

Minutes

IRS/Practitioner's Liaison Committee

An IRS/Practitioner's Liaison Committee Meeting was held on April 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:

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Pete Fishman, Chairman, called the meeting to order and asked that everyone introduce themselves to the other attendees.

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

Kathy Frederick, Senior Stakeholder Liaison, reported on general IRS Updates and Issue Management Resolution System (IMRS) issues.

- Practitioners are encouraged to utilize and recommend to their clients the availability of the Audit Technique Guides on IRS.gov at <http://www.irs.gov/businesses/small/article/0,,id=108149,00.html> . These are used by Revenue Agents as a guide to examining various industries and specific tax issues.
- It is open season for nominations for the Information Reporting Program Advisory Committee and the deadline for submitting applications is May 30, 2008. For more information see <http://www.irs.gov/taxpros/article/0,,id=180906,00.html> .
- Reminder that tax relief has been given to taxpayers in counties affected by recent disasters in Georgia, including an extended filing deadline until May 19, 2008. Affected clients outside of the named counties must self-identify by calling the Disaster Assistance Hotline at 1-866-562-5227. A process for faxing a list of client taxpayer identifying numbers is being developed and more information will be made available when complete.
- Copies of Form 2553, Election by a Small Business Corporation, and the related instructions were reviewed to indicate that the form was revised to include a section for the reasonable cause for late filing statement and the eligible criteria. The form and instructions can be downloaded from IRS.gov.
- The Hot Issues for April are as follows:

Form 1040 ES Reminder

To eliminate waste, the IRS has made changes in the mailing of Form 1040ES packages. Our experience indicated only about 40% of the preprinted voucher packages that were sent out were actually used by taxpayers. In an effort to eliminate unnecessary mailing costs, we did not mail packages to those taxpayers who used a paid preparer, used computer software to prepare their returns or those who filed and/or paid electronically. This helped to reduce unnecessary mailings and also helped to reduce the burden or risk of mailing materials with the taxpayer's identifying information on it.

If you need, but did not receive, the Form 1040ES package, you can download the Form 1040ES from IRS.gov, call 1-800-829-3676 to get the forms mailed or visit a local Taxpayer Assistance Center.

Where Is My Business Tax Form?

Let's talk about Forms 940, 941, 1120, 1120S & 1065 (IMRS Issue 08-0000790)

Since we've been hearing from the practitioners on both sides of this issue, we thought an explanation was in order. First, the issue – Some practitioners say we are wasting paper by mailing out business tax forms to those who e-file or use a paid preparer. Other practitioners say the taxpayers want their IRS tax packages in the mail to remind them to file. Here's the deal:

Our prior efforts to eliminate mailings of packages to those who used RAF agents, filed electronically and used a preparer resulted in just a slight decrease in our mailings. Last year the IRS began coding all business returns so we can tell whether someone used an IRS tax package or not. Based on 941 pre-testing, the drop in volume is very dramatic. Specifically, 5.5 million 941 packages were mailed for the fourth quarter of 2007, but only 1.5 million were used. Therefore, only 1.5 million 941 packages will be sent out in the first quarter of 2008.

So, your clients might not get a business tax form this year and this is why. As you know, all forms can be downloaded from www.irs.gov. Please consider this a heads-up as the upcoming business due dates approach.

Here's a Tip on Getting the Economic Stimulus Payment

In order to receive an Economic Stimulus payment, individuals must file a tax return. The IRS encourages taxpayers to file a return even if their income is low or much of their income is tax-free. Taxpayers should file their returns, if possible, by the regular April 15 deadline. Filing after April 15, with or without a tax-filing extension, will delay the payment. Taxpayers who qualify for a payment can insure that they get it this year by filing their return by Oct. 15, 2008. An on-line calculator, schedule of payments, and much, much more may be found in the [Economic Stimulus Information Center](#) on IRS.gov.

- Issues raised in previous meetings and their responses are as follows:

IMRS 08-0000779 – Automated Collection System (ACS)

Issue: Practitioners advise that when calling ACS and requesting to speak to a manager, they are informed a manager will call back within 48 hours. Practitioners state they are not receiving the promised callback.

Response: A callback should be received within 48 hours. Additional emphasis and oversight will be placed on this issue with call site management. Any specifics practitioners can provide are welcome and will assist us in determining the scope and/or cause of the problem. A call through the PPS line for transfer to ACS will ensure all issues are raised through the same management chain.

Practitioner Comment: PPS is not transferring calls to ACS.

No option to make federal tax deposits for Form 944 on EFTPS –

Form 944 is included in the list of the taxes that can be paid through EFTPS on the FAQ link under “What taxes can I report and pay through EFTPS?” An Analyst further confirmed that approximately 140,000 Form 944 deposits were recorded for the quarter ended December 2007.

Some business taxpayers’ filing status fluctuates between 941 and 944.

Instructions to Form 944 (pg 2) describe the criteria for opting out of the 944 filing requirement. As of 1/1/2008 the 944 program now includes a code which can be applied to the taxpayer’s account, should they wish to NOT be considered for the 944 program in the future. Currently, the 944 eligibility extract runs each December and looks for all eligible 944 filers from the 941 database. This means that even if a taxpayer was previously identified for 944 but called in and opted out, the extract would “pick these taxpayers up again” for 944 and reset them to a 944 filing requirement for the next year. As of 1/1/2008, taxpayers who contact us to opt out can indicate if they do NOT want to be considered for 944 in the future. The assistants will change them back from 944 to a 941 filing requirement and add a code to their account which our future eligibility extract will recognize and bypass any otherwise eligible taxpayer. This does not mean an eligible taxpayer can never come back into the 944 program; so while we refer to this sometimes as a permanent opt out code, it is more correctly described as a continuing opt out code. If their circumstances change and they are eligible and wish to be a 944 filer in the future, they must call us by 4/1/0X of the year in question and “opt in.” With an opt in, their “continuing opt out code” will be removed from their account.

When using Online EIN application for a third party a POA is required; however, an EIN is needed for the POA.

From landing page of Online EIN:

If a third party designee is completing the online application on behalf of the taxpayer, the taxpayer must authorize the third party to apply for and receive the EIN on his or her behalf, according to the process below:

1. The taxpayer must sign a completed Form SS-4 (Application for Employer Identification Number), including the third party designee section, prior to the third party making the online application. A copy of the signed Form SS-4 must be retained in the third party’s files.
2. The taxpayer must read and sign a statement that he/she understands that he/she is authorizing the third party to apply for and receive the EIN on his or her behalf, and to answer questions about completion of the form. A copy of the signed statement must be retained in the third party’s files.
3. The assigned EIN will be disclosed to the third party upon successful completion of the online application.
4. The taxpayer will receive a computer-generated notice from the IRS stating that the EIN was assigned.

1040NR Efile – What is latest projection on when 1040NRs will be available for eFiling?

1040NR will not be available for efile until MeF 1040 is operational. The same is true for eFiling delinquent returns.

Issues elevated:

- **30 day vs. 10 day reminder of expiring eServices password**
- **Change music on eHelp desk line**

Practitioner Question: Has IRS discussed with other agencies concerning having some of their quarterly forms changed to an annual requirement to go along with the Form 944 requirement?

Practitioner Suggestion: Have someone from the eFile unit to speak at a future meeting.

Practitioner Question: Discharge of Liens have historically taken 30 days but are now taking 45 days. Can something be done so that these delays do not cause taxpayers to go into foreclosure when they, in fact, have a buyer?

Practitioner Suggestion: Have IRS toll-free assistors give name and employee number at beginning AND end of call to allow callers another opportunity to take down the information.

Craig McLaughlin, Stakeholder Liaison, Southeast Area Manager, invited all practitioners to attend the Phone Forums and Tax Talk Today. The Tax Talk Today programs are archived on the IRS website for later review.

Rose Browne, Taxpayer Advocate Service, said that the Taxpayer Advocacy Panel is now accepting applications for membership through April 30, 2008. Many ideas for improving the IRS have come from this group; i.e. the Checkbox Authority. Please consider serving on this committee. Read more here: <http://www.irs.gov/newsroom/article/0,,id=180275,00.html>

R. Peter Fishman, Chairperson, thanked all the members for their attendance and efforts in getting the information from the Liaison meeting to their members. The meeting was adjourned early in order for some members to participate in a cash economy focus group with the IRS contracted MITRE Corporation.

Pete announced that the next meeting will be on

Tuesday, July 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.