

Tax interest analyzer services

Interest miscalculations, even small ones, can result in significant overcharges of interest payable to, or insufficient interest paid by, the IRS or California related to income, as well as employment or excise taxes. Today's economy magnifies the costs of these errors as many struggle to manage cash flow.

Why

Do you:

- Believe you may be overpaying interest owed on tax related assessments?
- Spend significant time computing interest on liabilities related to uncertain tax positions for financial reporting purposes?
- Receive recurring interest assessments or refund notices from the taxing authorities?
- Have the software tools and knowledge to correctly compute interest under the complex IRS provisions?
- Use an outside service provider to review your interest computations or interest notices?
- Have a need to consider making an advance payment or refundable deposit related to a tax audit?



Why now

Opportunities driven by:

- Reductions in the IRS's workforce, resulting in less experienced interest computation specialists.
- Resource and knowledge constraints for making complex interest calculations.
- The need to act before statute of limitations expires.
- Recent increases in exam activity by the IRS and the auditing of multi-year NOL carryback claims which add additional levels of complexity to the computations.
- The importance of cash flow.



What

Analyzing refund opportunities because of:

- Incorrect rates
- Wrong start dates
- Deferral positions
- Overlapping periods of underpayments and overpayments
- Impacts of carryback changes
- Errors in tax computations
- IRS potential computer input errors
- Incorrect large corporate rate trigger date
- Section 6603 deposit issues
- Refund issued more than 45 days after requested



When/Applicable To

Indicators:

- You have received a notice that includes interest.
- You have filed an amended return or carryback claim related to tax.
- You have paid interest or received interest after an audit.
- You have had an overpayment on your original return and had a subsequent tax assessment.
- You have paid and/or received interest for multiple tax periods.
- You have recorded a liability for uncertain tax positions on the financial statements.

Taxpayer	Tax Type	Tax Jurisdictions
• Corporations, Individuals, Tax-exempt entities filing 990-T	• Income, Employment, Excise	• Federal, California



How

Interest analyzer process:

- Scoping — analyze refund opportunities and underpayments
- Determination — quantify potential refund opportunities
- Implementation — prepare and file claims
- Claim Management — track claim processing

Documentation requirements:

- Power of Attorney
- IRS Account Transcripts
- Source documents (e.g., F1120, F2220, F1139, IRS audit report)



Why Deloitte

Our qualifications include:

- Experienced and dedicated specialists in IRS and California account analysis and interest computations.
- More than 150 years of combined interest knowledge.
- Specialists who can calculate tax for carrybacks, which is necessary to confirm the accuracy of the start dates.
- Support by more than 60 tax controversy professionals.
- The ability to access our Washington National tax and industry specialists.



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