

November 12, 2015

Practitioner Liaison Meeting (PLM)

Boise, ID

8:30am – 11:30am

Attendees:

- Barbara Lock, Chair of PLM, Director U of I Low Income Tax Clinic (LITC)
- Kim Boyack, Senior Stakeholder Liaison, IRS
- Bob Aldridge, Idaho State Bar Association (ISBA) and Trust & Estate Professionals of Idaho, Inc. (TEPI)
- John McGown, ISBA
- Sara Kim, Manager Field Assistance Center, IRS
- Melissa Nelson, Idaho Society of Certified Public Accountants (ISCPA)
- Laura Hartwig, ISCPA
- Doreen Warren, Revenue Operations Division Administrator, Idaho State Tax Commission (ISTC)
- Kurt Stadlbauer, JR Simplot Company & Tax Executives Institute
- Rod Shown, Manager Taxpayer Services, ISTC
- Kelly McConnell, Local Taxpayer Advocate, Taxpayer Advocate Service, IRS
- Phil Skinner, Idaho Attorney General, ISTC
- Miri Gillihan, Idaho Association of Tax Consultants (IATC)
- Brett Heiner, Collection Analyst, IRS
- Jason Bell, Criminal Investigation Division Group Manager, IRS
- Kristen Hoiby, Area Manager, Stakeholder Liaison Field, IRS (via phone)
- Bob Wunderle, La Posada Low Income Tax Clinic (via phone)

Meeting Summary

Collection Update

Brett Heiner, Collection Analyst

- They are running into problems with taxpayers not believing that Collection Revenue Officers are really with the IRS. All Revenue Officers will carry a pocket commission. Revenue Officers are going to the field more. They will also all be wearing a picture ID badge. Kim will verify if you call her with a name for local employees and a name and employee ID number for other employees (not local). Jason (CID) can also verify. Kim is not sure how to verify employees working under a pseudonym – she will check and get back to Jason.
- One of the reasons that Revenue Officers are going out into the field more is the Federal Tax Deposit (FTD) Alert Early Intervention Program. <https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/IRS-Collection-Launches-Early-Interaction-Initiative>. There has been much focus given to day care and health care providers and their trust fund taxes. They can shut them down by revoking their licenses. The goal is to address the problem early. Cold calls will be made in order to see the operation. They are piloting sending a letter to set up an appointment, especially in outlying areas where the Revenue Officer may need to travel.

Stakeholder Liaison Update

Kim Boyack, Senior Stakeholder Liaison (SL)

- 417 more days until retirement!
- IMRS (Issue Management Resolution System) - Rocky Mountain Problem Solving Tuesdays are held the first Tuesday of every month and are a way for us to keep a finger on the pulse of what is going on. Everyone is invited to attend. If you are not already on the distribution list and are interested in being added, please let Kim know. The biggest issue is the toll-free line and non-responsiveness of IRS. We continue to elevate these issues. One suggestion has been to have a messaging option where IRS could call back. At the time of the meeting, we are being told that we do not have the resources to do this but we will keep pushing.

Kristen Hoiby, SLF Area Manager

- The question has been asked about the fate of the Rocky Mountain Problem Solving Tuesdays and coverage of Idaho upon Kim's retirement. Idaho has gone through periods of time when there has not been local Stakeholder Liaison presence but Idaho practitioners were covered by Portland SLF. Someone on Kristen's staff will cover Idaho.
- The PTIN Renewal season is up and running as of November 1. The good news is the fee has dropped to \$50 for new and renewal PTIN applications. (\$33 to IRS and \$17 to the vendor)(\$50 is down from \$64.25 for new applications and \$63 for renewals)
<https://www.irs.gov/uac/Newsroom/2016-PTIN-Renewal-Period-Underway-for-Tax-Professionals--More-than-136000-PTINs-Have-Already-Been-Renewed>
- Revenue Procedure changes in practice rights for non-credentialed preparers
<https://www.irs.gov/uac/Newsroom/IRS-Reminds-Tax-Return-Preparers-of-Limited-Practice-Changes-and-Announces-Revised-PTIN-Fee>

Taxpayer Assistance Center (IRS Walk-in) Update

Sara Kim, Group Manager

- The Boise Office is among several offices that are by appointment only. They will take payments and tax returns directly from taxpayers without an appointment but all others must make an appointment first. They have been by appointment since March. IRS is gradually phasing in taxpayer assistance centers to the appointment process. The first step is to go to IRS.gov, click on [Contact Your Local Office](#), then click on your state. You will see a list of the offices in that state with the hours. For the appointment number, click on [By Appointment](#) for the toll-free appointment number - 1-844-545-5640. It is a good idea to check the [Services Provided](#) to see what services are provided at that particular office. Boise has capacity every day.
- If your organization would like to help educate the public regarding this process, feel free to post any of the links/information above to your web pages and newsletters.
- They will only be carrying Form 1040 and a minimal number of other forms. They will not be carrying Forms W-2 or 1099s. You can order forms for the current year at any time during the calendar year. You can order them online <https://www.irs.gov/Forms-&-Pubs/Order-Products>
- Publication 17 is currently only available online. Where can you obtain a hard copy? IRS.gov states:
NOTE: Publication 17 is not available in paper format. Please download Publication 17 at [IRS.gov/pub17](https://www.irs.gov/pub17) if you need a copy.
- Transcripts can be ordered online by mail only. <https://www.irs.gov/Individuals/Get-Transcript>
- Sara has heard that IRS is considering a call back option on the toll-free lines.

- A question was asked if a deceased taxpayer's rep could come in for account assistance. A Power of Attorney is invalid upon death but a personal representative can receive information by showing a copy of the court certificate showing their appointment.

Taxpayer Advocate Update

Kelly McConnell, Local Taxpayer Advocate

- They are hearing the same issues regarding IRS delays in toll-free lines and correspondence.
- They did have some ACA cases regarding Form 1095-A but not as many now.
- IRS scam calls have been picking up again. The calls jumped through the roof in one day.
- Not only do they assist individuals with issues but they also help businesses, estates and non-profits.

CID Update

Jason Bell, Group Manager

- Continue to work identity theft cases. Have found only 1 or 2 promoters in Idaho. Most promoters are from California, the east coast or foreign countries. 22% of the ID theft cases claim EIC. The perpetrators have moved to a street level.
- They are gearing up for the tax season. They will be sending out under cover preparers. They will take fraudulent tax return preparer referrals. It helps to know their scheme – what are they doing? Selling SSNs, using others dependents, etc. They are also interested in ghost preparers (non-signing paid preparers).
- Boise IRS Criminal Investigation division now has a Memorandum of Understanding (MOU) with the Idaho State Tax Commission's new fraud unit.
- About 30-40% of tax cases are worked along with other charges that are not tax-related. About 10% are involved in narcotics.
- Bob Wunderle will provide a list of ghost preparers.

ISTC Revenue Operations Update

Doreen Warren, Division Administrator

- They are currently trying to formalize their fraud procedures.
- They have advanced their fraud detection within analytics of the returns. Taxpayers may have to go in and enter a PIN. There may be quiz verifying personal information. They are tightening up identity verification over the phone and verification of POA and employee verification.
- IRS Security Summit – authentication and improved lead sharing. More information is being requested, driver's license information being requested as one more positive proof. They are working with the IRS on sharing back information on who they have verified.
- They have stopped over \$4.17 million in fraudulent returns.
- FTA (Federal Tax Administration) says that taxes and security together is their new mantra.
- EFIN breeches – Tax Professional tighten down.
- Financial institutions – banks are matching names, prepaid debit cards are the main problem. Stored value cards are supposed to be registered but generally are not. Only 3 direct deposits are allowed per account. Some states will not issue to a prepaid debit card.
- Can documents be sent in through TAP (Taxpayer Access Point)? No, because it is too easy to attach a virus.

- Can they set up secured email with encryption? Trying to improve communications.
 - Bob Wunderle's non-English reading clients often ignore letters. What will happen to their refunds? Will go through the normal processing. (IRS will NOT issue the refund if the clients ignore the letter.)
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Issues & Status

Issue –

Internal issue – how do we verify an employee who is working under a pseudonym?

Publication 17 is available online – where can hard copies be obtained?

Issue Status Report – None

Roundtable & Comments

John McGown: Gem State Tax Symposium will be held June 3rd. Has sympathy for those who work for the IRS. Between politics, Lois Lerner, the budget, proposed impeachment of the commissioner and the complex tax code. John shared a letter from 7 former IRS Commissioners to Congress. He obtained it from a blog by Paul Caron. (The Washington Post published an article November 13th <https://www.washingtonpost.com/news/federal-eye/wp/2015/11/13/former-commissioners-tell-congress-the-irs-is-stretched-to-the-breaking-point-so-stop-slashing-its-budget/>)

Doreen Warren: The Idaho State Tax Commission Stakeholder Meeting will be held December 8th from 3:30 – 5:30.

Bob Aldridge: They have been working on Rule 32, to limit what is on a death certificate, limit what the public can see, and control who sees what.

Laura Hartwig: When are IPPINs issued and what if a taxpayer has lost their IPPIN? Kim: Those whose identity has been confirmed through the identity theft verification process by November will receive an IPPIN each December for the use during the following tax year. A new IPPIN is issued each year. For more information see: <https://www.irs.gov/Individuals/The-Identity-Protection-PIN-IP-PIN>

Bob Wunderle:

- Suggested that ITINs for children that live in Mexico be flagged since they are not eligible for the Child Tax Credit and the Advanced Child Tax Credit. He received a letter indicating that the person sending the letter does not understand the rules for the Child Tax Credit.
- IRS employees should be able to validate W-2s for ITIN filers working under invalid SSNs who are having their Federal Income Tax Withholding and sometimes the wages.

- Kelly suggested Bob submit a SAMS regarding the W-2 verification and send him a copy of the letter that he got back on the CTC issue.

Bob Aldridge: US Citizens living abroad who are claiming the Foreign Tax Credit are having their Child Tax Credit disallowed. Bob Wunderle shared that IRC 24(c) (1) has an exception under IRC 152 for noncitizens only. It may be a software issue. They should file amended returns asking for it back.

Private Debt Collectors – how will that work with the identity theft? We hope that Congress will consider that as they consider implementing this program again.

Next Scheduled Meeting

The next meeting date was decided for **Tuesday, April 26th from 8:30am – 11:30am**. Kim has reserved Room 384/380.