

SBSE- GULF STATES FIELD COLLECTION ROUNDTABLE SUMMIT MEETING SUMMARY

January 27, 2016

Attendees: James Williams, Mary Santiago, Modesto Matheu (Houston CPA Society, IRS-CPA Study Group and RTA Committee Rep.) Marc Enzi- TXSEA, David Alencastro- EA, Jim Elles, Rhett Buck (Houston Lawyers Assoc.), Collis Redd (TXSEA), Charlie Burns, Ronnie Darden (TSCPA), Don Clanton, (TSCPA), David Allie, Jose Lopez- Gulf States TM, Pamellia Antony, GM Alliance, Cynthia Brunson, GM North , Jacqueline Leonard- GM- Alliance, Adrian Piper, GM Alliance , Monica Herod- GM- SE), Karen Ytuarte-GM Leland), Georgia Thomas (SW & SE Stakeholder Liaison Manager and Arlene Good, Sr. Stakeholder Liaison

Handout:



SBSE_Early
Interaction_FTD AlertHandout - January 27



Collection Summit

Handout - January 27

Meeting Summary:

Meeting started with a meet and greets between the practitioner community and the local Houston Field Collection management staff. There was a brief introduction of all the managers and the practitioners. Sr. Stakeholder Liaison, Arlene Good introduced herself and provided the group with SL highlights; we are here to support you as you work with Collection Field to identify any issue for us to elevate on your behalf through our Issue Management Resolution (IMRS) system. The Collection Summit Handout was shared with everyone to assist the Tax Professional who was attending for the first time.

Collection Overview/Updates:

Gulf States Field Collection Territory Manager, Jose Lopez gave an overview of Field Collection. We have 73 RO's in Houston. We lost 2 RO's in the first quarter and will lose another one in the coming month. We hope to see a hint of hiring in the near future. My Revenue Officers work is based on grade levels and each levels of complexity. In the queue we have 33,000 cases in my area waiting for assignment. My ATAT group handle trust fund, Individual, delinquent returns, tax evasion, non-compliance and pattern cases. The queue is divided into risk level cases (high risk over 1 million, pyramid taxpayers (not making federal tax deposits), \$20,000 are considered

medium risk. The formulas are unknown. My RO's also have accelerated cases that are high risk that they are currently working.

We strongly emphasize what Commissioner Koskinen made clear that Private Collection program in no way will adversely affect the jobs of collection employees. Every study and review has shown our employees are the most effective tax collectors, and the Service is proud of their work. Collection has been -- and will continue to be -- a core part of the IRS tax administration efforts. The work that will go to the private debt collection program will be inactive inventory - work that hasn't been touched by IRS for quite some time. There's not going to be less work for our collection programs, and our people will continue to work cases at the front of the collection queue. We are currently determining how to arrange the private debt collection program. There are some fundamental differences between this and the previous efforts. We will share more information in the months ahead as we finalize the outlines of the program and eventually move forward to award contracts to private firms. Private debt collectors will not ask for payment on a pre-paid debit card, but rather a check to the US Treasury.

The IRS will be sending "Soft Letters" to taxpayers that are in the system and that the IRS believes that they have fallen behind. These soft letters are set-up automatically by the IRS computer system to alert taxpayers and require a prompt reaction. In addition to the soft letters your taxpayers will receive phone calls or a visit from Revenue Officer.

Local Collection Issues: (Jose Lopez)

Q. I see that the FY2016 budget is allocated for taxpayer service. Is Collection a part of taxpayer service?

A. The current FY 2016 budget has not been officially allocated for each Operating Unit.

Q. How will the Private Collection Agency notify the taxpayers? Do you have any procedures on this now or if not can you provide us with an update during our June meeting?

A. If we have any additional details we will provide an update at the next meeting.

Q. When taxpayer submit a payment what is the timeframe for posting?

A. Generally, it takes 24 hours for funds to post. Some issues are out of Collection control. Recently we came out of a dead cycle for IMF 16th and BMF 21st for end of year processing that caused some posting delays.

Q. What is the local Policy on Due Process?

A. It should be handled within 24 hours. Call the managers if you have any problems.

Q. How long does it take for CDP request to process?

A. A CDP request should be handle within 24 hours. For example, Appeals will send a RO a request for a financial statement. The RO will request a financial statement from the taxpayer and document the history, but Appeals makes the decisions.

Q. How will the IRS officially initiate contact with Taxpayers so Taxpayers can recognize and report unauthorized contact from unscrupulous sources? Identity Theft, Junk e-mail, and threatening telephone calls from unauthorized people who say they are with the IRS are a common occurrence with Taxpayers today.

A. We should educate our taxpayers by telling them that the IRS does not initiate contact with taxpayers by email, text messages or social media channels to request personal or financial information. This includes request for PIN numbers, passwords, or similar access to information for credit cards, banks or financial accounts. Educate your clients on how to report Phishing and Online Scams. Use the handout below if they receive an email, phone call or letter then they should report it. I receive calls and emails often that I quickly recognize as not legitimate; however, average Taxpayers need to be educated so they can minimize contact with unauthorized sources.



Report Phishing and
Online Scams handou



p4524.pdf

Presentation: SBSE Collection Early Interaction Initiative (Angela Beal) see handout

Q. When an assistor input 433-D for all years. In what instance will a Final Notice be issued?

A. A Direct Debit I/A is set up based on timing. We are trying to get the taxpayers in compliance.

Other Issues- Elevate

Q. Will ACS handle any trust fund cases and assess Trust Fund penalties? If so, what are the criteria?

A. 5.19.14.1.3 (01-13-2016)

Trust Fund Recovery Penalty Functional Responsibilities

Revenue Officers (RO) investigate and determine against whom to assess the TFRP. Unless collection of TFRP is in jeopardy, the taxpayer must be given a preliminary notice at least 60 days before the date of notice and demand for

payment of the TFRP. The 60 day letter is Letter 1153(DO), *10-Day Notification Letter, 100% Penalty Against Filer for Corporation*, and it provides for administrative Appeal rights. Appeals will consider the taxpayers timely protest and will either sustain in full, sustain in part, or concede the proposed penalty. A taxpayer may waive the 60 day notice period by signing Form 2751, *Proposed Assessment of Trust Fund Recovery Penalty*, (see IRM 5.7.6.1, *Taxpayer's Response to Letter 1153(DO)*). After completing the investigation and providing the required notice to the taxpayer of the proposed assessment, Form 2749,, *Request for Trust Fund Recovery Penalty Assessment(s)*, is completed. A Form 2749, *Request for Trust Fund Recovery Penalty Assessment(s)*, is initiated for each responsible individual with all of the related assessments. Assessments for Forms 941, 943, 944, 945, 1042 are generated on Automated Trust Fund Recovery Area Office (ATFR-AO), with few exceptions. The remainder are processed as indicated in *IRM 5.19.14.2.5 , Inputting the Form 2749 Manually - Not through ATFR-CC*.

Q. Can you defer the 10% penalty when funds are being pulled out of a 401 (k) retirement account to pay for tax deficiencies?

A. At this time the RO's guidance is the manual. The Revenue Officer must consider all factors and the taxpayer must prove a hardship. Enforcement actions, assets have equal value. IRM 5.11.6.2 (3)-Exception to Paying 10% Penalty. The taxpayer can determine if they meet an exception or request abatement based on reasonable cause. Arlene will elevate the issue for further review of IRS Policy.

Other Handouts Material:



EITC Awareness Day handout.pdf



SBSE Direct Pay PPT v3-Handout.pdf

Please remember to share the information with your members and colleagues. If you have any comments, feedback or suggestions please contact your local Stakeholder Liaison.

Next Meeting: Tentatively June 2016