



Happy Spring Clients and Friends!

As the season brings renewal and fresh perspective, we're excited to share timely insights and important updates from the world of tax controversy and litigation.

We continue to be recognized for the work that defines us—so we are especially honored to announce that Brager Tax Law Group

was included in the Chambers & Partners California Spotlight 2025. This exclusive recognition highlights California's top-performing boutique and mid-sized law firms—and we are proud to be ranked among the elite in Tax Controversy and Litigation. You can read more about what this means and why it matters on page 2.

In this issue, we've also included the first part of our three-part series which shines a light on which tax controversies are reviewable by the IRS Independent Office of Appeals, and which ones are specifically excluded. Read more on page 4.

We are also excited to launch a new regular column called Tax Radar: Taxpayer Trouble Signals – Insights from Cheryl's Desk. Based on real-time patterns from our intake calls, this feature shares what we're seeing behind the scenes. The first installment begins on page 3.

On a sweeter note, we're bringing back our See's Candies giveaway! Six lucky readers will receive spring-themed boxes of chocolates—each valued at over \$50. We also announce the 6 winners from the Valentine's contest from our previous newsletter.

As always, thank you for allowing us to be your trusted advocates. We remain committed to guiding our clients through every stage of their tax controversy matters and litigation issues with clarity, strategy, and dedication.

There's more in bloom here at Brager Tax Law Group, and we look forward to sharing it in our next issue.

Wishing you a bright and peaceful spring,

CHERYL R. FRANK: President
CPA, JD, Tax LLM



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Spring 2025 E-Newsletter

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See's Candies Giveaway Continues: 6 Valentine's Winners & 6 Spring Surprises!

Due to overwhelming response to our February Valentine's Newsletter, we decided to give away not one, but **six** boxes of chocolates—each valued at \$50!

Congratulations to our winners:

- **Jonathan Karp** of Thompson Coburn
- **Anna Ufa** of Baker Tilly Advisory Group
- **Audrey Khoo** of Chang & Cote
- **Ann Marie DeSimone** of Klopert & Ravden
- **Steve Pybrum** of Canberra Company Tax
- **Jennifer Bolding** of Bold Consulting

Wait — don't go anywhere! For our Spring Newsletter, our President has decided to give away another six boxes of See's Candies spring-themed chocolates, each valued at over \$50, to six lucky readers.

All you have to do is answer one question:

Which prestigious ranking was awarded to Brager Tax Law Group earlier this month? (*Hint: Answer on page 2).*

Send an email with your name, contact details, and the correct answer to our Director of Communications, Ana-Paula Ferreira, at afferreira@bragertaxlaw.com by **May 22nd, 2025**. The draw will take place on **May 26th, 2025**, and winners will be announced in our summer newsletter.

CONTEST RULES:

- Deadline is May 22nd 2025
- Regrettably no Brager Tax Law Group staff or their families may participate.
- Decisions are final.
- Prizes are not transferable for cash.



Brager Tax Law Group Ranked in Inaugural Chambers & Partners' California Spotlight: 2025



Brager Tax Law Group is proud to announce its **ranking** in the inaugural **Chambers & Partners California Spotlight 2025**, that went live on April 10th, 2025. This prestigious recognition highlights the state's leading law firms. This distinction places the firm among California's elite in the field of **Tax Litigation and Controversy**.

Chambers and Partners is the leading independent professional legal research company operating across 200 jurisdictions. Headquartered in London, United Kingdom, Chambers has built a global reputation over the past three decades for its trusted rankings of top legal talent. Known for its gravitas, Chambers is widely regarded as the gold standard in the legal profession. Unlike many other directories, Chambers rankings cannot be bought—they are earned through demonstrated legal excellence, client service, and peer recognition.

Every year, Chambers and Partners conducts more than 285,000 interviews and surveys with clients and legal professionals, producing rankings that reflect real-world performance. Over 200 dedicated researchers evaluate outstanding law firms and legal expertise in various practice areas to ensure accuracy and fairness.

These rankings are used by general counsel at Fortune 500 companies, private clients, and local businesses alike to identify outstanding legal advisors around the world.

The California Spotlight 2025 is a brand-new initiative by Chambers, launched to highlight outstanding small and mid-sized law firms across the state. The guide showcases firms from 14 California cities across 28 practice areas and aims to recognize those that consistently deliver partner-led service and regional insight. It addresses a growing demand for firms that offer high-caliber work outside of the 'Big Law' model—legal teams that combine sophistication with agility and cost-efficiency.

Brager Tax Law Group's inclusion is a reflection of its long-standing success in representing taxpayers in high-stakes IRS disputes and its reputation for excellence within the legal community.

The Chambers and Partners' California Spotlight focuses exclusively on outstanding firms within California, making Brager Tax Law Group's inclusion a notable accomplishment.

Chambers and Partners' rankings are the result of rigorous independent research, including in-depth interviews with clients and peers. Our tax law firm was recognized for its strategic representation of our clients in complex tax disputes, bolstered by our team composed of former IRS attorneys over its four decades legacy.

"We are honored to be ranked in the Chambers California Spotlight," said Cheryl Frank, President of Brager Tax Law Group.

"This recognition reflects our unwavering commitment to delivering exceptional results for taxpayers facing serious tax challenges."



TAX RADAR



Taxpayer Trouble Signals: Insights from Cheryl's Desk

Every day, our phones ring with stories that shed light on where IRS scrutiny is shifting next. From unexpected audit letters to aggressive collection tactics, what clients bring to their first consultation with us often reflects larger patterns in IRS enforcement given the current administration's policy alignment. So you can ignore the rumors about things 'calming' down at the IRS.

In our new regular 'Tax Radar' column, we will share insights from our firm's frontlines of what kinds of issues are triggering calls to Brager Tax Law Group, and what they might mean for you or your business. These are not hypotheticals—these are real problems from real taxpayers who need real help, and fast!

While these trends often point to federal enforcement priorities, many of the calls we receive involve tax controversies unique to California—whether it's EDD audits, CDTFA sales tax issues, or Franchise Tax Board enforcement. Based in Los Angeles, we see the intersection of state and federal pressure more clearly than most.

At Brager Tax Law Group, our insights are grounded in decades of experience and direct connections to key decision-makers. Cheryl Frank, our President, maintains active relationships with contacts in Washington, D.C., providing us with early awareness of IRS enforcement trends — often before they're publicly announced. This unique vantage point allows us to anticipate shifts in tax policy and enforcement, ensuring our clients are prepared and protected ahead of the curve.

Trouble Brewing with EDD Audits



We've seen a sharp increase in calls from California business owners alarmed by Employment Development Department (EDD) audit notices. At the center of the storm? Worker misclassification—especially cases where 1099 contractors are being reclassified as employees under California's strict ABC test.

These audits are no slap on the wrist. Once the EDD decides a misclassification has occurred, employers are left facing a minefield of liabilities: unpaid payroll taxes, unemployment and disability insurance, workers' compensation, and accrued interest. Add to that civil penalties which can accrue per violation and the financial fallout can be devastating—particularly for small businesses caught off guard.

We've heard from business owners who were stunned by how fast the process escalated. Some received audit letters without any prior warning. Others disagreed with the findings but quickly learned that arguing with the EDD doesn't halt enforcement. These cases often lead to additional litigation or disputes with former workers—and reputational damage that lingers.

If you've received an EDD audit letter or suspect your classifications could be challenged, the time to act is now before things escalate. Call Brager Tax Law Group today at 310-208-6200.

Navigating the New Terrain: Understanding IRS Appeals Under Revised Treasury Regulations (Part 1)



The Treasury has finalized regulations stating what sort of federal tax controversies are reviewable by the IRS Independent Office of Appeals (“Appeals”) and which one are specifically excluded. These final regulations apply to all requests for consideration by Appeals that are received on or after February 14, 2025.

Under section 7803(e)(3) of the Internal Revenue Code (“Code”), the Appeals Office is empowered to review and to try to resolve federal tax controversies without litigation. Section 7804(e)(4) of the Code in particular states that resolution process “shall be generally available to all taxpayers” (emphasis is added). For purposes of section 7803 of the Code, the final regulations at section 301.7803-2(b)(2) define a federal tax controversy as:

A dispute over an administrative determination with respect to a particular taxpayer made by the IRS in administering or enforcing the internal revenue laws, related Federal tax statutes, and tax conventions to which the United States is a party (collectively referred to as internal revenue laws) that arises out of the examination, collection, or execution of other activities concerning the amount of **legality** of the taxpayer’s income, employment, excise, or estate and gift tax liability, a penalty, or an addition to tax under the internal revenue law.

Some examples are:

- a dispute over an IRS issued notice of deficiency,
- a taxpayer’s claim for credit or refunds,
- the tax-exempt nature of a particular organization, private foundation, or qualified employee plan under the internal revenue laws, or
- the status of a tax-exempt or other tax-advantaged bond.

The final regulations at section 301.7803-2(b)(3) also provide that Federal tax controversies include:

Disputes over administrative determination made by the IRS with respect to a particular person regarding the following topics... (i) Liabilities and penalties administered by the IRS that are outside the Internal Revenue Code (Code), such as a liability or penalty pursuant to 31 U.S.C. 5321 (relating to Report of Foreign Bank and Financial Accounts or Bank Secrecy Act civil penalties); (ii) A request under the Freedom of Information Act (5 U.S.C. 552); (iii) Application to become, or the Sanction of, an Electronic Return Originator or Authorized IRS e-file Provider; (iv) An IRS-proposed determination to a bond issuer that denies a claim for recovery of an asserted overpayment of arbitrage rebate, yield reduction payment, or penalty in lieu of rebate under section 148 of the Code (relating to arbitrage) with respect to tax-exempt bonds or under section 148 as modified by relevant provision of the Code with respect to other tax-advantaged bonds; (v) Administrative costs under section 7430 of the Code (relating to awarding of costs and certain fees); or (vi) Any other topic that the IRS has determined may be considered by Appeals.

As we continue to navigate the complexities of the IRS’s procedures, it’s crucial to understand not just what is included, but also what is **excluded** from the appeals process. Read Parts 2 and 3 of our article in our summer newsletter, where we will detail the 24 types of appeals that will not be reviewable under the new regulations as well as statutory language requiring the IRS to notify a taxpayer of the reasons for denying a request for referral to Appeals.

Call Brager Tax Law Group at 310-208-6200 for an initial complimentary 15-minute consultation and one of our former IRS attorneys is ready to assist you with your tax controversy and litigation issues, or visit www.bragertaxlaw.com for more information.