Watch 2025 Editions



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- June 18, 2024
2024 Chambers USA Guide Recognizes Four IPB Partners Individually and the Tax and Benefits Practices