

ENROLLED AGENT PRACTICE EXAMS

Part 3 - Representation



ERRATA SHEET

2025/26
Testing Cycle



SKILLPREP BOOKS

Enrolled Agent Practice Exams PART 3 - ERRATA SHEET

This document contains corrections and clarifications for *Enrolled Agent Practice Exams PART 3 2025-2026* by *SkillPrep Books* for editions published **from April 12 to May 22, 2025**.

Some questions have been corrected, while others have been revised to enhance clarity. Please use this information to update the content and ensure you have the most accurate version possible.

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PART 3 - PRACTICE EXAM #1

QUESTION 18

18. Maria submitted her 2020 Form 1040 tax return on time and paid the \$2,000 tax due at the time of filing. After a review, she agreed to amendments on the return by signing an agreement on August 20, 2023, and settled the extra tax of \$5,000 on September 30, 2023. In 2024, she found missing documents that she believes could prove the additional \$5,000 assessment was a mistake. Which statement correctly identifies the deadline for Maria to file a refund claim for the \$5,000?

- A. August 20, 2025, two years after the agreement was signed
 - B. April 15, 2025, three years after the original return's due date
 - C. A refund claim cannot be made once an examination agreement form is signed
 - D. September 30, 2025, two years after paying the additional tax
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QUESTION 46

46. Terry, who was assessed \$10,000 by the IRS, found documents he believes prove this assessment wrong. How can he claim a refund?

- A. Apply the amount as a credit on his tax return for 2024.
 - B. Submit Form 1045 for a tentative refund.
 - C. File an amended return no later than three years from when he filed the original return for the year in question or two years from when he paid the tax, whichever comes later.
 - D. Immediately initiate a lawsuit for a refund.
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QUESTION 79

79. In which scenario would a taxpayer not be eligible to request an audit reconsideration regarding a tax assessment from a prior year?

- A. If they have new documentation that was not previously considered during the initial examination.
- B. If they have already paid the full amount of the assessed tax.
- C. If they did not participate in the examination nor provided any information to the IRS.
- D. If they did not receive the examination notice due to having moved.

ANSWER: C. If they did not participate in the examination nor provided any information to the IRS.

A taxpayer is generally not eligible for audit reconsideration if they failed to participate in the original audit or provide requested information without good cause (Option C), as reconsideration isn't a substitute for the initial exam. Conversely, having new information (A), having paid the tax (B), or not receiving the original notice due to a move (D) typically do not disqualify a taxpayer from requesting reconsideration and often support it.

Topic: IRS Procedures (Audit Reconsideration)

QUESTION 86

ANSWER: C. Within 30 days of an Administrative Law Judge's decision, either party may appeal to the Secretary of the Treasury or their delegate

If either the Office of Professional Responsibility or the practitioner (respondent) wishes to appeal the decision made by the Administrative Law Judge, they must file the appeal within 30 days of the decision to the Secretary of the Treasury or their delegate.

Topic: Appeal from Administrative Decision

PART 3 - PRACTICE EXAM #2

QUESTION 42

42. What penalty applies to a tax preparer for each return where the taxpayer's liability is understated due to an unreasonable position?

- A. The greater of \$250 or 25% of the preparer's income for preparing that specific return or claim.
- B. The greater of \$300 or 30% of the preparer's income for preparing that specific return or claim.
- C. The greater of \$1,000 or 50% of the preparer's income for preparing that specific return or claim.
- D. The greater of \$1,500 or 35% of the preparer's income for preparing that specific return or claim.

ANSWER: C. The greater of \$1,000 or 50% of the preparer's income for preparing that specific return or claim.

A penalty of \$1,000 or 50% of the income earned from the refund may be imposed if the underpayment of tax is due to an unreasonable position taken by the preparer.

Lesson: Understatement of Taxpayer's Liability

QUESTION 49

49. Which behavior is NOT considered disreputable conduct for an enrolled agent under current standards?

- A. Using threats or bribes to influence IRS employees.
- B. Failing to submit client funds intended for tax payments.
- C. Assisting someone to practice before the IRS during their disbarment or suspension.
- D. Attending qualifying Continuing Professional Education (CPE) courses as required.

ANSWER: D. Attending qualifying Continuing Professional Education (CPE) courses as required.

Circular 230 defines acts in options A, B, and C as disreputable conduct for practitioners. In contrast, attending required CPE (New Option D) is a professional duty essential for maintaining competence and ethical practice, not disreputable conduct.

Lesson: Sanctions for Violation of the Regulations
