

# About the IRS Circular 230 Disclosure

Perhaps you have seen an IRS Circular 230 Disclosure in letters and e-mails to you and have been wondering why it was included. The Treasury Department issued new regulations, effective June 20, 2005, under Circular 230, which set forth rules and standards for professionals who may render tax advice. The inclusion of notices is to comply with this Circular.

## **PRIOR RULE**

Previously, taxpayers could utilize a “reasonable cause” defense when confronted with tax penalties if they could assert they relied upon advice from an attorney or other tax professional.

## **NEW RULE**

Now, any written advice addressing federal tax issues must meet rigid standards to be a “covered opinion.” To qualify, the advisor must review, investigate, and evaluate all relevant facts, assumptions, and representations; fully discuss all applicable legal authority; and completely analyze and provide a detailed conclusion for each and every federal tax issue associated with the transaction. Communications meeting this standard are not the norm.

For information, please contact Kevin J. Collette at 206.654.2252.

## **NOTICE**

To be sure that you do not rely on advice that may not meet the “covered opinion” test in addressing federal tax issues and that we comply with IRS Circular 230 provisions, our firm’s e-mail and certain other written communications bear the following notice:

### IRS CIRCULAR 230 DISCLOSURE

To ensure compliance with new requirements of the Internal Revenue Service, we inform you that, to the extent any advice relating to a Federal tax issue is contained in this communication, including in any attachments, it was not written or intended to be used, and cannot be used, for the purpose of (a) avoiding any tax related penalties that may be imposed on you or any other person under the Internal Revenue Code, or (b) promoting, marketing or recommending to another person any transaction or matter addressed in this communication.

PLEASE BE NOTIFIED THAT OUR NORMAL LETTERS AND E-MAILS TO YOU ARE NOT INTENDED TO MEET THE “COVERED OPINION” TEST.

If you seek materials that do meet this test and thus may be relied upon for preventing federal tax penalties, please feel free to specifically request such.