

Date: January 22, 2015

IRS Practitioner Liaison Meeting

Virtual Meeting for MA & NH Practitioner Organizations

Time: 9:00a.m.-11:00p.m.

Attendees:

- Steve Ingraham, Area Manager, Stakeholder Liaison Field, NY Area
- Mary Hanson, Senior Stakeholder Liaison, IRS Stakeholder Liaison Field
- Mary Marcotte, Senior Stakeholder Liaison, IRS Stakeholder Liaison Field
- Diane Arrigo, Department Manager, Automated Underreporter Program (AUR) Brookhaven Campus
- Mary Ellen Kelley, Acting Local Taxpayer Advocate, IRS Taxpayer Advocate Service, Boston
- James Rooney, Group Manager, New England Advisory Group, IRS Collection
- Lynn Annicchiarico, President, National Association of Tax Professionals (NATP), New Hampshire Chapter
- Sol Asmar, EA, Board Member, NATP, NH Chapter
- Aaron Blaine, CPA, Massachusetts Society of CPA(MSCPA)
- Norma Boyce, EA, Secretary NATP, NH Chapter
- Robert Capriole, Vice President & President-elect & Government Liaison Chair, Northern New England Society of Enrolled Agents (NNESEA)
- Lawrence Carlton, CPA, CSEP, MST, MSCPA, AICPA Tax Practice Responsibilities Committee
- Dallas Coffman EA, CLU, ChFC, CFP, MaSEA
- Wayne Cook, EA, First Vice President MaSEA
- Nancy Dery, NH representative Taxpayer Advocacy Panel(TAP)
- Mary Dupuis, EA, MaSEA; Instructor for SEE review for MaSEA
- Beth Fowler, NH Bar Association, MA Bar Association
- Maurice Gilbert, CPA, 4th Vice President, NHSA
- Michael Grem, Esq., Taxation Law Section member, MA Bar Association
- Jeff Goodrich, Director, Legal Advice Referral Center (LARC), NH
- Barbara Heggie, Esq., Coordinator NH Low Income Tax Clinic
- Jeffrey Kent, Board member, NATP NH chapter
- Dale Lewis, EA, Second Vice President MaSEA
- Eunice Malkasian, EA, ATA, ABA, MaSEA
- Edda Martin, 2nd VP for Education, NHSA
- Sandy Martin, Director-NSA Governor for District 1
- Kathleen McCullough, CPA, McCullough & Associates
- William McCullough, CPA, McCullough & Associates
- Susan Merrill-Paul, VP of NH NATP
- Christine Miarecki, EA, former president, NATP MA/RI chapter
- Mark Misselbeck, CPA, MSCPA, AICPA
- Joyce Mohr, EA, President of Ma. Society of Enrolled Agents (MaSEA)
- Cheryl Morse, EA, former member IRS Taxpayer Advocacy Panel (TAP), national instructor for NATP and UMASS tax schools
- Lyn Parker, EA, CFP, MaSEA

- Richard Patient, CPA, AICPA, MSCPA
- Chris Pulick, CPA, MSCPA, AICPA
- Leonard Rea, EA,CFA, First Vice President, MaSEA
- Beathan Regan, Outreach Coordinator LARC,NH
- Deborah D. Rodgers, CPA, MSCPA, AICPA,
- Carol Romeril, EA, Board Member/Educational Committee Chair, NATP, NH Chapter
- Kathryn Seekel, CPA, MST, MSCPA, Chair Federal Tax Committee
- Andrew Thom, CPA/PFS,CFP,CMA,CFM EA,
- Ed Wagner, NHSA
- Dawn Whiting, NH Bar Association
- John C Walker, EA, NATP, Secretary, NHSA
- John Warren, EA, Secretary MaSEA
- Jeff Winer, CPA, National Conference of CPA Practitioners
- Thomas Wisniewski, EA, State Director, NH, NNESEA & Past President NNESEA
- Don Zidik, CPA, AICPA, MSCPA

Meeting Summary

Mary Hanson - Senior Stakeholder Liaison, IRS Stakeholder Liaison Field

Mary welcomed the participants and thanked them for attending the meeting. After reviewing some administrative procedures, Mary introduced the Area Manager, Steve Ingraham.

Steve Ingraham, Area Manager, New York Area, Stakeholder Liaison Field

Steve provided a short introduction of himself. He thanked the practitioners for their continued partnering efforts and support. He reminded everyone in attendance to share the meeting minutes with their membership. He knows everyone is aware of the challenges IRS is facing with the reduced budget and limited resources. He assured the group that Stakeholder Liaison will continue to provide services. We are always looking for ways to do business better and more efficiently. That means everyone will probably experience more virtual events and less face to face meetings. Steve told the group that the Annual Filing Season Program (AFSP) is being implemented. Records of Completion to tax return preparers who have met the requirements began being issued in December. Preparers who completed the AFSP will be included in the new public database on irs.gov which is expected to post to IRS.gov soon. Steve stressed the importance of the Issue Management Resolution System. He urged everyone to share with Stakeholder Liaison their issues and concerns and if applicable they will be elevated through IMRS for an answer and if possible a resolution. Steve also mentioned that the NY Area will conduct a webinar on February 19th at 10:00. The webinar will provide information that will be useful to Construction Small Business taxpayers and the tax professionals who have clients involved in the construction business. More information is available by clicking on this link: [Area Wide Construction Small Business Webinar Forum Flyer.](#)

Mary Marcotte – Senior Stakeholder Liaison, IRS Stakeholder Liaison Field

Mary provided a brief presentation on IRS resources for the filing season. She navigated through the IRS website to show attendees what resources the website has to offer for their members and clients. She began with reviewing some key items on the [IRS homepage](#), pointing out the search box in the upper right hand corner of the page and the "Hot Topics" menu link to the [Affordable Care Act Tax Provisions](#) webpage. Mary proceeded to the [Tax Information for Tax Professionals](#) webpage and showed that there is

a wealth of information for tax return preparers under the [Basic Tools for Tax Pros](#) page, including a link to ["Where to File Paper Tax Returns"](#) and other paper documents. She noted that the addresses listed on the website apply to all tax years filed during the current calendar year. Mary pointed out that there is an additional webpage specifically for tax professionals on the IRS website which can be accessed through the "For Tax Pros" tab on the IRS homepage. The [For Tax Pros](#) webpage houses links to e-services, PTIN registration, ways to stay informed and other hot topics. Mary concluded her presentation by reviewing the various IRS [online tools](#) available to help tax professionals assist their clients during the filing season. She also encouraged attendees to stay up-to-date by subscribing to [Quick Alerts](#) and [E-news for Tax Professionals](#).

Mary's PowerPoint presentation can be viewed by clicking on this link: [IRS Resources for Tax Professionals](#).

Mary Ellen Kelley, Local Taxpayer Advocate, IRS TAS, Boston –Mary Ellen is the acting Local Taxpayer Advocate for the Taxpayer Advocate Service (TAS) Boston office. Mary Ellen made it clear that she is not a technician and her role at the meeting was not to provide details on the Affordable Care Act (ACA) but she would like to share what TAS is doing to prepare for potential issues that may come up as a result of the implementation of the Affordable Care Act provisions. Taxpayer Advocate employees have all been extensively trained, especially the case advocates who will be working directly with taxpayers and taxpayer representatives. TAS is establishing issue codes for casework that will help identify trends and systemic problems quickly. Data will be used to address the most serious problems and it will ensure that they stay on top of any emerging problems. The new codes will not only identify the types of issues TAS anticipates in these cases, it will track the best methods on how to help these taxpayers. TAS is also putting together a rapid response team to respond to the systemic issues that may be identified. Mary Ellen reminded everyone that they could help by sharing information with TAS when they believe there may be a systemic issue by entering the issue directly on the Systemic Advocacy Management System or [SAMS](#) . TAS is trying to help through outreach activities too. There is information and videos found on the website and there is also the [TAS Toolkit](#). On the landing page for the toolkit you will find a list of common issues. One of the issues listed is [the Health Care Premium Tax Credit](#). If you access that link you find valuable information about the credit all located at one location on the web. At the bottom of the page you will find a link to the [PTC change estimator](#). If a taxpayer has a change in their life circumstances such as family size, or change in family income they may find the amount of the advanced premium tax credit has also changed. The PTC Change Estimator will help the taxpayer see how the credit may be affected. The tool is helpful, but the taxpayer should always remember to contact the marketplace to report the changes in circumstances.

Mary Ellen reviewed with everyone the criteria for being included in the TAS program. Current guidance on TAS criteria is located on the [IRS website](#) and information is available in [Publication 1546EZ](#). She also provided the phone number for the TAS office in Boston and Portsmouth. The Boston TAS number is 617-316-2690 and the Portsmouth, NH TAS number is 603-433-0571. The National TAS Case Intake line is 877-777-4778.

Mary Ellen's PowerPoint presentation can be viewed by clicking on this link: [Taxpayer Advocate Service Update](#).

Nancy Dery – Member of Taxpayer Advocacy Panel (TAP) - Nancy explained to the group her role on [TAP](#). TAP is a group of volunteers who help the IRS to find ways to improve customer satisfaction. Currently they have 78 members. Volunteers are made up of 1/3 tax practitioners, 1/3 former government employees and 1/3 diverse group of interested citizens. TAP volunteers serve a 3 year term and put in 200 to 300 hours per year on TAP activities. TAP members do outreach events like this meeting. They take part in conference calls and training and committee meetings. There are several project committees that meet virtually through the year and they try to have 1 face to face meeting annually. A question was asked how do you apply to be a TAP member and Nancy directed them to the TAP website <http://www.improveirs.org> for additional information.

Diane Arrigo – Department Manager, Automated Underreporter, Brookhaven Campus, Holtsville, NY- Diane introduced herself to the group and told everyone she has been with the Internal Revenue Service for 26 years. She provided an overview of the Automated Underreporter Program and how that program fits into Campus Compliance Services. There have been two major compliance programs that involve reporting compliance issues in Campus Compliance Services. They are Exam and AUR but Diane said her presentation will focused on AUR. AUR initiates inquiries when there is a discrepancy between what is reported on the tax return and what is reported from third parties. The forms they look at include 1099B, 1099G, 1099MISC, and 1099R. Although the cases initiated at each campus are site specific, the AUR system allows for universal case access which allows the AUR cases to be worked in any AUR campus.

Diane went over the notice progression of an AUR case. The AUR notice starts by asking about a tax return. Some AUR notices propose a liability. If the taxpayer does not respond to the letter by the date requested a "Statutory Notice of Deficiency" or 90 day letter will be sent. Diane told everyone that if you need more time to please call and let them know. While AUR cannot extend the period of time to petition Tax Court, it is important and they encourage taxpayers to work with AUR prior to and during the 90 day statutory period. If there is no response to a statutory notice, AUR will assess by default. Collection activity will begin if there is a balance due and this makes resolution more difficult. Most cases require a written response to resolve the issue. Respond timely and include the IRS response page on the top of your response. Additional details on responding to AUR notices can be found on the IRS website, [Tax Topic 652](#). AUR cases are created when tax returns are processed and compared to corresponding information documents. The IRS matches information from 140 million 1040 tax returns to over 2 billion information returns per year. The matching does not occur as a real time process. The process begins within 7 months of the filing due date. A question was sent prior to the meeting on how to report pension income when the total is on the Form 1099R and the taxpayer did not receive the full amount of the pension because it had to be paid out to another. Diane said that the gross distribution should go on line 16a and if the distribution paid to another is an allowable transaction, the taxable amount would go on line 16b. Diane went on to describe two common AUR notices. The [CP 2000](#) is the most widely issued notice. It is not a bill but it does provide a proposed change to tax liability. The [CP 2501](#) is preliminary inquiry and does not propose at tax.

Diane responded to several questions at the conclusion of her presentation. One question concerned sending in a Form 1040X with the response. Diane clarified that

it is not necessary unless you are requesting changes to something not specified in the report. Always put the AUR response page on the front of all replies. If the Form 1040X is in front it will not be directed to the AUR department and will take longer to process. Because the response may be directed to another area, AUR may not be aware that you responded. Another question was: is it important to put the Name, TIN and AUR case number on every sheet when faxing information to AUR? Diane said it was a good idea to help the clerical staff if anything gets disassociated. The last question was regarding whether it is better to send a response by certified mail. Diane answered no. A tax professional suggested sending responses priority mail. The mail is handled differently and you will receive a confirmation that it was delivered.

Diane's PowerPoint presentation can be viewed by clicking on this link: [Automated Underreporter Presentation](#).

James Rooney, New England Advisory Group Manager, Providence RI-Jim is a manager of a group that covers the New England area. Jim began his presentation by defining what advisory means in Collection Operations. Advisory contains a broad range of program areas to support the Collection Field function. They assist taxpayers, and provide assistance to various other IRS functions with certain collection programs. Jim's comments focused on the programs that are the most common: lien releases, lien withdrawals, lien discharges and lien subordinations. Jim went over the basic criteria for each program. A lien release will occur when the tax, interest and penalties are satisfied by payment or tax adjustment or abatement. It will also happen if the statute for collections has expired. There are situations where the lien is released when a bond is posted to guarantee payment. These situations are rare and complicated. Currently there are only 3 companies that the Federal government will accept a bond from. Lien withdrawals remove the public Notice of Federal Tax Lien. A discharge removes the lien from specific property. The Service generally considers Lien withdrawal if the withdrawing the lien will facilitate collection. The withdrawal needs to be in the best interest of the government and the taxpayer. Unlike installment agreements, there are no hardship criteria when it comes to lien withdrawals. However, [The Fresh Start Initiative](#) was introduced in 2011 that made changes to some of IRS policy and programs for collecting taxes. Additional criteria for lien withdrawals we added to make this option available to more taxpayers. Withdrawals are very popular because they negate the impact of the lien on a taxpayer's credit report. Jim noted that self-releasing liens do not qualify for a lien withdrawal because the tax liability was never paid, the collection statute just expired.

A lien discharge removes the lien against specific property. IRS will discharge a lien in some cases to allow a short sale to take place. Information on how to apply for a discharge is found in [Publication 783](#). A subordination of a lien allows a creditor to move ahead of the government's priority position in the order of collection. The Service will do this to allow taxpayers to refinance or modify an existing mortgage that has been encumbered by a lien. This occurs regularly with Home Affordable Modification Program (HAMP) and Home Affordable Refinance Program (HARP). Information on subordinations can be found in [Publication 784](#). More details about [Federal Tax Lien process](#) can be found on the IRS website. [Publication 1468](#) is also a good resource. [Publication 4235](#) lists all the IRS Advisory Groups. Jim's Group works with all the New England States.

Jim's PowerPoint presentation can be viewed by clicking on this link: [Lien Issues Presentation](#).

Mary Hanson - Senior Stakeholder Liaison, IRS Stakeholder Liaison Field-

Mary also stressed the importance of the [Issue Management Resolution System](#). She mentioned that there was a leadership change for the IMRS leadership team at the end of the year, but IMRS will continue and is still a good way to elevate concerns. Mary went over how information is documented in the IMRS to help determine how big a problem an issue is and whether or not it has local or national impact. Communicating with Stakeholder Liaison is key and we need your help to stay on top of potential problems. A recent example is a question from a tax practitioner about the [CPO1F](#) notice that two of her clients received in early January. The notice provided the taxpayer the option to request and Identity Protection PIN (IP PIN) and her clients were unaware that they may be ID theft victims. Other IMRS databases showed other tax professionals were asking the same question. Additional research and communication through Stakeholder Liaison we found out that more than 1 million of these notices went out in January. The notices were sent to taxpayers where IRS identified through screening and filters that these tax accounts may be at risk for identity theft. Getting the IP PIN is optional. Once someone elects to use an IP PIN they cannot reverse their decision. They will need to use an IP PIN each year when they file their return. Having an IP PIN will provide an extra layer of protection against the misuse of their Social Security number with IRS. There have been some changes to the Identity Theft function. ID theft operations have been centralized to improve efficiencies and effectiveness. They not only assist taxpayers who have been victims of identity theft, their efforts include pre-refund type filters that are applied to protect taxpayers and stop fraudulent refunds. If someone suspects they are a victim of identity theft, they should not call the Identity Protection Specialized Unit (IPSU) hot line. They should mail or fax [Form 14039, Identity Theft Affidavit](#), to the number or address on the form. The contact number for IPSU (1-800-908-4490) is for ID theft cases that are already in progress. There are two new ID theft publications that were published in December 2014. One is [Publication 5199](#), Tax Preparer Guide to Identity Theft. The other is [Publication 5027](#), Identity Theft Protection for Taxpayers.

Issues & Status

Issue - There is an increasing problem when dealing with Automated Collections Service (ACS). When you call you are told to get more information. When you call back you are told to get even more information. You keep getting different people and the responses are all inconsistent. There is a lot of ranting about what is an allowable expense.

Issue Status – LTA Mary Ellen Kelley used to work in ACS years ago and said that employees at the call site should be able to read the notes of the previous call. Mary Ellen has entered this issue on the Systemic Advocacy Management System (SAMS) Issue 32168. SL has also entered issue in the Local Issue Data for additional research and tracking.

Issue – One member of the group said there seems to be a problem with mortgage interest statements being matched appropriately to individual tax returns causing subsequent contacts from AUR for verification. In this climate of same sex marriages and/or spouses retaining the name they had before marriage this may become a bigger problem.

Issue Status- Concern was placed on the IMRS discussion board to gather information from other areas in the country to see if they are experiencing the same problem.

Next Scheduled Meeting

The next New Hampshire Practitioner Liaison meeting will be held in June 2015.

The next Massachusetts Practitioner Liaison meeting will be in September 2015