

September 18, 2024

Pacific Northwest Action Wednesday IMRS Call

Virtual Meeting via MS Teams

Time: 10:00 am –11:00 am (PDT)

Attendees:

Internal Revenue Service

- John Blakeman, Stakeholder Liaison
- Lelah Martinez, Stakeholder Liaison
- Mercean Lam, Stakeholder Liaison
- Michael Smith, Stakeholder Liaison
- David Higgins, Stakeholder Liaison
- Kristen Hoiby, Stakeholder Liaison
- Grace Herrera, Stakeholder Liaison
- Stanley Persful, Taxpayer Advocate Service

Practitioner Representatives

- Ami Oppe, AKSCPA
- Terry Bakker, OAIA
- Edwin del Carpio, WA
- Kristen Keats, OSCP
- Robin Smith, WSTC
- Kate Grubb, WSSEA
- Teresa Moore, EA WY
- Jeremy Saladino, WAATP
- Vera Likhonin, WA
- James Adelman, OK SEA
- Jeffrey Quatrone, AZ
- Mark Neumeister, OKSCPA
- Elliott Gidan, CO
- Judy Hanson, WSTC President
- Robin Harris, OK
- Barbara Culver, WSSEA
- Lisa Rogers, AKSCPA
- Melissa Burr, OSCP
- Laurie Brock, Oregon TAP
- Doug Henne, OSCP
- John Burke, OATC
- David Freeland, AAATP
- Michael Davidson, OrSEA
- Gregory Nunn, WA
- Heather Jackson, OSCP
- Colleen Barbee, OSTC

Meeting Summary

David Higgins, Stakeholder Liaison

Security Summit wrap up:

In this eighth and final installment of the “Protect Your Clients; Protect Yourself” series, the IRS and Security Summit partners strongly recommended that tax professionals embrace critical and necessary steps to protect sensitive information, including taking extra care with how they handle data and security.

“Tax professionals remain a tempting target for identity thieves and cybercriminals,” said IRS Commissioner Danny Werfel. “They face countless attacks from those hoping to harvest valuable personal and financial information that can be used to file an authentic-looking tax return and slip through the tax system’s defenses. By taking some basic steps, tax professionals at firms both large and small can protect their clients and protect themselves from these relentless security threats.”

Two excellent resources for tips and best practices on data security are: Pub 5293, Data Security Resource Guide for Tax Professionals, and Pub 4557, Safeguarding Taxpayer Data, both of which can be downloaded from IRS.gov.

Tax pros should know identity thieves take many different approaches to steal sensitive information, from the old-school 'smash and grab', to more sophisticated electronic efforts. For example, in a presently trending scheme, some scammers pose as new clients reaching out to practitioners to get their sensitive information or client data. In these [fake “new client” schemes](#), a fraudster can send a malicious attachment or include a link to a site that a tax pro wrongly thinks they need to get the supposed new client’s tax information. However, the site is actually collecting information from a tax pro, such as their email and passwords, or loading malware onto the tax pro’s computer.

Of course, all tax pros are now required to have a written information security plan for their tax/accounting practice these days, but really, it's just good business sense too. If you'd like to learn more, check out the following link: [Protect Your Clients; Protect Yourself — Summer 2024 | Internal Revenue Service \(irs.gov\)](#)

Mercean Lam, Senior Stakeholder Liaison

Business Tax Account focus groups:

The IRS is conducting virtual focus groups to obtain comments and suggestions about the authorization process for the Business Tax Account (BTA). BTA was established for business entities to interact and conduct business with the IRS, and we are seeking feedback from stakeholders who will use the BTA online platform. If you are a CEO, shareholder, partner, designated official or can legally bind your organization, this focus group is for you.

Through a series of small-group discussions, volunteers will have an opportunity to share their opinion about the requirements of the BTA authorization process.

Discussions will be held using Microsoft Teams or Zoom and may last up to 75 minutes. Sessions will not include policy, technical, or legislative issues.

Registration for the current round of focus groups has passed, but other opportunities will be available in the future, and we will do our best to keep you informed of these opportunities. Please understand, that these groups can be somewhat small, so there aren't a lot of folks selected for each one...just an fyi.

John Blakeman, Senior Stakeholder Liaison

Savers Match contributions:

The Department of the Treasury and the Internal Revenue Service have issued a notice requesting comments on Saver's Match contributions to be paid by Treasury under the SECURE 2.0 Act of 2022. [Notice 2024-65 PDF](#) requests comments on all aspects of Saver's Match contributions and asks specific questions on a variety of Saver's Match topics.

Saver's Match contributions represent a new approach to promoting retirement savings and an important opportunity to improve the long-term financial security for millions of low- to moderate-income Americans. Beginning in 2027, by making annual contributions of up to \$2,000 to a 401(k)-type plan or an Individual Retirement Account (IRA), an individual can receive as much as an annual \$1,000 Saver's Match contribution from the Treasury.

Unlike the existing Saver's Credit [Retirement Savings Contributions Credit], a nonrefundable tax credit that will be replaced by Saver's Match contributions, the Saver's Match contribution is paid by Treasury to a 401(k)-type plan or non-Roth IRA designated by an individual claiming the Saver's Match contribution. The amount of an individual's Saver's Match contribution depends on the individual's income or joint income level. For example, for a married individual filing jointly, the Saver's Match contribution phases out completely at a joint income of \$71,000, and, for a single filer, the Saver's Match contribution phases out completely at an income of \$35,500.

The notice requests specific comments on the following topics:

- Eligibility for Saver's Match contributions
- How Saver's Match contributions would be claimed
- How the account receiving Saver's Match contributions would be designated
- The process for completing Saver's Match contributions
- Saver's Match recovery taxes on specified early distributions
- Reporting and disclosure for Saver's Match contributions
- Miscellaneous issues, including how Treasury and the IRS could ensure that individuals in underserved communities know how to participate and receive the full benefits of Saver's Match contributions

Please consider looking over the Notice and providing thoughtful feedback. Treasury and IRS need your feedback because it is necessary for the program to reach its full potential to improve the retirement readiness of low- to moderate-income individuals.

IMRS AND ONGOING ISSUES

Collector Issues, DUT Feedback, IMRS and other updates:

Please remember to send your SL any feedback you may have on interactions you have with the following IRS applications and programs:

- IRIS
- Document Upload Tool
- Resumption of Collection Notices
- Digital Assets [cryptocurrency and related issues]
- Inflation Reduction Act
 - Clean energy credits
 - IRS modernization efforts
- Direct File
- American Rescue Plan Act of 2021 [for example, 1099K]

So really, what we are asking is that when you encounter these things, or when you are working with them, please take the time to let us know how your experience was. I know it's hard to remember when we are in the thick of things, but it really goes a long way to helping us improve your experience with us.

Feedback from the Document Upload Tool folks:

Questions/Comments:

Comments/questions gathered from various IMRS calls:

- I have used the DUT several times now, and still waiting for a response from them, which they claimed would be in 30 days. No response yet, so I don't know where the documents are going.
- It would be nice to have people sign in with their ID.me account to use the DUT.
- One preparer said it stopped accepting PDFs from them, but another said it was accepting their PDFs.

Response:

Sorry to hear that the user hasn't received a response. Digital Services is working on enhancements that will help their submissions get to the appropriate area as quickly as possible. It is important that the user enter the correct access code (if available) or select the appropriate notice/letter from the drop-down when submitting their documents. If an incorrect notice/letter or "Other" is selected, this can potentially cause a delay in their response.

The following guidelines are provided when uploading documents in DUT. If these guidelines were followed and the user was not successful, we would need more information to identify the issue:

To submit your documents, follow these steps:

1. If required, complete your documentation, sign and date it.
2. Scan or take a photo of the front and back of your completed documentation to support your response.
 - Maximum number of files is 40 files.
 - File types allowed are .pdf, .jpg, .jpeg and .png.
 - Maximum file size is 15MB for each file.
 - PDF files must be 120 pages or less.
 - If your upload fails more than once, try re-scanning or taking a clearer photo of the documents.
 - File name cannot contain the following special characters:
`!@\$%^&*{}[]:;'"|,<>/?~

3. Submit your response after all files have been uploaded.

Only .jpg, .png, and .jpeg files can be previewed after upload is completed.

REVIEW AND ENSURE ALL DOCUMENTS ARE UPLOADED BEFORE PRESSING THE SUBMIT BUTTON

Feedback from Preparers:

It would be very helpful to have some information on the 'workflow' of the Document Upload Tool. Currently it doesn't really give any feedback as to whether anything has been done with the documents, nor does it let us know that the right person received them. Where do the documents go?

Response:

Thank you for your feedback. IRS Digital Services is always working to improve the user's experience. The program recently updated the confirmation page in DUT, so it now includes the date and time the response was submitted, the individual or business name and the letter or notice they responded to. We are in the early stages of exploring options for keeping users updated on the status of their submissions. Responses submitted through DUT that do not automatically route to a downstream system are routed to the queue of the appropriate functional area in Digital Inventory Management (DIM) for processing. Once accessed in DIM, IRS employees will review, batch and assign, and update the submission in the appropriate downstream system.

Q:The Document Upload Tool (DUT) does not appear to connect with IRS notice processing, since notices continue to come out with no indication that a response was already provided to previous notices through the DUT. Practitioners have expressed concern with the fact that they cannot confirm that the information has been uploaded (besides the Success screen, which doesn't provide any specific details.)

A: Thank you for your feedback. IRS Digital Services is always working to improve the user's experience. The program recently updated the confirmation page in DUT, so it now includes the date and time the response was submitted, the individual or business name and the letter or notice they responded to. We are in the early stages of exploring options for keeping users updated on the status of their submissions.

Q: There is no information indicating that it will take up to 30 days to associate info uploaded through DUT with the case file. That should be made clear on the page.

A: Updates to the confirmation page were made earlier to address this. After the taxpayer submits their correspondence, they received this message: "Your documents have been successfully uploaded. You may be contacted at a future date regarding your response. You should allow at least 30 days for a reply from the IRS."

Q: Guidance indicates that if the notice is not listed in the drop-down box, select NOT9999, however there is no longer an option for NOT9999. The drop-down menu does have an "Other" option but there is no guidance to search for that term.

A: Instructions were updated in DUT to reference "Other" instead of "Not9999" earlier this year. They now say: "See top right-hand corner of your notice or letter. If you do not see your letter or notice listed, you may submit your documentation to the "Other" option listed in the drop-down menu. Please include a copy or photo of your letter or notice with your documentation. If you do not, your submission processing could be delayed."

It is important that users look for their notice or letter number first in the drop down. If they receive a message saying they cannot use DUT to respond to their notice or letter, they should not use the "Other" option. If the user does not see their notice or letter listed in the drop down, then they can select "Other" to submit their response. They should include a copy of their notice/letter with their submission to "Other" to help ensure it is routed to the appropriate area.

Q: Practitioners are confused on which notices/responses that they can use based on information on irs.gov for the DUT tool. For example, if a notice does not require a response or additional documentation, there will be a message that indicates that no response is required, and they cannot proceed to upload documentation. There should be more clear guidance that this might be the case. Also, the message appears at the top of the screen, and it's not highlighted very well (i.e., CP45) so it might not be noticeable.

A: IRS Digital Services is in the process of updating the information on irs.gov for the DUT tool to make this clear. We appreciate your feedback regarding the message at the top of the screen and will take this into consideration.

Q: IRS assistors are advising to send information via fax and/or certified mail in addition to using the DUT. This should not be necessary. Assistors should be provided more information about the DUT application.

A: IRS Digital Services will explore opportunities to improve the IRS assistors knowledge of DUT to help ensure duplicate submissions are not being sent.

Questions and Answers!

Q: Could we please get some workable examples of Multi-Factor Authentication that would pass muster if someone was auditing our 'secure office' procedures, that do not involve the 'text to phone' paradigm?

A: There are some examples out there, but yes, we will put this forward to ask for a robust list of examples of MFA that do not involve the text-to-phone.

Q: We really try to get all of our clients to get an IPPIN. However they are hesitant for 2 common issues: they don't want to be opted in forever or they don't want to create an ID.ME account. Will either of these issues be addressed in the near future.?

A: Yes, ID.me has proven to be a sticky point for many individuals, and a lot of ID cards out there do not photograph well...but there are a few other ways to get the IPPIN. Although it's not always practicable to head over to a Taxpayer Assistance Center...As to the opting out, it does seem that some folks can opt out of the program...via their Online Account...although we don't necessarily recommend that folks opt out.

Comment: The photo-taking part of the ID.me procedure is just killing some of our clients... it's just not working for them.

Comment: Alaska TAS works a lot of cases where taxpayers cannot get ID.me to work.

Comment: Passport cards work well for ID.me.

Q: Do we know definitively what the 1099K threshold will be for 2025?

A: Right now, per statute, it's \$600...unless there is another transition year, but we've not heard anything along those lines.

Comment: We are concerned about fraud with the Savers Match contributions. It seems like every time Uncle Sam hands out money, people try to figure all kinds of ways to scam it.

Next Scheduled Meeting; Wednesday, October 16.