



## 2006 Meeting Minutes Area 1

- December 11-12, 2006
  - November 21, 2006
  - October 17, 2006
  - September 19, 2006
  - August 15, 2006
  - July 18, 2006
  - June 20, 2006
  - May 10-12, 2006
  - April 18, 2006
  - March 21, 2006
  - February 21, 2006
- 

### **Area 1 Committee Meeting Minutes December 11-12, 2006 Hyatt Regency Capital Hill Washington, DC**

#### **Designated Federal Official**

- Fallacaro, Betsy

#### **Committee Members Present**

- Chen, Betty - Pound Ridge, NY - Panel Member
- Colombo, Paul - Colchester, VT - Panel Member
- Epstein, Harvey - Lee, NH - Vice Chair
- Gadon, Harold - Cranston, RI - Panel Member
- Havey, Dorothy - Lincolnville, ME - Chair
- Jason, Julie - Greenwich, CT - Panel member
- Margulies, Howard - North Easton, MA - Panel Member
- Zgoda, Bruce - Clarence, NY - Panel Member

#### **Committee Members Absent**

- Barry, Shaun - Franklin Square, NY - Panel Member
- Hom, Gim - Acton, MA - Panel Member
- Parra, Luis - Bronx, NY - Panel Member
- Whiteside, Deidra - Buffalo, NY - Panel Member

#### **TAP Staff**

- Jenkins, Audrey - Brooklyn, NY - Analyst
- Knispel, Marisa - Brooklyn, NY - Analyst
- Odom, Meredith - Brooklyn, NY - Secretary
- Ramirez, Sandra - Brooklyn, NY - Manager



**Monday, December 11, 2006**

**Welcome/Introduction of Staff & Current Chair**

Ramirez welcomed the members, introduced staff and the prior chair of the committee.

**Opening of Meeting**

Havey(chair) opened the meeting.

**Icebreaker**

The members paired up and received as much information about the member they were paired up with. They then, informed the committee about each member.

**Staff Roles**

Havey informed the committee with the roles of the staff.

**Role of Designated Official (DFO)**

The DFO serves as the Treasury's agent for all matters related to the Panel's activities and can delegate his or here responsibilities to an IRS employee.

The DFO must approve, call and adjourn meetings, approve agendas, attend all meetings and co-chair meetings.

The DFO is instrumental in working with panel members to ensure a baseline understanding of IRS issues. This may involve arranging training and other necessary IRS briefings.

**Role of Chair**

- Serve as the representative for the Area on the Joint Committee (JC)
- Present the final Area committee's recommendations to JC
- Lead committee Meetings
- Partner in the development of meeting agendas
- Ensure decision are made by consensus within the committee
- Prepare an annual self-assessment
- Prepare a monthly committee report
- Ensure everyone on the Committee is heard
- Keep TAP Staff informed of all needs
- Ensure committee receives all research and documentation needed to make recommendations
- Delegate chair responsibility to the vice-chair or other committee member, on occasion, when unable to attend a meeting or perform a Chair duty
- Respond timely to all staff and Joint Committee requests and inquiries

**Role of Vice-Chair**

- Serve as a back-up for Chair
- Perform other duties on a regular basis as agreed upon with Chair and TAP Staff



## **Role of Subcommittee Chair**

- Report out to full committee
- Lead Subcommittee meetings
- Ensure decisions are made by consensus
- Ensure committee receives all research and subject matter experts needed to make recommendations
- Report subcommittee progress to Chair
- Ensure subcommittee notes/minutes are taken
- Timely submit all pre-reads to Analyst for the full committee presentation

## **Role of Members**

TAP members provide direct citizen input into the improvement of IRS programs and Procedures. The core responsibilities of TAP members are to participate in: (1) the TAP Annual Meeting, (2) an area committee focusing on grassroots issues, (3) an issue committee focusing on IRS initiatives, and (4) TAP outreach activities to educate the public about TAP and solicit taxpayer input to channel to the IRS.

## **Committee Structure, Protocols, Quorum, Consensus, TAP Member Handbook, Referral Form**

### **Quorum**

Will be 50% plus one

### **Consensus**

An opinion or position reached by a group as a whole.  
General agreement or accord: *government by consensus*.

Because TAP draws together people of varying background and experiences, including familiarity with tax law, IRS, and decision-making, it is important that the process of reaching consensus be respectful. Each idea and each opinion is valuable in guiding the group. Each participant has an equal right to speak and contribute to the process and the collective wisdom.

### **Flow of Issue**

The committee was informed that issues are worked in subcommittees, brought to the full committee for input and consensus and then forward to the Joint Committee for approval and forwarding to the IRS.

### **Plenary Speaker Overview**

Ramirez gave the committee an overview of the scheduled speakers for the plenary session.

### **Administrative Issues/Wrap up**

Havey/Odom informed the committee of administrative duties.

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## **Tuesday, December 12, 2006**

### **Opening of Meeting/Announcements**

Havey opened the meeting at 8:00 AM.

### **Roll Call**

Quorum Met



### **Election Process**

Ramirez explained the election process of Chair and Vice-Chair

### **Chair and Vice-Chair Election**

Chair – Havey

Vice Chair – Jason

### **Teleconference & FTF Meeting Date**

Teleconference dates are scheduled for the 3rd Tuesday of every month at 9:00 AM ET. With an exception of January, the meeting will be on the 23rd due to the federal register posting requirements.

### **Subcommittee Formation**

Subcommittee 1 – Barry, Chen, Havey, Parra, Epstein, and Colombo

Subcommittee 2 – Hom, Jason, Margulies, Gadon, Whiteside and Zgoda

### **Presentation of Issues**

- Electronic Payment of Income Tax (4059)
- E-File – data transmitted through a third party (3930)
- TEGE Toll-free (3995)
- LITC Education (3519)
- Mom & Pop
- Form 1099 should be received early (3158) – National Tax Forum in Atlantic City
- Overpayment of Social Security (4050)
- LITC and Problems with POAs (4049) – LITC National Conference

### **Schedule D Update**

Subcommittee 2 will reply to the response from the IRS. It is apparent that the Program Owners missed the point of the proposal. Therefore Subcommittee 2 will better clarify and resubmit it to the IRS.

### **Assignment of Issues**

Subcommittee 1

- E-File – data transmitted through a third party (3930)
- TEGE – Toll-free (3995)
- Overpayment of Social Security (4050)

Subcommittee 2

- Electronic Payment of Income Tax (4059)
- LITC Education (3519)
- LITC and Problems with POAs (4049)

Dropped Issue

- Form 1099 should be received early (3158)



### **Subcommittee Breakouts**

- Subcommittee Chair Selection
- Discussion of Issues

### **Subcommittee Report-out**

Subcommittee 1 – Meetings will be at 10:00 AM ET the first Tuesday of each month. Epstein is the Chair

#### Issues

SSN (4050) – Ready to rate  
Toll Free – Research will be done  
E-File – Subject Matter will be called in

Subcommittee 2 – Meetings will be at 9:00 AM ET the first Tuesday of each month. Zgoda is the Chair

#### Issues

Online proposal – Schedule D  
LITC – New issues will be looked into  
Penalty on IRAs



**Area 1 Committee Meeting Minutes  
November 21, 2006  
Teleconference**

**Designated Federal Official**

- Ramirez, Sandra - Brooklyn, NY - Manager

**Committee Members Present**

- Epstein, Harvey - Lee, NH - Vice Chair
- Gadon, Harold - Cranston, RI - Member
- Guthman, Michael - Westport, CT - Member
- Havey, Dorothy - Lincolnville, ME - Chair
- Hom, Gim - Acton, MA - Member
- Margulies, Howard - North Easton, MA - Member
- Parra, Luis - Bronx, NY - Member
- Searleman, Sanford - Glens Falls, NY - Member
- Zgoda, Bruce - Clarence, NY - Member

**Committee Members Absent**

- Barry, Shaun - Franklin Square, NY - Member
- Fallacaro, Betsy - Boston, MA - LTA

**TAP Staff**

- Jenkins, Audrey - Brooklyn, NY - Analyst
- Odom, Meredith - Brooklyn, NY - Secretary

**Other Attendees**

N/A

**Welcome/Announcements/Review Agenda**

Havey welcomed everyone

**Roll Call (quorum has been met)**

**JC Report Out**

Havey informed the committee that the list of new members has gone to Treasury. She also informed them of some of the items for the annual meeting. Coston has met Olson to discuss 2007 strategies; she will be addressing the panel at the Annual Meeting. Olson would like to have 4 Town Halls in 2007. The communication committee has a strategy for revamping TapSpeak, there is a new format that will be introduced. There has been no feedback from the IRS Commissioner on the 5 issues that were forwarded. Someone will follow up on this. The current Issue Committees will continue next year and every member has been assigned to an Issue Committee.



## Subcommittee Report Out

- **Subcommittee 1** – Epstein informed the committee that a subject matter expert was to meet with them but was unable to. The committee discussed Form 8300, E-file and 1127. There were questions on whether these items were approved in the full committee and the JC committee analyst has no record of receiving them. These items will be forwarded. The proposal is whether or not to update this form. Jenkins will provide the entire committee with an email for approval.
- **Subcommittee 2** – Hom discussed the 8453 and reviewed what the full committee said. Gadon will make some changes and resubmit it to the JC. Gadon will attend on the December 6th JC meeting.

The committee discussed the electronic online payment. A copy of the proposal was attached to the agenda for this call for the entire committee to look at. Knispel feels this proposal is not ready because the proposal doesn't indicate how it can be done. Ramirez feels the issue statement is extremely long, a lot of the items should go to background for research. The second paragraph should go under proposed solution. Hom feels this will reduce paperwork because there is no form to send in. Ramirez feels this should go under benefits. Knispel feels the title should be more specific because the IRS has many electronic payment options.

In 2008, on the books is zero capital gains if you are in the lowest two income tax brackets. Hom would like to know if there is a process where a taxpayer could raise their cost basis without selling their stock? If you have any new proposal, email them to Jenkins.

## Outreach Report Out by Members

Parra – Was invited to speak about the function of TAP to a group of Taxpayers.

Gadon – IRS called a meeting of tax preparers and Gadon was invited.

Havey – Attended a meeting of tax preparers. In addition Havey attended a meeting with the National Association of Women Business Owners. Havey met with the LTA of Maine and they met with several different businesses to promote TAP.

Zgoda – Spoke with independent accountants at a dinner and did a power point presentation on TAP. Zgoda spoke at a seminar at the Tax Institute. Zgoda will speak again at the IRS seminar in conjunction with the University of Buffalo. Zgoda was at the LTA's office and is invited to the next practitioner liaison meeting.

Please be sure to provide Jenkins with any outreach.

## Issue Committee Update

Epstein discussed what the VITA Committee is working on. The committee is working with the IRS SPEC organization in developing and refining their test, certification and teaching materials for the next tax season.

Havey discussed that Ad Hoc has been quiet and working on some issues. Hom states the 1040 form that should be resolved for tax year 2008 will be done by 2009.

## Other Comments/Questions



**Annual Assessment**

Havey forwarded the entire committee the format to providing an assessment to providing the activities for the year. This form should be forwarded to Jenkins.

**Annual Meeting**

Ramirez gave the committee an update on the meeting. The Agenda is still in draft form. The Area 1 committee will meet on December 11th at 10:50 am. The rest of the day will consist of plenary sessions. Area 1 will resume on December 12th at 8:00 am. Barry, Gadon and Zgoda will serve as instructors at workshops during the Annual Meeting. The Area 1 committee meeting dinner will be on Tuesday December 12th. The TAP chair elections will take place on Monday December 11th. On Monday evening, there will be a Social for all members starting at 5:30 pm. Havey hopes there is some interest in running for chair and vice chair for Area 1. This teleconference will be Searleman's last meeting.

**Office Report**

Ramirez informed the committee that the teams that participated in the revision of the vision statement. Coston has presented Olson with this proposal, and it is still being worked on.

There is no indication of anyone interested in running for TAP Vice/Chair as of yet. The option is still open.

**Public Participation**

None





**Area 1 Committee Meeting Minutes  
October 17, 2006  
Teleconference**

**Designated Federal Official**

- Ramirez, Sandra - Brooklyn, NY - Manager
- Fallacaro, Betsy - Boston, MA - LTA

**Committee Members Present**

- Barry, Shaun - Franklin Square, NY - Member
- Epstein, Harvey - Lee, NH - Vice Chair
- Gadon, Harold - Cranston, RI - Member
- Margulies, Howard - North Easton, MA - Member
- Parra, Luis - Bronx, NY - Member

**Committee Members Absent**

- Havey, Dorothy - Lincolnville, ME - Chair
- Hom, Gim - Acton, MA - Member
- Searleman, Sanford - Glens Falls, NY - Member
- Zgoda, Bruce - Clarence, NY - Member

**TAP Staff**

- Jenkins, Audrey - Brooklyn, NY - Analyst
- Knispel, Marisa - Brooklyn, NY - Analyst
- Odom, Meredith - Brooklyn, NY - Secretary

**Other Attendees**

N/A

**Welcome**

**Roll Call (quorum has been met)**

**JC Report Out**

Margulies – The downloadable Forms. The 3908 issue was removed. The 3734, 3758, 3908 and 3670. Some of the forms printed from the website are not machine readable. The JC wants Area 1, 3 & 4 to form a small subcommittee to combine all of the issues. Form 8453 Usage reduction was sent back to Area 1 for clarification of the proposed solution, the JC didn't like the wording. The interest Rate Proposal that went out informing taxpayers of the interest they would be paying, had 2 word changes in the goal statement. Jenkins will provide the committee with this information. The 2445C letter, improvements to language was approved but there was an error. The Form 1040V was approved. The JC approved the search by keyword recommendation. The elections for the TAP Chair/Vice Chair will be on the first full day of the Annual Meeting. There was a suggestion to change committee meetings to bi-monthly. This suggestion came about to benefit TAP staff as well as members.

Ramirez – The annual assessment was discussed and it will cover the period of January 1 – December 31, 2006. They will be due on December 31. The members must complete a portion of the assessment. There will be pre-meeting calls with only the new members. These calls will cover everything pertaining to the Annual Meeting. Members are encouraged to be more engaged in



volunteer participation. The Communication Committee put out a strategic objective plan which was approved by the JC. A working plan came out of this. The Seattle office has a new Analyst. The list of new members is in the Commissioner's office. A suggestion was made at the JC meeting to have alternates join in on committee meetings. Brubaker came up with the idea of becoming a mentor to the new members, and all members will be given his outline and are expected to give feedback. There will be a Social Gathering the first night for the entire panel and staff. This will take place at the Capitol City Grill which is located close to the hotel. Everyone is encouraged to attend this gathering.

### **Subcommittee Report-Out**

#### **Subcommittee 1**

Epstein – There was no discussion of any new issues.

Barry – Raised an issue related to Social Security overpayment. A taxpayer received a letter stating they overpaid and a refund of a certain amount will be sent. When the taxpayer received the refund the amount of money was different then the amount of the check, there is no indication that the interest portion of that was going to be taxable and the taxpayer would be receiving a 1099 from the IRS saying this income is now taxable. Subcommittee 1 will adopt this issue. Barry will write a proposal.

#### **Subcommittee 2**

Gadon – 8453 had some changes. The electronic payments issue will not move forward. All new issues will be held until the Annual Meeting. The database 4008 1040 estimated tax payment went forward to the JC and was approved.

### **Outreach Report-out by Members**

Gadon – Attended a meeting held by IRS practitioners.

Barry – A friend of his works for an organization called the Broadcasting Board of Governors in Washington DC. This agency that oversees voice of America and all of the radio and television outlets the US Government broadcast into non-free nations. Barry met with him and explained the role of TAP and he is considering bringing forth to the organization whether they should start to do a story for some of their media outlets on TAP and how it's a very democratic way of getting citizens involved in their communities and how the government work. This may include having some of the members interviewed and Coston, the TAP Director.

Margulies – Is trying to coordinate Coston or someone else from TAP to speak at a meeting for the National Association of Federal Credit Unions.

### **Issue committee Update**

Gadon – VITA committee has been reviewing new training manuals for the upcoming year.

Epstein – VITA has been working on the VITA certification and a major change will be taking place.

Barry – Burden Reduction Committee is trying to develop a proposal on misclassification.

Margulies – N/A

### **Other Comments/Questions**

Ramirez – Thanked Margulies for attending the JC meeting representing Area 1.

### **New Issues**

Barry



**Recap New Action Items**

Jenkins will provide the subcommittees with all of the corrections the JC had on all Area 1 issues.

**Public Participation**

N/A



**Area 1 Committee Meeting Minutes  
September 19, 2006  
Teleconference**

**Designated Federal Official**

- Fallacaro, Betsy — Boston, MA — LTA

**Committee Members Present**

- Barry, Shaun — Franklin Square, NY — Panel Member
- Epstein, Harvey — Lee, NH — Vice Chair
- Gadon, Harold — Cranston, RI — Panel Member
- Havey, Dorothy — Lincolnville, ME — Chair
- Hom, Gim — Acton, MA — Panel Member
- Margulies, Howard — North Easton, MA — Panel Member
- Searleman, Sanford — Glens Falls, NY — Panel Member

**Committee Members Absent**

- Parra, Luis — Bronx, NY — Panel Member
- Zgoda, Bruce — Clarence, NY — Panel Member

**TAP Staff**

- Jenkins, Audrey — Brooklyn, NY — Analyst
- Knispel, Marisa — Brooklyn, NY — Analyst
- Odom, Meredith — Brooklyn, NY — Secretary

**Other Attendees**

None

**Welcome**

Havey opened the meeting at 9:05 AM welcoming all members and staff.

**Roll Call (quorum has been met)**

**Face to Face Recap**

Epstein – Members were introduced to the Brooklyn, NY Local Taxpayer Advocate Anita Kitson who spoke at length about the top taxpayer issues her office faces. The members also were re-introduced to Betsy Fallacaro, the new Designated Federal Official assigned to Area 1. Members reviewed and discussed all of the issues that were in the parking lot to determine whether or not they should continue to keep them or not and assigned some issues from there to each subcommittee. The subcommittees broke out and continued work on previously assigned issues as well as began discussions on issues assigned to them from the parking lot. For example, the Form 1127 issue was refocused to address the fact that the form should be updated. The ITIN issue was separated and each subcommittee will address a component of it. Also, Parra was reassigned to Subcommittee 1 to rebalance it after it shrunk to two members after Michael Guthman's recent resignation.

**JC Report Out**

Epstein – Area issues were not voted on or discussed during this meeting. Issues have been deferred until the upcoming October Face to Face Meeting in Dallas. There was a discussion on the voting for the positions of Chair and Vice Chair. There will be further discussion at the October meeting.



### **Subcommittee Report-Out: Subcommittee 1**

Epstein – Subcommittee 1 met on September 8, 2006 and discussed searching for forms by title at the IRS website. This issue arose in the course of researching the Form 1127 issue. Barry noted that a search for this form or any form by its name only would be difficult and unsuccessful for the average taxpayer. A search by form number, however, returned hundreds of possibilities none of the top returns included the Form 1127. The subcommittee will suggest the IRS improve the search functionality for forms and pubs at the website to allow a search by keyword.

### **Subcommittee 2**

Hom – The committee met on September 12, 2006 and discussed the 1040V-ES and Online Payment of estimated taxes. The proposal is to enhance the 1040V (and rename it 1040V-ES) by adding a line that allows taxpayers to put their first quarter estimated income tax payment on the form and thereby mail it along with the tax return. Gadon suggested Jenkins use a version or a revision date on the proposals since the flurry of emails back and forth of proposals with small changes make it hard to know which is the latest revision. Searleman provided the committee with some changes to the referral. Knispel will make the changes and forward to everyone. Havey agrees with Hom's idea and the committee voted to move the issue forward to the JC with corrections. Hom briefly mentioned the online payment issue the subcommittee will now begin to examine and thanked Fallacaro for her input.

Hom noted that the Ad Hoc committee was informed that the Form 1040 will be undergoing major changes. In 2008, a new 1040 form will be released. The IRS is aware of the problems with web searches on the site. Epstein suggested the Ad Hoc committee become involved with changing the 1040 form early in the process.

Ramirez suggested that e-mail be used to distribute and approve the agreed upon modifications to the Form 1127 issue allowing us to forward it to the Joint committee before their face to face meeting. Jenkins will provide the members with the updated version for review and approval.

### **Outreach Report-out by Members**

Havey had an opportunity to speak with a group about the TAP and she will provide Jenkins with information about the organization. Next week, Havey will speak at a conference which is being held by a small business organization.

Gadon as a member of AARP and TAP went with a taxpayer to a tax assistance center. Gadon was invited to a meeting of Area 1 Northeast Tax Practitioners on September 28, 2006.

### **Issue Committee Update**

Gadon informed the committee that he discussed the Form 8453 issue with the chair of the VITA TAP committee.

### **Other Comments/Questions**

None

### **TAP Office Report**

Margulies will represent Area 1 at the upcoming October face to face Joint Committee Meeting in Dallas. Ramirez will communicate with Margulies so that he is prepared for that meeting. Robb will arrange his travel.



### **Recap New Action Items**

Knispel

- make suggested edits to the 1040V-ES

Jenkins

- distribute Form 1127 proposal for committee approval

### **Public Participation**

None



**Area 1 Committee Meeting Minutes  
August 15, 2006  
Teleconference**

**Designated Federal Official**

- Ramirez, Sandra — Brooklyn, NY — Manager

**Committee Members Present**

- Barry, Shaun — Franklin Square, NY — Member
- Epstein, Harvey — Lee, NH — Vice Chair
- Havey, Dorothy — Lincolnville, ME — Chair
- Hom, Gim — Acton, MA — Member
- Margulies, Howard — North Easton, MA — Member
- Searleman, Sanford — Glens Falls, NY — Member
- Zgoda, Bruce — Clarence, NY — Member

**Committee Members Absent**

- Gadon, Harold — Cranston, RI — Member
- Parra, Luis — Bronx, NY — Member

**TAP Staff**

- Jenkins, Audrey — Brooklyn, NY — Analyst
- Knispel, Marisa — Brooklyn, NY — Analyst

**Other Attendees**

- Smith, R. John — New York City Bar Association

**Welcome**

**Roll Call (quorum has been met)**

**JC Report Out**

Havey – The JC met in August in Denver where Coston gave a budget report. He mentioned the fact that there were additional funds for meetings. The Communications Committee will be having a meeting in Atlanta on August 15 – 16, 2006. Coston reported that the Annual Meeting will focus on issue and area committees having more actual meeting time. Recruitment for new members is complete, all fingerprint and tax check waivers have been sent forward for processing. During the month of July the TAP staff attended the TAS Symposium in New Orleans. One of the sessions focused on Volunteer Management and from that there were 4 sub-committees established. Coston extended an invitation for TAP members to participate on each sub-committee. An email went out from Toy on behalf of Coston asking for participants. The subcommittees are: developing a TAP vision statement, developing a stronger member position description, a member feedback process and establishing measures.



Ramirez – Informed the committee that Gorga is being replaced by Betsy Fallacaro. Fallacaro is the Local Taxpayer Advocate out of Boston, MA.

Havey – The Communications Committee reported out on a new look for TAP Speak, there is a communication strategy being published and a new survey member report will be coming out.

Neither Havey nor Epstein will be able to attend the joint committee (JC) meeting in October to be held in Dallas. Havey would like another Area 1 member to attend the meeting on her behalf. Ramirez asked that whoever decides to volunteer to go should attend the next JC teleconference on September 6. Havey apologized to the committee for not being able to also attend an upcoming Area 1 meeting in NY.

### **Upcoming Face to Face**

Odom will provide the entire committee with all travel information along with a letter that must be presented to the hotel to receive the government rate.

Searleman would like the members to meet in the lobby of the hotel to go to dinner at 6:00 PM on Monday August 21, 2006.

### **Subcommittee Report- Out Subcommittee 1**

Epstein – At the last meeting the subcommittee discussed one new issue which relates to the security of taxpayer data when their returns are e-filed and intermediate service providers (ISP) are used and the requirements governing taxpayer privacy and these ISPs. The “stall” letter and its language will be discussed at the face to face meeting. Form 8300 is a form the IRS requires from businesses when cash transactions of \$10,000.00 and over occur. These forms can not be filed electronically and the sub committee is requesting to file these forms electronically. This was an issue raised by the public at the Town Hall Meeting in Rhode Island. The committee agreed to move forward this recommendation to the JC.

### **Subcommittee 2**

Hom – The subcommittee met and discussed three issues and two of the issues are on the agenda for approval. The first issue is the Form 8453. Gadon stated that reducing the use of this form would reduce the amount of paperwork the IRS processes. If you file a tax return with a tax preparer and use the electronic PIN use of the Form 8453 is avoided. The proposal notes that just over 15 million forms are processed while  $\frac{3}{4}$  of these were not even required to be filed. The savings in processing time and effort is tremendous. The committee approved the recommendation to move forward to the JC.

Zgoda - The second proposal is regarding the Form 433D (Installment Payment Agreement) Monthly Reminder Notice and how it does not fully inform the taxpayer of what they actually owe and how it accrues. The subcommittee believes that IRS should send out a clear installment reminder notice each month so the taxpayer will know exactly how much they owe. It will give a break down of how much principal, penalties and interest was paid. A lot of taxpayers are frustrated to not see their balance due going down or ignore the letters or they just stop paying due to the amount of penalties and interest. If they could see how their money is being applied, hopefully this will encourage them to continue paying or better yet to make other arrangements to pay in full. Zgoda sent out a proposal to all members, some suggestions were made and there will be some changes. A new proposal will go out to all members. The issue has been approved with corrections by consensus and will be sent forward to the JC.





Hom – The subcommittee will work on the issue where the taxpayer is making a payment for the previous tax year and also making an estimated tax payment. The current process is to submit two separate checks to two separate processing units. The subcommittee will work on a proposal to revise this process to allow submitting the payment(s) to one processing unit using form 1040V.

### **Outreach Report-out by Members**

Epstein – Outreach was done by attending various AARP meetings where he took the opportunity to discuss TAP.

Searleman – Did outreach at a luncheon with current and former IRS employees which happened to be former students of Searleman.

Zgoda – Will have a meeting with New York State Society Board of Directors, and he will be speaking at two of their seminars. He will also attend a seminar for the University of Buffalo and Independent accounts. He will explain what TAP is to all of the organizations.

Members were reminded to report all outreach to the Jenkins.

### **Issue Committee Update**

Epstein – The VITA committee has been considering a new process based training to replace current training mechanism for VITA volunteers and the VITA training methodology in detail.

Margulies – The EITC issue committee prepared two letters. One is a letter to tax preparers to remind them of the electronic help available and forms that are available to help them determine eligibility. A reminder of the whistle blower program was included in the hopes that it helps reduce the unauthorized claiming of the earned income tax credit.

Searleman – The Notices Committee is trying to finish up three or four items they are working on.

Barry – The Burden Reduction Committee is working on the issue of misclassification of employees as independent contractors.

Zgoda – The TAC Committee will meet in Atlanta at the end of August to complete the questionnaire that will be going out.

Hom – The Ad Hoc committee was asked by the Forms and Pubs people to provide feedback on whether tax exempt dividends should be reported by mutual funds on either dividend or interest income on the Form 1099.

### **Other Comments/Questions**

N/A

### **TAP Office Report**

Jenkins – Havey asked Jenkins to get a list of items that were sent to the JC.

1. Form 1096 machine readable
2. Schedule D
3. Form 1099
4. Form 1098
5. Form 8453
6. Form 8300
7. Form 433D



Havey wants to know the status of the Combined Issues Subcommittee. This subcommittee is assigned to Ferree out of Florida and there is an opening for a member from Area 1 to volunteer for this committee. Epstein volunteered for this committee.

Ramirez – There was one resignation from Area 1; Michael Guthmann. Knispel, as well as Jenkins, will be working with Area 1 and she will work with subcommittee 2. Members were asked to please keep both Jenkins and Knispel updated on everything for Area 1.

### **Recap New Action Items**

Members

A volunteer is needed to represent Area 1 at the Dallas JC meeting. Please submit your name to Ramirez before the next JC teleconference.

Zgoda will amend the Form 433D proposal and forward it to everyone.

Epstein will represent Area 1 on the Combined Issue subcommittee.

### **Public Participation**

Smith thanked everyone on the committee. He and members of the Bar Association are very excited and are willing to help in any way.

Meeting adjourned at 9:55 AM



**Area 1 Committee Meeting Minutes  
July 18, 2006  
Teleconference**

**Designated Federal Official**

- Ramirez, Sandra — Brooklyn, NY

**Committee Members Present**

- Barry, Shaun — Franklin Square, NY
- Epstein, Harvey — Lee, NH
- Gadon, Hal — Cranston, RI
- Hom, Gim — Acton, MA
- Margulies, Howard — North Easton, MA
- Searleman, Sanford — Glens Falls, NY
- Zgoda, Bruce — Clarence, NY

**Committee Members Absent**

- Guthman, Michael — Westport, CT
- Havey, Dorothy — Lincolnville, ME — Chair

**TAP Staff**

- Jenkins, Audrey — Analyst
- Knispel, Marisa — Analyst
- Odom, Meredith — Secretary

**Roll Call**

Quorum Met

**Welcome/Announcements/Review Agenda**

Epstein, Vice Chair ran the meeting in Havey's absence.

**JC Report Out**

Epstein briefed the committee on the June Joint Committee (JC) meeting in Denver using an email from Havey. He referenced a memo which addressed several issues being worked by various members that provided feed back to Commissioner Everson on several topics that he raised in an earlier meeting with the JC. The topics included: section 7216 (Privacy Issue), Tax Preparer regulations, Outsourcing of collection activity, and Free E-filing. Havey is not sure if Area 1 issues were put forward and acted on. Jenkins stated that they were and that she was waiting for a response from Toy, the JC analyst who received the forwarded Area 1 recommendations, and whom forwards them to the JC Quality Review team. Ramirez will provide the committee with details of the JC meeting. The Communication committee conducted a survey about TAP Speak and the results show that TAP Speak needs improvement.

**Subcommittee Report-Out**

**Subcommittee 1**

The sub committee met on July 7th and they agreed to forward Barry's write-up of the "Stall Letter". The copy went to the entire committee. Searleman suggests that under benefits and barriers for the language to be softened. Knispel suggested rephrasing the sentence by taking out the word "cost" and



use “changes” in programming. Barry will make changes to the letter and forward it to the committee. Jenkins will input database number before forwarding to JC.

### **Subcommittee 2**

The sub committee met on July 11th. Zgoda discussed the monthly Installment reminder notice proposal and how the sub committee is trying to come up with a clearer way the notice can report to taxpayers each month how payments are applied and the balance accrues. This letter will show how much their outstanding balance is, and for each payment made there will be a breakdown between the principal, interest and penalty which will explain the remaining balance. Jenkins will provide the entire committee with the proposal.

Hom - discussed the next item which is the inclusion of estimated tax payment on the Form 1040. Hom stated that other taxes such as social security are collected on the 1040 and when you send in your tax payment for the previous year, if you’re self employed, you pay social security to the IRS. You cannot, however, pay estimated income tax on the Form 1040, but if you have a tax refund on the return it can be applied to next year’s estimated income tax. Hom suggests adding a line for estimated tax on the Form 1040. Jenkins suggested that if the committee wants to make changes to the 1040, it would be a good idea to go through the Ad Hoc committee since they are working with the IRS on changing the Form 1040. Jenkins will arrange for a specialist to speak to the committee on estimated tax payments and how they are processed. Hom and Havey are on the Ad Hoc committee and Hom will ask the contacts in forms and pubs some questions in reference to the 1040. Jenkins will contact the Program Owners from Forms and Pubs in reference to the 1040, if needed.

Hom added that there should be a way of making estimated tax payments online to the IRS just as you do with other bills using online banking. Knispel noted that estimated tax payments can be made online using the EFTPS system. Jenkins will have an expert come in to address the committee on this matter.

Gadon acknowledged Knispel’s work on Form 8453. Gadon feels there are millions of dollars that could be saved each year by not using Form 8453. Gadon drafted the Form 8453 proposal and would like the committee to decide whether this recommendation is ready to go forward. Epstein will send the committee a copy of Gadon’s proposal and the committee will provide input.

### **Outreach Report-out by Members**

N/A

### **Issue Committee Update**

Gadon gave an update on the VITA TCE Committee. The committee feels they should get rid of the Form 8453, they are writing a volunteer manual in which the Practitioner Pin is the approved and preferred method for taxpayers to sign their electronically filed returns. The Self Select Pin issue is up in the air because the IRS intends to require preparers to retain W2’s for several years when they use the Self Select Pin. They are working on revising manuals.

Hom gave an update on the Ad Hoc committee which met in DC. The committee discussed the regulations for tax preparers. The committee met with representatives from the forms and pubs function of IRS.

### **Other Comments/Questions**

Ramirez gave the committee an update on the interviews for the new applicants and thanked Hom, Barry and Zgoda for being on the interview panel.

Epstein had a problem locating the agenda on TAP Speak. Jenkins advised that going directly through the link will direct you to the agenda. After that you can always locate the agenda in the Area 1 Reading Room. Jenkins will also begin to post it to the calendar for quick access.



**Recap New Action Items**

Epstein will send out a copy of revisions to Gadon's 8453 proposal. Subcommittee 1 will meet August 4, 2006 at 9:00 AM EDT. Subcommittee 2 meets August 8, 2006 at 9:00 AM EDT. Jenkins will provide the committee with copies of Zgoda's "Installment Letter" proposal. Ramirez will provide the committee with details of the JC Face-To-Face meeting. Jenkins will arrange for a specialist to speak to the committee on the 1040 issue.

**Public Participation**

N/A

**Next Meeting**

August 15, 2006 @ 9:00 AM EDT



## **Area 1 Committee Meeting Minutes June 20, 2006**

### **Designated Federal Official**

- Knispel, Marisa — Brooklyn, NY

### **Committee Members Present**

- Barry, Shaun — Franklin Square, NY
- Epstein, Harvey — Lee, NH
- Gadon, Harold — Cranston, RI
- Guthman, Michael — Westport, CT
- Havey, Dorothy — Lincolnville, ME
- Hom, Gim — Acton, MA
- Parra, Luis — Bronx, NY
- Searleman, Sanford — Glens Falls, NY
- Zgoda, Bruce — Clarence, NY

### **Committee Members Absent**

- Margulies, Howard — North Easton, MA

### **TAP Staff**

- Knispel, Marisa — Brooklyn, NY, Analyst
- Odom, Meredith — Brooklyn, NY

### **Other Attendees**

- None

### **Welcome**

Havey welcomed the committee to the call. Hom added an agenda item which is Paying Estimated Income Tax electronically.

### **Roll Call (quorum has been met)**

### **JC Report Out**

Havey informed the committee of the Annual Meeting which will be December 11 -14, 2006 at the Capitol Hyatt in Washington, DC. Orientation will start on Monday from 8:00 a.m. -12:00 p.m. and returning members will meet in the afternoon and meet until 5:00 pm. All Town Hall meetings are complete and

Area 1 had the largest attendance. An issue came up from another Town Hall which is, there is a difference in the quality of service between east and west call centers. Recruitment – over 700 packages for 27 open slots have been ranked. The Communication committee gave a report on Tap Speak which they are trying to redesign. They are working with the vendor and they would like to make it more usable and convenient. If anyone from Area 1 has any suggestions or frustrations with Tap Speak, please email Havey and this will be discussed during the JC meeting. The JC discussed the Annual Report and the Commissioner's issues. The JC meeting will be in Denver at the end of June. The role of the alternate will be discussed during this meeting. Hom recommends alternates are



included in all electronic distribution that way they can call into meetings etc. Gadon asked if an alternate becomes a TAP member after one year as alternate can only serve two years and they are ineligible for appointment after that, and if you should pick an alternate be that you are willing to let become a member the following term. Area 2 has a lot of recommendations that went to the IRS. Coston spoke about the National Office Report and about bringing closure to Town Hall Meetings. There is an Older American Tax Guide, and there are suggestions on re-wording the font size. Epstein asked about several issues that Area 1 rose to the JC some of which were to be combined with issues from other committees. Havey states that none of the Area 1 issues were discussed at the JC meeting. As far as combining issues, all parties were in agreement.

### **Subcommittee Report Out Subcommittee 1**

Epstein – subcommittee 1 met on June 9th and agreed with the wordsmith and with the JC’s recommendation to combine the Area 1 and Area 3’s issue since they are identical. Margulies’ write-up of the definition of “suspicious related transactions” on Form 8300 was discussed and approved to be forwarded to the entire committee with the understanding that Jenkins would beef up the section on barriers. Barry agreed to continue working on the stall letter issue for the next meeting and Jenkins will continue research relating to confidentiality of e-filed returns. Epstein stated a lot of companies have a store and forward system: when you e-file your return it doesn’t go directly to the IRS it goes to the company’s database and then periodically, the data is sent to the IRS. What are the confidentiality requirements on their data? Once the company has thousands of taxpayer’s data in their database, they can start doing some data analysis and start doing some profiling of a taxpayer. Gadon states the whole volunteer per tax program uses third party transmission: the returns go to the third party and they use it to do various data analysis reported at the end of the season. Jenkins will take Zgoda’s comments and place them into memo form and forward concerns to the EITC program owners. Knispel will let Jenkins know not to send the letter to Dave Williams.

### **Subcommittee 2**

Hom informed the committee that subcommittee 2 discussed the EITC issue. On the issue of the installment letter that is sent out to people who are on an installment agreement, Zgoda will write up the additional information so the taxpayer who receives the installment letter will understand the interest rate and how long it will take to pay the liability. Jenkins’ action item will be to provide background data on the installment agreements, how many agreements there are, the total dollars and percentage of the agreement paid. Jenkins will provide the committee figures on the use of Form 8453. Hom suggests Gadon take the information about Form 8453 and recommend it to the JC. The committee briefly discussed the Schedule D and would like to know at what stage this recommendation is. Hopefully it’s on the agenda for the June face to face meeting. Parra suggests the committee needs more information on Form 8453 before eliminating it is suggested to the IRS. Havey suggested subcommittee 2 still work on this issue and take Parra’s suggestion into consideration. Knispel will provide Parra with the information on Form 8453.

### **Analyst Report**

Members will ask Jenkins to check on issue of Form 1043 to see if the subcommittee can move the issue forward.

### **Outreach Report-out by Members**

Gadon feels the questionnaire 7216 from the Commissioner asking for the panel’s comments is very important. Havey stated the JC is working on this questionnaire. Havey asked Knispel to email the entire committee Kasser’s proposal on this.



## Issue Committee Update

### Other Comments/Questions

Hom brought up an issue on payment of estimated income tax: the estimated tax forms and payments went to a different place than the regular tax return. So, the estimated tax and a regular return had to be sent separately. You should be able to mail them together. A related issue is that it should be possible to file estimated taxes electronically. When you are paying estimated income taxes, there is no reason why you should not be allowed to electronically send the estimated income tax to the IRS. By allowing this, the IRS would save money on processing and they would get the money faster. Epstein feels the IRS would be interested in pursuing this issue and it would be a good issue for the committee to take up, you should be able to file and pay estimated taxes online. Havey will ask Jenkins to do some background work on this issue. Gadon would like to know how TAS works in conjunction with TAP. What criteria needed to elevate an issue and method to contact TAS?

Knispel will send the entire committee an email in reference to Gorga no longer being the DFO for Area 1.

### Recap New Action Items

Barry

- Write up Stall Letter proposal

Jenkins

- provide background data on Installment agreements; how many agreements there are, the total dollars and percentage of the agreements paid
- provide the committee with figures on the use of Form 8453
- work on the section on barriers of issues relating to "suspicious related transactions" on Form 8300
- continue research on relating to confidentiality requirement of e-filed returns
- Incorporate Zgoda's comments relating to EITC into memo for full committee review

Havey would like for subcommittee meetings to continue through December.

### Public Participation

None

Meeting adjourned (10:16 AM EDT)

Next Meeting

July 18, 2006 9:00 AM EDT





**Area 1 Committee Meeting Minutes  
May 10-12, 2006  
Cranston Central Library  
140 Sockanosset Cross Road  
Cranston, RI 02920**

**Wednesday May 10, 2006, 3:00PM - 5:00PM EDT**

**Designated Federal Official**

- Gorga, Peter — LTA, DFO

**Committee Members Present**

- Barry, Shaun — Franklin Square, NY
- Epstein, Harvey — Lee, NH, Vice Chair & Subcommittee 1 Chair
- Gadon, Harold — Cranston, RI
- Guthman, Michael — Westport, CT
- Havey, Dorothy — Lincolnville, ME, Chair
- Margulies, Howard — North Easton, MA
- Parra, Luis — Bronx, NY
- Searleman, Sanford — Glens Falls, NY
- Zgoda, Bruce — Clarence, NY

**Committee Members Absent**

- Hom, Gim — Acton, MA, Subcommittee 2 Chair

**TAP Staff**

- Coston, Bernie — TAP Director
- Jenkins, Audrey — TAP Analyst
- Ramirez, Sandra — Program Manager
- Odom-Russell, Meredith — Management Assistant

**Welcome/Review of Agenda**

Havey opened the meeting at 3:05 pm welcoming all members and IRS staff. Havey rearranged a couple of items on the agenda to help the flow of the meeting.

**Roll Call**

Quorum Met

**Joint Committee Report**

Havey stated that the 3 recommendations from Area 1; Form 1098, Form 1096 and the Schedule D have gone forth to the quality review team of the Joint Committee and will be discussed at the June 7, 2006 at 1:00 pm EDT. Havey asked that all involved to please be present on the call to address any questions that may arise.



### **National Office Update**

Tap recruitment closed on April 28, 2006. There were 744 final online applications. This number does not include the applications that were both mailed and faxed. Only the mailed applications that are post marked April 28th and prior will be accepted. To date there are only 28 slots to be filled. There will be 2-3 people for each slot. Applications will be ranked the last week May by a committee; this will take place in Milwaukee. Interviewing will be done via telephone and members will be called upon to help. Applicants will be in seven categories and each will be notified with one of 7 different letters that will be mailed out. The letters include non-qualified, interview letters, acceptance letters, thank you, etc. The website will also be updated to keep taxpayers notified. Finalists' nominations will go to Treasury by September.

### **Use of Phone Card for Calls**

Jenkins gave out instructions for each member to set up teleconferences using their assigned AT&T calling cards. This will allow each member to set up a teleconference without relying on Jenkins. There have been instances where there were requests for more than one conference at the same time, because the subcommittees were all using Jenkins' assigned number, it has been some difficulties.

- Dial 800-526-526-2655 and provide the following information:
- For first time users, the AT&T Representative will ask you if you have a Folder ID. You will say no and the AT&T Rep will assign a Folder ID to you. **(PLEASE WRITE IT DOWN)**
- **PLEASE WRITE IT DOWN** and retain folder ID for future use
- Agency Bureau Code = "2011"
- Calling Card # (10 digit # only)
- Call-type = TOLL FREE DIAL-IN SERVICE (participants dial on Toll Free number to access the conference bridge. The host assumes responsibility for all charges related to call.
- Date, time, time zone and duration
- Number of ports required

Thursday, May 11, the meeting begins at 8:30 AM sharp. Please meet in the lobby 8:15 AM so we could travel together.

### **Outreach Plan**

Havey informed that committee that she was interested in adding Outreach to the monthly meeting agenda. She was interested in the committee doing some brainstorming;

- What has worked well?
- What has not worked well?
- Who to contact?
- Where do you go?
- How can staff help relay information and open doors?



- How to get issues from taxpayers?

Havey suggested the committee make contacts, find locations, and seek help from TAP staff when doing outreach. Make sure you put in all outreach requests and get approval before doing it. Remember to file reimbursement vouchers timely. Be sure to get issues from taxpayers. Ramirez reminded the committee that outreach is another way of getting the word out about TAP. Coston suggested becoming innovative when it comes to outreach. SPEC (Stakeholder, Partnership, Education and Communication) is a good source.

### **Issue Committee Update**

Havey suggested that everyone should share what is going on in their issue committees and that she was interested in adding this item to the monthly meeting agenda.

### **Town Hall Pre-Meeting**

Havey reviewed the assignments and asked everyone to please mingle with the public to strike up conversation to get the issues.

### **Thursday, May 11, 2006, 8:30AM-5:00PM EDT**

Havey called the meeting to order at 8:40 AM.

### **Roll Call**

Quorum met

Hal received a standing ovation for the organization of the Town Hall.

### **National Office Update**

Coston asked if there is anything the members would like from the national office?

- Harvey – Subcommittee 1 is concentrating mostly on forms becoming more computerized. We should be able to do so without going through another committee.
- Guthman – next year when National office goes over issue committees you should think about making a forms committee.
- Margulies – there should be a technology subcommittee.
- Barry – what is going on technology with the modernization efforts? **Jenkins will provide the members with the strategic plans for all organizations.**
- Guthman-the issues that the committee has dealt with are not intellectually challenging. We have not dealt with hard issues. Bernie asked for clarification. On a lot of the issues, the committee has been brought in at the end of the line. The committees are not working with groups of IRS employees as they are working on the issues. Bernie explained that TAP is trying to go in that direction. IRS is starting to take TAP more seriously and providing the committees with more challenging assignments.



- Zgoda - TAP is relatively young. An IRS employee stated they were not thrilled that they were going to be working with a bunch of volunteers until they realized they were a bunch of intelligent individuals. There needs to be more awareness and outreach within the IRS itself.
- Gorga – reminded the committee that their changes are not mundane. All of your changes make our jobs at the IRS easier. From the IRS stand point it makes a big impact on the organization. Nothing is too small.
- Searlman – Tap Speak is wonderful, making things more efficient.
- Bernie asked that everyone please send all recommendations relating to Tap Speak to the Communications Committee.
- Havey - Tap Speak is allowing all of the committee to get all information at once. I appreciate that all information is present.
- Barry - many of the members are CPAs. I would like see us get more issues from the Association of CPA of New York. Bernie reminded the members that in the past TAP has participated at the Tax Forums and the TAP members walked away with no issues. This year TAP has decided to go with the Town Hall approach instead which has brought a host of issues. Barry suggested that we send a link to the TAP website as an additional outreach.
- Gadon – would like to see the LTAs have a closer relationship with their congressional members, ABA, CPA.
- Parra -Tap Speak is the best way to communicate to the members, the message states what was posted which are the best thing. I receive a lot of emails and don't have time to read them. I am on the Communications Committee, If you have any issues regarding Tap Speak, please give them to me.
- Havey – suggest that at the annual meeting, the new members should have hands on training on Tap Speak. Some people are hands on. This will eliminate problems we new members.
- Gadon – LITCs are not doing some self policing. The Schedule D issue been around for a while; I am glad that it was sent forward.
- Coston has gone to the program owner for timelines so we will know that our work is not in vain. Denise Fayne is no longer in charge of forms and pubs. Sue Sottile has agreed to meet with Coston monthly. Coston stated that sometimes there are numerous items and some could be implemented and some cannot.
- Zgoda – Some EITC forms are not clear. For example there are some situations where there are 4 families living at the same address and they all receive the EITC. He will be working on the issue and forward it to the EITC committee. The New York State Society Board of CPAs is going to their clients to get issues. He has mentioned that he is interested in going to senior organizations to speak.
- Havey – The state of Maine does not have the same things available like other states. For example, forms are not always available at the local Libraries and Post Office. There is a segment of the population that will be lost in the world of technology. Please continue the Town Hall Meeting. Coston and Ramirez will discuss how they will address the future Area 1 Town Hall Meetings.



### **Town Hall Debrief**

Gadon stated that it was not easy to get people to the meeting. He suggested that the time should be reconsidered because late in the evening is not always the best. He also suggested that there should be conference calls earlier with everyone involved, (for example: local media specialist, LTA, etc.) no matter how far in advance. There should be constant contact. This way everyone will know exactly what they are responsible for. Some of the local media venues need things 6 weeks in advance. If you want to have a focus group there should be a sign with specific topics to address. Location should be considered making sure there is ample parking and easy to get to. There should be more than one person working on each Town Hall. Gorga stated that if we were aware of some of the local issues, we could concentrate on those issues in a focus group for that purpose. Separate rooms for focus groups.

Margulies suggest limiting taxpayer discussion. Searlman went to the door and escorted people back for the focus groups. It was difficult to get people back because of the socializing. We have to get them before they leave. The public did not understand that the Town Hall was not the entire purpose of the meeting. They were not aware of the Area meeting and did not understand what it was. All surveys are being analyzed for potential issues. Nina's presentation was excellent and well received. We can count on her to continue these Town Hall Meetings. There are numerous issues that come out of these meetings. All of the issues from this Town Hall meeting are for Area 1. The representative from the Senator's Office was a plus. It would make the citizens more comfortable. We should reach out to them on a regular basis. The logistics of the Library was very important. The refreshments were excellent. That was a plus.

### **Issue Assignment**

Issues arising out of the Town meeting were listed and then assigned to a subcommittee to be worked. The Area 1 Committee then adjourned to allow time for the subcommittee to work the issues. The results of the subcommittee efforts would be reviewed by the Area 1 Committee on Friday.

## **Friday, May 12, 2006, 8:30AM – 11:00AM EDT**

### **Roll Call**

Quorum met

### **Public Participation**

Robert Jackson, Regional Coordinator-AARP Tax Aide Program

### **Issue Assignment Review**

#### **Subcommittee 1**

Form 8300 – vague language regarding "suspicious" and "related", should be able to file electronically

W4/W4P – Memorandum

E-File Fee – paying the \$15 fee to file return is counter productive.

E-File – data being sent through a 3rd party.

Stall Letter

Envelopes "containing tax information enclosed"



**Subcommittee 2**

EITC – Forms, in instructions & Software

Installment Letter - notify taxpayer of penalty, interest and balance. Penalty and interest is still accruing, interest rate status.

Form 8453 – self select pin, file electronically

**Items Approved by Consensus**

W4/W4P memorandum to be forwarded to the Adhoc program owners

E-File Fee Letter to be forwarded to Nina.

**Action Items**

**Jenkins**

- Research status of stall letter from committee notes
- Research comparing the level of confidentiality required of companies that receive returns in order to forward them to the IRS for processing vs. the information that the IRS shares with them.
- Determine if there is a way to e-file a single Form 8300?
- Form 8453 verses Form 8879. How many Form 8453s are filed by paid preparers? And how many Form 8879's filed? Same issue is worked in the TCE/VITA Committee?

**Margulies**

- Write up recommendation on Form 8300 vague language

**Barry**

- Write up recommendation on the stall letter

**Guthman**

- Compose letter to IRS on communication

**Zgoda**

- Write a letter to the EITC Program Owners on the instructions for both the forms and instructions.
- Write up recommendation letter on Installment Letter

**Gadon**

- Write proposal on Form 8453



## **Area 1 Committee Meeting Minutes April 18, 2006**

### **Designated Federal Official**

- Gorga, Peter — LTA, DFO

### **Committee Members Present**

- Barry, Shaun — Franklin Square, NY
- Epstein, Harvey — Lee, NH, Vice Chair & Subcommittee 1 Chair
- Gadon, Harold — Cranston, RI
- Guthman, Michael — Westport, CT
- Havey, Dorothy — Lincolnville, ME, Chair
- Hom, Gim — Acton, MA, Subcommittee 2 Chair
- Margulies, Howard — North Easton, MA
- Parra, Luis — Bronx, NY
- Zgoda, Bruce — Clarence, NY

### **Committee Members Absent**

- Searleman, Sanford — Glens Falls, NY

### **TAP Staff**

- Jenkins, Audrey — Analyst
- Ramirez, Sandra — Manager
- Odom-Russell, Meredith — Management Assistant

### **Welcome/Announcements/Review Agenda**

Havey opened the meeting at 9:00am welcoming all members and staff. There were no agenda changes.

### **Roll Call**

Quorum met

### **Joint Committee Report Out**

An update on the TAP recruitment was given. There were advertisements in the Wall Street Journal and the Washington Post seeking new members. To date TAP has received 272 final and 921 draft applications from 43 states including Washington and Puerto Rico. There are approximately 3 applications for the state of Vermont. The closing date for recruitment is 4/28/06 and the ranking will begin the week of 5/15/06. Interviews will begin in late May and continue through mid June.

There are 3 Town Hall meetings remaining this year; Fargo in April, Cranston in May and Cincinnati in June.

The Annual meeting is scheduled for the sometime in the week of December 11, 2006 and will be held at the Hyatt located on Capital Hill. The exact dates will be provided at a later date.

There is a group of 6 TAP members who will be meeting with the Commissioner later this week in Washington.



There were 2 issues approved by the Joint Committee from Area 2; Schedule D and D1 consolidation, and a statement added to the envelope stating a timely response is required.

### Subcommittee Report Out

- **Subcommittee 1** brought forth 3 recommendations on Issue # - 3570-Form 1096, Issue # 3908-Form 1098 and Issue # 3758-Form 1099. All were approved by consensus and will be forwarded to the Joint Committee. They are still researching the relative cost to put the IRS code on the web. There was further discussion on the Issue # 3666- W4/W4P with Vice-Chair, Epstein and Program Owner Bob Erickson which resulted in an addition to the Form W4. Jenkins will compose a memo to be sent forward.
- **Subcommittee 2** brought forth 1 recommendation on Issue # 3571-Schedule D which was approved by consensus and will be sent forward to the Joint Committee. They are still working on the Installment Agreements.

### Analyst Report

- **Use of Phone Cards** – please start utilizing your AT&T phone cards. The committee was informed that when a member tried in the past to set up a conference call using their phone card, there was additional information they needed in regards to the IRS profile in order to set it up. Jenkins will find out this information and provide it to the committee.
- **Issue #3678 Update** – Taxpayer complained of accounts being levied prematurely. Taxpayer stated that accounts were levied on the 30th day. Jenkins was instructed to go back to taxpayer to get clarification as to what the issue was. After researching the data base there was no contact information, therefore Jenkins was unable to clarify issue. **Issue dropped.**
- **New contact** – Taxpayer emailed a comment “from an article in the Philadelphia Inquirer I read that that IRS is “quietly moving to loosen the once in-violable privacy of federal tax returns” “accountants and other tax-return preparers will be able to sell information from individual tax return – or even entire returns to marketers and data brokers” – **Committee has decided to put this in the parking lot.**
- **Status Update on elevated Issue 04-051** – It is an ongoing concern that the Taxpayer Advocacy Panel is not widely known. Publication 1546, How Does the Taxpayer Advocate help taxpayers? Has inserted a section on page 5 that says “The Taxpayer Advocacy Panel: The Taxpayer Advocate Service works directly with taxpayers through the Taxpayer Advocacy Panel (TAP). TAP is an independent panel of citizen volunteers who listen to taxpayers, identify taxpayers’ issues, and make suggestions for improving IRS services and customer service. Contact TAP at: 888-912-1227, [www.improveirs.org](http://www.improveirs.org)

### FTF/Town Hall Meeting

The Face to Face meeting will begin on Wednesday, May 10, 2006 at 3:00pm until 5:00pm. Dorothy suggests a working dinner from 5:00pm until 7:00pm to prepare for the Town Hall meeting. The Town Hall from 7:00pm until 9:00pm. Havey requests that all members be in attendance and be willing to participate that evening in various roles, i.e. greeting guests, speaking, or during focus groups. Thursday, May 11, 2006 the meeting will be all day meeting and a group dinner if interested. Friday, May 12, 2006 will be for a half day of meeting and travel home.

Hal will thank the library administration for affording us the space. He will also acknowledge guess, public as well as introduce Dorothy. Dorothy will be the Mistress of Ceremonies and introduce all of





Area 1 members. Sandra will provide Mike a script which he will take a 1 minutes to address the audience.

Members should be prepared to assist with the focus groups and mingling with the audience.

### **Outreach Report**

- Zgoda will be meeting with the New York State Society of CPAs in Buffalo on May 1, 2006.
- Gadon provided the Rhode Island Legal Services with the Town Hall information.

### **Issue Committee Update**

Epstein spoke with Bob Ericsson, Adhoc Committee Program Owner to discuss the W4/W4P issue. Needless to say the suggestion was accepted and is going to be modified. Jenkins will compose a memorandum for Havey's signature.

The TAC Committee members have visited almost all of the sites and are confident that all of the TACs are not going to be closed as previously proposed.

### **Other Comments/Questions**

Gadon requests thirty Town Hall color flyers.

### **Recap New Action Items**

#### *Members*

- Both subcommittees continue to meet

#### *Jenkins*

- Make corrections to Issues and send forward to Joint Committee Analyst
- Compose memorandum on W4/W4P for Chair signature
- Find out additional information to set up conference calls using AT&T phone cards
- Prepare and distribute the Face to Face meeting agenda



## **Area 1 Committee Meeting Minutes March 21, 2006**

### **Designated Federal Official**

- Gorga, Peter New York, NY LTA

### **Committee Members Present (These attendees count for quorum)**

- Barry, Shaun — Franklin Square, NY
- Epstein, Harvey — Lee, NH Vice Chair
- Gadon, Harold — Cranston, RI
- Guthman, Michael — Westport, CT
- Hom, Gim — Acton, MA
- Margulies, Howard — North Easton, MA
- Parra, Luis — Bronx, NY
- Searleman, Sanford — Glens Falls, NY
- Zgoda, Bruce — Clarence, NY

### **Committee Members Absent**

- Havey, Dorothy — Lincolnville, ME Chair

### **TAP Staff**

- Jenkins, Audrey — Brooklyn, NY Analyst
- Odom, Meredith — Brooklyn, NY Secretary
- Ramirez, Sandra — Brooklyn, NY Manager

### **Welcome**

### **Roll Call (quorum has been met)**

### **JC Report Out**

Ramirez provided members with an update on the Joint Committee (JC) meeting. The committee's concern about whether the new Quality Assurance subcommittee process would cause delays in review of submitted recommendations to the JC was raised by Chair Havey. The JC will try this new process and if it does not work well, they will review it and make changes as necessary. Epstein noted that Havey sketched out a sample timeline showing the timeframes from the time a recommendation goes to the full committee until it gets to the Joint Committee which was shared with the (Area1) committee.

### **Subcommittee Report Outs: Subcommittee 1**

The subcommittee had a meeting on March 10th. In an attempt to align their meeting date with the full committee/joint committee meeting date the subcommittee has changed its meeting time to the first Friday of the month rather than the second Friday of the month. Thus, the next subcommittee meeting will be on April 7th instead of the 14th. The Forms W4 and W4P issue which was a two part issue had the VITA aspect referred to that issue committee which accepted it. The remaining aspect was referred to the Ad Hoc issue committee which did consider it. The outcome was that the IRS agreed to add a statement to the W4 referring filers to the Form W4P in the event they may need to file that.



Epstein feels the Form W4 has to be modified to include retirement income. Ramirez spoke with the manager of the Ad Hoc, who spoke with the Ad Hoc program owners and they are open to reconsidering the issue. Hom, who is a member of the Ad hoc committee, noted that the program owners explained that because the Form W4P impacts only a small number of individuals, that the benefit of changing the W4 was outweighed by the probability that the change would burden and confuse the vast majority of W4 filers. The program owner also noted that when a person retires and receives pension income, by law, they will have the income taxes withheld unless they request not to have income tax withheld.

Epstein stated the Form W4 does not include retirement income when determining the correct or best withholding for a retired person with a job. If you get a pension, the pension income is not counted and you are withheld at a much lower rate. A lot of retired people take jobs because they find their retirement income is inadequate. When they do so, the withholding is inadequate for them and they have to pay a large amount of tax at the end of the year. Epstein recommends a change to the W4 form so that wherever reference is made to the two earner or two jobs it also includes consideration of retirement taxable retirement income as a second income source.

Other issues: Forms 1098 and 1096 issues are in progress; the subcommittee is waiting for some data and will be continuing working these at the next subcommittee meeting.

### **Subcommittee 2**

Hom stated the subcommittee met and discussed the draft of the Schedule D recommendation. Suggestions were made to strengthen the proposal before submitting to the full Area 1 committee. The capital loss carryover will help in the calculation in the following year's tax return. If you look at Form 8606 regarding deductible vs. non deductible IRAs they actually do use the carryover line concept. 433D issue: Installment agreements do not show enough information for the taxpayer to know how much is really owed to the IRS (specifically how much interest is being charged). Stall letter issue: didn't get sense of support for the issue but committee will look at issue at subsequent meetings.

### **New Issues & subcommittee assignments**

Ramirez explained the purpose of sharing the issues with the committee; which is so that the committee can discuss and decide whether they should accept each or not (drop it) and then, if accepted, whether it will be actively worked or placed in the parking lot for future further consideration, combined with another issue, etc... Gadon requested that the date of the contact be noted in the future. Jenkins then read each of the seven issues received as a result of taxpayers contacting TAP via our toll free and web site. The committee discussed each one as a group and arrived at the following decisions on each:

- Issue #3690 – IRS should stop attacking Churches – Searleman noted IR bulletin 2006-036 which recently discussed 501(h) organizations (churches). This revenue ruling is about allowing churches to do some political activity (which is normally forbidden in order to maintain exempt status). After discussion, Epstein noted that it should be placed in the **Parking Lot** for tracking to see if other similar complaints come in. No one disagreed.
- Issue #3758 – Form 1099 fileability – This issue is the same one being worked by subcommittee 1 with respect to Forms 1099 and 1096 so it will be made **Active** and assigned to Subcommittee 1.
- Issue #3486 – Caller suggested a change to the Earned Income Tax Credit Worksheet B for 2003 to prevent unemployment compensation from being entered into the calculation for earned income. Caller was not accurate in her statements as unemployment income is taxable income so the committee decided to **Drop**.



- Issue #3607 – IRS sends envelopes to make estimated payments. It should not say on the envelope to remember to include your SSN. Members noted that the envelope is addressed to the IRS so it's obvious that the SSN and other personal information are contained within so committee decided to **Drop**.
- Issue #3678 – Levy release requests taking too long. The caller made some complaints about working with IRS but was not clear as to what the actual problem(s) were and with whom. For example, was payment made and a levy still took place? Gorga noted that by law the IRS cannot levy before the 30th day and procedurally the IRS waits another 15 days before taking action. Jenkins is to call the taxpayer for clarification and the issue will be reconsidered next month.
- Issue #3707 – Caller suggests IRS better train representatives answering the tax exempt/nonprofit toll free phone line. Epstein asked whether there was a way to register such complaints. Gorga said each operating division keeps customer satisfaction survey results and statistics. Gorga suggested it could also be referred to Nina to include in her report since it's a hard issue to quantify. Members had mixed feelings about the issue so acting chair Epstein agreed it should be **dropped**.
- Issue #3701 – Tax Fax Service was terminated which is inconvenient for those without internet service. Jenkins read a brief IRS report on the dropping of this service by IRS in October 2005 due to reduced use and its cost with e-services filling the gap. The committee decided to **drop**.

#### **Member Outreach Activity/Town Hall Meeting**

Gadon did outreach to AARP and SPEC. He is also working on the May Town Hall Meeting in Cranston, Rhode Island.

#### **New Action Items**

- Subcommittee 2 will meet April 11, 2006
- Subcommittee 1 will take Issue #3758- Form 1099's
- Jenkins will contact taxpayer for Issue #3678 to clarify issue
- Jenkins to update the status and history of each issue reviewed today on the TAP database.

#### **Public Participation**

No public participation

Meeting adjourned 10:00AM

#### **Next Meeting**

4/18/06 @ 9:00AM



## **Area 1 Committee Meeting Minutes February 21, 2006**

### **Designated Federal Official**

- Gorga, Peter, LTA, DFO

### **Committee Members Present**

- Barry, Shaun, Franklin Square, NY
- Epstein, Harvey, Lee, NH, Vice Chair & Subcommittee 1 Chair
- Gadon, Harold, Cranston, RI
- Guthman, Michael, Westport, CT
- Havey, Dorothy, Lincolnville, ME, Chair
- Hom, Gim, Acton, MA, Subcommittee 2 Chair
- Margulies, Howard, North Easton, MA
- Parra, Luis, Bronx, NY
- Zgoda, Bruce, Clarence, NY

### **Committee Members Absent**

- Searleman, Sanford, Glens Falls, NY

### **TAP Staff**

- Jenkins, Audrey, Analyst
- Ramirez, Sandra, Manager
- Odom-Russell, Meredith, Management Assistant

### **Welcome**

### **Roll Call**

Quorum met.

### **Highlights from JC Meeting/Training**

Havey attended Chair Training in San Diego and reported out:

1. Quality Assurance is a new subcommittee of the Joint Committee. The responsibility of this subcommittee will be to review referrals that come from the Area committees before they are presented to the Joint Committee. The Quality Assurance subcommittee ensures the referral is completely filled out, that the correct version of the referral form is used, that correct spelling, punctuation, and other writing etiquette is observed and that it is well written and researched. The subcommittee committee does not decide on the merits of the recommendation, it just helps to ensure the argument is well made on the referral form. The referral is then forwarded for the Joint Committee to consider at its next meeting.
2. When recommendations are raised to the Joint Committee, it is the Chair's job to present it in the best possible manner. With this in mind, the Joint committee acknowledges that members who worked directly on the issue/recommendation may be the best advocates for it. Thus, Havey stated she may invite a subcommittee member to participate in a Joint committee conference to answer any questions that may come up with regards to Area 1 recommendations.
3. The San Diego Town Hall Meeting was also held in San Diego.



### **Face to Face Update**

The face to face meeting will be held in Cranston, RI. May 10-12, 2006. The Town Hall Meeting will take place the evening (7 pm) of May 10, 2006, which Nina Olson will attend. Tentatively, we are looking at members traveling in the morning of the 10th, holding a meeting in the afternoon, then having a committee meeting all day on the 11th and a half a day on May 12th and then travel home that day. Havey told members some will have roles in the Town hall and others will attend and to spread the word and invite friends

### **AT&T Calling Cards**

New members should have received calling cards. Returning members should have their calling cards which are still valid. Calling cards are to be used for any TAP business. Any new member who has not received their calling cards as well as any returning member who has a problem with their card should bring it to Audrey/Meredith's attention.

### **Committee Response to Issue #3512**

The committee received the IRS' response to issue 3512: making the Internal Revenue Code available at the IRS website. It stated that there were no websites (i.e., no public domain copy) providing the latest version of the Code thus the popularity of private sector providers and stated it would be a huge undertaking for the IRS. Area 1 member Guthman drafted a response to the letter because the IRS response to the request was not acceptable to the committee. Epstein spoke with Olson at the Annual meeting, where she asked him to send her the IRS response because she thought is a good idea to make the code available and she believed that on the internal IRS site the code was available. Ramirez suggested that the subcommittee look at this letter a little further in terms of the points to be made and then send it back to the full committee to look at it. Havey recommends that subcommittee 1 take on this issue which it will. Jenkins will research to get background on the IRS uses the IRC (i.e., how it makes it available to employees) to provide to the committee.

### **Subcommittee Report-Outs**

- **Subcommittee 1**

The subcommittee met and decided to drop the Form 8109 issue. No one present disagreed. The Forms 1096 and 1098 issues are being worked and at the next committee meeting both recommendations should be ready to present. With respect to this issue, Audrey is waiting on a response from the IRS as to how many paper forms of these forms are filed. The Form W4/W4P issue - regarding the lack of ability to take into consideration on the W4 form retirement income thus the subcommittee is proposing that the W-4 and W-4P be combined - is being worked. The last issue the subcommittee has assigned is regarding currently non collectible accounts. It will be looking at this issue in a subsequent subcommittee meeting.

- **Subcommittee 2**

Hom stated the committee prioritized their three issues in this order: Schedule D Capital Loss Carryover issue - Hom stated the subcommittee's recommendation is for the IRS to add two lines to the Form 1040 - Schedule D. One will be for the short term capital loss carryover amount and the second line for the long term capital loss carryover amount. Epstein advised that the recommendation address the issue of space on the form. Hom agreed and responded that on the 2003 Schedule D form there was no room to add these lines, but on tax years 2004 and 2005 there is adequate room. Zgoda had volunteered to draft the proposal. Form 433D Installment Letter and Interest Rate Disclosure issue - when the taxpayer agrees to an installment plan, the plan only specifies that penalty and interest will continue to accrue and it doesn't state the amounts or accrual rates for the future thus taxpayers have no real idea of how long it will take to pay off the debt. These issues will be discussed further by the subcommittee in their March meeting.



## Review Current Issues

There are no new issues for the committee.

## Administrative Issues

- Quality Assurance – Some Joint committee members shared their best practice that they also utilized the quality assurance subcommittee idea within their committees. Havey hopes that the subcommittees will monitor themselves and assume responsibility and review their documents for quality before it is brought to the Area 1 Committee. She also advised members to use the staff to assist them achieve quality referral forms.
- Annual Meeting reimbursement – All forms should be completed and sent to Meredith. All direct deposit forms were submitted and all members who submitted one have received their reimbursement electronically.
- Outreach Expenses – Ramirez told members that when they plan on submitting a request for reimbursement for travel expenses related to outreach, the expenses must be pre-approved by her.
- Timeline – Subcommittees need to look at realigning their meeting dates with regard to when the full Area 1 committee meetings occur. For example, if a subcommittee meeting takes place 5 days before the full committee meeting that would not allow time to forward completed referrals to the full committee to review in preparation for the meeting. If the full committee cannot review it for that meeting, chances are the referral will not be received by the Joint Committee Quality Assurance team in time for its review for the next Joint Committee meeting. Subcommittee 1 had chosen the 4th Friday of each month as their meeting time and subcommittee 2 the second Tuesday of the month. They will look to see if this needs to be adjusted .
- Other – The Annual Meeting will be the week of November 13, 2006.

## Recap New Action Items

### Subcommittee 1:

- Look at rescheduling subcommittee meeting dates.
- Revisit Guthman's rebuttal letter at their next meeting.
- Continue work on issues noted earlier.

### Subcommittee 2:

- Look at rescheduling subcommittee meeting dates.
- Continue work on issues noted earlier.

### Havey:

- Some members voiced concern about the new Quality Assurance subcommittee process causing a delay in recommendations being forwarded to the IRS. Havey will raise this at the March Joint Committee meeting.



### **Outreach/Media Highlights**

Havey congratulated members on all outreach and media highlights. New members received press coverage of their TAP appointments. Gadon will do an outreach with representatives from the Stakeholder Partnerships, Education and Communication function of the IRS. Parra will do an outreach on February 23, 2006 with a representative from Gorga's office and Marisa Knispel from the TAP Staff.

### **Other Comments/Questions**

Havey reminded members that if they have a new issue or a recommendation to present to the committee to send them to Jenkins. Jenkins needs to discuss the issue to clarify it and to ascertain what preliminary research may be needed and to verify that TAP is not currently working it or has worked it. Ramirez stated that there were some issues raised in San Diego so she will follow up to see if there any possible issues for this committee.

Havey explained that about a week to two before committee meetings Jenkins, Ramirez, Gorga and Havey would meet to discuss and develop the agenda. This is done so that any pre-read information can be made available to members a week before the monthly teleconference. Minutes will be developed by Odom-Russell. Minutes will be reviewed by Chair and Vice Chair and approved by the Chair. Havey suggested adding issues to the Agenda to keep abreast as to what is going on with the issues.

### **Public Participation**

No public participation.

**Next Meeting – 3/21/06 @ 9:00AM EST**