

**June 4, 2015**

**Alaska Practitioner Liaison Meeting**

**Virtual Meeting via WebInterpoint**

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

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**Attendees:**

Internal Revenue Service

- Kristen Hoiby, Stakeholder Liaison, NW Area Manager
- Mike Cvitkovic, Stakeholder Liaison
- Anita Gentry, Indian Tribal Governments Acting Manager
- Chris Harris, SBSE Collection Territory Manager
- Doris Marshall, Acting Alaska Taxpayer Advocate
- Sonia Oen, SBSE Examination Group Manager
- Julie Payne, SBSE Associate Area Counsel Managing Counsel
- Coral Quimby, Taxpayer Advocate Service Analyst
- Sue Stockman, W&I, SPEC Territory Manager
- Darlene Van Ness, W&I, Taxpayer Assistance Center

Practitioner Representatives

- Therese Sharp, Chair, ASCPA, Alaska Society of CPAs
  - Cynthia Coulter, ASCPA
  - Shelda Duff, ASCPA
  - John Rodgers, ASCPA
  - Lisa Rogers, ASCPA
  - Christy Lee, ABA, Alaska Bar Association
  - Chuck Schuetze, ABA
  - Paula Laurion, EA, Alaska Society of Independent Accountants
  - Barbara Hompesch, EA, ASIA
  - Kathie Riley, EA, ASIA
  - L. LaVonne Scott, EA, ASIA
  - Sherry Whah, EA, National Association of Tax Professionals
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**Meeting Summary**

**Mike Cvitkovic, Stakeholder Liaison, Seattle**

Mike introduced Doris Marshall who is acting as Local Taxpayer Advocate for Alaska for sixty days. Kristia Douts retired as of May 29.

Mike stated that Sean McPhilamy, an Alaska resident, is a new member of the Taxpayer Advocacy Panel. Sean was unable to attend today's meeting.

Mike provided an update on the Alaska Tax Practitioner Symposium. A request for approved travel was submitted a month ago. There has been an interim request from the review panel for more information, which was provided. No determination has been received. Travel funds will be tight this year.

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. That means continued limited person-to-person interaction and increased use of automated self-service options. [Publication 5136](#) provides a listing of self-service options.

IRS [Direct Pay](#) has added two new payment capabilities: the excise tax involving Form 5329, *Additional Taxes on Qualified Plans (IRAs) and Tax Favored Accounts*, and the Shared Responsibility Payment, calculated in the instructions to Form 8965, *Health Coverage Exemptions*, resulting from the Affordable Care Act.

The IRS announced on May 26th that criminals used taxpayer-specific data acquired from non-IRS sources to gain unauthorized access to information on approximately 100,000 tax accounts through IRS' "[Get Transcript](#)" application. This data included Social Security information, date of birth and street address. As a result the [online](#) application will be disabled until the IRS makes modifications and further strengthens security for it. However, transcripts may still be obtained using the mail delivery option. (As a test, Mike ordered a transcript on Monday and it received it in Saturday's mail). Here are [FAQs](#) on the unauthorized access.

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.

### **Kristen Hoiby, Stakeholder Liaison, Seattle**

Kristen reported that almost 44,000 tax return preparers participated in the [Annual Filing Season Program](#) for 2015 and received a Record of Completion. To participate in the 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. She mentioned the changes happening effective Jan. 1, 2016 to practice rules. Non-credentialed return preparers won't have limited representation rights and be able to represent clients unless they obtain an AFSP Record of Completion.

The IRS is refunding the fees that return preparers paid for the [Registered Tax Return Preparer test](#). Letters will be mailed to refund recipients on May 28, and checks will be mailed on June 2. Return preparers took the test between November 2011 and January 2013 and paid a fee of \$116. About 89,000 tests were paid for and taken, with some preparers taking the test more than once.

The first filing season for the [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) has been completed. Kristen solicited any comments or concerns. None were offered.

### **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. Mike pointed out that at the end of the website there is a new link to verify IRS customer satisfaction surveys conducted throughout the year.

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](http://idverify.irs.gov). There is a new ID Theft publication for tax preparers, [Pub 5199, Tax Preparer Guide to Identity Theft](#).

The IRS continues to expand the number of **Identity Protection Personal Identification Numbers** (IP PINs) being issued to victims. The IP PIN is a unique identifier that shows that a particular taxpayer is the rightful filer of the return. 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.

Some later portions of the **Affordable Care Act** came into play this year and will impact the 2015 filing season. [The ACA Information Center for Tax Professionals](#) provides information for individual clients, business clients, payroll clients, as well as general resources.

A simplified procedure regarding final tangible property regulations is available. The new procedure allows small businesses to change a method of accounting under the final tangible property regulations on a prospective basis for the first taxable year beginning on or after Jan. 1, 2014. The new simplified procedure is generally available to small businesses, including sole proprietors, with assets totaling less than \$10 million or average annual gross receipts totaling \$10 million or less. Details are in [Revenue Procedure 2015-20](#)

Use the Allowable Living Expense Standards to reduce subjectivity in determining what a taxpayer may claim as basic living expenses necessary to avoid undue hardship when the taxpayer must delay full payment of a delinquent tax. The standard allowances provide consistency and fairness in collection determinations by incorporating average expenditures for basic necessities for citizens in similar geographic areas. More information on the ALE standards and the collection process is available at [Collection Financial Standards](#) and [Collection Procedures for Taxpayers Filing or Paying Late](#).

Each year, the e-help Desk receives phone calls from taxpayers because their tax preparer referred them for assistance resolving rejected returns, tax law and tax account matters. This increases the taxpayer's burden and causes lengthier delays for everyone. The e-help Desk is intended specifically to assist tax professionals

(Enrolled Agents, Reporting Agents, Electronic Return Originators, Certified Public Accountants, etc.) with non-account related questions and issues concerning e-products. They do not provide support to individual taxpayers experiencing e-filing issues.

The [2015 IRS Nationwide Tax Forums](#) begin in July. The forums provide up to 18 Continuing Professional Education credits for enrolled agents, certified public accountants, certified financial planners, Annual Filing Season Program (AFSP) participants and other tax professionals. The western sessions are in Denver, CO July 28-30 and San Diego, CA August 11-13.

[Notice 2015-38](#) updates the list of designated private delivery services ("designated PDSs") for purposes of the timely mailing treated as timely filing/paying rule of section 7502 of the Internal Revenue Code and provides rules for determining the postmark date for these services. In summary, FedEx and UPS have recognized services and DHL has been dropped.

## **Roundtable & Comments**

### **Anita Gentry, Indian Tribal Governments**

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. ITG Specialists for a particular state can be found by visiting [How To Contact ITG](#) on IRS.gov.

### **Coral Quimby, Taxpayer Advocate**

Kristia Douts retired on May 29th. Doris Marshall will serve as acting Local Taxpayer Advocate for sixty days. Coral will follow Doris. Current staffing is a Lead, four caseworkers, a secretary, and an intake person. Susan Manner has left the office. The Virtual Service Delivery (VSD) remains operative from 9 a.m. to 1 p.m. in the Kenai Library.

### **Darlene Van Ness, Taxpayer Assistance Center**

The Fairbanks Assistance Center closed last month and will remain closed until further notice. The Anchorage Assistance Center will soon be scheduling appointments via phone and e-mail. The Anchorage staff of five specialists and one greeter continues to work identity theft issues and is will print transcripts to help offset the loss of the on-line transcript service.

### **Julie Payne, Counsel**

The Anchorage Tax Court trial session will set its calendar on Monday June 15 with trials conducted the remainder of the week. (The court location was forwarded to the practitioner attendees on June 5). One manager and two attorneys will handle 10-12 cases. Practitioners and their clients are encouraged to use the Virtual Service

Delivery (VSD), available at the Anchorage Taxpayer Advocate's office, to interact with counsel lawyers in Seattle during the development of cases.

### **Sonia Oen, Examination and LB&I**

SB/SE exam has had a reduction in staff. There are now three Revenue Agents in Anchorage and none in Fairbanks. Tax Compliance Officers from Washington and Oregon are expected to circuit ride once each in both Anchorage and Fairbanks before the end of the fiscal year. Staffing in LB&I remains the same with three agents in Anchorage and one in Fairbanks. There will continue to be a reliance on support from Washington and Oregon.

### **Sue Stockman, Stakeholder Partnership Education and Communication (SPEC)**

Kris Ashley continues to serve as the sole Relationship Manager for Alaska. The VITA/TCE program prepared around 14,000 returns during the filing season with a decrease in military returns as they implement a new system. SPEC continues to have a great collaboration with United Way and the Alaska Financial Partnership Network to improve financial literacy in Alaska. During the filing season, several financial fitness fairs were conducted. Continued training on the Affordable Care Act will be delivered through the summer. Practitioners may be eligible to earn up to eighteen continuing education credits through SPEC programs.

## **Issues & Status**

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### **Next Scheduled Meeting**

The date is to be determined.

