

**May 17, 2016**

**Alaska Practitioner Liaison Meeting**

**Virtual Meeting via WebEx**

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
- Liska Foss, Appeals, Team Manager
- Chris Harris, SBSE, Collection Territory Manager
- Julie Payne, SBSE, Associate Area Counsel Managing Counsel
- Coral Quimby, Taxpayer Advocate Service Senior Analyst
- Sue Stockman, W&I, SPEC Territory Manager
- Kim Vu, SBSE, Exam Territory Manager

Practitioner Representatives

- Therese Sharp, Chair, ASCPA, Alaska Society of CPAs
  - Karen Ague, ASCPA
  - Shelda Duff, ASCPA
  - Tom Hartshorn, ASCPA
  - Lisa Rogers, ASCPA
  - Christy Lee, ABA, Alaska Bar Association
  - Christina Passard, ABA
  - Chuck Schuetze, ABA
  - Barbara Hompesch, EA, Alaska Society of Independent Accountants
  - Paula Laurion, EA, ASIA
  - Kathie Riley, EA, ASIA
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**Meeting Summary**

**Mike Cvitkovic, Stakeholder Liaison, Seattle**

The [Form 990-N \(e-Postcard\)](#) has undergone a change this filing season. Prior to Leap Day (Feb. 29, 2016) Form 990-N was submitted via the Urban Institute's website. Now, all Form 990-N filings are to be submitted at IRS.gov. That means that all exempt organizations wanting to file the e-Postcard must complete a one-time registration at IRS.gov. The registration process has been burdensome for some filers due to the increased authentication and security efforts at IRS. The workaround for those so burdened was to call the EO help line (877-829-5500)

and have the phone assistor take the organization's information and submit a 990N e-Postcard on the caller's behalf. There is no penalty for filing Form 990-N late. However, if no return is filed for three consecutive years, the organization will automatically lose its tax exempt status. The [User Guide](#) provides more information on registering and filing.

The [Practitioner Priority Service](#) had increased staffing during the filing season so wait times were at an acceptable level. The staffing level may change post filing season. PPS 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.

The IP PIN program stumbled at the start of the filing season when the [CP01A notices](#) cited the wrong tax year. In March, following a security review, the IRS suspended the on-line [IP PIN tool](#) for retrieving and replacing an IP PIN. A phone call to IRS is now needed.

The filing season saw an increase in the mailing of [Letter 0012C](#). The letter is being used to point out possible discrepancies between the advance Premium Tax Credit reported on the taxpayer's 2015 tax return versus the advance Premium Tax Credit reported to IRS on the Marketplace's Form 1095A. It is important to respond to the letter in order to maintain the taxpayer's eligibility for advance premium payments for the following year.

Sometimes the discrepancy indicated by the Letter 0012C is the result of misinformation contained in the [Form 1095A](#). If there are incorrect entries on the form, a corrected Form 1095A is needed. If the form itself was issued in error, a voided Form 1095A is warranted.

Enrolled agents with SSNs ending in 0, 1, 2, or 3 who did not renew during the 2016 cycle will be moved to inactive status (5,000+ nationwide). If an EA disputes this action, they should call 855.472.5540. Procedures for the Special Enrollment Exam to become an enrolled agent have had some changes as described in the [FAQs](#). The Return Preparer Office lists 144 enrolled agents in Alaska. The Annual Filing Season Program had 95 Alaskan participants.

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

The IRS is working to transform its operations in order to modernize the taxpayer experience and empower its workforce to operate more efficiently—which will make filing simpler for taxpayers and increase voluntary compliance. The project is called the Future State. Kristen presented the attached slides.



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

Incidents of telephone and online scams and phishing continue rampant across the country. Tax practitioners were targeted in a [new scam](#). IRS posted new [identity theft information for return preparers](#). Practitioners should contact IRS Stakeholder Liaison (e-mail [michael.e.cvitkovic@irs.gov](mailto: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.

IRS is allowing randomly selected taxpayers to beta test the ["Get Transcript" online](#) application. If the new Secure Access eAuthentication process is successful, a full launch will follow. Transcripts may still be obtained using the [mail delivery](#) option.

IRS has initiated a new payment option for individual taxpayers who need to [pay their taxes with cash](#). Individuals can now make a payment without the need of a bank account or credit card at over 7,000 7-Eleven stores nationwide. The nearest 7-11 for Alaska residents is Ferndale WA so Alaska is not in the game yet. IRS reminds that [Direct Pay](#) is the fastest and easiest way to make payments for Forms 1040, 1040A, 1040EZ, 1040ES, 1040X, Form 5329, civil penalties, and shared responsibility payments. Remember the 4 p.m. Alaska time cutoff and the two day processing-to-posting when submitting payments.

IRS has three selections of [tax calendars](#) available: the online calendar, the desktop calendar tool (for offline use), and calendar reminders.

IRS has revised Form 3115, *Application for Change in Accounting Method*, and its instructions. After April 19, 2016 filers must use the Form 3115 (Rev. December 2015). [Announcement 2016-14](#) provides guidance.

The Protecting Americans from Tax Hikes Act of 2015 (the PATH Act) retroactively allows eligible employers to claim the [Work Opportunity Tax Credit \(WOTC\)](#) for all targeted group employee categories that were in effect prior to the enactment of the PATH Act, if the individual began or begins work for the employer after December 31, 2014 and before January 1, 2020. For [tax-exempt employers](#), the PATH Act retroactively allows them to claim the WOTC for qualified veterans who begin work for the employer after December 31, 2014 and before January 1, 2020. The PATH Act also added a new targeted group category to include qualified long-term unemployment recipients and granted employers additional time to submit Form 8850.

The **2016 IRS Nationwide Tax Forums** will be held in Chicago (July 12-14), New Orleans (July 26-28), Washington, DC (August 23-25), Orlando (August 30-September 1), and San Diego (September 13-15).

## **IRS Department Head Reports**

### **Chris Harris, Collection**

Chris reported that staffing stands at three revenue officers and one secretary in Anchorage with no new hires foreseen at this time. Two revenue officers from Seattle have been covering Kodiak and the panhandle. Chris is keenly aware that the staffing levels present availability issues. A priority will be placed on responding to practitioner's phone calls within twenty-four hours. Collection is focusing on in-business taxpayers, using outreach and face-to-face contacts to foster compliance via FTD Alerts and the Early Interaction Initiative. Al Dallman is managing the Alaska group from Seattle. His phone number is 206.946.3274. Therese asked about the FTD Alert activity in Alaska. Chris responded that in the last quarter of 2015 six alerts arose from instances where a taxpayer's deposit pattern showed a significant decline.

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

Coral stated the office has lost their secretary and their intake person. The number of caseworkers will decrease from three to two by month's end. Permission has been granted to hire two new caseworkers and an intake person, but, for a while, staffing will be tight. The Virtual Service Delivery (VSD) remains operative at the Kenai Library.

### **Julie Payne, Counsel**

Julie informed that the next Tax Court is scheduled for June 13<sup>th</sup> at the U.S. District Courthouse in Anchorage. The calendar call will commence at 10 a.m. Julie encouraged attorneys and paralegals to use the Virtual Service Delivery (VSD) to interact with counsel lawyers in Seattle during the development of cases.

### **Kim Vu, Examination**

Kim advised that there are three revenue agents in Anchorage. In addition to the Anchorage office Sonia Oen continues to manage staff in Tacoma WA and travels there. IRS will be hiring revenue agents at the Seattle office. Casework is focusing on business returns, National Research Program (NRP), offshore filings, and treaty issues. Kim encouraged practitioners to use the Fast Track Settlement Program to resolve disputes.

### **Liska Foss, Appeals**

Liska related that there is no budget for face-to-face conferences in Alaska. Practitioners should pursue telephone or Virtual Service Delivery alternatives. Liska encouraged practitioners to provide full and complete information to TCOs and Revenue Agents. Practitioners should refer to Publication 5 to file protests timely and thoroughly. She provided contact information: phone, 206.946.3094; e-mail, Liska.E.Foss@irs.gov. Therese asked if face-to-face conferences in Seattle were possible should the client want one. Liska responded that they can be scheduled.

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

Sue stated that volunteers e-filed 14,158 returns, an increase of over 8%. SPEC collaborated with United Way of Anchorage and the Alaska Financial Partnership Network to improve financial literacy by conducting several Super Saturday events in the Anchorage area throughout the filing season. A Financial Fitness Fair in Anchorage with representatives from several nonprofit organizations is being planned for October 8<sup>th</sup>. The VITA/TCE program is transitioning to a new software provider, TaxSlayer, for the next filing season.

Beginning 5/1, SPEC partnered with Field Assistance to have a Virtual Service Delivery (VSD) program at the Noel Wien library in Fairbanks. Taxpayers receive assistance from an IRS employee in a remote office (Bellingham WA) using the two-way VSD system. Taxpayers can set up appointments on Mondays and Fridays from 10 a.m. – 3 p.m. (closed for lunch 11:30-12:30). Currently the Taxpayer Assistance Center in Fairbanks is staffed and open 9:00 – 4:30 pm. Taxpayers can schedule an appointment for assistance at either the Virtual Site at Noel Wien Library, or the Fairbanks Taxpayer Assistance Center by calling 1-844-545-5640. *NOTE: The VSD is currently just for Field Assistance, but the feasibility of expanding it to other IRS departments is being explored.*

### **Helen Fyodorov, Large Business and international** (written submission)

Staffing is expected to remain at three agents in Anchorage and one in Fairbanks.

### **Therese Fulton, Field Assistance** (written submission)

The Fairbanks office has one Seasonal employee. The office will likely be closing sometime in the fall. When the closing date is known, an update will be provided. No changes in the Anchorage staffing level. If face-to-face service is required at the Anchorage TAC office, the Fairbanks TAC office, or the Fairbanks/remote taxpayer assistance available at Noel Wien Library, call 1-844-545-5640 to schedule an appointment. See [office hours and services provided](#) for more information.

## **Issues & Status**

IMRS Issue 16-0002132 was raised by an Alaska practitioner who suggested a burden reduction. The request was to have the heading of Form 9325 reformatted to left-justify the name and address section. That would facilitate the use of windowed envelopes to mail the form to the client. IRS Forms and Pubs responded "If there are no limitations with the formatting of the form, we will try to implement the change for the upcoming tax year."

IMRS Local Issue 2861 was raised by an Alaska practitioner who was having difficulty obtaining POAs when state law does not require a probate because the estate is small. Advice was provided, but the issue was not elevated due to lack of documentation.

Several practitioners raised concerns about credit elects not being applied due to identity theft. Credit elects are treated as the first ES payments of the following tax period. Timing will determine whether any underpayment penalty is assessed. If the 2015 return posts before the credit is transferred, a penalty may result. When the credit is eventually transferred, the penalty will be automatically abated. This concern is being discussed at the national level.

Barbara Hompesch asked if there were any reasons that POAs for businesses are taking longer than normal for assignment. She was going to provide examples for follow-up.

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### **Next Scheduled Meeting**

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