

**February 16, 2022**

***Pacific Northwest Action Wednesday IMRS Call***

**Virtual Meeting via Zoom**

Time: 10:00 am –11:00 am (PDT)

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**Attendees:**

Internal Revenue Service

- John Blakeman, Stakeholder Liaison
- Cathye Mason, Stakeholder Liaison
- Kristen Hoiby, Stakeholder Liaison
- Brandon Spanos, Alaska TAS
- Mike Mudroncik, Stakeholder Liaison
- Mike Smith, Stakeholder Liaison
- Dan Arnell Belarmino, Stakeholder Liaison

Practitioner Representatives

- Laurie Brock, Oregon TAP
  - Therese Sharp, AKSCPA
  - Teresa Moore, WY
  - Jeremy Saladino, WA
  - John Hawkins, OSCPA
  - Jim McClaflin, WSSEA
  - Barbara Culver, WSSEA
  - Lisa Rogers, AKSCPA
  - Edwin del Carpio, WA
  - Melissa Burr, OSCPA
  - Cindy Polley, WA
  - Elliott Gidan, CO
  - Kate Grubb, WA
  - Daniel Stearns, ORSEA
  - Carol Wild, OSTC
  - Harriet Strothers, OSCPA
  - Katrina Anderson, OSCPA
  - Dale Marino, OSTC
  - Michael Davidson, ORSEA
  - Judy Hanson,
  - Vera Likhonin, WA
  - Robin Smith, WSTC
  - Heather Jackson, OSCPA
  - Sara Northcutt, OSCPA
  - Amy Wolf, OAIA
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## Meeting Summary

The IRS has announced it will transition away from using a third-party service for facial recognition to help authenticate people creating new online accounts. The transition will occur over the coming weeks in order to prevent larger disruptions to taxpayers during filing season. During the transition, the IRS will quickly develop and bring online an additional authentication process that does not involve facial recognition. The IRS will also continue to work with its cross-government partners to develop authentication methods that protect taxpayer data and ensure broad access to online tools.

**FIRE-** We hope all the 1099 forms are filed by now. We apologize for the system issues although we cannot explain them. For those of you are all filed up now, you can put any worries about penalties at the bottom of your worry list. Do not ask how we know that, just accept that we do. For future reference, those of you who have not already done so should sign up for FIRE Quick Alerts. We have elevated concerns about the updated instructions for filing Forms K-2 and K-3. And apparently, so did some folks with a lot of juice.

Here's the announcement from this morning:

### IRS Statement

The IRS intends to provide certain additional transition relief for this year from the Schedule K-2 and K-3 reporting for certain domestic partnerships and S corporations with no foreign activities, foreign partners or shareholders, and without knowledge of partner or shareholder need for information on items of international relevance. For 2021, these qualifying domestic partnerships and S corporations will not have to file the new schedules. We are taking this step in response to feedback we received from the tax community and our stakeholders. The IRS will provide full details of this relief soon. Meanwhile, enjoy this news release on the subject:



News Release  
2022-38 Partnerships

Did anyone attend on Saturday? We don't know yet if any of our PNW TACs will be participating in March-May (second Saturdays) but we certainly hope so. This is managed by a different business division but we will try to find out any local scoop from our TAC moles and share it with you if we can! Until then, here is the link to the web page with the Saturday locations:

<https://www.irs.gov/help/irs-face-to-face-saturday-help>

Notices stopping:

Certain automatic notices have been temporarily stopped until the backlog is worked through. The IRS will continue to assess the inventory of prior year returns to determine the appropriate time to resume the notices. Some taxpayers and tax professionals may still receive these notices during the next few weeks. Generally,

there is no need to call or respond to the notice as the IRS continues to process prior year tax returns as quickly as possible. However, if a taxpayer or tax professional believes a notice is accurate, they should act to rectify the situation for the well-being of the taxpayer. For example, the IRS cautions people with a balance due that interest and penalties can continue to accrue. In addition, IRS employees may in select circumstances issue notices to particular taxpayers to resolve specific compliance issues.

The IRS does not have the authority to stop all notices as many are legally required to be issued within a certain timeframe.

The current list includes: CP80 CP59 and 759 (sp) CP518 and 618 (sp) CP501 CP503 CP504 2802C all for individuals.

For businesses: CP259 959 (sp) CP518 and 618 (sp)

Most of these relate to delinquent returns however the 501, 503 and 504 are balance due notices.

Check out Publication 5440 from VITA! NWU was selected for this honor as an outstanding VITA site and provider of financial literacy programs. Cathye wants to give a special shout out as she was a quality reviewer for them last year as a VITA volunteer and is honored to know them. Let your members and partners in Southern Oregon know!

And, of course a plug for VITA-if you know people who think they might like a career as a tax professional, VITA is a good way to get their feet wet. The training is very thorough and they will be supervised and provided feedback.

### **Questions and Answers:**

Q: I had a client just sign up for the voluntary IPPIN program. In reading the FAQs it seems to indicate that this IPPIN will be used for the 2022 return and any late unfiled returns. Does this also include the 2021 return?

A: The IPPIN that your client signed up for will be used on the 2022 return to be sure, but not for the 'currently due' return that is for 2021. However, if, let's say, your client had not filed for 2020 yet...then the IPPIN would be used when filing that...if it will be filed this year [because you get a new one each year]. So in a nutshell, the **Voluntary** IPPIN is used on the return for the year in which one signed up...and any LATE returns as well to be filed that year.

Q: Has any progress been made with the online booking system for TACs, rather than a phone call that often isn't answered or there are no available appointments?

A: Not really. We are still trying to find how that would work without multiple bookings from taxpayers being an issue.

Q: Have you heard anything about this year's filing season deadline being extended?

A: No, we have not heard any news about that...at least not yet.

Q: Have we heard anything about upgrades to the W-4? Specifically, adding the line option for a simple dollar or percentage amount for withholding?

A: We have not heard any buzz on that yet.

Q: Would it be possible to get some clarification or something a bit more concrete on what constitutes 'at risk for homelessness' especially as it relates to at-risk youth?

A: Yes, we can see how the criteria are a bit nebulous. We'll put this on the discussion board and see what kind of buzz it creates.

Q: While scheduling payments through Direct Pay we noticed that after January 15, there is no longer an option to classify a payment as a 4<sup>th</sup> quarter estimated payment. Does this have any effect on the Failure to Pay Penalty?

A: After careful thought and consultation with colleagues on how payments are recorded in the individual tax modules of taxpayers, we have decided not to elevate the issue raised at this month's meeting about Direct Pay. The fact that the Direct Pay system no longer allows a payment made after January 15<sup>th</sup> to be characterized as a 4<sup>th</sup> quarter estimated tax payment will not have any effect on computations for the Failure to Pay penalty for 2021 **as long as payments are made by the original due date of the return and designated as payments for the 2021 tax module.**

**Next Scheduled Meeting, March 16, 2021**