

December 1, 2015

Alaska Practitioner Liaison Meeting

Virtual Meeting via WebInterpoint

Time: 1:00 pm – 3:00 pm Alaska Standard

Attendees:

Internal Revenue Service

- Kristen Hoiby, Stakeholder Liaison, NW Area Manager
- Mike Cvitkovic, Stakeholder Liaison
- Gail Adalsteinsson, SBSE Collection Group Manager
- Kris Ashley, SPEC Tax Consultant
- Song Hartford, W&I, Taxpayer Assistance Center
- Sonia Oen, SBSE Examination Group Manager
- Julie Payne, SBSE Associate Area Counsel Managing Counsel
- Coral Quimby, Taxpayer Advocate Service Analyst
- Kim Vu, SBSE Exam Territory Manager
- Caroline Ware, Alaska Taxpayer Advocate

Practitioner Representatives

- Therese Sharp, Chair, ASCPA, Alaska Society of CPAs
- Karen Ague, ASCPA
- Jon Brewer, ASCPA
- Shelda Duff, ASCPA
- Tom Hartshorn, ASCPA
- John Rodgers, ASCPA
- Lisa Rogers, ASCPA
- Christina Passard, ABA, Alaska Bar Association
- Chuck Schuetze, ABA
- Paula Laurion, EA, Alaska Society of Independent Accountants
- Kathie Riley, EA, ASIA
- L. LaVonne Scott, EA, ASIA
- Sherry Whah, EA, National Association of Tax Professionals

Meeting Summary

Mike Cvitkovic, Stakeholder Liaison, Seattle

As it is unlikely that the IRS budget will increase (more likely to decrease) practitioners are continuing to work with the **IRS Service Approach** offered during 2014 and 2015. That means continued limited person-to-person interaction and

increased use of automated self-service options. Mike displayed the [Tax Professional page](#) and drew attention to the link under the [Basic Tools](#) heading which provides an extensive list of items for practitioners.

IRS [Direct Pay](#) can be used to make payments for Forms 1040, 1040A, 1040EZ, 1040ES, 1040X as well as Form 5329, *Additional Taxes on Qualified Plans (IRAs) and Tax Favored Accounts*, and the Shared Responsibility Payment, which is calculated in the instructions to Form 8965, *Health Coverage Exemptions*, resulting from the Affordable Care Act. Remember the 4pm Alaska time cutoff and the two day processing-to-posting when submitting payments.

IRS' ["Get Transcript"](#) online application remains disabled. Transcripts may still be obtained using the mail delivery option.

The [Practitioner Priority Service](#) is available from 6:00 a.m. to 6:00 p.m. Alaska Time. There is a limit of five clients per call. There is a limit of ten account-related transcripts per call. Non account-related transcripts must be obtained via e-services or by submitting, free-of-charge, the Form 4506-T, *Request for Transcript of Tax Return*. After two hours on hold calls to PPS will disconnect. PPS is covered in [IRM 21.3.10](#). The number is 1-866-860-4259.

IP PINs for the upcoming filing season are being mailed out. There is a distinction between [retrieving and replacing an IP PIN](#). To maximize security, the issuance of the original IP PIN or the retrieval of the original IP PIN is only between the IRS and the taxpayer. However, a tax preparer with valid POA may request a replacement IP PIN for one taxpayer per call. Starting Jan. 1, [new Identity Protection PIN rules](#) will require all IP PIN owners – primary, secondary and dependent/qualifying individual - to enter their six-digit numbers on certain forms.

Kristen Hoiby, Stakeholder Liaison, Seattle

[PTIN](#) renewal season is underway. Practitioners are encouraged to renew early and avoid the late December traffic jam. The annual fee for 2016 PTINs will be \$50 for both new applications and renewals. The IRS will collect \$33 as a user fee to support program costs and a third-party vendor will receive \$17 to operate the online system and provide customer support.

To participate in the [Annual Filing Season Program](#) for 2016, return preparers must complete the required continuing education courses by Dec. 31, 2015. All CE must be taken from IRS-approved CE providers. PTIN holders without an Annual Filing Season Program – Record of Completion or other professional credential will only be permitted to prepare tax returns. For returns prepared and signed after December 31, 2015, they will not be allowed to represent clients before the IRS.

Enrolled agents with Social Security numbers ending in 0, 1, 2 or 3, must renew their licenses by Jan. 31, 2016. Use Form 8554, *Application for Renewal of Enrollment to Practice Before the IRS*, at www.pay.gov.

This will be the second filing season for the [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#).

Mike Cvitkovic, Stakeholder Liaison, Seattle

Incidents of telephone and online **scams** and phishing continue rampant across the country. Practitioners and their clients should refer to [Report Phishing and Online Scams](#) on IRS.gov for the proper way to report such incidents.

The **Taxpayer Protection Program** involves letters being sent to taxpayers to verify identity in order to process their tax returns. [Letter 4883C](#) provides a toll-free IRS Identity Verification telephone number to call. [Letter 5071C](#) provides the toll-free IRS Identity Verification telephone number and a secure Identity Verification Service website idverify.irs.gov. There is a new ID Theft publication for tax preparers, [Pub 5199, Tax Preparer Guide to Identity Theft](#).

The IRS and certain payroll service providers are partnering to [test a new Verification Code](#) that will help validate data on the Form W-2. The Verification Code, if present on the Form W-2, should be entered on the electronic return when prompted by the software.

Through the use of the [IRS preparer tax identification number \(PTIN\) system](#), tax professionals can now regularly verify the number of returns filed and possibly identify fraudulent use of their EFIN. Contact the e-help Desk at 866.255.0654 to report if there is a discrepancy in the number of transmitted returns.

Some later portions of the **Affordable Care Act** came into play this year and will impact the 2016 filing season. [The ACA Information Center for Tax Professionals](#) provides information for individual clients, business clients, payroll clients, as well as general resources.

Practitioners should contact IRS Stakeholder Liaison (e-mail michael.e.cvitkovic@irs.gov) to report instances of **data compromises** (computer thefts, account takeovers, computer breaches) occurring in their practices. Stakeholder Liaison will refer information to IRS Criminal Investigation.

Practitioners may hear from clients who have been contacted as part of the [Early Interaction Initiative](#). The Early Interaction Initiative deals with payroll tax compliance.

IRS has issued [instructions for requesting a copy of a fraudulent returns](#).

Two items of follow-up from the Alaska Tax Practitioner Symposium. First, regarding [tangible property expensing](#), IRS has raised the safe harbor threshold for deducting certain capital items from \$500 to \$2,500. Second, regarding the [Health Coverage Tax Credit](#), IRS is now accepting 2014 amended tax returns claiming the credit.

The **2016 IRS Nationwide Tax Forums** will be held in Chicago (July 12), New Orleans (July 27), National Harbor (August 23), Orlando (August 30), and San Diego (September 13).

Roundtable & Comments

Coral Quimby, Taxpayer Advocate

Coral introduced Caroline Ware, the new Alaska Local Taxpayer Advocate. Caroline extended greetings. She has a Masters of law degree in taxation and comes to Alaska from Florida where she worked at the Community Legal Services of Mid-Florida where she was the deputy director and previously the director of their Low Income Tax Clinic. No other staffing changes.

Sonia Oen, Examination

Sonia stated that SB/SE will be reviewing tax schemes, non-compliance, and business filers. In addition to the three agents in Anchorage she is now managing staff in Tacoma. Tax Compliance Officers are still scheduled for two visits to both Anchorage and Fairbanks during the year. TCOs are managed by Greta Thode (Seattle), Laura Speight (Tacoma), and Patti Doty (Portland). LB&I staffing remains at three agents in Anchorage and one in Fairbanks. The LB&I manager is Jill Bickmore (Seattle). Excise has one agent in Anchorage managed by Joe Mazzolini (Great Falls, MT). The employment tax agents continue to circuit ride to Anchorage as needed and are managed by Orville Surla (Portland).

Kris Ashley, Stakeholder Partnership Education and Communication (SPEC)

Kris related her ongoing education and outreach efforts on identity theft and the Affordable Care Act to groups of individuals. EITC day is January 29. VITA and United Way are always looking for volunteers.

Song Hartford, Taxpayer Assistance Center

Song reported that the Fairbanks TAC remains closed. Recruiting for a staff person for Fairbanks is in the early stages. The Anchorage TAC will be scheduling appointments via phone and e-mail in the future. Forms W-2, W-3, and 1099-MISC are no longer stocked at the TAC.

Gail Adalsteinsson, Collection

Gail informed that she manages staff in Tacoma and Olympia WA as well as in Anchorage. She schedules one week every other month to join the staff of three in Anchorage. The ROs attempt to meet face-to-face with taxpayers as often as possible. Early Interaction Initiative inventories, which require a contact with ten days, have varied from four in one month to forty in another

Julie Payne, Counsel

Julie advised that, due to staffing levels, cases are being handled by externs and veteran interns during trial prep. She encouraged practitioners to use e-fax to transmit information safely and easily and invited any questions about the system. Letters will be sent to practitioners to invite participation in pro-bono clinics. The clinics provide opportunities for taxpayers to meet with low income taxpayer clinics

or pro bono attorneys prior to the trial of their Tax Court case.

Joe Kincaid, Indian Tribal Government (submitted post-meeting)

Judy Pearson, Indian Tribal Governments Specialist, remains on staff in the Anchorage office, 907-271-6949. Her back-up, Jing Chin, is located in Vancouver, WA, 360-905-1166.

Issues & Status

IMRS Issue 11-0001506 was raised by an Alaska practitioner who needed to be able to sign tax returns on behalf of clients who were at sea commercially fishing. In response the Form 2848 and instructions now say (a) complete line 5 as instructed (including explicitly claiming good cause), (b) attach the POA to a valid Form 1040 Series return signed by the representative or agent on behalf of the taxpayer pursuant to the authority granted in the POA, and (c) timely file the return and POA w/ the IRS at the appropriate Service Center.

IMRS Issue 15-0002054 was raised by an Alaska practitioner whose clients' had problems with Form 1040 extensions. The extensions were filed electronically but, because Forms 4868 were used to send in payments and were processed after the April 15 due date, letters were sent denying the extension. The 2016 Instructions to Form 4848 added new language (in *italics*): "Note: If you e-file Form 4868 and mail a check or money order to the IRS for payment, use a completed paper Form 4868 as a voucher. *Please note with your payment that your extension request was originally filed electronically.*"

Sherry Whah e-mailed that sometimes practitioners have to fax or email the electronic filing document, Form 8879 to clients. We request that the client return the original signed document. However, often they forget to do so. I could not find any requirement stating we had to get the original signed Form 8879 returned to us. Should we still be trying to run down clients to return these or is the copy fully acceptable? The answer is that a client can fax back or return a .pdf of the Form 8879 with an original signature.

John Rodgers asked who he could contact when a client comes in with a compliance case that hasn't gotten to an active work status. Gail Adalsteinsson said practitioners could contact her in those instances.

Lisa Rogers asked where to pursue information on a refund from an October filing when "Where's My Refund" doesn't provide sufficient information. The best place to start is the Practitioner Priority Service.

Next Scheduled Meeting

In approximately six months. The date is to be determined.

