

Minutes

IRS/Practitioner's Liaison Committee

An IRS/Practitioner's Liaison Committee Meeting was held on January 22, 2008. The Georgia Society of CPAs hosted the meeting at offices located at 3353 Peachtree Road NE Suite 400, Atlanta, GA. Pete Fishman, Chairman, called the meeting to order at 8:30 am. The attendees were as follows:

Members:

		<u>PHONE</u>	<u>FAX</u>
R Peter Fishman	Chairman	404-252-3773	404-252-2509 fish1276@aol.com
Shirl Bishop EA	Recording Secretary	770-482-9380	770-482-7737 sbishopea@aol.com
Audrey Griffin EA	GAEA	478-953-5016	478-953-6092 griftax@grifsolu.com
Kathleen Collins EA	GAEA	912-355-1040	912-961-9590 kathleencollins9049@msn.com
Jeffrey H Kess	State Bar	404-223-5900	404-524-4755 jkess@gomeldavis.com
Richard C Litwin	Atlanta Bar	678-990-0600	678-990-0604 rlitwin@litwinlaw.net
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Harold A Stamey	GAATP	770-476-1943	770-476-3370 harold@hstameycpa.com
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Joel L Pascaner	GSCPA	404-262-2181	404-262-2781 jpascaner@bermanllc.com
Catherine Cleaveland	Kennesaw SU	404-518-2140	770-499-3420 mcleave1@kennesaw.edu
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IRS:

Craig McLaughlin	IRS	954-423-7748	954-423-7342 craig.mclaughlin@irs.gov
Kathy Frederick	IRS SL Co-Chair	478-752-6785	478-752-6818 Kathy.Frederick@irs.gov
Tammy Coleman-Jones	IRS SL	404-338-8515	404-338-8542 tammy.coleman-jones@irs.gov
Patricia Bergstrom	IRS CI	404-338-7540	404-338-7508 patricia.bergstrom@ci.irs.gov
David Delduco	IRS Counsel	404-338-7938	404-338-7928 david.delduco@irscounsel.treas.gov
Jackie Jefferson	IRS	770-936-4514	jackie.jefferson@irs.gov
Sandra H. Adams	IRS	404-338-7905	404-338-8542 sandra.h.adams@irs.gov
Rose Richardson Browne	IRS	404-338-8085	404-338-8096 rose.r.browne@irs.gov
Melinda Wilson	IRS ACS	678-530-6517	678-530-5252 melinda.p.wilson@irs.gov
Jacqueline Rosser	IRS ACS	678-530-6553	jacqueline.m.rosser@irs.gov
Dawn Escobar	IRS	404-338-9252	404-338-9387 dawn.m.escobar@irs.gov
Luann Finkelstein	TIGTA	404-338-7375	404-338-7383 luann.finkelstein@tigta.treas.gov

Other Attendees:

Don Cook	GSCPA
Virginia Persons	GSCPA
Jim Taudte	GSCPA
Ronald M Herman	GSCPA
Jim Cline	GSCPA
Jeff Gartzman	GSCPA
Brad Dickson	GSCPA
John Masters	GSCPA
Keith Early	GSCPA

Pete Fishman, Chairman, called the meeting to order and asked that everyone introduce themselves to the other attendees. In the future the Liaison Meeting will be audio taped by Don Cook and posted on the CPA website. Pete thanked Don Cook for taping the meeting. Today's meeting is a joint meeting between the Liaison Committee and the GA CPA Society.

Shirl Bishop, Recording Secretary, previously emailed the minutes of the prior meeting to all members for their review. The minutes were approved.

Kathy Frederick, Senior Stakeholder Liaison and Co-Chair, gave a brief overview of how today's meeting will proceed. The GSCPA Annual Practitioner's Survey results have been compiled and IRS representatives will address some of the issues that were highlighted in that survey.

Jackie Jefferson, IRS-Supervisory Tax Specialist, Field Assistance, reported that he is responsible for the twelve taxpayer assistance (walk in) centers in Georgia. The personnel in these centers can answer questions about inquiries or adjustments, IRS notices or letters, payment plans, etc. The hours of operation for this filing season will be Monday-Friday 8:30am-4:30pm. They plan to possibly have extended hours on April 15th, but those hours have not been announced. On February 1st they will begin return preparation. They will be open on three Saturdays in February (February 2, February 9, and February 15) from 8:30am-12:30pm to support the EITC program. The address of every taxpayer assistance center is posted on the IRS website. The income limit for EITC tax return preparation at the centers is \$40,000 and there are other criteria that must be met regarding the complexity of the return.

Survey Question: Problem-solving appointments can be made at every Taxpayer Assistance Center. If you have used this service, please describe your experience and level of satisfaction.

IRS Response: Although "Problem Solving Days" no longer exist, a taxpayer can get problems resolved by visiting a center or by calling to make an appointment. If the center is crowded or the taxpayer has a complex issue, he/she can request an appointment at a later date or request an appointment with a specialist. Phone numbers are listed on the website for making appointments – calls will be returned within two business days.

Patty Bergstrom, IRS-Special Agent, Criminal Investigation, addressed several issues that have been raised by practitioners in the area. Patty is the Public Information Officer for CI and she tries to obtain as much publicity on their cases as possible. They consider publicity to be a deterrent because they are not able to investigate all allegations of criminal conduct. The publicity rating of all cases for last year was over 80%. The publicity must specifically list "tax" or "IRS" in order to be counted in this 80% rating.

Patty addressed the issue of Non-Filers and stated that IRS-CI can elect to criminally investigate and/or prosecute these taxpayers. At this time, there is no amnesty program for non-filers and non-filing is a misdemeanor, but they are trying to elevate it to a felony. Recently some high profile cases have been tried here in Atlanta. The IRS picks and chooses the best cases that will set an example. If there is criminal intent and the dollar amounts are high, the stakes increase. Practitioners should encourage non-filers to come forward, but they should also caution the taxpayer and tell them they could be prosecuted. The returns usually will be audited. Employment tax cases are also high priority for CI.

Practitioner Comment: Taxpayers are not as likely to come forward because the GA Dept of Revenue has an amnesty program and the IRS does not.

Kathy Frederick, Senior Stakeholder Liaison, addressed some of the survey questions.

Survey Question: If you have encountered processing problems with some forms, please indicate the form type and briefly describe the problem.

Comment & Response: Form 944 should be filed when the IRS sends the client a letter and should discontinue filing the Form 944 when the IRS sends a letter telling them to stop. Tax Topic 758 on the IRS website gives a very detailed explanation of Form 944 and the filing requirements. Kathy said that Notice 250C was recently sent to some taxpayers with an erroneous date of 2007 when it should have said it was based upon tax liability for year ending 2006. These taxpayers should begin filing a Form 941 in 2008. This erroneous notice was dated January 14, 2008.

Practitioner Comment: There is still no option in the EFTPS system to elect to make a 944 payroll tax deposit. What should a taxpayer do? Kathy will elevate this question and she recommended contacting the Practitioner Priority Service with any matching problems because the 941 option was chosen in the EFTPS system. Also it was suggested that the taxpayer be given the option of not filing the 944 if they desire to file the 941 return.

Comment & Response: Balance due letters are generated when the return is filed electronically and a paper check is mailed because they could not pay the interest and penalties electronically. This should be resolved this filing season because the taxpayer can now elect to have the tax plus interest and penalties withdrawn electronically.

Comment & Response: A statement was made that Form 3115 is too complicated. If a practitioner has a suggestion that will simplify a form, he/she can contact the Taxpayer Burden Reduction Office directly by going to the IRS website. Kathy welcomes comments from practitioners. She will research issues and elevate them to the Issue Resolution Management System. After they have been elevated, they can be monitored and the outcome is published. There is a new link called the "Hot Issues Report".

Practitioner Comment: Multiple notices are being received from different campuses and it is not clear who to contact about issues. A single unit that processes all notices would be helpful. Kathy would like to receive copies of the multiple notices so she can research the issue.

Practitioner Comment: Form 8832 is very confusing when moving to an S Corp from a Sole Proprietor. Kathy said that only a Form 2553 needs to be filed to make the S Corp election. As an added note, it is permitted to file the 2553 form with the first filed S Corporation tax return when making the S election. However, the due date for the Form 2553 has not changed. Thus if you do attach the 2553 to the first tax return, a statement should also be attached explaining why the form is being filed late.

Survey Question: Are you having any problems with the processing for adjusting or correcting substitute form returns (SFRs)?

IRS Response: There are guidelines in all areas as to the timeline to complete the adjusting or correction SFRs. Again Kathy asked that practitioners provide examples if problems are encountered.

Practitioner Comment: There should be special units to handle SFRs.

Survey Question: If you could make one suggestion to improve tax notice processing and/or tax return processing, what would it be?

Comment & Response: A suggestion was made to leave more lead time from when notice is sent and when it needs to be resolved. Kathy said they are currently looking into this area. A suggestion was made to extend the check box authority to three years. Kathy explained that the check box was never intended to be a Power of Attorney and it is used only for the processing of that return.

Practitioner Comment: The Extension Form should be eliminated since it is automatic.

IRS Response: The IRS does not have the authority to eliminate or change the due date of the return. This must be changed by Congress. The extension form is recorded by the IRS and penalties are applied if the form is not filed. Many taxpayers are filing later since the October 15th extension became automatic.

Practitioner Comment: The due date of Partnership returns should be the same time as the Corporate returns so the K-1s can be received on time.

Survey Question: Are you currently using e-services?

Practitioner Comment: It takes a long time from submission of the POA until it is logged on the system and recorded on e-services. Also, it is very frustrating when the system cannot finish all the steps after signing on the e-services. Why is the practitioner's home address used instead of the office address?

IRS Response: If the practitioners are seeing a delay or they are experiencing a system problem, they should contact the e-help desk (1-866-255-0654) so the problem can be traced. Practitioners can enter a POA on e-services and immediately obtain a transcript. There should be a 24 hour turnaround when faxing the POA to the CAF unit. Practitioners should sign up for Quick Alerts because notices of delays are sent out to subscribers. Privacy and security concerns make it necessary to use a home address and change passwords often. When a password is about to expire, a notification is sent via email. If the password expires, the practitioner must begin the process over.

Practitioner Request: The notification gives the practitioner 10 days to change passwords. Could that be changed to 30 days?

Craig McLaughlin, Stakeholder Liaison, Southeast Area Manager, talked about a new system called Income Verification System (IVS) which is used by mortgage bankers and brokers to obtain transcripts via e-services. It is being heavily used with about 140,000 transcript requests per month. They can obtain the transcripts as well as W2 and 1099 information. Craig encouraged everyone to sign up for E-News for Tax Professionals on the IRS website as well as Quick Alerts. Tax Talk Today and the National Phone Forums will be held throughout the tax season. Check www.irs.gov frequently for updates.

Paul Mayberry, Examination Territory Manager, could not attend the meeting. Kathy Frederick said that due to the new Exam Re-Engineering they have strict timelines to follow. If you are experiencing problems, please contact the agent or the agent's manager. Contact Kathy if you are unable to contact the manager via the practitioner's contact directory. If you would like a copy of the directory, contact Kathy directly.

Melinda Wilson, IRS-ACS Operations Manger, and Jacqueline Rosser, IRS-ACS Program Management Analyst, gave an overview of ACS procedures. They will be attending the quarterly liaison meetings in the future. ACS is consolidating processes so they can be more efficient. They ask that the practitioners be patient. Each call to ACS averages 20 minutes in length and if the practitioner is organized and prepared, that time can be shortened. Practitioners should call the Practitioner Priority Service (1-866-860-4259) and be transferred to ACS in Jacksonville or Fresno. Information may be faxed in while talking to a representative, but they ask that the number of pages be limited to 10 pages. If the fax is more than 10 pages, please send the fax to Kansas City or Fresno where they handle all the correspondence. All the delinquent returns are sent to Kansas City or Fresno. If the representative cannot resolve the issue, you may request a manager. If the manager is not available, they should return the phone call within 24 hours. Melinda's phone number is 678-530-6517.

Rose Browne, Taxpayer Advocate Service, said that her office has the authority to take certain actions but sometimes the issue must be returned to the IRS functions for resolution. The advocate that is assigned to the case will monitor the case until it is resolved. They must work within their delegated authority which was revised in October 2007. Her employees strive to be professional and courteous; however, if there is a problem, ask to speak with a manager.

Dawn Escobar, Collection Territory Manager, has nine groups in the State of GA. She has asked all of her Revenue Officers to list an alternate contact person and a manager's name on their voice mail greeting. She requires all of her group managers to have a discussion regarding their expectation for returning phone calls. If the employee is working from home, he/she is required to call in several times each day to check for messages and she prefers that the calls be returned within 24 hours. If there are problems in this area, Dawn (404-338-9252) would like to know about it. There are two collection territories in the State of GA. The other manager (Vernon Williamson) covers the collection groups located in the Summit Building, Smyrna, and Rome.

Dawn prefers not to transfer cases between revenue officers because that usually adds time to the case and sometimes the same information is requested a second time. However, there are circumstances where cases must be transferred due to extended sick leave, employee promotion, or termination. If the same information is being requested repeatedly, ask to speak to a manager.

Luann Finkelstein,-IRS-Treasury Inspector General for Tax Administration (TIGTA), announced that IRS has set up a mailbox (phishing@irs.gov) for taxpayers to use when they have received phishing emails. Simply forward the email to that mailbox. TIGTA will work the case if the taxpayer has been victimized and their identity has been stolen.

R. Peter Fishman, Chairperson, thanked all the members for their support and hard work in getting the information from the Liaison meeting to their members. He stated that as a representative, each member is expected to attend all meetings and if a member is unable to attend, he/she should contact him or Shirl Bishop prior to the meeting with a substitute and each organization is responsible to appoint two people to represent them at each meeting.

Pete announced that the next meeting will be on

Tuesday, April 22, 2008

Please continue to submit topics for future meetings. If your members have concerns, please ask them to send you the information. Please submit your requests to Pete Fishman at fish1276@aol.com or Shirl Bishop EA at sbishopea@aol.com no later than 30 days prior to the meeting date. Of course, you can submit items at anytime – you do not have to wait until 30 days prior to the meeting.

Please remember to share the minutes of this meeting with the members of your organization.

The meeting was adjourned.