

2011 Meeting Minutes Area 1

- August 9, 2011
 - July 12, 2011
 - June 14, 2011
 - May 10, 2011
 - April 12, 2011
 - March 8, 2011
 - February 8, 2011
 - January 18, 2011
-

**Area 1 Issue Committee
Teleconference
Tuesday, August 9, 2011
10:00 am – 11:00am (EDT)**

Designated Federal Official

- Fett, Robert

Committee Members Present

- Bernstein, Mark
- DeTergo, Michael
- Gambardella, Linda
- Garant, Felicia
- Gibbons, JoAnn
- Kalimeris, Angeliki
- Murray, Alan
- Potenzzone, Mary Jean
- Roy, Brian
- Stepner, Gerald, Chair

Committee Members Absent

- Alvarado, Frank
- Cabusora, Haidee
- Pinilis, Russell
- Morse, Cheryl
- Steinberg, Jeffrey

TAP Staff

- Babb, Rose A.
- Knispel, Marisa
- Odom, Meredith

TAP Guests

- Berkey, Steve – Senior Analyst, TAP
- Collins, Shawn – Director, TAP
- McGravey, Marie – Secretary (LTA's Office – New Hampshire)
- Walker, Thomas – TAP Chair
- Kim, John – TAP Vice Chair

Welcome/Announcements

Stepner welcomed everyone to the teleconference.

TAP Refocus

Tap's Chair Walker welcomed everyone to the teleconference call and covered the points in the PowerPoint presentation sent to panel members as a pre-read for this meeting:

- The National Taxpayer Advocate Nina Olson has asked TAP to reduce its membership from 102 to 74. The 74 members will be aligned with the number of LTA offices in the TAS organization.
- The Joint Committee for 2012 will consist of the TAP Chair, Vice Chair, the Screening Committee Chair and the Chairs of the Project Committees.
- TAP analysts will be assigned one Project Committee. The Project Committees will handle both IRS assigned projects and grassroots issues.
- The Joint Committee has decided that the Area Committees will not be part of the (8) Project Committees.
- The Communications Committee will become an Ad Hoc Committee.

DFO Report

Fett reported that National Taxpayer Advocate, Nina Olson met with Congressional Staff and discussed IRS Code Section 6015 – Equitable Innocence Spouse Relief. He stated that the IRS had a two-year rule that applied to relief within two years of the first collection action for innocence spouse. Olson argued that this was not part of the discussion at the committee hearings. She also argued that the IRS audited some of those returns but the abused spouse was not aware that the situation had existed within the two-year period. She took this discussion to Congress with some specific tax court cases as references. As of July 2011, the Equitable Innocence Spouse Relief will be considered and the two year rule no longer applies.

Fett also mentioned that identity theft was discussed at a TAS Virtual Symposium and per a PowerPoint slide that TAS has over 10,000 cases of identification theft for the third quarter of this year. Wage Verification Hold is now handled by Accounts Management Taxpayers Assurance Program, AMTAP – a group that looks at all questionable income tax returns that have been filed by taxpayers.

Responses to Issues #16662- Website Fraud and #19705 E-Service Password

On Issue #16662 Website Fraud, written by Stepner, Knispel stated that the IRS has requested a clearer definition on whether the issue is referring to tax preparers' fraud or taxpayers' fraud.

Knispel stated that the IRS has resolved Issue #19705 E-Services Password written by Morse and should be coded as Resolved Prior to Elevation. The committee concurred.

Outreach Report

Stepner conducted outreach activities at Seattle, Washington Airport on his way home from the Joint Committee Meeting.

DeITergo discussed TAP in his hometown Westfield, New Jersey.

Gambardella attended a political fundraiser and discussed TAP.

Gibbons and Fett attended a local congressional staff meeting in her hometown Vermont, they discussed TAP.

Public Participation

None.

Closing

Stepner thanked the members for joining the call.

Next Meeting

Tuesday, September 13, 2011 at 10:00 a.m. EST.

**Area 1 Issue Committee
Teleconference
Tuesday, July 12, 2011
10:00 a.m. – 11:00 a.m. (EDT)**

Designated Federal Official

- Moquin, Kristy

Committee Members Present

- Alvarado, Frank
- Bernstein, Mark
- Cabusora, Haidee
- DeTergo, Michael
- Gambardella, Linda
- Garant, Felicia
- Gibbons, JoAnn
- Kalimeris, Angeliki
- Pinilis, Russell
- Potenzzone, Mary Jean
- Roy, Brian
- Steinberg, Jeff
- Stepner, Gerald, Chair

Committee Members Absent

- Morse, Cheryl
- Murray, Alan

TAP Staff

- Babb, Rose A.
- Knispel, Marisa
- Odom, Meredith
- Morizio, Louis

Public Attendees

- None

Welcome/Announcements

Stepner welcomed everyone to the teleconference.

DFO Report

Moquin introduced herself and stated that the National Taxpayer Advocate Nina Olson submitted her Mid Year Report to Congress on Fiscal Year 2012 Objectives for Taxpayers. The report is located on the TAS website. Moquin highlighted the following topics from the report:

- The IRS needs to do more to alleviate the harm that the lien filing practices can create for many taxpayers.
- The IRS needs to improve its identity theft victim assistance strategy

Moquin informed members that they should contact their LTA in their home state to receive emails about TAS outreach activities. This will provide an opportunity for TAP members to attend and conduct these activities as well.

Moquin mentioned that the IRS agreed that employees should provide their ten-digit number to taxpayers when speaking to them on the toll-free line. Morizio added that the employees of the Wage and Investment Unit (W&I) have informed him and Knispel that IRS employees can find other IRS employees on the Discovery Directory by either using the employee's ten-digit ID or the SEID, an alpha-numeric ID number that IRS employees also have.

TAP Recruitment

Morizio said that TAP interviews have been completed. Some applicants withdrew their applications due to the time requirements for TAP activities, and personal conflicts but we were still left with good qualified applicants. TAP staff is now waiting to receive the Tax Check Waiver Forms along with the Fingerprint Checks results. Assuming that those results are good, the applicants' names will be sent to NTA Nina Olson and subsequently to the Treasury Department where the final decision will be made.

In addition, Morizio informed returning members that as a result of the Treasury Inspector General for Tax Administration (TIGTA) audit of the TAP program, TAP must now conduct an annual tax compliance check on all continuing TAP members. Morizio urged all returning TAP members to send their tax check forms back to TAP staff by July 15th.

TAP Refocus

Morizio stated that he spoke with TAP Chair Tom Walker regarding the surveys that were sent to him from members. Walker informed him that the Joint Committee will explore several different options for assigning projects out to the TAP members.

Outreach Discussion

Analyst Knispel wanted to hold a discussion on outreach since outreach is essential to the TAP. She mentioned that outreach reports submitted monthly to Odom do not reflect the number of grassroots issues received from our members. Most of these are received from other sources. She asked members for their comments as to how the TAP can improve outreach activities. The following are some of the comments provided by members:

- Due to the current economic decline, some taxpayers are more concerned about paying essential bills and providing food, rather than taxes.
- Most taxpayers have limited dealings with the IRS and thus would not have any recommendations for TAP. Most of the issues seem to come from tax practitioners that deal on a regular basis with the IRS.

- TAP seems to benefit more from talking to practitioners than individual taxpayers.
- Gibbons received complaints about correspondence audits turning into field audits with specific information requests then becoming a “Blanket Audit”. This issue will be added to Area 1’s Parking Lot.
- Other issues discussed regarding outreach were: TAP and TAS assistance to members in outreach opportunities, budget constraints, and monthly reporting.

Public Participation

None.

Closing

Stepner thanked the members for joining the call.

Next Meeting

Tuesday, August 9th at 10:00 am EST.

**Area 1 Issue Committee
Teleconference
Tuesday, June 14, 2011
10:00 am – 11:00am (EDT)**

Designated Federal Official

- Fett, Robert

Committee Members Present

- Alvarado, Frank
- DelTergo, Michael
- Gambardella, Linda
- Garant, Felicia
- Gibbons, JoAnn
- Kalimeris, Angeliki
- Morse, Cheryl
- Murray, Alan
- Pinilis, Russell
- Potenzzone, Mary Jean
- Roy, Brian
- Stepner, Gerald, Chair

Committee Members Absent

- Bernstein, Mark
- Cabusora, Haidee
- Steinberg, Jeffrey

TAP Staff

- Babb, Rose A.
- Knispel, Marisa
- Odom, Meredith

Public Attendees

- None

Welcome/Announcements

Stepner welcomed everyone to the teleconference.

DFO Report

Fett welcomed everyone and said the following:

- The interview process for the new TAP applicants is very interesting; the interviewees are applicants with various backgrounds.
- The scanning procedures at IRS walk in centers are working well. Taxpayers' checks are posted to their accounts in one week. In addition, the checks are posted using the date it was received by the IRS. The checks are not returned to taxpayers since they are kept for reference and subsequently destroyed.

Decisions on IRS Responses

Issue# 18074 - Truncating Social Security Numbers on taxpayers' checks.

The members stated that they are satisfied with the IRS' response for the moment - they also stated that the IRS does recognize that there is a problem but, is not prepared to implement the suggestions at this time. The members have agreed that this issue should be revisited in a few months so it will be coded as Monitoring IRS status.

TAP Refocus (Joint Committee Face to Face Meeting in Seattle, WA)

Morizio asked members to refer to the memorandum from TAP's Chair Thomas Walker's vision of TAP. He mentioned that if members have any comments and suggestions on the TAP refocus, it is imperative to submit their comments. Those comments should be sent to Analyst(s) Knispel and Odom with a copy to Morizio and Chair Stepner.

Outreach Report out (Discussing TAP)

Alvarado attended a freshman US senator staff meeting hosted by Connecticut Senator Blumenthal.

DelTergo attended a TAS tradeshow in New Jersey last week. In addition, he attended a Congressional meeting in Philadelphia, PA.

Kalimeris will be doing an outreach on June 22.

Stepner attended an outreach in Boston.

Morizio reminded members that they should send their outreach to Odom by the 5th day of each month using the spreadsheet provided.

Public Participation

None.

Comments

Odom thanked members for contacting her in a timely manner to assist with the TAP interview process.

Morizio thanked the members that have volunteered for the interviews as well.



Closing

Stepner thanked all for joining the call.

Next Meeting

Tuesday, July 12, at 10:00 am EST.

**Area 1 Issue Committee
Teleconference
Tuesday, May 10, 2011
10:00 am – 11:00am (EDT)**

Designated Federal Official

- Fett, Robert

Committee Members Present

- Bernstein, Mark
- Cabusora, Haidee
- DelTergo, Michael
- Gibbons, JoAnn
- Kalimeris, Angeliki
- Morse, Cheryl
- Murray, Alan
- Pinilis, Russell
- Potenzzone, Mary Jean
- Roy, Brian
- Steinberg, Jeffrey
- Stepner, Gerald, Chair

Committee Members Absent

- Alvarado, Frank
- Gambardella, Linda
- Garant, Felicia

TAP Staff

- Babb, Rose A.
- Knispel, Marisa
- Morizlo, Louis (Absent)
- Odom, Meredith

Public Attendees

- Barnes, Patty
- Goldberg, Allan

Welcome/Announcements

Stepner welcomed everyone to the teleconference.

DFO Report

Fett reported that the IRS income tax filing season has ended. There have been some issues with processing the First Time Home Buyers Credit refunds in a timely manner.

Area 9 in TAS has had a large turn over of LTAs. The following are the New England Area LTAs: Rhode Island-, Lisa Szargowicz, Boston, Joel Zarrella and in Hartford –Frances Romano is retiring at the end of the month. Hartford and Augusta LTAs have not been selected yet.

Local Walk In Offices. IRS is moving to a new method of processing payments. Checks will be put through scanners This process will avoid payments being sent in and speed up the posting. This process will be shared with other IRS offices over the summer.

TAS- Project on Frivolous Tax Penalties.

Patty Barnes reported that FTP is a very active project; revenue procedures are now being reviewed. The new procedures will alleviate some concerns expressed by panel members. She mentioned Code 6702 Appendix D, it references that there can be a reduction in penalties. Barnes also mentioned that an alert has been sent to TAS employees explaining how to handle these cases.

Subcommittee Report Out Subcommittee 1

DeTergo stated that his subcommittee has no issues active. There was nothing to report out

Subcommittee 2

Murray and Steinberg reported on the following issues:

- Issue#18548 1099DIV Short Term Capital Losses –Steinberg reported that the IRS should provide better instructions for taxpayers to report their short-term capital gains from Form 1099 DIV on their Form 1040, Line 9 instead of erroneously reporting them on the Schedule D, Line 13
- Issue#19957 Publication 17 using step-grandchildren as dependents- Alan reported that Publication 17 needs to clarify whether or not.
- Issue# 20971- Enhance Form 13614-C, Intake/Interview & Quality Review sheet by adding a line that includes a short sentence on Capital Gains Program.

Knispel stated that she will send the (3) proposals above for the full committee to review and approve before forwarding to the Quality Review to present to the Joint Committee Meeting on May 26.

Subcommittee 3

Cabusora introduced :

Issue#: 19705 E-services Password- Morse summarized the issue and then the committee approved it to be presented to the Joint Committee.

Decisions on

- Issue#: 17063 Power Of Attorney for Substitute for Return has been resolved.
- Issue#: 17807 Correspondents Audits has been rejected –taxpayers that called the general number will be referred to the exam telephone number.
- Issue#: 17787 Chart vs. Worksheet for Figuring Standard Deduction has been resolved.

Outreach Report Out

Stepner attended a local outreach in Boston.

DeTergo is attending a CPA trade show event with TAS, the event is held on 5/18 and 5/19.

Gibbons did an outreach at a local academy volunteer program.

Roy mentioned that he attend a congressional work shop in Portsmouth, NH hosted by the local taxpayer advocate's office on April 20, he discussed TAP.

Public Participation

Allan Goldberg stated that the teleconference discussions were very enlightening. He indicated that it is good to know that the TAP is resolving a lot of issues.

Closing

Stepner thanked all for joining the call.

Next Meeting

Tuesday, June 14, 2011 at 10:00 am EST.

**Area 1 Issue Committee
Teleconference
Tuesday, April 12, 2011
10:00 am – 11:00am (EDT)**

Designated Federal Official

- Fett, Robert

Committee Members Present

- Bernstein, Mark
- Cabusora, Haidee
- DeTergo, Michael
- Garant, Felicia
- Gibbons, JoAnn
- Morse, Cheryl
- Potenzzone, Mary Jean
- Roy, Brian
- Steinberg, Jeffrey
- Stepner, Gerald, Chair

Committee Members Absent

- Alvarado, Frank
- Gambardella, Linda
- Kalimeris, Angeliki
- Murray, Alan
- Pinilis, Russell

TAP Staff

- Babb, Rose A.
- Berkey, Steve- TAP-National Office
- Knispel, Marisa
- Odom, Meredith
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Public Attendees

- Marguiles, Howard
- Rodriguez, Luis
- Simmons, Marsha, LTA- Taxpayer Advocate Service (New Hampshire)

Other

- Walker, Thomas- TAP Chair

Welcome/Announcements

Stepner welcomed everyone to the teleconference.

Tap Chair Walker joined the teleconference and briefly discussed the refocusing of the TAP Program. He mentioned the following items which were identified in his letter to all TAP members on March 25th:

- The screening process for Area committees will not change.
- Area committees will be asked to focus more on outreach activities. The goal of the Area committees will be to identify as many issues as possible from multiple sources.
- Non workable issues in Area committees will be identified and dropped; all other issues will go into the Parking Lot.
- Similar Parking Lot issues will be placed into predefined buckets.

Berkey stated that TAP does not have a final budget for 2011 as yet. The IRS is still waiting for the appropriations budget for fiscal year 2011. He also stated that the TAP budget comes through the TAS budget. TAP will prioritize its goals based on working with fewer resources in the new budget for this year.

DFO Report

Fett mentioned the following:

- He will follow-up on the release of the outreach plan but, due to budgetary restraints, outreach activities have been curtailed until further notice.
- Due to a holiday in Washington, DC on April 15, the deadline for this year's filing season is April 18th.
- The IRS is having some issues processing return repayments for the First Time Home Buyers Credit; they hope to have those repayment issues resolved in the next few weeks.

Subcommittee Report Out Subcommittee 1

DelTergo reported on the following issues:

- Issue #19625 1040X Procedure- has been dropped.
- Issue #19703 Form 1040 Sch. E Part II -is being worked on by Gambardella.
- Issue #19751 Deducted Withholding for Non Resident aliens- is being worked on by Murray.
- Issue #19855 EITC Treasury Regulation update- has been dropped.

- Issue #19964 Coordinating Enrolled Agent and Competency Exams -is being worked on by Gibbons.

Subcommittee 2

Potenzzone reported on the following issues:

- Issue#18542 Phone numbers on IRS notices – has been dropped.
- Issue#18548 1099DIV ST Capital Losses – has been dropped.
- Issue#19824 Remove Shading and Color Fonts from PDF Tax Forms and Publications- has been dropped.
- Issue#19839 Form 8332 Post 2008 divorce decrees- is being worked on by Potenzzone.
- Issue#19957 Publication 17 using step-grandchildren as dependants- is being worked on by Alan.

Subcommittee 3

Cabusora reported on the following issues:

- Issue#16673 Correspondex Audit Processing- has been redirected to Correspondex Audits.
- Issue#18422 Check Box Schedule C's for Standard Mileage- is referred to the TFP Committee by Garant.
- Issue #18545 check box for Form1040 is being worked on by Garant.
- Issue#18568 IRS should read attached taxpayer information- has been dropped.
- Issue#19705 E-services Password- is being worked on by Morse.

Decisions on IRS Responses

- Issue#16906 IRS Employee Identification by Badge Numbers- this issue will be sent to the IRS for reconsideration.
- Issue #18414 Checks Received and Processed Before Paperwork- this issue has been dropped
- Issue#17989 Frivolous Tax Return Penalty- Rebuttal has been rejected by the IRS.
- Issue#18945 Outreach to Taxpayers Regarding New Preparer Registration- the IRS is considering procedures that will resolve the issue.

Outreach Report Out

Stepner - attended a breakfast in Boston at the Chamber of Commerce and discussed TAP.

Gibbons - met with state legislators in Vermont and discussed TAP.

DeTergo -did "one on one" TAP discussions in New Jersey.

Bernstein –attended Glen Cove Tax Forum Symposium in Long Island, NY. He discussed TAP and distributed materials.

Public Participation

The alternate panel members stated that they were happy to listen in on the meeting and that they found the discussion topics interesting.

Closing

Stepner thanked all for joining the call.

Next Meeting

Tuesday, May 10th, 2011 at 10:00 am EST.

**Area 1 Issue Committee
Teleconference
Tuesday, March 8, 2011
10:00 am – 11:00am (EDT)**

Designated Federal Official

- Fett, Robert (Absent)
- Morizio, Louis - Acting DFO

Committee Members Present

- Alvarado, Frank
- Bernstein, Mark
- Cabusora, Haidee
- DeTergo, Michael
- Gambardella, Linda
- Garant, Felicia
- Gibbons, JoAnn
- Kalimeris, Angeliki
- Murray, Alan
- Potenzzone, Mary Jean
- Roy, Brian
- Steinberg, Jeffrey
- Stepner, Gerald, Chair

Committee Members Absent

- Child-Tomie, Audrey
- Morse, Cheryl, Vice Chair

TAP Staff

- Babb, Rose A.
- Knispel, Marisa
- Odom, Meredith (Absent)

Public Attendees

- Schissler, Samuel
- Smith, Denis

Welcome/Announcements

Stepner welcomed everyone to the teleconference.

DFO Report

Morizio stated that due to the Continuing Resolution spending limits, he is unable to provide any information on upcoming Area Face to Face meetings. Morizio also stated that he is working with the TAP Director to provide a definitive answer on the area meetings to members as soon as possible.

Subcommittee Report Out **Subcommittee 1**

DeTergo and Gibbons reported on the following issues:

- Issue #17989 Frivolous Tax Return Penalty – Bernstein and other members are writing a counter-response.
- Issue #19964, Coordinating Enrolled Agent and Competency Exams- is being researched by Knispel.
- Issue # 18626, Online Installment Agreements, and Issue #19323 on the PTIN Application, were dropped..
- Issue #17063, Power Of Attorney for Substitute of Returns –worked by Bernstein needs some clarifications.

Subcommittee 2

Potenzzone reported that her subcommittee is working on the following:

- Issue #19594,-Search Engines in irs.gov was just completed.
- Issue #19824, Remove Shading and Color Fonts from PDF Tax Forms and Publications, is being worked by Roy.
- Issue #18548 ,1099-DIV Short Term Capital Losses – worked by Murray,
- Issue #19957, Publication 17 using step-grandchildren as dependents- worked by Murray.
- Issue #18542, Phone numbers on IRS notices -worked by Kalimeris was dropped after research was done.
- Issue #19839, Form 8332 on post-2008 divorce decrees is a new issue picked up by Subcommittee 2.

Subcommittee 3

Cabusora stated that the subcommittee is working on the following:

- Issue #18431- New procedures for 1099s are causing a burden on small landlords-written by Stepner.
- Issue 18575, Abatement of Penalties due to illness – worked by Cabusora
- Issue #19705, E-services Password- worked by Morse.

Decisions on IRS Responses

- Issue #16906 Identify IRS employees by badge numbers. This issue was rejected by the IRS; the reason stated was that Employee Resource Center(ERC) can identify employees by their badge numbers. Morizio stated that both himself and Nancy Ferree, Program Manager in the TAP Florida Office called the Employee Resource Center, ERC to verify the IRS response. They found that the response given by the IRS was not correct. A subcommittee was established to review this issue once again. Bernstein (lead) Alvarado and Steinberg.
- Issue #16604 IRS should provide estimated tax information over the internet. Morizio suggested that this issue should be placed in a monitoring status for 3-6 months before contacting the IRS to see if the issue will be reconsidered.

Definition of “Consensus”

(Reference-TAP Handbook Chapter 9, page 4 in glossary)

Morizio reiterated the definition of consensus to the panel members. He stated that members should express their dissenting opinions at the full committee calls. Once consensus is reached on those issues by the full committee, it means everyone has voiced their opinions.

Outreach Report Out

Alvarado stated that he did his bi-monthly small business entrepreneurial workshops.

Gambardella did a town hall meeting on February 7, she stated that the event was aired and reached about 11,000 people in her home town Suffern, NY.

Gibbons mentioned that she is working on getting recruits in Vermont, VT for TAP in addition; she is currently involved in doing small business entrepreneurial workshops.

Potenzzone stated that the Editor of E Network magazine in her home town, Essex, New Jersey wrote an article from TAP’s brochure. She also stated that the article was published in the E Network magazine and also posted on the World Wide Web with her picture. .

Action Item

Analyst Knispel will share a letter via email with panel members to IRS Program Owner Susan Deidrich. Knispel mentioned to members that the letter is in response to Issue #17989 Frivolous Tax Penalty. Knispel stated to members that if they agree with the recommendations in the letter, they should inform her so she can send it to Deidrich.

Knispel reminded members to submit their names to her if they wish to participate in the Taxpayer Assistance Center, TAC Open House on March 26. Morizio stated that he needs the members’ names to submit to the TAC walk in managers.



Public Participation

Schissler and Smith did not have any comments but stated that they enjoyed the discussions.

Closing

Stepner thanked all for joining the call.

Next Meeting

Tuesday, April 12, 2011 at 10:00 am EST.



**Area 1 Committee
Teleconference
10:00 am EST
February 8, 2011**

Designated Federal Official

- Fett, Robert

Committee Members Present

- Alvarado, Frank
- Bernstein, Mark
- Child-Tomie, Audrey
- DelTergo, Michael
- Gambardella, Linda
- Garant, Felicia
- Gibbons, JoAnn
- Morse, Cheryl, Chair
- Murray, Alan
- Potenzzone, Mary Jean
- Roy, Brian
- Steinberg, Jeffrey
- Stepner, Gerald

Committee Members Absent

- Kalimeris, Angeliki
- Cabusora, Haidee

TAP Staff

- Babb, Rose A
- Knispel, Marisa
- Morizio, Louis
- Odom, Meredith

Tax Forms and Publication Staff

- Blake, Karl
- Needle, David
- Staggers, Maria

Treasury Inspector General Task Administration

- Heald-London, Phyllis

Welcome/Announcements

Stepner welcomed everyone to the call. The minutes were approved for posting.

DFO Report

Fett joined the teleconference from Washington, DC. He was attending the Congressional Affairs Program Conference to deliver the National Taxpayer Advocate's (NTA) 2010 Annual Report to Congressional Offices. Fett mentioned that the objective of delivering the Annual Report to Congress is primarily to meet with Senators, Congressmen and their staff. Fett stated that the number one issue that will be reported on is the "Time for Tax Reform is Now". This and the other Most Serious Problems (MSPs) identified in the report will be presented to Congress.

Fett mentioned that the IRS has now started processing Form 1040 and 1040A Tax Returns with Schedule A.

Discussion

Issue #16690- Amend the instructions for Form 1040 and Publication 17 to state that taxpayers may be required to file a return if gross proceeds from a transaction exceed the filing limits.

The issue to amend the instructions for Form 1040 and Publication 17 was discussed with David Needle. Needle stated that rewriting the instructions for Form 1040 is not simple; he added that this is due to the New Basis Reporting Requirement that is being phased in. Needle stated that the IRS will take another look at this issue.

Subcommittee Report-Out

Subcommittee 1

DeTergo stated that nothing has changed since the last report.

- Issue #18626 –Online Installment Agreement- will be discussed with a subject matter expert.
- Issue #19233 Preparer Tax Identification Number Application, (PTIN) -this will be discussed on Thursday.

Subcommittee 2

Potenzzone reported the status of the following issues:

- Issue# 18548 1099 Dividends ST Capital Losses incurring the short term capital gain, Potenzzone stated that this issue will be written by up by Murray.
- Issue # 18570 –IRS website search engine – dropped.
- Issue# 17879- Putting back the work sheet with the table to determine standard deductions – this issue has been sent to the Joint Committee.

- Issue#18542- Phone numbers on IRS notices is being researched by Kalemeris.
- Form 4868 – How to file this form with a credit/debit card – this issue will be written up by Kalimeris.
- Issue# 19594 – Forms and Pubs search engine in IRS.gov is being worked by Roy.

Subcommittee 3

Garant reported on behalf of Cabusora:

- Issue# 18575- Abatement of penalties due to taxpayer illness is being worked by Cabusora.
- Issue# 18571 – Placement of the Small Business Health Care deduction check box – worked by Morse was dropped.
- Issue# 18414- Checks received and processed before paperwork has been sent to the Joint Committee.

Decisions

Issue# 17105 - No live telephone Assistors, - a rebuttal will be written by Morse.

Issue#18427 – Update Publication 583 Starting a Business and Keeping Records, authored by Gibbons was accepted by the IRS.

Issue#17989 - Frivolous Tax Return Penalty, Morizio stated that TAP received everyone's response and had a teleconference call with Bonnie Fuentes. There was some hesitation from a few members on whether they wanted to protect those taxpayers who are victimized by unscrupulous tax preparers. Bernstein and Steinberg will rework this issue. DeITergo has volunteered to assist in reworking this issue as well.

Issue# 17559 Bait and Switch, worked by Morse was dropped.

Outreach Report Out

Alvarado mentioned that he had a VITA training session and also two entrepreneurial workshops that he does weekly.

Gibbons mentioned that some of the practitioners that she has met during outreach activities have mentioned concerns about the Enrolled Agents and Competency Exams for tax practitioners. She stated that the practitioners discussed that Part I of the Enrolled Agent Exam covers all the tax topics of Part I of the Competency Exam. In addition, Part II of the Enrolled Agent Exam, covers all the topics in Part 1 of Competency Exam. Morizio stated that this is an issue that Area 1 can work.

Potenzzone mentioned that she did not do any formal outreach activities last month, but has been having some one on one TAP discussions.

Stepner had an interview with an LTA in Northeastern Massachusetts and will be making a presentation at the AARP Chapter in Peabody, MA next Tuesday.

Murray attended a meeting sponsored by the New York City Department of Health and Mental Hygiene. Murray mentioned that he had some conversations on TAP with an employee of New York City Department of Finance.

Roy mentioned he is following up with the local newspaper editor to get the press release to have an article published on TAP. Roy also mentioned that he has made contact with Legal Advice and Referral Low Income Tax Clinic, his Local Taxpayer Advocate, and his local Taxpayers' Assistance Centers to discuss TAP.

Steinberg stated that he did some TAP outreach at VITA Training and got some interest for volunteering for TAP.

Other

Morizio reminded members that they should contact Babb if they need outreach materials. In addition, when requesting outreach materials, Babb mentioned to the members that they should copy the rest of the staff in the event she is out of the office.

Morizio asked members to remember to respond to Odom with their outreach activities no later than the 5th day after the end of each month. Members are asked to use the spreadsheet format sent via email from Odom to submit outreach activities.

Public Participation

Phyllis Heald-London, (TIGTA) introduced herself at the beginning of the teleconference, but did not have any questions for TAP.



Action Item

Knispel will provide members with the link on the TAS website for taxpayers to submit their ideas for Tax Reform to Nina Olson, National Taxpayer Advocate.

Closing remarks

Stepner thanked all for joining the call. The next teleconference call is on March 8th at 10:00am ET.

**Area 1 Issue Committee
Teleconference
Tuesday, January 18, 2011
10:00 am – 11:00am (EDT)**

Designated Federal Official

- Fett, Robert

Committee Members Present

- Alvarado, Frank
- Bernstein, Mark
- Cabusora, Haidee
- Child-Tomie, Audrey
- Gambardella, Linda
- Garant, Felicia
- Gibbons, JoAnn
- Kalimeris, Angeliki
- Morse, Cheryl, Vice Chair
- Murray, Alan
- Potenzzone, Mary Jean
- Steinberg, Jeffrey
- Stepner, Gerald, Chair

Committee Members Absent

- DelTergo, Michael
- Roy, Brian

TAP Staff

- Babb, Rose A.
- Knispel, Marisa
- Morizio, Louis
- Odom, Meredith

NTA Staff

- Simmons, Marsha

Welcome/Announcements

Stepner welcomed everyone to the call.

DFO Report

Robert Fett, the new Designated Federal Official, (DFO) welcomed everyone to the first meeting of the year. He stated the following:

- Form 1040 and 1040A Tax Returns with Schedule A will be delayed for processing this tax season. The new Tax Relief Act Laws were passed late and IRS needs the time to make corrections to their programming.
- Due to the Emancipation Day holiday in the District of Columbia, the filing date has been extended this filing season to April 18th.

The TAS Annual Report by the National Taxpayer Advocate, (NTA), Nina Olson was sent to Congress. Fett gave the highlights of the number one most serious problem from the report:

- The Tax Code has tripled in size during the last decade.
- Estimates are that taxpayers have spent 6.1 billion hours preparing their returns each year, the equivalent of 3 million employees working full time.

Subcommittee Report Out

Subcommittee 1: Gibbons reported on behalf of DeTergo. She stated that this subcommittee is waiting for a subject matter expert (SME) from the IRS Electronic Tax Administration Department. She also stated that this subcommittee is looking for other issues to work.

Subcommittee 2: Potenzzone stated that Roy is working on the search engine website and that nothing has been written up thus far. Kalimeris is working through some issues. She also mentioned that a member of her subcommittee was absent and that she will follow up with her subcommittee member.

Subcommittee 3: Cabusora stated that her subcommittee will be ready to write up issues by mid February.

Issue #17063 -Power Of Attorney for Substitute of Return. Bernstein stated that he received some responses from the Quality Review, (QR) Committee. The committee approved the issue with some edits to be done by Knispel

Issue 17787 -Table vs. Worksheet for figuring standard deduction. Murray stated that he received some useful comments from Potenzzone. The committee approved this issue with some edits to be done by Knispel.

Issue # 16865 –Unneeded mailing of Form 5227. Garant stated that she is satisfied with the IRS' rebuttal and the committee will accept the issue as closed.

Issue #16690 -Filing Requirements Instructions. Murray stated the he is not satisfied with the IRS' response. Morizio stated that he will try to get the manager or a representative of that office on the next teleconference for clarification.



Issue #17559 -Free File “Bait and Switch” Morse stated that she still wants to rebut the issue before it is closed. She mentioned that she will test a dummy tax return on each provider/vendor to see where the problems exist.

Issue #17840 -Direct Deposit of Refunds. Bernstein stated that he is satisfied with the response. This issue will be closed by Knispel.

Issue #17989 -Frivolous Tax Return Penalties. This issue was rejected; Morizio will contact the responder to address this issue at the next teleconference call.

New Issue

The issue on whether the Preparer Tax Identification Number, (PTIN) should be renewed at the end of a calendar year or on the anniversary date will be sent to members via email by Knispel for further discussion.

EITC Awareness Day and Outreach Report- Out

Morizio informed members that the LTAs for New Jersey and New York are working on some events. Those events have not been finalized. Morizio also stated that he will discuss outreach events with all interested offices. In addition, he stated that he is working on events for New Hampshire and Rhode Island.

Alvarado mentioned that he is working on an event with the Mayor’s Office in New Haven, Connecticut.

Stepner also stated that he is working on some outreach events in Massachusetts.

Outreach activities should be provided to Odom no later than the 5th day of the new month.

Marsha Simmons mentioned to members that she will make contact with Roy and provide him with information on EITC. She also stated that she will be making some inquiries about outreach activities in New Hampshire.

Odom mentioned to panel members that it is the Sub Committee’s Chair responsibility to ensure the members are informed of sub committee teleconferences each month.

Action Item

Morizio asked members who may be having trouble registering on TAP Space to alert him by email. He will forward that email to the Database Analyst Russ Pool.

Closing

Stepner thanked all for joining the call.



Next Meeting

Tuesday, February 8, 2011 at 10:00 am EST.