

May 29, 2024
Alaska Practitioner Liaison Meeting
Virtual Meeting (MS Teams)
11:00 AM-1:00 PM

Attendees:

Internal Revenue Service

- John Little – Taxpayer Advocate Service
- John Blakeman – Stakeholder Liaison
- Michael Smith – Stakeholder Liaison
- Mercean Lam – Stakeholder Liaison

Practitioner Representatives

- Ami Oppe, ASCPA
 - Sherry Whah, EA National Association of Tax Professionals, NATP
 - John Brewer, ASCPA
 - Lisa Rogers, ASCPA
 - Charles Schuetze, Alaska Bar Association, ABA
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Meeting Summary

Ami, Michael and John opened the meeting with introductions.

John, Michael and Mercean, Stakeholder Liaison

Dirty Dozen:

We compile the dirty dozen each year to highlight the worst of the worst tax scams currently circulating out there...these are not always specific scams, but rather particular areas where scams are prevalent.

- R-2024-105, [Dirty Dozen: Bogus tax avoidance strategies, schemes with an international element wrap up annual taxpayer awareness campaign](#)
- IR-2024-104, [Dirty Dozen: High-income filers vulnerable to illegal tax schemes; face risk from improper art donation deductions, charitable remainder annuity trusts, monetized installment sales](#)
- IR-2024-100, [Dirty Dozen: IRS warns tax pros, businesses to be cautious of ongoing spearfishing attacks to gain sensitive information; warns of surge in "new client" scams](#)
- IR-2024-98, [Dirty Dozen: Taking tax advice on social media can be bad news for taxpayers; inaccurate or misleading tax information circulating](#)
- IR-2024-96, [Dirty Dozen: IRS urges taxpayers to not fall prey to untrustworthy tax preparers; "ghost preparers" can disappear with taxpayer cash, information](#)
- IR-2024-92, [Dirty Dozen: IRS warns about fake charities exploiting taxpayer generosity](#)

- IR-2024-91, [Dirty Dozen: Beware of offer in compromise "mills" that falsely claim their services are necessary to resolve IRS debt](#)
- IR-2024-89, [Dirty Dozen: IRS warns about false Fuel Tax Credit claims; taxpayers should be wary of scammers, heightened review](#)
- IR-2024-87, [Dirty Dozen: IRS warns taxpayers to stay away from "helpful" scammers offering to set up an Online Account](#)
- IR-2024-85, [Dirty Dozen: Beware of aggressive promoters who dupe taxpayers into making questionable Employee Retention Credit claims; risks continue for small businesses, special withdrawal program remains available](#)
- IR-2024-84, [IRS kicks off annual Dirty Dozen with warning about phishing and smishing scams](#)

As part of the Dirty Dozen awareness effort, the IRS encourages people to report individuals who promote improper and abusive tax schemes as well as tax return preparers who deliberately prepare improper returns. The IRS created the Office of Fraud Enforcement (OFE) and Office of Promoter Investigations (OPI) to coordinate service-wide enforcement activities against taxpayers committing tax fraud and promoters marketing and selling abusive tax avoidance transactions and schemes to effectuate tax evasion.

To report an abusive tax scheme or a tax return preparer, submit Form 14242, Report Suspected Abusive Tax Promotions or Preparers, and any supporting materials online, by mail or by fax to the IRS Lead Development Center in the Office of Promoter Investigations. Visit [Dirty Dozen | Internal Revenue Service \(irs.gov\)](#) to find more information about the 2024 Dirty Dozen tax scams. For the forms and to report, please visit the following link: [How do you report suspected tax fraud activity? | Internal Revenue Service \(irs.gov\)](#)

Resumption of Collection Notices

So, why were automated collection reminder notices paused?

Due to the unprecedented effects of the COVID-19 pandemic, the IRS temporarily suspended the mailing of automated reminders to pay overdue tax bills starting in February 2022. These bills would have normally been issued as a follow-up reminder after the initial balance due notice taxpayers received in the mail. And to be clear, the IRS never paused the initial tax bill we sent out to taxpayers during this period – just these follow-up ones.

The IRS did not suspend the mailing of the first, or initial, balance due notices for taxpayers such as the CP14 and CP161 notices. Although these follow-up notices were suspended, the penalty for failure to pay continued to accrue for taxpayers who did not fully pay their balance in response to their initial bill. With the pandemic behind us, we are resuming mailing of collection notices for older tax periods.

As many of you are aware, current tax year 2022 individual and third quarter 2023 business taxpayers began receiving automated collection notices fall 2023 as the IRS took steps to return to business as usual. The IRS is taking several steps in advance of resuming normal collection notices for tax years 2020 and 2021.

To help taxpayers as the normal processes resume, the IRS will be issuing a special reminder notice starting January 2024. We are also offering penalty relief. As we return to normal operations, we will resume sending automated collection notices for all years, which started this February. We are carefully evaluating the impact to operations as we resume notices.

Starting in January Taxpayers in Automated Collection System will receive an LT38, Reminder, Notice Resumption in the next several months advising them of:

- Updated balance with penalty relief reflected, if applicable.
- How to access your account, pay quickly and avoid added interest and penalties
- QR codes are included for quick online account access, pay online directly from your bank account, pay with your credit card, debit card, or apply for a payment plan
- Options to help if you can't pay your tax liability in full
- Summary of the bill with the tax period, tax form, amount owed, interest, failure to pay penalty assessed and the total amount due shown

We urge taxpayers and tax professionals to read the notice carefully and follow the instructions on the notice to take action to resolve their account. Additional information can be found on the webpage at [Understanding your LT38 notice | Internal Revenue Service \(irs.gov\)](#). Please review the information on the LT38 notice and the taxpayer's particular tax situation. This will give taxpayers an opportunity to address their tax bill before the next round of letters are issued. That's important because time does not make these past-due tax bills get any better.

The timing for mailing the CP500 notices is changing too. Before 2024 there would be a five week period between reminder notices. This is changing to 8 weeks. The additional time will hopefully allow more time for taxpayers to find solutions to resolve balances, more time for practitioners to assist clients and for IRS to process and update account information.

One of the biggest challenges for struggling taxpayers is figuring out how to pay their past-due tax debt. During the pandemic, these challenges became even more severe for some taxpayers. With the pandemic behind us and mailing of automated collection notices resuming, we are aware that these bills may be somewhat of a surprise to people.

The IRS is offering penalty relief by waiving the failure-to-pay penalty for qualifying taxpayers:

- Eligible taxpayers include individuals, businesses, trusts, estates and tax-exempt organizations that filed the Form 1040, 1120 or 1041 series as well as the 990-T income tax returns for tax years 2020 and 2021, with an assessed income tax of less than \$100,000.
- Eligible taxpayers should have received an initial balance due notice, typically the CP14 or CP161, between Feb. 5, 2022, and Dec. 7, 2023.
- The \$100,000 limit applies separately to each return and each entity.
- The failure-to-pay penalty will resume on April 1, 2024, for taxpayers eligible for relief.
- Additional details on this penalty relief can be found in Notice 2024-7. You can find the link in the following news release: [IRS helps taxpayers by providing penalty relief on nearly 5 million 2020 and 2021 tax returns; restart of collection notices in 2024 marks end of pandemic-related pause | Internal Revenue Service](#)

This failure to pay penalty relief is automatic. Eligible taxpayers don't need to take any action to get it. If a taxpayer already paid failure-to-pay penalties related to their 2020 and 2021 tax years, the IRS will issue a refund or credit the payment toward another outstanding tax liability.

Getting help with tax debt is a lot easier now, as IRS has a web page dedicated to options for settling tax obligations. Simply click on the "Pay" link at the top left of the IRS.gov home page. Here is the direct link: <https://www.irs.gov/payments>

Notice and Letter Feedback Request:

The IRS Strategic Operating Plan outlines how the IRS will use the funds it received under the Inflation Reduction Act of 2022. The plan includes an initiative to update IRS notices and letters to make it easier for taxpayers to read, to understand and to respond. The IRS is asking for taxpayer and stakeholder feedback on letters or notices they have received to help accomplish this goal.

Anyone who wishes to submit feedback or ideas on improving IRS letters and notices can do so through the wi.otc.cam@irs.gov mailbox. The IRS is asking that any feedback include any aspects of the letter or notice that the taxpayer or stakeholder found:

- Unclear or confusing
- Inconsistent or incorrect
- Unpleasant or inappropriate in tone, or
- Requires other changes.

It may also be helpful if taxpayers or stakeholders submit information about their experiences with the letters or notices or any other information that may help clarify their feedback. **The feedback should also include the name or title of the notice in the subject line of the email.**

The IRS welcomes feedback any time since the agency will be updating its notices and letters on a continuing basis. While the IRS will not be able to respond to each individual email, it will be sharing how it used the taxpayer and stakeholder feedback to improve its notices and letters as the project proceeds.

IMRS and Collector Issues:

Issue Management Resolution System is a vehicle and a process by which we take issues and feedback and elevate them to the program owners who may be able to correct any problems that may be occurring. It is a formal process, whereby we enter your issues, often first on the discussion board, then, if it seems it is indeed a systemic issue, rather than just an isolated incident, it can be elevated to the Local Issues Database. Sometimes, often because of a new statute or program IRS is managing, we have a lot of issues/feedback on that new program. For these types of things we have what are called 'Collector Issues'. The Collector Issues are kind of for issues for the big programs or projects that IRS is doing, and we are actively seeking feedback on how it's working.

We also want to know how the online accounts are working...the Tax Pro Account, Business Account and the TP Online Account. Are they functioning as they should, considering we are continually working on improvements and additional functionality? We really do need your feedback. So please think on your experiences with those things like:

IRIS

Resumption of Collection notices

IRA provisions – clean vehicle credits/home energy credits

TCJA provisions – 1099K

Direct File

Document Upload Tool

Digital Assets

Please send us your thoughts!

Questions and answers and feedback:

There were a number of questions on CAF security and compromised CAF numbers:

Q: If your CAF is compromised, is there a way to change your number and keep all your POA's active?

Q: How are CAF numbers being compromised? Can you give us an example?

Q: If your CAF is compromised, is there a way to change your number and keep all your POA's active?

Q: How can I know if my CAF number has been compromised?

Q: How would I know if I was in pending review status for my CAF number?

There was a news release in May that discussed this subject, and we've got the link to it here. It's a fairly quick read and will help explain some of the changes to how we handle security for CAF numbers: <https://www.irs.gov/newsroom/to-protect-against-identity-theft-irs-adds-additional-protections-to-centralized-authorization-file-transcript-delivery-system-changes-designed-to-protect-sensitive-tax-pro-taxpayer-information>

Additionally: For those CAF holders whose CAF number is confirmed to be compromised, for example, if it was exposed in a confirmed data breach, the IRS will work with the CAF holder to assign them a new CAF number and move their clients to the tax professional's new CAF number. The holders of all CAF numbers currently coded as "pending review" have been contacted. The individuals who are told that their CAF account is in pending review status can contact the IRS directly by email at CICAF@ci.irs.gov.

Q: POAs that are digitally signed can only be processed in the upload tool. And some IRS agents will not talk to you about your taxpayer's account if the POA on file that was processed appropriately has a digital signature. Which means you should just never get a digital signature. So why allow it if you can't always use it?

A: Yes, it does seem that there are inconsistencies on how the signature is being handled for the 2848...we have elevated the issue.

Comment:

I think it would be very helpful to taxpayers if trusts/businesses could make online payments WITHOUT an EFTPS account. Currently individual taxpayers can do this and it is extremely helpful, but there is nothing like this for trusts/business.

Response:

There is still talk around making direct pay available to more types of taxpayers. Although, it has been a while since we've heard anything new. We will suggest this again.

Q: How can we get phone calls returned from collections, when ACS says it is assigned to our local office and they cannot help us, but calling the local office there is NO response even faxing to them. ACS and advocate said they could not help, because it was assigned to an agent.

A: There are likely several reasons why this happens, but the most likely is that the case hasn't been assigned to an agent just yet. It is our understanding that in between ACS and the Field Office there is a queue where cases wait to be assigned to a field agent, and the queues are understandably quite long now...coming out of COVID restrictions and such. We are still playing catch-up for a lot of things. If you know the Revenue Officer's name, and they are unresponsive, you can always email your SL [John Blakeman] and he can send them an email asking them to contact you.

Q: How do you use the upload tool for a client? The scan typically would be done with a phone, something that an individual would do for his/her own account. (Feedback = IRS notices should include to the Document Upload Tool. Most taxpayers/practitioners will want to use a computer, not a smart phone to access the Document Upload Tool)

A: An interesting question as to the mechanics of uploading to the tool...for the QR code, and I'm not sure we have an answer just yet. But we shall ask.

Next Scheduled Meeting

The Winter PLM usually happens in early December some time 😊