

Dear Practitioners:

I am looking forward to getting out to visit with some of you this fall. I will be participating in some upcoming seminars, workshops and webinars and hope to see you participate.

Below are summaries and links to the most recent headlines and news releases along with a few tidbits that I thought you might find of interest. The title and summary are designed to give you a brief overview of the article's content -- the link to the full article is included in each summary.

Feel free to share this email with others that you think would be interested. If you would like to be removed from my practitioner email list, please let me know. If you have received this from someone else and would like to be added directly to my emailing list, please let me know.

Best regards,
Kim

Kim Boyack

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Got Tax Questions? Watch Videos & Get Answers on the IRS Video Portal
<http://www.irsvideos.gov/>

Connect with the IRS through YouTube, Twitter and other social media channels to spread the word about important tax information.

Upcoming Local Events

Free Local Webinar

On Aug. 24, Boise IRS Senior Stakeholder Liaison Kim Boyack will go over the basic audit process from start to finish and specifically focus on a step in the process known as the mutual commitment date. The Basic Examination Process will cover:
Return Selection,
Examination - Office or Field,
Agreed: Assessment or Refund,
Unagreed: Appeals Office and/or Tax Court.

She will also introduce you to an IRS developed video series designed to alleviate taxpayer fear of IRS audits and some misconceptions that contribute to it.

Register for this through the ISCPA at

<http://www.idcpa.org/cpe/CourseDetails.aspx?course=904G%20%20%20%2011>

Idaho Association of Tax Consultants Workshops

Topics: (3 hrs) Cancellation of Debt–2011 - Miri Gillihan

(3 hrs) A multitude of Topics including Health Care provisions and IRS Examinations (audits) - Kim Boyack, IRS

Sept 14, Wednesday, Blackfoot 9:30-4:40
Idaho Department of Labor

Sept 21, Wednesday, Lewiston 9-4
The Orchid Room at Morgan's Alley

Sept 28, Wednesday, Boise 9-4
Five Mile Church of the Nazarene

Please note the time difference for Blackfoot.

For registration fees and information call the Idaho Association of Tax Consultants 208-377-4303

Anti-Money Laundering Seminars

IRS Bank Secrecy Act Specialist and Idaho Department of Finance are presenting FREE Anti-Money Laundering seminars in Idaho. Money Services Businesses (businesses that offer money orders, travelers checks, check cashing, currency dealing or exchange, money transfer services, stored value cards, or bank personnel overseeing any of these services) are invited to attend these informative sessions. The seminars will be held in the following cities:

Tuesday, September 13, 9am - 1pm, Best Western Plus, Coeur d'Alene Inn, Coeur d'Alene

Wednesday, September 14, 9am - 1:30pm, MK Plaza III, Main Auditorium, Boise

Thursday, September 15, 9am - 1pm, AmeriTel Inn, Pebble Creek Meeting Room, Pocatello

Friday, September 16, 9am - 1pm, Hampton Inn, Twin Falls

Space is limited so please register by September 6th. Register by e-mail at Terri.Malone@irs.gov or by phone with the Idaho Department of Finance at 208-332-8080.

Upcoming Events

Free Webinar

The Aug. 31 IRS Live [webinar](#), The IRS Fresh Start Initiative, outlines changes to Collection policy for tax liens, installment agreements and the offer in compromise program.

Free Phone Forum – Retirement Plan Correction Issues

A free [Aug. 25 phone forum](#) features IRS employees discussing retirement plan topics and tips to avoid common mistakes.

Latest Webinars Archived on IRS Video Portal

- [Real Estate Related Mortgage Interest](#) Tax reporting compliance topics for real estate businesses and industry.
- [The Examination Process for Employment Tax Returns](#) IRS experts and industry professionals discuss what to expect from an employment tax examination.

IRS Updates and News Releases

Updated Circular 230 Now Available

The updated [Circular 230](#), revised to reflect the new return preparer oversight program and other changes, is now available on IRS.gov. You may want to bookmark for easy reference.

Comments Sought on Updated Rules for IRS Communications with Appeals Office

The Internal Revenue Service requests public comment on proposed updates to existing rules on permissible communications between the Office of Appeals and other parts of the IRS. The deadline is August 18th.

Form 2290 Aug. 31 due date postponed

Truckers and other owners of heavy highway vehicles now have until Nov. 30 to file Form 2290, Heavy Highway Vehicle Tax. The tax is scheduled to expire on Sept. 30, 2011, and the extension will alleviate any confusion if Congress reinstates or modifies the tax.

Related links:

[Trucking Tax Center](#)

[IR-2011-77](#), IRS Gives Truckers Three-Month Extension; Highway Use Tax Return Due Nov. 30

Pre-Order the 2011 Tax Calendar

The English version of the 2012 IRS Tax Calendar for Small Business and Self Employed, Publication 1518, will ship in late-November. The Spanish calendar (Pub 1518SP) will ship late-December.

[Order online](#) or call 1-800-829-3676.

Guidance for Examiners and Managers on the Codified Economic Substance Doctrine and Related Penalties

The purpose of this [LB&I Directive](#) is to instruct examiners and their managers how to determine when it is appropriate to seek the approval of the DFO in order to raise the economic substance doctrine. Once an examiner determines that raising the doctrine may be appropriate, this directive sets forth a series of inquiries the examiner must develop and analyze in order to seek approval for the ultimate application of the doctrine in the examination.

IRS Reminds Taxpayers that FUTA Surcharge has Expired

The IRS reminds employers that the Federal Unemployment Tax Act surcharge of 0.2% expired on June 30, 2011. This means that the FUTA rate for employers went to 6.0% starting on July 1, 2011. The IRS is currently working to revise Form 940, Employer's Annual Federal Unemployment Tax Return, to accommodate the two different rates and the form will be available before the Jan. 31, 2012, due date. The IRS will post the Form 940 for the 2011 tax year, to the [Forms and](#)

Publications section of IRS.gov and other relevant information, if any becomes available, about the FUTA surcharge on the Employment Taxes page.

Examination Process for Employment Tax Returns

IRS experts and industry professionals discuss what to expect from an employment tax examination.

1099-K News

IRC 6050W (Merchant Card) Frequently Asked Questions have been posted to the Third Party Reporting Information Center on IRS.gov.

Expired Airline Excise Tax

Information on the Expiration of Aviation-Related Excise Taxes The laws authorizing the airline ticket tax and other aviation-related taxes expired at midnight on Friday, July 22. The IRS continues to monitor pending legislation related to this issue. The IRS will continue to work with the airline industry to address issues relating to the collection and payment of the taxes involved. Taxpayers do not need to take any action at this time. The IRS will provide further guidance on this issue in the near future.

ETAAC delivers report to Congress

The Electronic Tax Administration Advisory Committee recently released its 2011 Annual Report to Congress.

The report includes recommendations involving:

- Standards for security and accuracy for the electronic tax community
- 1040 modernized e-file platform
- Barriers to e-filing employment tax returns
- Tax filing simplification
- Collaboration and partnership with the electronic filing community

Send any comments on the report to ETAAC.

IRS Takes Next Steps in International Realignment; Bolsters Transfer Pricing Compliance Programs and International Coordination

IRS officials announced they are taking additional steps in their continuing efforts to improve the agency's international operations.

Two-Year Limit No Longer Applies to Many Innocent Spouse Requests

The Internal Revenue Service announced that it will extend help to more innocent spouses by eliminating the two-year time limit that now applies to certain relief requests.

Tax Statistics

The Statistics of Income Division is currently reviewing the methodology used to produce its annual ZIP code file in order to safeguard the confidentiality of individual taxpayer information. In the meantime, a preliminary TY2008 dataset is available to download free of charge. This preliminary file contains data for every U.S. ZIP code for which 250 or more returns were filed. Variables include: number of returns filed, number of joint returns, number of returns by paid preparers, number of exemptions, number of dependents, Adjusted Gross Income (AGI), and 29 other financial fields broken out by AGI class. Unlike previous years' ZIP code files, frequency counts for AGI and other financial fields are not provided. Depending on the results of the review process, we may be able to offer a more complete file in the future

Recently Updated Audit Technique Guides

[Business Consultants](#)

[Attorneys](#)

Assessment of trust fund recovery penalty against third parties

Interim guidance [SBSE-05-0711-044](#) states the trust fund recovery penalty may be assessed against third-party payroll service providers, as well as the employer. While the employer is ultimately responsible for the payment of the entire tax, a TFRP, depending on the circumstances, can be assessed against any responsible party including the third-party payroll service provider.

Related link: [Employment Taxes and the Trust Fund Recovery Penalty](#)

Technical Guidance

Notice 2011-62 provides a proposed revenue procedure that will update Rev. Proc. 2000-43, 2000-2 C.B. 404, which provides guidance regarding ex parte communications between Appeals and other Internal Revenue Service functions. Comments due August 18, 2011.

Announcement 2011-42 advises taxpayers that the IRS intends to discontinue authorizing the high-low per diem method for substantiating lodging, meal, and incidental expenses incurred in traveling away from home. Beginning in 2011, the IRS plans to publish a revenue procedure providing the general rules and procedures for substantiating these expenses (omitting the high-low substantiation method) and a notice providing the special transportation rate. The IRS plans to discontinue publishing the per diem revenue procedure annually but will publish modifications as required.

Revised Notice 2011-53 describes the timeline for phased implementation of chapter 4. In particular, it describes the transition rules relating to withholding for USFIs and withholding, due diligence, and reporting obligations for participating FFIs.