



CENTER FOR
PROFESSIONAL
EXCELLENCE

Credential Candidate Guide

NATP's representation credentials

Preface

The NATP Representation Credentials Candidate Guide is the official resource for individuals pursuing the ATPR or AATPR designation. This guide provides all essential information needed to navigate the credentialing process successfully, from application and registration through examination and renewal.

All candidates are expected to comply with the policies, procedures and deadlines outlined here. As standards and requirements are subject to change, candidates should consult the most recent version of this guide to ensure they are working with the latest information. NATP reserves the right to modify credentialing standards, applications, examination content and renewal procedures as necessary.

This guide includes details on eligibility criteria, application steps, fees, examination requirements, testing procedures, scoring and renewal policies. Candidates are encouraged to review this guide in its entirety as they consider pursuing the credential or purchasing the exam.

The NATP Candidate Guide is the property of the National Association of Tax Professionals. Written permission must be obtained from NATP prior to reproducing its contents in whole or in part.

The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they need to provide the highest level of service to their clients. NATP is comprised of more than 23,000 leading tax professionals who believe in a superior standard of ethics and exemplify professional excellence. Members rely on NATP to deliver professional connections, content expertise and advocacy to help them best serve their clients. The organization welcomes all tax professionals in their pursuit to continually meet the needs of the public, regardless of their career stage.

NATP recognizes professionals who have the competencies and skills to represent clients before the IRS. Those who pursue and achieve NATP's credentials distinguish themselves as credential holders, demonstrating a commitment to excellence in practice. Credential holders often work in independent practice, providing tax preparation and advisory services to individuals and small to mid-size businesses.

Accreditation is earned through a comprehensive examination that evaluates the practical application of core competencies essential for client representation before the IRS. In addition, candidates must already hold limited or unlimited rights to represent their clients through an IRS-recognized designation. Continuing education earned to maintain these IRS-recognized designations will also fully satisfy CE requirements to maintain the ATPR and AATPR credentials. NATP's credentials must also be maintained through adherence to NATP's Code of Ethics and Standards of Professional Conduct, as well as the requirements outlined in IRS Circular 230.

Accreditation offers tax professionals a clear path to distinguish themselves in the profession. Pursuing this credential reflects dedication to the highest standards of practice and confirms a high level of proficiency in representation. It also requires a commitment to continuous learning and quality client service. Accreditation signals credibility and trust, while the nationwide recognition it brings can lead to career advancement, broader opportunities and higher earning potential.



What is ATPR?

The accredited tax professional in representation (ATPR) credential is designed to recognize tax professionals with limited representation rights who demonstrate the essential skills and practical knowledge needed to effectively represent their clients before the IRS in routine representation matters. It focuses on the real-world, day-to-day post-filing issues tax professionals encounter, including audits, collections, notices, penalties and taxpayer rights, and highlights their ability to confidently navigate these challenges.

The ATPR credential serves as a trusted mark of professional competence, assuring clients, potential clients, employers and the public that the credential holder possesses proven knowledge and demonstrates proficiency in representation.

The ATPR credential is awarded exclusively to candidates who successfully pass the accredited tax professional in representation (ATPR) examination. The exam is delivered online and can be completed remotely on a candidate's personal device. A minimum passing score of 70% is required to earn the credential.

ATPR credential eligibility

To earn the ATPR credential, candidates must:

1. Hold at least *limited* IRS representation rights through one of the following designations:
 - Annual filing season program (AFSP) record of completion
 - Enrolled agent (EA)
 - Certified public accountant (CPA), licensed by a state board of accountancy, the District of Columbia or a U.S. territory
 - Attorney, licensed by a state court, the District of Columbia or a state bar designee
 - Other individuals authorized under IRS rules in special, limited circumstances
2. Maintain current, active and good standing status with credentials or licenses listed above.
3. Adhere to NATP's Code of Ethics and Standards of Professional Conduct, along with the requirements outlined in IRS Circular 230.

Candidates are not required to complete any specific coursework prior to sitting for the ATPR exam. However, candidates who are new to IRS representation are strongly encouraged to complete the seven-module ATPR credential program before attempting the exam. This program is designed to build applied knowledge and practical skills in representation, providing a strong foundation for readiness and exam success.

To earn the credential, candidates must pass the ATPR examination with a minimum score of 70%.

ATPR exam

To earn the ATPR credential, candidates must meet the requirements, including eligibility, and pass a standardized exam consisting of 100 randomized, traditional multiple-choice questions in three hours. Exam scores will be displayed at the end of the online exam.

ATPR exam development

Core competencies, exam domains and the ATPR exam were developed through a comprehensive process of collaboration and consultation with leading subject matter experts in taxation and IRS representation. This effort ensured that the exam is grounded in the real-world tasks and responsibilities of client representation. The process included analyzing the key activities practitioners perform, the frequency with which they perform them and the importance of each task in achieving successful outcomes for clients. The result is a comprehensive exam blueprint that defines the domains to be tested and their relative weight, ensuring that the ATPR exam measures the knowledge and skills most critical to competent and effective IRS representation.

NATP's ATPR exam scoring methodology is designed to ensure that the passing score reflects a candidate's true readiness to earn the credential. Subject matter experts reviewed the program competencies, exam content and domains, and expected candidate performance. Based on this review, the passing score was set to represent the knowledge and skills required to demonstrate proficiency in the identified competencies. This approach ensures the passing score is fair, valid, and a reliable indicator that those who pass the exam are prepared with the knowledge and skills necessary for effective client representation.

Candidates must achieve a minimum score of 70% on the ATPR exam to earn the credential.

The examination is based on five major content areas or domains. Each content area is described by the list of topics that follows the content heading in the ATPR Examination Content Outline. In addition, the relative weight of each major content area is indicated.

All examination questions are the copyrighted property of the NATP. It is forbidden under federal copyright law to copy, reproduce, record, distribute or display these examination questions by any means, in whole or in part. Doing so may result in civil and criminal penalties.

[\(See ATPR Exam Content Outline, page 16\)](#)

Preparing for the ATPR Exam

ATPR credential program

Candidates are not required to complete any specific coursework prior to sitting for the ATPR exam. Candidates may choose to purchase and take the exam on its own. Those who pass, while also meeting the other credential requirements, will earn the ATPR credential. The ATPR credential program modules are available as optional preparation resources, which can be purchased individually or as a bundle.

These modules are organized in a clear progression designed to equip candidates with the competencies and confidence needed to represent taxpayers before the IRS. The modules guide candidates through common representation scenarios, such as responding to notices, navigating mail audits, handling penalties and understanding IRS procedures, ensuring they are well-prepared to advocate effectively for clients in routine matters.

Other study resources

After working through the ATPR credential program modules or other preparation resources, candidates should review the ATPR exam content outline ([see page 16](#)). This table outlines the exam domains and related topics, providing a clear picture of what will be assessed.

A focused study plan, guided by the ATPR exam content outline, will help ensure candidates are thoroughly prepared for every section of the exam.

ATPR exam content outline

Exam Domain	Description	Topics Covered
Domain one: Foundations of IRS representation (25%)	This domain introduces IRS representation, covering who may represent taxpayers, what representatives do and how the IRS is organized.	<ul style="list-style-type: none"> • Eligibility to represent taxpayers • Responsibilities of taxpayers vs. representatives • Post-filing issues • IRS organizational structure
Domain two: IRS authorization and online tools (25%)	This domain covers the skills needed to establish and maintain taxpayer representation within authorized limits. It focuses on using IRS systems to access and interpret taxpayer information while navigating required permissions and processes.	<ul style="list-style-type: none"> • Taxpayer rights and authorization • Treasury Circular 230 • Authorization procedures • IRS online tools and records
Domain three: IRS notice response and disputes (20%)	This domain focuses on identifying, interpreting, and responding to IRS notices and disputes, including penalty abatement and appeals. It emphasizes taxpayer advocacy and administrative solutions through a clear understanding of notices, response steps and resolution options.	<ul style="list-style-type: none"> • Resolving tax problems • Assessments of additional tax • Responding to notices • Appeal rights • IRS audits and audit preparation • Penalties and fraud in audits
Domain four: IRS collections and enforcement procedures (15%)	This domain addresses IRS collection authority and taxpayer relief options like installment agreements, levies and offers in compromise. It focuses on resolving unpaid tax liabilities through enforcement or negotiated solutions. The domain supports analysis of procedural accuracy and strategic decisions.	<ul style="list-style-type: none"> • Collection process overview • Collection agreements • Choosing resolution options • Settlement programs • Enforcement actions
Domain five: resolution strategies and penalty relief (15%)	This domain covers the strategic and procedural aspects of IRS case management, including operations, case organization and documentation. It emphasizes the practical skills necessary to manage representation tasks effectively in real-world contexts.	<ul style="list-style-type: none"> • Ability-to-pay collection alternatives • Offers in compromise (OIC) • Unfiled return issues • IRS penalties • Penalty abatement

All domains are designed to assess competencies across Bloom's Taxonomy, ranging from Recall through Analysis.

ATPR application and review process

After successfully passing the exam with a score of 70% or higher, candidates will receive their exam results on screen, along with access to the application for recognition as an accredited tax professional in representation (ATPR). This online application must be completed, submitted and approved.

To complete, candidates must:

- Fill out the application in full, providing contact and demographic information.
- Indicate the credential they currently hold and confirm that it is active and in good standing.
- Attest to following NATP's Standards of Professional Conduct, the requirements outlined in IRS Circular 230, and to the proper use of NATP credential marks.

Applications will not be accepted if they are incomplete or if the candidate does not currently hold an eligible credential in good standing, for example, a credential that provides at least limited representation rights.

Once a valid application is submitted, NATP will review and approve it within five business days. Upon approval, candidates will be recognized as official credential holders and granted the right to use NATP's credential marks.



What is AATPR?

The advanced accredited tax professional in representation (AATPR) credential signifies that a tax professional has achieved a high level of competence in representing clients before the IRS. It demonstrates proven skill in navigating complex IRS matters, including advanced collections, audits, offers in compromise and appeals, and confirms the credential earner's ability to safeguard taxpayer rights while achieving the best possible outcomes.

This credential recognizes and distinguishes tax professionals who already hold an IRS designation granting unlimited representation rights, and who demonstrate advanced proficiency and ethical advocacy in IRS representation. It signals to clients, peers and the IRS that the credential holder is a trusted professional capable of resolving challenging tax controversies with integrity and skill.

The AATPR credential is awarded exclusively to candidates who successfully pass the advanced accredited tax professional in representation (AATPR) exam. The exam is delivered online and can be completed on a candidate's personal device, remotely. A minimum score of 70% is required to earn the credential.

AATPR credential eligibility

To earn the AATPR credential, candidates must:

1. Hold unlimited IRS representation rights through one of the following designations:
 - Enrolled agent (EA) designation
 - Certified public accountant (CPA), licensed by a state board of accountancy, the District of Columbia or a U.S. territory
 - Attorney, licensed by a state court, the District of Columbia or a state bar designee
 - Other individuals authorized under IRS rules in special, limited circumstances
2. Maintain current, active and good standing status with designations or licenses listed above.
3. Adhere to NATP's Code of Ethics and Standards of Professional Conduct, along with the requirements outlined in IRS Circular 230.

While no specific coursework is required before sitting for the AATPR exam, many candidates, especially those who hold an IRS designation, will find that completing the four-module AATPR credential program helps deepen their understanding and build confidence.

The modules provide practical, in-depth preparation in advanced IRS representation, helping candidates demonstrate the skills and advocacy needed to succeed on the exam and to be successful as trusted tax representatives in complex matters.

To be awarded the credential, candidates must pass the AATPR examination with a minimum score of 70%.

AATPR exam

To earn the AATPR credential, candidates must meet the credential requirements, including eligibility and pass a standardized exam comprised of 110 randomized, multiple-choice questions in three hours. Exam scores will be displayed at the end of the online exam.

AATPR exam development

Core competencies, exam domains and the AATPR exam were developed through a comprehensive process of collaboration and consultation with leading subject matter experts in taxation and IRS representation. This effort ensured that the exam is grounded in the advanced tasks and responsibilities of client representation. The process included analyzing the key activities practitioners perform, how often they perform them and the importance of each in achieving successful outcomes for clients. The result is a comprehensive exam blueprint that defines the domains to be tested and their relative weight, ensuring that the AATPR exam measures the knowledge and skills most critical to proficient and effective IRS representation at an advanced level.

NATP's AATPR exam scoring methodology is designed to ensure that the passing score reflects a candidate's true readiness to earn the credential. Subject matter experts reviewed the program competencies, exam content and domains, and expected candidate performance. Based on these reviews, the passing score was set to represent the advanced knowledge and skills required to demonstrate proficiency in the identified competencies. This approach, known as *standard setting*, ensures the passing score is fair, valid, and a reliable indicator that those who pass the exam are prepared with the knowledge and skills necessary for effective client representation.

Candidates must achieve a minimum score of 70% on the AATPR exam to earn the credential.

The examination is based on six major content areas or domains. Each content area is described by the list of topics that follows the content heading in the AATPR Examination Content Outline. In addition, the relative weight of each major content area is indicated.

All examination questions are the copyrighted property of the NATP. It is forbidden under federal copyright law to copy, reproduce, record, distribute or display these examination questions by any means, in whole or in part. Doing so may result in civil and criminal penalties.

[\(See AATPR Exam Content Outline, page 19\)](#)

Preparing for the AATPR Exam

AATPR credential program

Candidates are not required to complete any specific coursework prior to the AATPR exam. Candidates may choose to purchase and take the exam on its own. Those who pass, while also meeting the other credential requirements, will earn the AATPR credential. The AATPR credential program modules are available as optional preparation resources, which can be purchased individually or as a bundle.

The AATPR credential program modules are designed to prepare candidates for the exam by strengthening competencies and building confidence to represent clients in complex IRS representation matters. The modules address complex issues such as audits, collections, penalties, offers in compromise and appeals, while guiding candidates through scenarios that mirror the advanced challenges faced in real-world practice. Through this progression, candidates demonstrate the high level of proficiency, ethical advocacy and professional judgment required to succeed on the exam and serve as trusted representatives in resolving complex representation matters.

Other study resources

After working through the AATPR credential program modules or other preparation materials, candidates should review the AATPR exam content outline ([see page 19](#)). The outline highlights the exam domains and topics, providing a clear picture of what will be assessed.

Questions on the AATPR exam are tied to real-world practice and are designed to measure the competencies essential for effective taxpayer representation. The exam moves beyond simple recall, emphasizing higher-level skills such as application, evaluation and analysis in challenging representation contexts. By following a study plan aligned with the exam content outline, candidates can be confident they are prepared for each section of the AATPR exam.

AATPR exam content outline

Exam Domain	Description	Topics Covered
AATPR essentials (9%)	This domain revisits key concepts and terms covered in-depth in the AATPR credential program. These include recognizing common IRS issues such as audits, collections, penalties and non-filing, and laying the groundwork for guiding taxpayers through everyday post-filing issues.	<ul style="list-style-type: none"> • IRS foundations • Authorization and online tools • Common notices and disputes • Collections and enforcement procedures • Resolution strategies and penalty relief
Domain one: IRS enforcement actions and taxpayer defense (23%)	This domain covers serious IRS enforcement actions such as liens, levies, trust fund recovery penalties, and complex collections. It emphasizes assessing enforcement risks, taking protective actions, and meeting legal deadlines, with a focus on representation during high-stakes enforcement situations.	<ul style="list-style-type: none"> • IRS collection issues • Payroll tax problems • Tax liens • Tax levies
Domain two: offer in Compromise (18%)	This domain explores the IRS offer in compromise program. It includes evaluating eligibility, completing the end-to-end process and determining when this option is most effective compared to other resolution strategies	<ul style="list-style-type: none"> • OIC programs • Qualifying for an OIC • Completing an OIC • Evaluating OIC as an option
Domain three: IRS examination process and audit representation (18%)	This domain outlines the IRS examination process, including office and field audits. It examines the ability to navigate audit stages, respond to requests, address proposed penalties and represent taxpayers effectively throughout the examination.	<ul style="list-style-type: none"> • Audit scope • Audit steps and stages • Responding to examinations • Penalties during audits
Domain four: protection of taxpayer rights during IRS examinations (18%)	This domain centers on safeguarding taxpayer rights during IRS audits. It focuses on due process protections, recognition of appeal rights and strategies to ensure fair treatment throughout the examination process.	<ul style="list-style-type: none"> • Rights in an audit • Appeal rights • Audit representation practices
Domain five: administrative appeals and resolution advocacy (14%)	This domain addresses the administrative appeals process for resolving disputes with the IRS. It evaluates knowledge of appeals programs, procedures for challenging collection or examination decisions and strategies for effective advocacy before appeals officers.	<ul style="list-style-type: none"> • IRS appeals programs • Common IRS disputes • Appeals processes • Appeals office perspective

All domains are designed to assess competencies across Bloom's Taxonomy, ranging from Recall through Create.

AATPR application and review process

After successfully passing the exam with a score of 70% or higher, candidates will receive their exam results on screen, along with access to the application for recognition as an advanced accredited tax professional in representation (AATPR). This is an online fillable form that must be completed, submitted and approved to earn the AATPR credential.

To complete, candidates must:

- Fill out the application in full, providing contact and demographic information.
- Indicate the IRS-recognized designation they currently hold and attest that it is active and in good standing.
- Attest to following NATP's Standards of Professional Conduct, the requirements outlined in IRS Circular 230, and to the proper use of NATP credential marks.

Applications will not be accepted if they are incomplete or if the candidate does not currently hold an eligible credential in good standing, for example, a credential that provides unlimited representation rights.

Once a valid application is submitted, NATP will review and approve it within five business days. Upon approval, candidates will be recognized as official credential holders and granted the right to use NATP's credential marks.

Adhering to Standards of Professional Conduct

NATP is responsible to its candidates, credential holders, the profession and the public for upholding the integrity of all processes and programs within its credentialing programs. To ensure this integrity, NATP adheres to the highest standards of professional conduct. NATP credential holders agree to abide by these standards of professional conduct as a requirement to earn and maintain an NATP credential. Each credential holder receives a copy of the standards of professional conduct, which is also [available on the NATP website](#).

Credential requirements

Absent clear and convincing evidence of reform and rehabilitation, the following individuals are not eligible for credential recognition:

Individuals who have been convicted or pled guilty to incompetence and/or disreputable conduct, or conduct which would reflect negatively against the association, its members and credential holders including but not limited to:

- Conviction of any criminal offense under federal or state tax laws, and/or crimes involving theft, fraud or embezzlement.

-
- Individuals who, during the 10 years prior to application for an NATP credential, have been the subject of a civil suit settlement or judgment involving theft, fraudulent taking or embezzlement of an amount greater than \$5,000.
 - Conduct which renders the professional unfit to represent before the Internal Revenue Service.
 - Conviction of any felony under federal or state law, crimes involving theft of information or other cyber-related crimes, and/or disreputable conduct which results in disbarment or suspension from practice as a member of a recognized professional body, board or federal agency.

If you cannot meet these requirements, please contact ethics@natptax.com.

Use of the ATPR and AATPR marks

Credential holders may display the credential logo, mark or badge only after they have officially earned the credential. Use must cease immediately if the credential expires, is suspended, revoked or otherwise lapses. The mark must always be used in a way that truthfully reflects the holder's individual status and may not suggest organizational or program-level credentialing. To maintain consistency and integrity, the logo or badge may not be altered in any way, including changes to color, shape or text, and must be reproduced only from the official files provided by NATP or its authorized partner, Sertifier.

Credential renewal requirements

Credentials are active for a one-year cycle, beginning Jan. 1 and ending Dec. 31. Credentials obtained midyear or later will align with this annual renewal cycle and must be renewed by Dec. 31. NATP will accept continuing education (CE) credits that tax professionals earn to maintain their IRS-recognized designation (such as AFSP, EA, licensed CPA or licensed attorney). Continuing education earned to maintain these credentials will also fully satisfy NATP's CE requirements for its ATPR and AATPR credentials.

Credential holders are not required to complete any additional CE beyond what is needed for their IRS-recognized designation or report CE to NATP to maintain the ATPR or AATPR. To renew, they must:

- Complete an annual online attestation confirming their IRS-recognized designation is active and in good standing.
- Submit the annual renewal fee.

NATP may verify credentials, licenses, designations and CE compliance (when needed) directly with the IRS or other official sources. This streamlined process supports credential holders by making it easier to maintain their NATP credential and stay compliant with professional requirements.

Audit policy

NATP may audit application forms and renewal submissions to confirm accuracy and compliance with credential requirements and eligibility. Audits are completed by cross-referencing credential holder information against official IRS or applicable state or professional licensing directories. If discrepancies are found, NATP will contact the credential holder to request clarification or supporting documentation. Failure to respond or provide evidence of compliance may result in suspension or revocation of the credential.

Failing an exam and exam retakes

Candidates who do not pass an NATP credential exam may retake it by purchasing a new exam. After purchase, candidates receive access to the exam through NATP's online learning management system. Each exam fee covers a single exam attempt.

The exam may be taken at any time, day or night. Exam access may be unavailable for a short period of time during the month of April while NATP updates exam content.

Reinstatement

If a credential holder does not renew their credential, pay renewal fees, maintain their IRS-recognized designation in good standing or follow the NATP Standard of Professional Conduct, their NATP credential will be suspended. In that case, they'll receive written notice explaining that they are no longer credentialed and may not use the NATP credential in professional communications (such as letterhead, stationery, business cards, directory listings or signatures). At that time, access to credential marks and certificates through Sertifier will also be removed.

Accredited status may be reinstated in one of the following ways:

1. Sitting for and satisfactorily completing the examination at any time after the accredited status has expired
2. Submitting renewal fees and providing NATP with evidence of acceptable continuing education completed within the 12 months prior to the reinstatement filing date
 - a. NATP may also verify IRS-recognized designations, credentials and licenses directly through the IRS or other official sources.
3. A decision of the NATP credential oversight committee or the board in special or extenuating circumstances

Questions or appeals

Candidates who have a question about the credentialing process, or who wish to appeal an exam result, must submit their request in writing within 30 days of the exam. Submissions must include:

- The candidate's full name
- Contact information
- Credential ID (if applicable)
- A clear description of the question, concern or appeal
- Supporting documentation or evidence, as applicable

All submissions should be sent to credentials@natptax.com. NATP will review all inquiries in accordance with established policies, and candidates will receive a written response with the decision.

Appeals or complaints submitted after the 30-day deadline day deadline will not be accepted. Since every exam question undergoes extensive review and validation during the development process, candidates may not file appeals to dispute individual questions or answers. Additionally, to maintain the security and integrity of NATP examinations, test questions will not be released, and candidates will not be provided with their specific responses or whether those responses were marked correct or incorrect.

Sample exam questions

These sample questions show the types of questions and difficulty levels you can expect on the exams. They are meant to help you get comfortable with how questions are presented. Select the best answer for each question. The correct answers and explanations are provided on the pages that follow.

Accredited Tax Professional in Representation (ATPR) sample questions

1. _____ A taxpayer requests penalty abatement for failure-to-file and failure-to-pay for 2023 using the first-time abatement administrative waiver. Which of the following conditions must be met to qualify for first-time abatement?
 - A. The taxpayer must have been granted an abatement within the last three years.
 - B. The taxpayer must have a clean compliance history with no failure-to-file, failure-to-pay, or accuracy penalties in the prior three years.
 - C. The taxpayer must be in financial hardship and unable to pay.
 - D. The taxpayer must not have any estimated tax penalties on their account.

2. _____ You need to speak with the IRS about a taxpayer's balance owed and negotiate an installment agreement. Which authorization is appropriate for this engagement?
 - A. Form 8821, *Tax Information Authorization*
 - B. Signed engagement letter on your firm's letterhead
 - C. Form 2848, *Power of Attorney*
 - D. The taxpayer calls the IRS and provides verbal consent for a person to call the IRS on their behalf

3. _____ A taxpayer receives a CP2000 notice showing a mismatch between the tax return and third-party information. What is the taxpayer generally expected to do first?
 - A. Respond by the stated deadline, either agreeing, partially agreeing or disputing the adjustment.
 - B. File an amended return immediately.
 - C. Pay the balance due shown to stop additional penalties.
 - D. Call the Taxpayer Advocate Service to halt the proposal.

4. _____ Which situation is most consistent with an office examination rather than correspondence or a field examination?
 - A. Simple W-2 underreporting identified by the Automated Underreporter program
 - B. Multistate C corporation transfer-pricing review at the company headquarters
 - C. Math-error adjustment on a Form 1040 flagged during processing
 - D. Schedule C with travel, meals and home office documentation that the IRS wants to review in person at the IRS office

-
5. _____ In the balance-due notice stream, which notice typically warns of intent to levy and often precedes certain levy actions if the balance remains unpaid?
- A. CP14
 - B. CP504
 - C. CP503
 - D. CP501
6. _____ A wage-earner with no positive monthly ability to pay after allowable expenses asks about relief from enforced collection. Which option best fits these facts?
- A. Currently not collectible (CNC) status
 - B. Full pay installment agreement
 - C. Offer in compromise, doubt as to liability (DATL)
 - D. Partial pay installment agreement (PPIA)

ATPR answer key and explanations

1. **B** A clean compliance history for the prior three years is required to qualify for first-time abatement.
2. **C** Form 2848 authorizes representation before the IRS, including negotiating payment arrangements.
3. **A** The CP2000 process asks the taxpayer to reply by the deadline, indicating agreement status and providing a reason for disagreement.
4. **D** Documentation-heavy but localized issues often lead to an office exam at an IRS office.
5. **B** CP504 generally warns of intent to levy if the balance remains unresolved.
6. **A** CNC places the account in non-collectible status when collection would cause hardship and there is no ability to pay.

Advanced Accredited Tax Professional in Representation (AATPR) sample questions

1. ____ A taxpayer selected for a field audit fails to provide adequate records and does not prepare or have records available for the initial IRS appointment. Which consequence is most likely to result from this lack of response?
 - A. The audit will be closed automatically in favor of the taxpayer.
 - B. The IRS will limit the audit to only the original tax year under review.
 - C. The IRS may expand the audit scope, potentially using indirect methods to assess unreported income.
 - D. The taxpayer will automatically qualify for audit reconsideration.

2. ____ Which of the following field audit steps is most likely to result in penalties or a referral for criminal investigation if mishandled?
 - A. Providing a cash flow projection for future business growth
 - B. Failing to explain a significant imbalance in the taxpayer's Cash-T analysis
 - C. Agreeing to reclassify a worker from contractor to employee
 - D. Requesting an extension to respond to an IDR (Information Document Request)

3. ____ A taxpayer receives a CP504, threatening the filing of a Notice of Federal Tax Lien (NFTL). Which of the following statements accurately describes its impact and resolution options?
 - A. The NFTL affects the taxpayer's credit report immediately.
 - B. The taxpayer cannot appeal the filing of the NFTL.
 - C. The lien attaches only to the property owned at the time of filing.
 - D. The taxpayer may avoid a lien by timely entering into a simple installment agreement.

4. ____ Which condition must be met for a taxpayer to be assessed the trust fund recovery penalty (TFRP) for a business's unpaid payroll taxes?
 - A. The taxpayer must be the sole owner of the business.
 - B. The taxpayer must have filed a joint tax return in the year of payroll noncompliance.
 - C. The taxpayer must have had authority over payroll and willfully failed to pay trust fund taxes.
 - D. The taxpayer must have been previously assessed a civil penalty.

-
5. _____ A client disagrees with the IRS on an audit adjustment exceeding \$25,000. What is the proper way to appeal the proposed change before the tax is assessed?
- A. Submit a verbal disagreement to the revenue agent.
 - B. File a claim for refund within two years.
 - C. Submit a formal written protest within 30 days of receiving the 30-day letter.
 - D. Wait to receive the 90-day letter and file a Form 1040X.
6. _____ When evaluating whether a business activity is a hobby under §183, which of the following factors supports the taxpayer's position that the activity is a for-profit business?
- A. The taxpayer maintains a separate bank account and records for the activity.
 - B. The taxpayer participates in the activity primarily on weekends for leisure.
 - C. The taxpayer has never turned a profit from the activity in over five years.
 - D. The taxpayer ignores professional advice and bases decisions on personal intuition.

AATPR answer key and explanations

1. **C** Lack of preparation leads to expanded audit scope, multi-year review and potential use of indirect income reconstruction methods.
2. **B** A material imbalance in Cash-T without credible explanation may indicate unreported income and lead to penalties or referral for fraud.
3. **D** Taxpayers can often avoid NFTL filing by timely entering into a simple installment agreement (SIA), especially if the balance is below threshold.
4. **C** To be liable for TFRP, the taxpayer must be a responsible person who willfully failed to pay trust fund taxes.
5. **C** For adjustments over \$25,000, a formal written protest must be submitted within 30 days of the 30-day letter to access the IRS Independent Office of Appeals.
6. **A** Maintaining separate records and bank accounts supports the position that the activity is conducted for profit.