

**June 13, 2017**

**Alaska Practitioner Liaison Meeting**

**Virtual Meeting via WebEx**

Time: 1:00 pm – 3:00 pm Alaska

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**Attendees:**

Internal Revenue Service

- Kristen Hoiby, Stakeholder Liaison, NW Area Manager
- Mike Cvitkovic, Stakeholder Liaison
- John Blakeman, Stakeholder Liaison
- Susan Hottell, SBSE, Collection Group Manager
- Sonia Oen, SBSE Examination Group Manager
- Kris Ashley, W&I, SPEC Senior Tax Consultant
- Marty Walker, LB&I Territory Manager
- Tina Stuck, Acting Alaska Taxpayer Advocate

Practitioner Representatives

- Therese Sharp, Chair, ASCPA, Alaska Society of CPAs
  - Karen Ague, ASCPA
  - Jon Brewer, ASCPA
  - John Rodgers, ASCPA
  - Angelic Menegatos for Lisa Rogers, ASCPA
  - Christy Lee, ABA, Alaska Bar Association
  - Chuck Schuetze, ABA
  - Barbara Hompesch, EA, Alaska Society of Independent Accountants
  - Kelly Hunter, EA, ASIA
  - Paula Laurion, EA, ASIA
  - Sherry Whah, EA, National Association of Tax Professionals
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**Meeting Summary**

**Mike Cvitkovic, Stakeholder Liaison, Seattle**

Mike informed the group that, as of April 1<sup>st</sup>, Stakeholder Liaison Field (SLF) is now a part of IRS Communication and Liaison (Big C&L). At its inception SLF was a part of IRS Small Business/Self-Employed. Big C&L is having SLF conduct campaigns to share information virtually.

The first campaign topic was [payment options](#). The following options were presented and are linked to [irs.gov](http://irs.gov).

[Direct Pay](#) [Pay by Card](#) [Electronic Federal Tax Payment System \(EFTPS\)](#)  
[Electronic Fund Withdrawal](#) [Same-day Wire](#) [Check or Money Order](#)  
[Installment Payment Plans](#) [Offer in Compromise](#) [Temporarily Delay the Collection Process](#)

The second topic was [Private Debt Collection](#). Earlier this year the Internal Revenue Service began a new private collection program of certain overdue federal tax debts selecting four contractors to implement it. The four private collection agencies will work on accounts where taxpayers owe money, but the IRS is no longer actively working them. The IRS will do everything it can to help taxpayers avoid confusion and understand their rights and tax responsibilities, particularly in light of continual phone scams where callers impersonate IRS agents and request immediate payment.

### **John Blakeman, Stakeholder Liaison, Portland**

John presented the third topic [Abusive Transactions and Tax Scams](#). The IRS' goal is to stop abusive tax promoters and preparers as early as possible to prevent further harm to the public and to the government. [Publication 3995 Recognizing Illegal Tax Avoidance Schemes](#) is a good resource. Use [Form 14242](#) to report a suspected abusive tax avoidance scheme and/or tax return preparers who promote such schemes. Here is the irs.gov web page regarding [IRS impersonators](#).

### **Mike Cvitkovic, Stakeholder Liaison, Seattle**

Mike presented topics four and five - Correspondence Examinations (Corr Exam) and Automated Underreporter (AUR). Corr Exam asks for verification of credits and deductions claimed on a tax return to determine if they are being reported correctly. Corr Exams can be either pre-refund and post-refund. [Publication 3498-A](#) is a helpful document. By contrast, in the AUR program, all casework is conducted post-refund. The AUR program initiates inquiries about discrepancies identified between information reported on tax returns and information reported to IRS from third parties such as employers, banks, other government agencies, businesses, and pension funds. IRS has a web page on the [AUR notice CP 2000](#).

Mike stated that, other than a W-2 scam at an Alaska business back in January, no Alaska practitioners had reported a data breach. Nationwide, the clients of practitioners who have been breached are encountering difficulties. [Letter 5747C](#) states that potential victims must go to Taxpayer Assistance Center (TAC) (Anchorage for Alaska). IRS has clarified that, if the taxpayer receiving Letter 5747C did NOT file the return in question, they do not have to go to a TAC to verify their identity. They may respond by phone. The "[Protect Your Clients; Protect Yourself](#)" page on irs.gov contains a wealth of information on identity theft. Practitioners should contact IRS Stakeholder Liaison 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 are urged to check the number of returns filed under their EFINs to help thwart refund fraud. The [Check Your EFIN](#) page shows the steps to take.

The [list of online tools](#) continues to grow. [View Your Tax Account Information](#) has been added to the three online services, Get Transcript Online,

Identity Protection PIN, and View Your Balance, that require an additional level of authentication referred to as [Secure Access](#).

The [Secure Messaging](#) pilot is underway. About 8,000 taxpayers undergoing a correspondence examination will be invited to participate.

[Passport Denial/Revocation](#) has begun.

FinCEN will grant filers failing to meet the [FBAR](#) annual due date of April 15 an automatic extension to October 15 each year. Accordingly, specific requests for this extension are not required.

IRS has posted a statement regarding the court decision on [PTINs](#).

IRS will be sending letters to [Enrolled Agents](#) who may be subject to inactivation or termination.

The western locations for the [Nationwide Tax Forums](#) will be Las Vegas (Aug. 29-31) and San Diego (Sep. 12-14).

## **IRS Department Head Reports**

### **Susan Hottell, Collection**

Susan has 4 Alaska employees, but is located in Richland Washington. Staffing is very lean in Alaska and they are not anticipating any hiring. Because of the low staffing, they are really discouraging drop off payments or coming in to speak with someone. They encourage using EFTPS or mailing in payments. Collection is working hard to mitigate impersonator risks, though still occasionally do unannounced phone calls/field visits in order to reach taxpayers directly. Two-thirds of tax revenue is from employment taxes. The service has lost 2,000 revenue officers since 2010. The remaining ROs try to help compliance through education. In the field, ROs will have two pieces of photo ID—the first is the HSPD badge and the second is a pocket commission.

### **Marty Walker, Large Business and International**

Marty stated that staffing is expected to remain at three agents in Anchorage and one in Fairbanks. Helen Fyodorov manages the staff from Portland OR; e-mail, [Helen.A.Fyodorov@irs.gov](mailto:Helen.A.Fyodorov@irs.gov), phone 503-265-3683. LB&I did have an opportunity to hire internally about 60 employees, but none were for Alaska. They are not expecting more hiring. Because of the low staffing, they are looking at other ways of reaching taxpayers—often through campaigns which will be a critical part of their future. The campaigns include: IRC 48C Energy Credit, OVDP Declines-Withdrawals, Domestic Production Activities Deduction, Multi-Channel Video Program Distributors (MVPD's) and TV Broadcasters, Micro-Captive Insurance, Related Party Transactions, Deferred Variable Annuity Reserves & Life Insurance Reserves IIR, Basket Transactions, Land

Developers, TEFRA Linkage Plan Strategy, S Corporation Losses Claimed in Excess of Basis Campaign, Repatriation, Form 1120-F Non-Filer Campaign, and Inbound Distributors. Additional campaigns are under development. Some campaigns include focused audits, soft letters that encourage self-correction. Expect more of these sort of campaigns.

### **Sonia Oen, Examination**

Sonia manages employees in Alaska and Tacoma, WA. They are working on Abusive Transactions, Partnerships, S Corp Officers, Research and Experimentation Credit, National Research Program, and Identity Theft. There are two revenue agents in Alaska (having lost one) so they are getting help from Washington and Oregon by travelling people in. Three revenue agents are travelling to SE Alaska and Fairbanks. Two more are coming in the next few months. There is no projected hiring. There are also employment tax specialists. There are tax compliance officers (TCOs) that do the in-house audits, which is also covered through circuit riding from Washington and Oregon. Her phone number is 907.786.9732.

### **Tina Stuck, Taxpayer Advocate Service**

Tina, who is in Boise, is the acting Local Taxpayer Advocate for Alaska through September while Caroline Ware is acting in Denver. Alaska has four case advocates who assist taxpayers and practitioners. If you have an issues, you can either call Tina (208-363-8877) or the intake line and then the case will be assigned to a case advocate. They are seeing fewer stolen identity cases which is a good sign. Otherwise there are a gamut of different types of issues. When asked whether Caroline Ware would return, Tina answered 'hopefully'.

### **Kris Ashley, Stakeholder Partnership Education and Communication (SPEC)**

Sue Stockman retired and Holly Nydegger from Seattle is acting, to be followed by a yet to be determined actor. Alaska has a number of tax help sites, both military and non-military which are mostly run by AARP/Tax-Aid. The sites are for the low to moderate income taxpayers and the elderly and disabled. This filing season, they helped get out over \$19 million in refunds. SPEC also does outreach to individual taxpayers. They have social media toolkits available with ready to go messages you can use. It is Publication 5244 on IRS.gov. They encourage people to use the many on-line tools available on the website, including payment options. SPEC partners with United Way to assist with financial literacy programs and will hopefully have an event again at the Sears Mall in Anchorage which would be offered in conjunction with a Better Business Bureau free shred day.

### **Mike Cvitkovic for Therese Fulton, Field Assistance**

Mike went over a presentation provided by Field Assistance for Teresa Fulton

The Fairbanks office remains closed. The Virtual Service Delivery (VSD) program at the Noel Wien library in Fairbanks is available on Monday and Friday. If face-to-face service is required at the Anchorage TAC office or at the Fairbanks library, call 1-844-545-5640 to schedule an appointment. See [office hours and services provided](#) as services differ between the two sites. Appointments are required when

making cash payments. The manager of the Anchorage office requests that individuals, who are involved in the cannabis industry or are making payments over \$3,000.00, call her directly to schedule an appointment, especially if it involves traveling to Anchorage. Her contact info is: Therese Fulton 907-786-9717.

### **Kristen Hoiby, Stakeholder Liaison Field**

Kristen spoke briefly about some of the changes brought about by the transition to Future State. This included the consolidation of communicators and outreach employees to (corporate) Communications and Liaison instead of remaining in the business functions. SL Field continues to lose employees to retirement and one of these is Mike. Mike will retire at the end of June. Taking over for him will be John Blakeman who you've heard today and Kristen will work with him on covering the Alaska practitioners. Virtual presentations through WebEx and Virtual Webcaster will continue to provide information and continuing education for tax professionals.

### **Issues & Status**

No Alaska issues rose to the national IMRS level.

Lisa Rogers submitted two questions. **First**, "Is there a plan to make e-filing available for amended returns and for Form 1045 – Application for Tentative Refund?" No plans have been announced. **Second**, "I attended an IRS webinar on the automated under reporter program on May 18. The presenters talked about attaching amended returns to the response as well as sending in responses by mail as well as by fax. My understanding is that responses to the CP2000 notices should not include Form 1040X and that fax response was the preferred method of responding. Can you give us clarification as to how we should respond to CP2000 notices, again." Publication 5181 states "In most cases, there's no need for you to file an amended tax return". I would add "for the year questioned in the notice". If subsequent years contain the same discrepancy, amended returns would save late charges. Mailing or faxing are equally acceptable. The Pub adds "If you are faxing, please include your name and social security number or taxpayer identification number on each page you fax. This is to ensure all pages are associated with your case.

Regarding installment agreement user fees Therese asked if entering an online payment agreement would result in a lower user fee versus filing F9465 electronically with the tax return. The answer is yes. Although received electronically the Form 9465 gets printed out and is manually input by Processing Center collection personnel.

Regarding online installment agreements Barbara Hompesch submitted "The online process asks for the SSN of the person entering the information (not the primary taxpayer). In both cases it was the wife (secondary TP) who was entering the information. The plan is then set up under her SSN. Unfortunately the liability isn't under her name so no payments are processed but the taxpayers then get a letter

with additional penalties and interest for not responding.” The following language was recently added to the OPA web page “If your filing status is married filing joint, the Online Payment Agreement application will accept only the Social Security Number that appears first on your tax return. If your SSN appears second, you must call the number on your bill or notice”.

There also was a question about interest calculations because of the late filing deadline (April 18<sup>th</sup>). Mike noted that the Code requires the calculation of interest from April 15<sup>th</sup>, regardless of the actual filing date for the given year

Practitioners were invited to submit both procedural and tax law questions.

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### **Next Scheduled Meeting**

The date is to be determined.