



2003 Meeting Minutes Area 2

- December 2, 2003
- November 4, 2003
- October 4, 2003
- September 2, 2003
- August 5, 2003
- June 20-21, 2003
- May 16, 2003
- April 1, 2003
- February 28-March 1, 2003
- February 4, 2003
- January 7, 2003

Area 2 Committee Meeting Minutes December 2, 2003 3:00 PM – 4:30 PM EST Teleconference

Roll Call was taken by TAP Program Analyst Inez E. De Jesus
Quorum is 9 and quorum was met.

Panel Members Present

- Richard (Dick) Bobb, NC
- Anthony DiMartino, NJ
- C. Morgan Edwards, NC
- Jerry Gensiejewski Jr. PA
- David Meyer, NJ, Chair
- Theodore Perros, D.C.
- Lou Romito, Designated Federal Official (DFO)
- Leonard Steinberg, NJ
- Faith Vinikoor, MD

Members Not Present

- Mary Balmer, NC, Vice-Chair (Outreach Event)
- Calvin Johnson, VA
- Karen Kerrigan, VA
- Robert Maziarz, NJ
- Patrick McCombie, DE
- Manning H. Mosley III, PA
- Robert Taylor, PA



TAP Staff

- Inez E. De Jesus (Scribe)

Welcome/Announcements

Chair David Meyer opened the meeting by welcoming everyone and by sharing the news he had obtained during the most recent Joint Committee meeting; Chair announced that Bernie Coston has been selected as the TAP Director replacing Deryle Temple. Mr. Coston has served as the executive assistant to the Executive Director of Systemic Advocacy in the Taxpayer Advocate Service organization.

Only one face-to-face meeting issue

Chair referenced email sent out by Leonard Steinberg following the Joint Committee meeting where he informs everyone that due to IRS budget cuts, each area committee and issue committee will be allowed to have only one face-to-face meeting instead of two as previously anticipated.

The Chair began by inquiring When do we want to have the meeting and where- in that order?

When

After discussion among the members and considering the pros and cons of having a March meeting and how this might affect the Practitioners, the committee agreed that their **face-to-face meeting will be held on June 11/12, 2004. (one and one-half days, travel days June 10th and afternoon of June 12)**

Where

Chair Meyer recommended that due to the current budget constraints, the lack of local representation in S.C., and the general lack of public attendance at TAP meetings, the committee might be of better service by holding the meeting at a location where there is more visibility. For example, Baltimore and the District of Columbia areas are more centralized.

Chair inquired from the TAP Staff if there was information available regarding cost estimates for these locations, and Analyst De Jesus shared the following information:

Cost estimate if the meeting is held:

- Charleston, S.C \$18,913.00
- Baltimore, MD \$21,649.00

Actual cost of past meetings:

- Washington, D.C. \$9,920.72 (Total allocated approximate \$19,000)
- Philadelphia, PA \$10,102.96 (Total allocated approximate \$12,000)

It went on record, the absentee votes of Mary Balmer who indicated a preference for location of face-to-face meeting, D.C., and Bob Maziarz who indicated a preference for S.C., the committee ended up by voting on **Charleston, South Carolina** as the location for the face-to-face meeting.

Action item for Analyst: Contact Subject Matter Expert on Form 1041 and inform him of change of meeting locations since he had previously accepted an invitation that had been extended to him when meeting was scheduled in June/ Baltimore.



Also, inquire from Mr. Frank if he can participate on the March 2004 teleconference meeting since he has indicated that he will be very busy through February 2004.

Action item: Confirm the March 2004 teleconference meeting date, tentatively scheduled for Friday, March 5, 2004. (To be discussed during the next meeting)

Review/Approve Minutes from Meeting on November 4, 2003

These minutes were approved.

Action Items from Prior Meeting

Program Analyst Inez E. De Jesus reported that all action items from the November 4th teleconference meeting have been completed with the exception of the following, which will be carried over until accomplished:

1. Panel members Bobb and Edwards will be getting together to address the issue of getting the citizens/taxpayers from S.C and N.C. knowledgeable of TAP's existence and mission.
2. The committee is awaiting an opinion from General Counsel regarding the W-4 issue on the question of if by allowing the taxpayer to enter a percentage rather than a dollar value, would this require a change in the regulations or would it simply be a change in the interpretation of Code Section 3402. Analyst De Jesus shared that the TAP Staff received a status report indicating that it will take about 45-60 days to get a response back from General Counsel. Chair Meyer expressed a concern about the wait time and indicated that he will follow-up with TAP Program Manager Ferree to see if this can be expedited. **(Action item for Chair)**

Review Goals/Objectives for Second Year Term

This topic has been tabled for discussion during the next meeting. **(Action/carry over to next meeting's agenda)**

Status Reports from Sub-committee Chairs

Since most of the sub-committee chairs were not available on this call, this will be discussed during the next meeting. **Action item for sub-committee chairs:** please have a status report available for the January 6, 2004 teleconference meeting.

Re: Issue Form 1041, Faith Vinikoor expressed that she found very informative the recently received report 2002 1041 RTF Table which shows the number of entries and the total dollar amount for each line of the first page of the return.

Panel member Vinikoor also suggested that Subject Matter Expert Chuck Frank be invited to attend an earlier meeting other than June 2004 in order that a final recommendation be prepared and elevated to the Joint Committee.

Report: Issues in Parking Lot Status

Chair Meyer gave praise to sub-committee members Dick Bobb, Tony DiMartino, and Bob Maziarz for the excellent job they did in reviewing all the Parking Lot Issues and for providing the committee with a summary report with suggested recommendations. Each issue was discussed and committee came to an agreement as follows:

Issue # 37-Treatment by IRS Employee

This issue should be closed because it appears that the taxpayer is attempting to change IRS policy concerning the application of payment when several delinquent years are involved. There is no follow-up contact information for the citizen who brought this issue to panel's attention. **By consensus: Close this issue.**



Issue #599-Taxpayer Had Problems Determining Balance Due to IRS (Direct Debit Installment Agreement (DDIA))

The sub-committee was of the opinion that the taxpayer would be able to utilize the annual statement to determine balance owed to IRS. Furthermore, a telephone call to IRS by the taxpayer would result in determining the balance due to IRS by the taxpayer. A letter to this individual explaining the options available is recommended and issue closed. **By consensus: Close this issue/send letter.**

Issue # 1490-Improved Telephone Service by Private Consultant

The sub-committee determined that this issue should be forwarded via proper channels to IRS Purchasing Department in order to determine feasibility of this suggestion for IRS needs. This issue should be closed.

Committee discussed this issue and came to the agreement to close this issue with no response to the private consultant since she had already participated on a committee teleconference call. **By consensus: Close this issue/no response required.**

Issue #1531- Paragraph about TAP in IRS Publications

The sub-committee questioned the impact of this recommendation on the inherent need of independence of TAP from IRS. This issue may be currently addressed by another Area committee.

The committee discussed this issue in depth and **by consensus agreed to the following:**

1. **Chair is to make contact with Area 1 Chair.**
2. **Chair Meyer is to communicate that Area 2 has reviewed this matter and has rejected the idea.**
3. **Then close this issue.**

Issue #1727-Systemic Problems-CP-2000 (Chosen as #2 Priority)

The sub-committee requests copies of sanitized notices for its review and determination. The sub-committee also recognizes that overlap of computer-generated notices is a common occurrence with many private/public organizations.

The committee discussed the fact that there are 2 panel members that serve on the Notice Issue Committee (DiMartino and Edwards) and DiMartino made the commitment to share this issue with the Notice Issue committee and report back to this committee. **By consensus, the committee agreed to:**

1. **keep this issue in Parking Lot status for now.**
2. **Await report from Tony DiMartino**
3. **Obtain a Subject Matter Expert on CP-2000.**

Issue # 2074- Practitioner Assistance at S.C. Taxpayer Assistance Center

The sub-committee addressed IRS's new policy change limiting the ability to obtain IRS transcripts from IRS field offices. IRS provides relief when there is an emergency/hardship and will accommodate requests for transcripts. Otherwise, transcripts can be obtained by practitioners or taxpayers by telephone or via USPS with delivery time projected within 7-10 days. The sub-committee recommends that a letter be forwarded to the tax practitioner, indicating the reason for the policy change and the options available for obtaining a transcript, and that the issue be closed.

Committee discussed the copy of letter to practitioners they received from TAP Program Manager Nancy Ferree regarding the new policy change at these walk-in offices. **By consensus: send letter and then close this issue.**



Issue #2126-Improve Menu Choices on Toll-Free Number Given on Notices

The sub-committee reviewed this issue, and it appears that Analyst Inez E.

De Jesus was able to obtain assistance from the phone number in question. As there is no taxpayer contact for this citizen, we recommend this issue be closed. **By consensus: close this issue.**

Issue #2115-Suggestion to Improve Form 1040 NR Instructions (U.S. Non-Resident Alien Income Tax Return (Chosen as #3 Priority)

This issue appears to have legislative impact, and the sub-committee recommends that Area 2 committee assist the sub-committee with recommendations that could be made concerning Publication 519, if any.

In addition, Dr. Perros, a member of Area 2, is working on Issue 2389, which includes Publication 519. Therefore, recommendation is being made that the committee addresses this issue in concurrence with Dr. Perros Issue #2389.

Action item for Analyst: mail to Chair Meyer copies of the 2 letters received from the citizen from South Carolina.

Issue #2389-Improve IRS Publication 519/Improve IRS Information Bulletins (Chosen as #1 Priority)

The sub-committee agrees with this recommendation, submitted by Dr. Perros. The sub-committee recommends that all assistance be given to Dr. Perros by Area 2 committee on his efforts to encourage the IRS to simplify its written communication with the average taxpayer.

Chair Meyer shared at this point his opinion regarding the committee's objectives for this coming year. The committee should focus on significant items to bring to the attention of the Joint Committee.

Chair Meyer feels that Issue #2389 is a good issue to work on, on how a form can be improved. This should be one of the committee's primary goals for the remainder of their term. **By consensus: agreement to provide support to Dr. Perros on this issue.**

Dr. Perros shared the following thoughts regarding the IRS Information Bulletins Issue/Related to Issue # 2389 (previously mentioned):

- Recommends that a TAP committee be appointed to meet with individuals from the IRS (begin a dialogue) to find out how the IRS bulletins/informational publications are done, what is the process? What are the problems they encounter? This would be a fact-finding committee composed of 4-5 panel members.
- Focus group will work with High School graduates, and see what problems they are confronted with when they read the IRS bulletins. The goal would be to take one form and make an autopsy.

The committee agreed by consensus to create and support a new sub-committee to address How to Improve IRS Communications- composed of David Meyer, Theodore Perros, and Dick Bobb.

Panel member Vinikoor mentioned GAO studies and other groups. It's important to keep in mind, what are they compelled to do by law?

Summary of Parking Lot Issues: sub-committee will draft letters as discussed and share them with Chair for his review; once these are approved, analyst will place on TAP letterhead and mail accordingly.



EFTPS Recommendation

This topic has been tabled for discussion during the next meeting. **(Action/carry over to next meeting's agenda)**

Brainstorm Outreach Efforts

This subject has been tabled for discussion during the next meeting. **(Action: carry over to next meeting's agenda)**

Review of New Issues

Analyst shared there are no new issues to discuss this month.

AT&T Issue

DFO Romito shared the following:

- He agrees with the committee's assessment that the IRS toll-free telephone system (specifically 1-800-829-1040) needs to be updated to a more customer friendly configuration. This committee currently has elevated recommendations to the Joint Committee on improvements to the IRS telephone system.
- The 1040 number was not designed for callbacks from the IRS Representative to the taxpayer/citizen; the telephone system is designed to respond to quick technical questions, and then close at first contact; if the question is complex, it goes to an Account Technician. An electronic history is made available that can be accessed by any other account technician on subsequent calls on the toll-free system.
- In the Taxpayer Advocate Service (TAS) office, you get the same person. (Case advocate that has been assigned to your case) Currently, a toll-free line is being installed for case advocates.
- There is a complexity of the scripts.
- As a TAP body, perhaps this committee may be able to obtain the texts of the automated scripts and work on making them easier to understand.
- Obtaining an AT&T executive might not be a good idea since this may not be the individual that knows the nuts and bolts of the IRS telephone system. There would be a need for an IRS operations person or an external program owner (not an insider) and TAP may be able to contact this individual to find out what is realistic.

Administrative News

None- due to time constraints, DFO Romito reported that any information he may have would be shared by email.

TAP Staff shared with all Panel Member Bob Taylor's health condition and reason for his not participating on the last few meetings.

Public Input/Closing Assessment

None

Confirm Next Meeting: January 6, 2004, 3:00 PM EST

Before Chair adjourned the meeting, he thanked everyone for their participation and wished everyone a safe and nice Holiday Season!!



Area 2 Committee Meeting Minutes

November 4, 2003

3:00 PM – 4:30 PM EST

Teleconference

Roll Call- was taken by Program Analyst Inez E. De Jesus.

Quorum= is 9 and quorum was met: 12 members were present.

Panel Members Present

- Mary Balmer, Vice-Chair, NC- (Acting Chair)
- Richard Bobb, NC
- Nancy L. Ferree, Acting Designated Federal Official (DFO)
- Anthony DiMartino, NJ
- C. Morgan Edwards, NC
- Jerry Gensiejewski Jr. PA
- Karen Kerrigan, VA
- Robert Maziarz, NJ
- Patrick McCombie, DE
- Theodore Perros, D.C.
- Leonard Steinberg, NJ
- Faith Vinikoor, MD

Members Not Present

- David Meyer, Chair, NJ
- Calvin Johnson, VA
- Manning H. Mosley III, PA
- Robert Taylor, PA
- Lou Romito, DFO

TAP Staff

- Inez E. De Jesus (Program Analyst/Scribe)

Guests

- L. Thomas Davis (Subject Matter Expert-EFTPS)
- Lee Lawrence (Subject Matter Expert-EFTPS)

Welcome/Announcements

Vice-Chair Mary Balmer opened meeting by welcoming everyone and announcing that since Chairperson David Meyer will not be present on this call, due to a prior commitment with his new job, she will preside as Chair during this meeting.

Announcement was also made that Nancy Ferree will be the acting Designated Federal Official (DFO) during this meeting since Lou Romito is attending an area meeting.



Acting Chair Balmer requested that those members who wished to remain an additional year beyond October 2004, to please contact either David, Nancy, Inez or Mary, as soon as possible , since the TAP National Office needs to know for recruitment purposes. It is very important for the National Office to know which States and demographics would need to be filled.

As requested by Acting Chair who had not attended the last Joint Committee meeting, Panel member Leonard Steinberg shared that the October 21 st , Joint Committee meeting was more of an administrative and procedural meeting since there was a turnover of members. Steinberg stated there was no major information to share at this time.

Acting Chair Balmer shared with the committee that there has been 2 recent resignations: Denise Bigger (NC) recently started a new job and does not have the time to participate and George Pruchniewski (MD) has also resigned due to other commitments.

DFO Ferree shared that TAP is actively recruiting and there is awareness that this committee needs representation from Maryland, Pennsylvania, and South Carolina .

Review/Approve Meeting Minutes- October 4, 2003

These minutes were approved.

Subject Matter Experts: EFTPS Issue

Before Subject Matter Experts addressed the committee, Balmer requested that a brief review of the issue be recorded for the record:

Brief Description of Problem Citizen expressed the following to the committee: You mentioned that not as many people are using EFTPS-(Electronic Funds Transfer Program System) as you would like. It appears that the phone prompts may be mis-leading when a fiscal year business tries to make a payment. I have never heard the prompts, but a client of mine was confused as to what tax year it was asking for and ended up submitting taxes for a prior tax year instead of the current tax year. These payments kept getting refunded until we figured out what was happening. You may want to see if the prompts can be changed to make it absolutely clear.

EFTPS Subcommittee member Dick Bobb had requested that a subject-matter-expert be obtained to address the following questions:

1. How many fiscal year-end taxpayers are there? What percentage utilize EFTPS?
2. Does any statistical data exist which applies to either misapplied payments and/or refunds, i.e. frequency of problem?
3. Status of EFTPS program improvements, if any.
4. What corrections/improvements are needed and best accomplished? It appears changes to operating procedures and instructions would be required?

Subject Matter Experts Lee Lawrence and Tom Davis addressed these questions by responding as follows:

- Since these are primarily 941 quarterly payments, this has nothing to do with fiscal year/calendar year.
- This information is not tracked.
- Regarding 941's/1120's, currently there are no statistics- it can probably be obtained but it would take some time.
- The Subject Matter Experts were not aware of the prompt situation until now, and made a commitment that the next time the script is changed this matter will be addressed. They will



attempt to improve the confusion that currently exists for some individuals. Apparently it is not clear to everyone.

- Tom Davis requested that if the panel had any suggestions for improvements to please share these with him. Dick Bobb promised to fill out an input form he had received.
- Tom Davis also shared that in the Initiative for 2004, beginning in January 2004, businesses applying for an EIN (Employer Identification Number) will automatically be enrolled in the EFTPS Program. They will be limited to one coupon. There will also be a penalty abatement incentive program for businesses assessed a penalty. (Up to \$1,000.00)-late payments. There will be News Releases coming out by Mid-December 2003 as well as via eftps.gov; IRS website and thru News for the Tax Practitioner.
- Any future concerns, or questions should be funneled via the TAP Program Manager Nancy Ferree.

The committee expressed their appreciation to Lee Lawrence and Tom Davis on addressing their current concerns.

Action item(s) from Prior Meeting

All action items from prior meeting have been addressed with the exception of the Offer-in-Compromise (OIC) Processing Procedures Issue.

Acting DFO Ferree shared DFO's findings with the committee, and all agreed that the IRS is aware of all of the current problems with the processing of OIC's and as previously mentioned it is captured in the National Taxpayer Advocate's Report to Congress, Fiscal Year 2004 Objectives, pages 9 and 10.

Committee agreed that this issue be closed and a closing letter be sent to the citizen that brought this matter to their attention and send a copy of NTA's report as well. **(Action item for Analyst De Jesus)**

Additional Agenda Item: Message from the Chair: What are your expectations for the New Year?

Mary Balmer on behalf of Chair Meyer requested that the committee members respond individually to this question and the responses were as follows:

Dick Bobb: Keep an outreach effort on-going, as well as continuous Involvement in one issue until resolution and then start on another issue immediately thereafter with no lapses in between.

Theodore Perros: Stated that he would like resolution to the Telephone Issue recommendation regarding taxpayer being placed on hold and not knowing how long he/she would have to wait, as well as the survey at the end of the call. Acting Chair Balmer shared that the first issue has been forwarded to the Joint Committee and the second portion is in the process of being forwarded as well. **(Action item for Analyst De Jesus- to ensure that this recommendation be forwarded to the Joint Committee).**

Perros also expressed his concerns regarding further clarification of IRS Publications/Bulletins.

C. Morgan Edwards: There is a need to get North Carolina and South Carolina citizens/taxpayers knowledgeable of TAP's existence and mission. DFO Ferree shared the importance of making contact with the Media Specialist in your area. Although Edwards shared that he has attempted to do this, it was agreed that he and Dick Bobb will get together to address this matter further. **(Action item for Bobb and Edwards)**

Faith Vinikoor: suggested that since this is the time of the year that CPE (Continuing Professional Education) seminars occur within the IRS, she reminded everyone to contact his/her LTA's (Local



Taxpayer Advocates) for information and perhaps possible attendance. Ms. Vinikoor shared that she has attended these in the past and have found them very educational and informative.

*Due to time constraints, not all committee members had the opportunity to share their expectations.

Action item for Kerrigan & Other Panel Members: Balmer stated to please forward your ideas/suggestions to Chair David Meyer as soon as possible.

Balmer requested that a **new sub-committee be created to review those issues currently in Parking Lot status. As a result, the following members volunteered: Dick Bobb, Anthony DiMartino, and Bob Maziarz. **Action item: Program Analyst Inez E. De Jesus is to send copies of all these issues by no later than Friday, November 7, 2003, to this subcommittee with copies to the Chair and Vice-Chair. Sub-committee will review these and report back to the committee.**

Status Reports from Sub-committee Chairs

Panel Member Maziarz shared with all his recent contact via teleconference with Subject Matter Experts from the IRS, Ron Gamble and Reviewer Jason Fournier, regarding the **W-4 Issue**. Lines 5 and 6 of this form were discussed; the committee needs clarification on whether if by allowing the taxpayer to enter a percentage rather than a dollar value would this require a change in the regulations or would simply a change in the interpretation of Code Section 3402 be required.

The committee agreed that regulatory changes are easy to do.

Action pending: The TAP Staff is currently awaiting response elevated to Chief Counsel's office in response to this matter whether TAP can recommend a change. The staff promised to keep the committee informed as soon a General Counsel responds.

Since Patrick McCombie was not present, there was no status information regarding the 1041 Issue.

Representative from a Telephone Company

Panel Member Theodore Perros shared that he has been discussing this matter with DFO Romito and he believes that the validity of the individual contact person be DFO Romito. This topic will be discussed further at a later date and added to next month's agenda. **(Action item: Analyst De Jesus and Follow-up for Perros and Romito)**

Review of New Issues

Analyst shared that the 2 new issues are actually issues that were in Parking Lot status and since the citizens have contacted the TAP recently they are being re-surfaced for discussion by the committee:

1. **Issue # 2074- Practitioner Assistance at SC Taxpayer Assistance Center-**
2. **Issue # 2115-Suggestion to Improve Form 1040 NR Instructions-**

Committee agreed that the newly established sub-committee that will be reviewing all issues in Parking Lot status will evaluate these and report back to the committee.

For the record, Panel Member Vinikoor expressed that Issue #2115 tends to be legislative since there is mention of changing the law.

Feedback on TAP on Tax Talk Today

Panel Member Jerry Gensiejewski Jr., shared that although the Ad Hoc Committee is currently addressing broader aspects of marketing issues for TAP, it will not be getting engaged right now with TAP on Tax Talk Today. He suggested that the committee work on this on its own.



DFO Ferree suggested that this committee elevate this matter by way of a Recommendation to the Joint Committee which will be a great way of bringing the awareness of TAP to many.

Administrative News

Acting DFO Ferree shared with everyone that it was very important to the TAP Program that all outreach activities be captured even if there are no expenses involved. If there are expenses involved, then prior managerial approval is required due to budget constraints. DFO Ferree also referenced the Speaker's Report form that is available for all to use.

Face-to-Face Meetings 2004 (Vision and Timeframe)

Committee reviewed their plans for two face-to-face meetings next year:

March 5, and 6, 2004 in Charleston , SC &

*June 11, and 12, 2004 either in Norfolk , VA or Baltimore , MD

These dates fall on Friday and Saturday.

*The committee agreed after discussing the June 2004 meeting, that it should be held in Baltimore, MD. (Vote was taken which resulted in confirmation that this meeting will be held in Baltimore, MD.)

Committee also agreed that travel day will be the day before the meeting; meetings will be for one and a half days, and return to residence on the afternoon of the second day.

Public Input/Closing Assessment

Analyst De Jesus shared that she had received a phone call today from an individual from the Capitol News Service in D.C., who had learned of this meeting from an announcement that had appeared in today's Washington Times DayBook. Unfortunately, this individual has not joined the meeting.

No public input.

Meeting ended timely by Acting Chair and Panel Member Theodore Perros shared his words of wisdom with all.

Confirm Next Meeting: December 2, 2003 @ 3:00 PM EST



Area 2 Committee Meeting Minutes

October 4, 2003

8:30 AM - Noontime EDT

Grand Hyatt Washington Hotel

1000 H Street NW-Arlington Conference Room

Washington, D.C.

Welcome/Announcements

Chair Mary Balmer began meeting by welcoming everyone and sharing that currently there is no representation from South Carolina on this committee nor has there been a replacement made for a vacant slot from Pennsylvania.

Panel Member Leonard Steinberg shared that since Panel Member Denise Bigger (which Leonard works with in the Payroll Taxes Issue Committee) has recently moved to the State of North Carolina from Iowa is there a possibility that she be allowed to represent the State of South Carolina.

(Action/follow-up item for DFO Romito)

Roll Call- was taken by Program Analyst Inez E. De Jesus.

Quorum= is 10 and 12 members were present.

Panel Members Present

- Mary Balmer, Chairperson, NC
- Lou Romito, Designated Federal Official (DFO)
- Anthony DiMartino, NJ
- Morgan C. Edwards, NC
- Jerry Gensiejewski Jr. PA
- Calvin Johnson, VA
- Karen Kerrigan, VA
- Robert Maziarz, NJ
- Patrick McCombie, DE
- Theodore Perros, D.C.
- Leonard Steinberg, NJ
- Faith Vinikoor, MD

Members Not Present

- Richard Bobb, NC
- David Meyer, Vice-Chair, NJ
- Manning H. Mosley III, PA
- George Pruchniewski, MD
- Robert Taylor, PA

TAP Staff

- Inez E. De Jesus (Program Analyst/Scribe)

Review/Approve Meeting Minutes- August 5, 2003 & September 2, 2003

Minutes were approved for both August 5 and September 2, 2003 meetings.



Confirmation/Election of Chair & Vice-Chair

Mary Balmer expressed gratitude to the committee for their support during the past year as she served as the committee's Chair; she also went on to share that although this has been a very fulfilling experience for her, she wishes to step down as Chair at this time. Balmer opened the floor to anyone interested in becoming Chair.

Theodore Perros expressed that David Meyer has indicated an interest in the Chairperson position. There was no opposition. (Vice-Chair Meyer was not able to attend this portion of the TAP Conference).

The committee agreed by consensus (and to be effective immediately):

- Area 2 Chair: David L. Meyer
- Area 2 Vice-Chair: Mary Balmer

Vice-Chair Balmer led the meeting and promised to inform Meyer of his new position.

Recommendation: TAP on Tax Talk Today

Balmer shared that she has been looking into the possibility of scheduling TAP on Tax Talk Today. Panel member Jerry Gensiejewski mentioned that this was an action item for the Ad Hoc Committee, and he agreed to follow up on this.

Action item(s) from Prior Meeting

Issue #2259- Offer-in-Compromise (OIC) Processing Procedures - this is a follow-up to September 2, 2003 teleconference meeting. (Decision to pursue this issue did not occur since there was no quorum)

In essence, issue submitted from an Enrolled Agent, New Jersey : OIC procedures need to be revised so that when an offer comes into the service centers, they immediately screen them to see if they are going to be worked in the Service Center or transferred to the field.

DFO Romito referenced Treasury Inspector General for Tax Administration-(TIGTA's) Report # 2003-30-182- Continued Progress is Needed to Improve the Centralized Offer in Compromise Program.

Panel member Karen Kerrigan mentioned that the Schedule C-Non-Filer issue committee she serves on is also addressing an aspect of the OIC program. She would look into this further and get back to the committee. **(Action: Kerrigan)**

Committee also addressed that in the National Taxpayer Advocate's Report to Congress, Fiscal Year 2004 Objectives, pages 9 and 10, there is indication that the OIC issue/problem is on the NTA's radar screen and will be monitored.

Action item for DFO Romito: Since the committee is considering looking into ways to making improvements to the initial screening, field assignment, and processing time of OIC cases, DFO Romito will make inquiries on what is currently being done within the IRS so that the panel does not duplicate efforts.

In the interim, this issue will be placed in Parking lot and depending on DFO Romito's follow-up information, this issue may be prioritized for the committee to address.

An interim response was sent to the Enrolled Agent that brought this issue to the panel's attention on September 5, 2003, approved by David Meyer.



Panel member Leonard Steinberg suggested that Analyst De Jesus review Systemic Advocacy database system (SAMS) when issues first arrive, and analyst shared that she currently is doing this.

Status Reports from Sub-committee Chairs

Issue #1309- Patrick McCombie, Subcommittee Chair, informed all that the subcommittee continues to review ways to simplify the forms and instructions related to Form 1041, U.S. Income Tax Return for Estates and Trusts. For example, the subcommittee is reviewing Publication 559-Survivors, Executors, and Administrators, and the committee in general agrees that one perspective is that the taxpayer just needs to know if they need to file Form 1041, and if so what documents they need in order to do so.

Panel member Faith Vinikoor shared a report she prepared entitled Proposal for Form 1041EZ- A Review of An Alternative Suggestion; she indicated that the template originally submitted by John Darazsdi, an IRS Estate Tax Attorney during Area 2's face-to-face meeting in Philadelphia last June was reviewed and the following 3 options for the committee to consider were brought to the floor:

- Elevate the Form 1041EZ concept as a separate proposal. This would involve gathering additional statistical information and developing a more sophisticated version of the 1041 EZ, which would incorporate some of the items that were not addressed in the current version.
- To satisfy Question 3 under Proposed Criteria for TAP Recommendation, incorporate the information gathered in this report into the current project to revise the instructions for the Form 1041. Question 3 asks, What alternatives were reviewed? and What are the pros and cons for each?
- Based on the information gathered and input from the National Office Analyst involved with the Form 1041, do not pursue this portion of the 1041 initiative. It appears that there has been some thought to making the electronic filing of this form more palatable to the preparer community and simplification may already be in the works or on the horizon for the future.

Action item for Analyst De Jesus:

1. Find out if there is a more simplified 1041 form in the works. (For the record, response: no)
2. Establish a subcommittee teleconference meeting with National Office Program Analyst Chuck Frank. Analyst requested that all questions for Chuck Frank be sent to her.

Leonard Steinberg expressed an interest in participating with this subcommittee. Committee agreed that they need to get input from individuals who have experience in using this form.

For the record, 1041 Subcommittee participants are: McCombie, Balmer, Meyer, DiMartino, Mosley III, Vinikoor, and Steinberg.

Short-term goal: Committee to pursue simplifying the instructions and clarifying certain concept for now.

Long-term goal: Committee is to consider proposing a Form 1041-EZ.

Issue # 494- Subcommittee Chair Bob Maziarz shared that he has been in contact with the taxpayer that originally made a suggestion regarding having an option to have a percentage withheld from one's Form W-4, Employees Withholding Certificate. This would affect line 6 on the W-4 Form-rather than prompt for a dollar amount, allow the taxpayer to enter either a dollar amount or a percentage.

The change on the form and or instructions is not a legislative change, and therefore, possible. There might be a software issue involved from the IRS perspective.



Maziarz also mentioned that Area 6 is also looking at this same form.

Issue # 467- EFTPS- (Electronic Federal Tax Payment System)-this issue has already been elevated to the Joint Committee and Area 2 will be getting credit for it. But, since this issue is two-fold, it is still addressing What is meant by a calendar year? **(Action item: Dick Bobb will be addressing this second portion of this active issue.)**

Issue #70- Improvements to the 1040 Toll Free Number- Balmer shared that Area 2's recent recommendation to the Joint Committee was returned since there were other area committees that also had telephone issues and the Joint Committee requests that all of these be incorporated into one.

The issue of not receiving accurate information from assistors and not being able to get the same person/representative when you call again needs to be researched and included in the recommendation for improvements to the IRS telephone system.

Balmer spoke of a Call Tracking System as a concept to address the accuracy issue. For example, an employee receives a call and types all data into the system and when the account is pulled up again, you can see what was discussed before.

DFO Romito discussed the new IRS system called ICP (Intergrated Case Processing) system, but this is available only for those who have a tax problem. Not every taxpayer's account is available for view by a telephone assistor.

The committee realizes that the telephone issue is a big problem. If Area 2 can just take a small portion of the big problem that would be ideal.

Action item: Perros to send by fax to Analyst De Jesus, a sanitized copy of a Notice CP-503, he recently came across, which is a perfect example of why there is a need for clarification of IRS Notices. (Issue #2371) Analyst is to forward this example to the Notice Issue Committee as suggested by Panel Member C. Morgan Edwards.

Committee also discussed that perhaps if there could be an alert on IRS publications informing the taxpayers to please get employee's name and identification number prior to any interaction over the telephone. Also, an addition to IRS Publications may be a listing of IRS telephone numbers made available to the public. **(Action item for Balmer)

Panel member Perros asked: Can we get a representative from a company such as AT&T or Verizon to participate during a future Area 2 teleconference meeting and perhaps someone from the IRS? DFO Romito stated that this would require research.

Action item: Dr. Perros will look into this matter and requested that this issue be added to the next meeting's agenda. (Analyst De Jesus)

Review of New Issues

Issue # 2341, received from a taxpayer from the State of Maryland: If IRS had more leniency on penalties and interest, taxpayers will be more compliant.

Committee discussed that penalties are statutory; the IRS does have some discretion on the application of the reasonable cause provision.

Panel member DiMartino stated that he has been able to obtain for his clients abatement/waiver of penalties on several IRS imposed assessments, due to the fact that there was reasonable cause, i.e., illness, death in the family, etc. The IRS accepted these as reasonable explanations. The result was



that the IRS abated/waived the penalties. However, there is no statutory reason for IRS to remove interest.

The committee agreed that a response be sent back to the taxpayer from Maryland explaining the procedures/guidelines regarding reasonable cause and that this issue be closed. **(Action item for Analyst De Jesus)**

New issue initiated by Panel Member Perros- #2389- Panel member Perros discussed that he is considering reviewing and editing Publication 519, U.S. Tax Guide for Aliens from 4-5 pages of this publication. Dr. Perros strongly feels that the IRS needs to improve on simplifying their communications to taxpayers. (This issue will be placed in Parking Lot Status)

The examples sometimes used in IRS instructions are just as complex. Committee discussed beta testing method that is used by many companies before they are ready to go out to customers with a product or service, and it is shared with a focus group beforehand.

Also, there was discussion on how many a times when Congress approves a tax law change, there is no time for quality review of the release, for example, President Bush's recent tax law credits.

The committee showed an interest in finding out what steps are taken or what process is in place for when publications or instructions are created.

This issue may result in a possible recommendation to the IRS requesting that an outsource team to review or edit IRS communications to taxpayer be obtained to review correspondence prepared for the taxpayer early on in the process. The committee agreed that there is a need for clarity in IRS instructions and communications in general.

DFO Romito discussed the IRS's initiative in using How to Write Plain English. The readability feature on Word documents that indicate at what level one is writing is the Flesch Reading Ease Scale. The rating Flesch gives to the Internal Revenue Code is a minus 6.

Action item for Analyst De Jesus: Inez is to find out if there are any statistics on how many aliens use Publication 519.

New Issue # 2370- Practitioner from Pennsylvania complains that IRS Taxpayer Assistance Center (TAC) office in Monroeville , PA , staff will not stamp copies of filed returns or documents. Practitioner suggests that these offices should have a rule of at least 12 tax returns or extensions per Practitioner be stamped.

DFO Romito shared with the committee and submitted for the record the Field Assistance Operating Guidelines Fiscal Year 2003, item #14, Receipt of Tax Returns which states the following:

- Taxpayers requesting proof of filing will be given a date stamped photocopy of the first page of the tax return.
- Original timely filed returns will not be date stamped.
- Practitioners requesting verification of returns brought into the office for proof of filing will be required to provide a transmittal list or copies of the first page of the tax return for date stamping.
- Bulk delivery of timely filed returns from practitioners will be mailed to the appropriate Submission Processing Center and will not be date stamped.

DFO Romito stated that the remaining sentences are internal processing guidelines.



The committee agreed that the procedures seem appropriate and that the offices should be following the guidelines. Recommendation was made to close this issue.

TAP Speak- Is it working?

Vice-Chair Balmer asked how did panel members feel about using TAP Speak as the primary means to obtain information from the TAP staff and many members expressed that the design of TAP Speak could use some improvement. Consensus was that TAP Speak is not user friendly for all members.

Panel members McCombie and Steinberg discussed the Java Virtual Machine a free download software that may be beneficial to those who are experiencing problems. **(Action item: McCombie/Steinberg to share with others how this may be obtained).**

Committee suggested that bulky mail be sent to them in the weekly mail and to please indicate priority or importance of items being sent to them. Another suggestion is to point to the link by email of where information may be obtained.

Panel member Steinberg wanted to discuss the issue of members who had missed a lot of meetings, and Vice-Chair Balmer stated that this would be discussed off-line.

Schedule Future Meetings- 2003/2004

Date(s), Times, Telephone vs. Face-to-Face

- November 4, 2003, 3:00-4:30 PM EST, Teleconference
- December 2, 2003, 3:00-4:30 PM EST, Teleconference
- January 6, 2004, 3:00-4:30 PM EST, Teleconference
- February 3, 2004, 3:00-4:30 PM EST, Teleconference
- March 5 & 6, 2004, To be determined, Face-to-Face (Charleston, SC)
- April 6, 2004, 3:00-4:30 PM EST, Teleconference
- May 4, 2004, 3:00-4:30 PM EST, Teleconference
- June 11 & 12, 2004, To be determined, Face-to-Face (Baltimore, MD or Norfolk, VA)
- July 6, 2004, 3:00-4:30 PM EST, Teleconference
- August 3, 2004, 3:00-4:30 PM EST, Teleconference
- September 7, 2004, 3:00-4:30 PM EST, Teleconference

Committee agreed that the same dial-in number and participants' code will be used on teleconference calls as indicated on monthly agendas.

Administrative News

None

Public Input

None

Closing Assessment

The committee expressed their gratitude to Mary Balmer for her leadership skills and hard work during the past year. The meeting was adjourned timely.

Next teleconference meeting will be held on Tuesday, November 4, 2003 , from 3:00 pm - 4:30 pm EST. (Same dial-in number and participants code- this information will be available also on the agenda and on TAP Speak)



**Area 2 Committee Meeting Minutes
September 2, 2003
3:00 PM – 4:30 PM**

Participants (Committee Members)

- Mary Balmer, Chairperson, NC
- Richard Bobb, NC
- Anthony DiMartino, NJ
- Gerald (Jerry) Gensiejewski Jr., PA
- Robert Maziarz, NJ
- Patrick McCombie, DE
- Lou Romito, Designated Federal Official (DFO)
- Leonard Steinberg, NJ
- Faith Vinikoor, MD

Staff Members

- Inez E. De Jesus, Scribe
- Nancy L. Ferree, Program Manager

Members Not Present

- C. Morgan Edwards, NC
- Calvin Johnson, VA
- Karen Kerrigan, VA
- David L. Meyer, Vice-Chair, NJ
- Manning H. Mosley III, PA
- Theodore Perros, D.C.
- George Pruchniewski, MD
- Robert Taylor, PA

Public Participant(s)

- None

Welcome/Announcements/Roll Call

Chairperson Balmer began meeting by welcoming everyone and requesting that roll call be taken. Program Analyst De Jesus checked attendance and announced that quorum was **not** met. For the record, meeting would proceed but any matters requiring consensus would be carried over to the next meeting.

- Quorum=10 members
- 9 members present

Chairperson Balmer reminded everyone that the Joint Committee's face-to-face meeting will be held this week in Denver and Panel Member Leonard Steinberg will be representing Area 2 since she will not be in attendance. Panel Member Steinberg promised to send a review of the Joint Committee meeting to all upon his return.



Chairperson Balmer also shared that Area 2's Annual Assessment Report for 2003 is available for all to view on TAP Speak. A reminder to the panel to fill out Speakers Reports timely and to keep the TAP Staff informed was made in order to capture all outreach activities in future reports.

Travel arrangements are currently being made for the upcoming Annual Business Meeting in D.C., October 2-4, 2003.

Review/Approve Minutes from August 5, 2003 Meeting

Will be conducted during the next meeting (no quorum).

Action Items from Prior Meeting (August 5, 2003)

Program Analyst De Jesus confirmed the following completed/not accomplished action items:

As noted on page 2: Analyst provided Chair Balmer with a list of Area 2's open issues by Main Category and Subcategory.

As noted on page 3, Analyst posted the committees 2 recommendations on TAP Speak.

As noted on page 5, Program Manager Ferree did not have the opportunity to survey the tax professionals attending the 2003 Tax Forum in Atlanta, GA., on whether they are aware of the new e-services initiative and if so would they be inclined to use it.

As noted on page 5, Chair did share with Panel Member Gensiejewski the link to the e-services page.

As noted on page 6, Chair Balmer did not receive any responses from panel members who have access to AOL Instant Messaging.

Status Reports from Sub-committee Chairs

Subcommittee-Form 1041

Chair Patrick McCombie did not have any new information to share at this time and agreed to schedule a meeting in order to determine what are the next steps.

For the record: other members of this subcommittee are Meyer, DiMartino, and Mosley III.

McCombie mentioned the need to find out the value to the taxpayer if committee is to propose a modified Form 1041EZ. What would be the reduction of burden?

Subcommittee-W-4

Chair Bob Maziarz began by stating that he has been keeping everyone informed of his activities regarding the issue of replacing the amount to be withheld from wages on the W-4 form (Employee's Withholding Allowance Certificate) with a percentage. Maziarz has been in contact with IRS Tax Specialist Ronald W. Gamble.

There was extensive conversation among the committee members and the following are highlights of what was discussed:

- It seems that there is nothing in the law that prohibits you from entering a percentage rather than a dollar amount on Line 6 of the W-4 form, Additional amount, if any, you want withheld from each paycheck. If there is agreement between the employer and the employee a percentage can be used rather than a dollar amount. It was noted that if you were to use the

Form W-4P, Withholding Certificate for Pension or Annuity Payments, you could enter a percentage.

- There was also discussion about whether the issue brought forth to the committee was to recommend replacing the amount on Line 6 with a percentage, or if it was to recommend replacing the entire allowances method for withholding with a flat percentage. Chair Bob Maziarz will contact the taxpayer for clarification.
- While the committee agreed that replacing the entire allowances method for withholding with a flat percentage would be a good idea, and may serve to reduce taxpayer burden as many taxpayers find the W-4 Allowances worksheet confusing, the committee was not sure whether or not this would constitute a legislative or regulatory change.
- Panel member Faith Vinikoor stated that if it were in the regulations, Counsel would need to be contacted for advice. The committee requested that the TAP staff research this issue to identify whether it would be legislative or regulatory.
- Panel Member Gensiejewski, Jr. read from the Title 26, Internal Revenue Code, Subtitle C. Employment Taxes and Collection of Income Tax, code 3402. (a) 1. In general. Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. Any tables or procedures prescribed under this paragraph shall. Gensiejewski concluded that any suggestions from TAP concerning this particular issue would not be considered legislative.
- Panel member Steinberg supports a recommendation to replace the entire allowances method with a percentage.
- Panel member Dick Bobb asked: How many persons does it affect? The committee responded by saying they felt it would be a large number of taxpayers, but it would be difficult to confirm.
- Chair Balmer informed the committee that she had checked with the other Area Committee chairs that were working on various W-4 issues to ensure there would not be a duplication of efforts with respect to this particular issue, and had learned that no other committee was working this specific problem.
- Panel member Anthony DiMartino read to all the original issue submission from the taxpayer: Caller would like to suggest a change to the W-4 form. He thinks there should be an option to have a percentage withheld. If income is sporadic, it's easier to ask for 10% of wages to be withheld. The committee was still not sure whether the taxpayer was recommending the entire allowances approach be replaced with a flat percentage, or was recommending the additional amount to be withheld to be replaced with a percentage.

Action item(s): Research is to be conducted by Analyst De Jesus to verify if it is regulatory and to attempt to determine the number of taxpayers affected by it.

Program Analyst De Jesus is also to send Maziarz the contact information for the individual that brought this matter to the panel's attention in order to ask additional questions to this individual.

For the record: other members of this subcommittee are Edwards and Taylor.

Subcommittee-EFTPS: Panel Member Dick Bobb stated no additional information to be shared at this point since Sub-Chair Bob Taylor not available on this call.

Review of New Issue(s) #2259 Offer-in-Compromise (OIC) Processing Procedures-

Program Analyst De Jesus read the following issue:

Enrolled Agent from New Jersey has a suggestion and would like feedback from the panel. She says that the OIC procedures need to be revised so that when an offer comes into the service centers, they



immediately screen them to see if they are going to be worked in the Service Center or transferred to the field. She submitted an OIC for a client on December 2002, and was notified during the week of August 5, 2003, that the offer was beyond the experience of the examiner in the Service Center and would be transferred back to the field.

Designated Federal Official Lou Romito explained the process of how offers are first screened for determination if they are processable or not. There is an issue regarding the number of offers received and the number of employees to process. Based on the complexity of an offer, it may require to be transferred to another site.

Panel Member Vinikoor stated there is definitely a problem. Although the IRS is aware of this and so is the National Taxpayer Advocate (NTA) as noted in the Report to Congress, Fiscal Year 2004 Objectives (pages 9 and 10).

Since there was no quorum to proceed with making a decision on whether to pursue this issue, Chair stated that this issue would be carried over and added to the next meeting's agenda. In the interim:

Action items for Program Analyst De Jesus:

1. For the benefit of the panel members absent, Inez is to post this issue on TAP Speak in the discussion area.
2. Then Inez is to send an email out only to the absentees advising them to please familiarize themselves with this issue and be ready to discuss during the next group meeting. A decision will be made on whether to pursue or drop this issue.
3. Prepare a response for Vice-Chair Meyer's review, to the Enrolled Agent that brought this matter to the panel's attention. Response should state that the NTA is monitoring the OIC program and that every effort is being made to improve the process.

Feedback on TAP Speak

Chair Balmer inquired and asked for input regarding how panel members felt about continuing to receive information via TAP Speak in lieu of emails. Chair interpreted silence to mean its okay.

The goal is to get everyone accessing TAP Speak and we will continue to use this approach for all communications.

Panel Member Steinberg expressed having problems accessing TAP Speak.

Program Manager Ferree made a note to follow-up and assist Steinberg and she suggested that in the interim he check with his server's technical support. Panel Member DiMartino shared also that at times he is timed out too soon. (Action item for Program Manager Ferree)

Chair reminded all that the Annual Report has been posted.

Administrative News

DFO Romito announced that TAP Director Deryle J. Temple has moved on within the organization and is with the Systemic Advocacy (SAMS) team, in the Individual Advocacy area. Sandy Mc Quin, TAP Program Manager, from the Milwaukee office will be the Acting TAP Director until the position is filled.

Romito also shared that on SAMS, in the submit issues area, there are two input forms that submitters can use. One is for external and the other one is for internal submitters and he noticed that TAP is aligned with the internal just like IRS employees. This led to a brief discussion on TAP's independence from the IRS.



Program Manager Ferree reminded everyone that on Tuesday, September 9, 2003, from 2:00 pm 3:00 pm, EDT, Tax Talk Today will be hosting a live (free) webcast program entitled: Professional Responsibility for Tax Practitioners-1 CPE Credit. Chair noted that it can be viewed at a later date by requesting an archived version for those who may not be able to view it on September 9th. This led to a discussion on how can TAP get on Tax Talk Today program. Ferree mentioned Les Witmer, former IRS employee and Public Affairs officer as being a lead person.

Ferree also mentioned that at one time CAP/TAP had a link to www.firstgov ** website.

Action item: Committee to discuss during next meeting whether they should write a recommendation requesting that TAP get on Tax Talk Today and or first.gov.

(**During the writing of these minutes, it was confirmed that this link is still available).

There was also mentioned that there is an internal issue regarding accessing Tax Talk Today from IRS computers since it is a drain on the network, others may have the same issue.

Public Input/Closing Assessment

Some panel members mentioned that they had not received hotel confirmations yet. Program Manager Ferree reassured everyone that this information is forthcoming and TAP Secretary Jenny Reyes will soon be contacting everyone that needs airline reservations.

Chair reminded the committee to please update their bios on TAP Speak.

Although a resident from D.C. registered to be on today's call as a public participant, she did not attend. For the record, she had learned about TAP when she recently attended the Tax Forum in Atlanta, GA.

Meeting adjourned timely.

Confirmation of next meeting:

General Annual Business Meeting, October 2-4, 2003, Washington, D.C.

Area 2 will be meeting as a committee on Saturday, October 4, 2003, from 8:30 a.m Noon, EDT, conference room to be determined.



**Area 2 Committee Meeting Minutes
August 5, 2003
3:00 PM – 4:30 PM EDT**

Participants (Committee Members)

- Mary Balmer, Chairperson, NC
- Richard Bobb, NC
- Anthony DiMartino, NJ
- Nancy L. Ferree, Designated Federal Official
- Jerry Gensiejewski Jr., PA
- Calvin Johnson, VA
- Karen Kerrigan, VA
- David Meyer, Vice-Chairperson, NJ
- Theodore Perros, DC
- George Pruchniewski, MD
- Robert Taylor, PA
- Faith Vinikoor, MD
- Staff Members
- Inez E. De Jesus, Scribe

Members Not Present

- C. Morgan Edwards, NC
- Robert Maziarz, NJ
- Patrick Mc Combie, DE
- Manning H. Mosley III, PA
- Lou Romito, Designated Federal Official
- Leonard Steinberg, NJ

No public participants on this call.

Welcome/Announcements

Chairperson Mary Balmer began meeting timely, and started by sharing the following information from the Joint Committee meeting held on July 15, 2003:

- Joint Committee minutes are available for all to view on TAP Speak, <http://tapspeak.fedworx.org/irs/tapspeak.nsf/MainMenu>
- National Taxpayer Advocate Nina E. Olson participated on this call and one of the questions she addressed was that the TAP should be working more closely with the IRS rather than with the Treasury.
- Ms. Olson also clarified a previous statement she had made regarding the former Citizen Advocacy Panel (CAP). When she had referred to CAP as a failure, she meant that despite all the best efforts of all the volunteers, CAP did not get the attention they should had gotten from the IRS. IRS failed to provide incentive to the Program Owners. She does not want to see this happening with TAP and plans on placing an emphasis on establishing a working relationship between the panel and the IRS.
- Chairperson Balmer shared her involvement with updating the TAP Issue Matrix which resulted in two additional columns: one to indicate whether the issue was Active or Parking Lot, and the second to indicate the category assigned to the issue. The Joint Committee wants to see all open issues with the appropriate indicator of being either active or in parking lot. The



category column was added to assist in clustering the issues so that upon review, the Joint Committee would be better able to ensure there is no duplication of effort among the Area Committees. Balmer also shared that the use of colors to differentiate is being considered, and if used a legend will be provided to indicate the significance of the color code(s).

Action: Chairperson requested that analyst provide her with a listing of Area 2's open issues by Main Category and Subcategory so that she can review to ensure the issues have been properly categorized.

- The Joint Committee will be having their next face-to-face meeting, September 5-6, 2003, in Denver. Since Chairperson Balmer will not be able to attend, Leonard Steinberg will be representing Area 2. The Joint Committee will be working on the agenda for the forthcoming Annual Business Plan during this meeting.
- The **Annual Business Meeting** will be held **October 2-4, 2003 in Washington, DC** . Further detailed information is forthcoming. The TAP Staff announced that Jenny Reyes, TAP Secretary, would be contacting the committee in order to confirm attendance and to make travel arrangements; the cutoff date to reserve rooms at the Grand Hyatt Hotel is August 22, 2003.

Overview on Recent Face-to-Face Meeting in Philadelphia

None

Roll call

Program Analyst De Jesus took the roll call, and announced that Designated Federal Official (DFO) Lou Romito is currently on a teaching assignment and that Program Manager Nancy L. Ferree will be acting as DFO during this meeting.

Quorum= 12 members present, quorum of 10 met

Review/Approve Minutes from meeting on June 20 & 21, 2003

No objections; Analyst confirmed that all corrections brought to her attention by Panel Members Perros, and Steinberg have been made. Minutes were approved.

Action items from prior meeting

TAP Staff and several members confirmed that they had received from DFO Romito the Welcome to the IRS-An Orientation to IRS History, Culture, and Values publication which he had promised during the recent face-to-face meeting in Philadelphia, PA.

Program Analyst De Jesus reported that all action items from previous meeting are completed, and that the action items assigned to her regarding Researching the Systemic Advocacy (SAMS) will continue to be an on-going effort as this committee receives new issues. She also informed the panel that she will be attending the Taxpayer Advocate Tax Law & Technical Training Symposium next week and was looking forward to learning more on how to effectively use SAMS.

Status Reports from Sub-committee Chairs

Chairperson Balmer asked if there were any comments on the 2 recently elevated recommendations to the Joint Committee and there were none. These are:

1. IRS Toll-Free Number (Issue #70)- Wait Time Before Speaking with an IRS Customer Service Representative and Taxpayer Feedback Immediately Following the Call.
2. EFTPS-Short Form Worksheet-(Issue # 467) EFTPS Telephone Prompts Do Not Match the EFTPS Short Form Worksheet.



Action Requested: DFO Ferree suggested that analyst post these 2 recommendations on TAP Speak.

Chairperson Balmer also shared with the committee that Issue # 1865, Problem with the Handling of Power of Attorney's on Practitioner Toll-Free Number will be closed since the IRS has an e-services initiative to offer tax professionals the opportunity to electronically interact with the IRS beginning Fall 2003, and included in the initial offering is the Disclosure Authorization, including the Power of Attorney. There was no objection from the committee.

Status report on Form 1041 Issue # 1309

Chairperson Balmer shared that on July 1, 2003, the subcommittee met via teleconference with IRS Subject Matter Experts Chuck Frank, Tax Law Specialist, 1041 Instructions, and John Darazsdi, Attorney, Estate Tax. Conclusion: changing the instructions of a tax form is easier than creating a brand new form. (e.g. 1041 EZ concept the committee was considering.)

The subcommittee also learned that when presenting a recommendation to the IRS, consideration should be given to the significant reduction of taxpayer burden. This is a key factor. How will it make it easier for the taxpayer? It will be very costly for the IRS to program a 1041 EZ.

A suggestion that Esquire John Darazsdi made during the recent face-to-face meeting would be to clarify the process on income taxed at the estate level versus income passed to the beneficiary by using the Schedule K-1 (Form 1040). Perhaps an idea for the committee to consider would be a flowchart to clarify the concept. Vice-Chair David Meyer suggested that perhaps in separate areas in the instructions booklet to have diagrams: If you have an easy estate, follow_____.

Chairperson Balmer also stated that both Chuck Frank and John Darazsdi are very eager to be working with the Area 2 committee; and, she briefly shared with the committee a systemic issue Inez had brought to her attention regarding Electronic Filing of Form 1041 error, which is irrelevant to what the committee is addressing.

Status report on Form W-4 (Employee's Withholding Allowance Certificate) Issue #494

Bob Taylor shared that the subcommittee has not met yet. (Sub Chair Maziarz, and C. Morgan Edwards, and Bob Taylor)

The citizen from Pennsylvania had made a suggestion that Form W-4 be changed and that there should be an option to have a percentage withheld. Specifically for when income is sporadic, it's easier to ask for 10% of wages to be withheld. Panel member Taylor stated that in Circular E, Employer's Tax Guide, there is mention of a percentage, but it has been his experience that it is an issue to get companies to adhere to it. The subcommittee will continue to review this issue.

Review of New Issues (Copies were mailed to panel as pre-read materials prior to this meeting)

Program Analyst provided the panel with a brief overview of each of the following new issue(s):

Issue #126-Conflict of Interest-Variou Issues

CPA from South Carolina shared his support of the National Taxpayer Advocate's views regarding the regulation of tax preparers. Committee discussed how similar issue was discussed in the TAP AdHoc Committee as well by the Senate Finance Committee. Committee agreed by consensus to respond to CPA and close the issue on the TAP database.

The procedure to be used would be for analyst to prepare draft-closing letter and submit to Vice-Chair Meyer for review.



Issue # 1108-Toll-Free Line-Returned Phone Calls with 3 Business Days

Citizen from New Jersey brought to Area 2's attention that when she called the toll free line for assistance with a Schedule E technical question (s), she did not get a call back on the same day, and when she returned the phone call, it becomes a telephone tag.

Panel Member DiMartino shared his extensive conversation with this individual, and he too, has had similar experiences. Not too many employees are trained to answer technical questions such as Schedule E; she had also phoned during the height of the tax season. DiMartino also stated that after a long conversation with this citizen, she was satisfied with the responses given and the awareness that the committee is already addressing the issue of elevating suggestions for improvements to the IRS Toll-Free number service.

Panel Member Faith Vinikoor and DiMartino also shared that Area 3 is also addressing this problem. Committee agreed that this issue be closed in the TAP database and a letter be sent to this individual thanking her for her input.

Issue # 1984- Estimated Tax Penalty

Citizen from Pennsylvania had an individual tax issue regarding estimated tax penalty; Analyst De Jesus shared that after checking SAMS to ensure there was no systemic problems individual was informed of options available regarding requesting abatement of penalties. Program Manager/DFO Ferree also shared that a letter was sent to this individual on behalf of the panel. There were no objections. Issue closed: TAP database.

Issue # 2074-Practitioner Assistance at SC Taxpayer Assistance Center

Practitioner from South Carolina is concerned about the new policy that begins in October 2003 whereby one will no longer be able to get transcripts at the local Taxpayer Assistance Centers.

Chairperson Balmer stressed that based on the latest news on e-services initiative by the IRS, tax professionals will be given the opportunity to electronically interact with the IRS, and can request tax return transcripts through the new Transcript Delivery System.

Analyst shared that Panel Member Mosley III had shared with her that he was aware that there had been problems specifically in this office.

Panel Member Jerry Gensiejewski Jr shared that at meetings he has attended there has been heated discussion by Practitioners on this new policy change. There is a belief that they should be consulted before IRS makes changes like this one. When promoting this change, there has been poor communication.

Action: DFO Ferree who happens to be attending the 2003 Tax Forum in Atlanta, GA, on this same day, stated that she would make an inquiry among the Practitioners in attendance and get back to the panel on input she receives to find out 1) whether tax professionals are aware of the new e-services initiative, and 2) whether they would be inclined to use it.

Action: Chairperson promised to share with Panel Member Gensiejewski the link to the e-services page.

A question arose whether there may be some fees associated in the future when a taxpayer/Practitioner may be requesting transcripts from the IRS.

Committee agreed to placed this issue in Parking Lot.



Issue # 2115- Suggestion to Improve Instructions to Form 1040 NR (U.S. Non-Resident Alien Income Tax Return)

Citizen from South Carolina who is involved with the VITA (Volunteer Income Tax Assistance) program is suggesting that some changes be made to the Instructions for Form 1040-NR 2002, specifically where it is related to foreign teachers.

Analyst De Jesus shared that she had just received additional information from this same individual with suggestions for changes to Publication 519, U.S. Tax Guide for Aliens. This information will be mailed to the panel. Committee agreed to place this issue for now in Parking Lot.

Issue # 2126- Suggestion: Improvement to Menu Choices on Toll-Free Number Given on Notices

Citizen from Maryland suggests that the committee should review the menu options on the toll free numbers provided on notices and that they be relevant to the notice being sent. Committee agreed to place this issue: Parking Lot.

Issue # 1727- Prioritize Systemic Problems with Notice CP-2000 (Under Reported Income)

This issue had been forwarded to the Notice Issue Committee, but was recently returned to Area 2 since the Notice Committee is currently only working on the re-writing of certain notices. Committee agreed to place this issue: Parking Lot.

The 2003-2004 Priority Guidance Plan Report

During the past month, Panel Member Patrick Mc Combie had shared this report with the committee. The report shows the projects that the IRS has identified and will be addressing within the next 12 months. Panel Member Faith Vinikoor shared her views on the importance for the panel to learn how Chief Counsel handles IRS regulations.

Vinikoor suggests that this be a topic to be included in the workshop during the Annual Business Meeting. Chairperson reminded everyone that all suggestions needed to be forwarded by August 7, 2003.

Action: Chairperson also requested that panel members who have access to AOL Instant Messaging, that they provide her with their buddy name.

Administrative News

DFO Ferree reminded everyone to expect a phone call from Secretary Jenny Reyes regarding travel reservations for upcoming Annual Business Meeting. Also, reminder of any feedback regarding the agenda for this meeting needs to be forwarded, as soon as possible.

DFO Ferree reminded everyone of TAP Speak and if anyone was experiencing any problems, to please let the staff know. Panel Member DiMartino shared that he has had difficulties in accessing. He has been helped but the problem remains.

DFO Ferree also reminded everyone of the importance of letting the staff know prior to any outreach that involves expenses. Approval is necessary to ensure that funding is available. Also, if members need to purchase supplies, please make the request from the staff. Out of pocket expenses for supplies **will not** be reimbursed.

Conclusion: The panel agreed that commencing immediately, instead of emails, communication between staff and panel will be made via TAP Speak. For example, the posting of draft/final minutes, agendas, list of open issues will be available on TAP Speak. There will be a trial period of one month and then this will be readdressed.



Public Input/Closing Assessment- No public input.

Panel Member Theodore Perros shared that he still senses there is a fear of the IRS by many when he conducts outreach events and requests input on how to improve customer service at the IRS.

Chairperson Balmer closed the meeting timely and thanked everyone for his or her participation.

Confirmation of next teleconference meeting

September 2, 2003, from 3:00 PM-4:30 PM EDT. (Same dial in number and participant's code)



Area 2 Committee Meeting Minutes
June 20, 2003, 9:00 AM - Noon & 1:00 PM - 5:00 PM EDT &
June 21, 2003, 8:00 AM to Noon EDT
Sofitel Philadelphia Hotel
Lyon Conference Room
120 S. 17th Street
Philadelphia, PA 19103

Participants (Committee Members)

- Mary Balmer, Chairperson
- Anthony DiMartino
- C. Morgan Edwards
- Jerry Gensiejewski Jr.
- Calvin Johnson
- Robert Maziarz
- Manning H. Mosley III
- Patrick McCombie
- David L. Meyer, Vice-Chairperson
- Theodore Perros
- Lou Romito, Designated Federal Official (DFO)
- Leonard Steinberg
- Robert Taylor
- Faith Vinikoor

Staff Members

- Inez E. De Jesus, Program Analyst/Recorder
- Nancy L. Ferree, Program Manager

Members Not Present

- Richard Bobb
- Karen Kerrigan
- George Pruchniewski
- Doreen Scott

Guests

- Area Taxpayer Advocate, Virgie M. Noel
- SB/SE, Territory Manager, TEC, Brian M. Finn (June 20, 2003)
- Senior Program Analyst, National Office, Martha Curry
- Local Taxpayer Advocate- Delaware, Harriet M. Williams-Jackson (June 20, 2003)
- Local Taxpayer Advocate-Philadelphia, Terry L. Mapp (June 20, 2003)
- Subject Matter Expert: "IRS Telephones" Acting Accounts Management Field Director Nancy J. Aiello (June 20, 2003)
- Subject Matter Expert: "IRS Telephones" Mary Jane McCabe (June 20, 2003)
- Subject Matter Expert: Form 1041, "US Income Tax Return for Estates & Trusts": Esquire John Darazsdi (June 20, 2003)
- Public Participant, Barbara Steinberg (June 20, 2003)



- Public Participant, Raffaella M. Monaco

MORNING SESSION (June 20, 2003)

Ice Breaker

Prior to the commencement of the meeting, panel members, staff, and guests mingled and engaged in conversation.

Welcome/Announcements/Roll Call

Meeting began timely, and in order to accommodate the Subject Matter Experts' travel schedules, Chair Balmer rearranged the order of the agenda respectfully.

Roll call was taken and quorum was met. (quorum = 10; 14 members present)

The guests and staff were given the opportunity to introduce themselves briefly. During the course of the meeting Area Taxpayer Advocate Ms. Noel gave a brief presentation to the committee and introduced the Local Taxpayer Advocates, Ms. Mapp and Ms. Williams-Jackson, from Philadelphia and Delaware.

A special welcome was given to Panel Member Calvin Johnson who recently returned from military duty.

Before the Subject Matter Expert(s) on the IRS Telephone System addressed the panel, Panel Member Faith Vinikoor provided the committee with a brief update (Issue #70, "1040 Toll-Free Number"); she shared that the TAP Area 3 Committee is also addressing the same issue. This continues to be an issue that has not been resolved. It is definitely a nationwide issue that affects many individuals.

In addition, Ms. Vinikoor reminded everyone that the former Citizen Advocacy Panel (CAP) had addressed this matter as it appears in the 2002 National Taxpayer Advocate Report to Congress, pages 124-130. Suggestions received for improvements to the telephone system that have been brought to the attention of this committee are as follows:

1. Survey option- caller should have the option to press a button and provide feedback on service received at the end of the call. (IRS currently conducts random surveys.)
2. Option of not listening to music while waiting for an assistant.
3. Continual complaints about rudeness from IRS employees.
4. IRS telephone numbers to be posted on the website. (The practitioner that submitted this suggestion has not responded back to requests for additional information).
5. Complaints about Taxpayer Advocate Service local telephone listings being automated and no live person available to answer.

Panel Member Leonard Steinberg mentioned that during the Joint Committee's face-to-face meeting in D.C., May 2 & 3, 2003, it was discussed that IRS should be able to provide additional information to the caller instead of music. Either provide other telephone numbers or educate the public in large while they wait. The types of information that can be provided while the caller is waiting for assistance is an idea for the committee to consider.

Subject Matter Expert (s)- IRS Telephone System Nancy J. Aiello and MaryJane McCabe are both IRS employees from the Philadelphia Service Center, Accounts Management Division. Ms. Aiello was the lead presenter and Ms. McCabe provided additional information upon request.

Ms. Aiello addressed the 15 questions that had been provided to her prior to the meeting, and they are as follows:



Question #1: "Quality of technical advice"

In the Accounts Unit, 88.11% rate, "Not where we would want to be but records show improvements each year." For accuracy, current rate is 82.5%. The goal is to be in the high 90% range. As a whole, the Service is making strides; the Service acknowledges that improvements are needed with technology and continual training of the employees. Emphasis is placed on the accuracy of the answers given. All employees use the same Internal Revenue Manual (IRM).

For the record, Panel Member Steinberg reminded everyone that by law oral advice and information provided by the IRS cannot be relied upon.

Question #2: "Are IRS phone numbers available on the website"?

"Yes, they are, but you need to go to the search tool in order to access information." There is a link to access information of the local office and their hours of operation. The Taxpayer Advocate Service and Taxpayer Assistance Centers are available also in the Blue Book telephone directory within the White Pages.

Panel member C. Morgan Edwards shared how the "Notice Issue Committee" is working on ensuring that the telephone number on the Notices sent to the taxpayer is the correct number to get the taxpayer to the right assistor. Ms. Aiello shared that she is aware that the Service is currently working on the issue of the employee being able to pull up the exact notice that was sent to the taxpayer (The Notice Viewing Project). Currently, employees have codes to go by in order to interpret which notice was sent to the caller.

Question #3: "Why are automated responses used instead of a live person?"

The automated system is set up to address the general (frequently asked) less complicated questions since there are a limited number of resources, and specialists handle the more difficult questions.

Question #4: "Are there any feedback surveys on the quality of the call at the end of the call?"

Currently, there are random surveys conducted by a vendor; out of 1,124 surveys, 49% of the taxpayers participated. The survey takes approximately 10 minutes to complete. The questions are related to the professionalism and, courtesy of the assistor. Also, were there any problems with the system, were you transferred frequently?

Panel member Taylor asked if the caller knows (while answering questions to the survey) whether he is speaking to an IRS employee or a vendor (as informed during the presentation).

Question #5: "Please discuss RRA 98, Section 3709 requirements on the publishing of IRS telephone numbers, and IRS' plan on compliance. Who in the IRS is responsible for the publishing of addresses and phone numbers in local phone directories?"

Ms. Aiello was not aware of the response to this, but did state that the Taxpayer Advocate Service telephone listing is published in the White Pages as well as the Taxpayer Assistance Centers.

The complaint that was brought to the attention of this panel referred to the automated system in general and of the inability to reach a live person.

RRA 98, Section 3709, "The telephone numbers should be those which will be answered by Service personnel during working hours who can assist taxpayers. Therefore, the assistance line, which will be listed, will continue to be the toll-free lines. Providing appointment line numbers will help taxpayers who wish to schedule or change an appointment with the tax auditor, revenue agent, or revenue officer assigned to their case."

Question #6: "Is there a standard training for Toll-free assistors and if so, what does it entail?"



"Yes, there is a standard 8 weeks training class followed by working with an assigned coach for approximately 4 weeks." Ms. Aiello went on to explain that all work is reviewed and employee remains under close supervision until their quality rate is acceptable and employee is set free to work independently. This whole process can take approximately 6-12 months.

A question arose on whether due to new tax laws are employees being trained on these, and the response was "yes" employees are currently being trained on new tax laws. There is a separate telephone number staffed by employees that have been recently trained (Tax Law Specialists).

Another question that arose from the panel was the pay grade of these employees; the response was GS- 8 and GS- 9 (mid-level pay structure).

Another question from the committee was whether there is a training video for the telephone employees and the response was "no" not in the Philadelphia call site.

Question #7: "Why is the wait time so long (access and service/improvement to call handling)?"

There seems to be a tendency of volume of calls coming in when there are not sufficient assistors available due to time zones, lunchtime, or break time. Currently the level of service is 83.92%. (The goal is to be at an 85% to 90% rate).

The standard hours of operation for the general toll free number = 7:30 am to 11:00 pm local time, for 5 days a week, and 2 weekends during the filing season. (Some Saturdays)

Question #8: " Why is the automated service menu system so complicated/technical?" (too many menus/options) Can this be simplified? How is it determined which topics are offered?"

Ms. Aiello stated that since December 2002, specialized toll free numbers have been issued in order to provide better service. She asked if anyone had personal experience on using these. Most practitioners responded.

Question # 9: "Why are telephone calls placed in one area of the country answered in another geographic area?"

There are currently 23 sites plus Puerto Rico. The resources at all 23 sites are used to cover the time zones, increasing the opportunity to answer more calls. Assistors all have the same tools of information.

A question arose: "Is there a best time to call" issuance in place. This may be an idea for IRS to consider.

Question #10: "Is there a long-term plan for improvements to the toll free service?"

Yes, there were a lot of changes made during December 2002; there are more direct telephone numbers for the public, more specialization. Also, improvement is part of the Strategic Planning/Operation Plan and it all depends on the budget and demands.

Question #11: "Why can you not speak to the same assistor that helped you previously?"

Not possible, due to technology and a list of all employees is not available. The information available is the same for all. The telephone assistors all have a Customer Service Guide (Technical Probe and Response Guide for Assistors).

Question arose if there is a specific complaint telephone number and the Inspector General Office, and the Office of the Director of Practice were referenced for both complaints of employees or for communicating positive experiences with employees.



The strategies for improvements have already begun for next year. The goals for improvements are built in performance plans.

Question #12: "How many calls come in daily to the 1040 number?"

Approximately 227,000 calls a day - just on the "1040" toll free line only.

Question #13: "How many calls, or what percentage of calls are disconnects?"

Approximately 3%.

Question #14: "Are there any standards established for how long the phone rings before the assistor answers? (2 rings, 3 rings?)"

Ms. Aiello did not believe there was; she did go on to explain that calls go into the "queue"- a waiting pattern.

Question #15: "Does the IRS have standards/goals/ "efficiency standards" at the call sites?"

Yes, goals for accuracy and number of services provided by number of employees exist. There is no system in place that employees must answer "x" amount of calls. Managers do watch out for "red flags". For example, if there is a pattern that an assistor stays on the line for a long period of time, this is addressed immediately; it may be that the caller is a Practitioner with many client issues on one call. Managers randomly listen and monitor conversations. As a rule, on a monthly basis, 2 employees are monitored/ 2 calls per month. The average manager may have 15-16 employees. After each call there is a "wrap up time" for the assistor to do his/her after call work before proceeding to the next call.

At the end of the presentation, committee thanked the subject matter experts for information shared and praised the IRS "for doing a good job."

The committee agreed by consensus on the following possible Improvements to the IRS Telephone system recommendations:

1. Create a specific telephone number for the public to either compliment or complain about an IRS employee. (Panel member Perros)
2. Website: Make available an IRS Telephone Directory with a link and ensure that the search tool is easier and also easier to update information. (Panel member Steinberg)
3. For incoming calls that are placed on hold, the IRS should adopt a program such that periodically a recorded voice message informs the caller the approximate waiting time before connection with an agent occurs.

Chair Balmer requested that committee send their specific telephone issues directly to her.

Subject Matter Expert- Form 1041, "US Income Tax Return for Estates & Trusts"

Background Information Re: Issue #1309-Form 1041-

Taxpayer from the State of Virginia addressed the Area 2 committee by suggesting that "a good example be placed in the instructions for the Form 1041".

Attorney John Darazsdi from the Scranton, Pennsylvania IRS Estate Tax office addressed the panel on this issue.

Mr. Darazsdi presented the panel with a rough draft Form 1041 EZ (Attachment #1) and suggested ideas to make is simple for the average taxpayer to complete.



Highlights from Mr. Darazsdi's presentation:

1. Acknowledgment of the complexity of this form, perhaps the examples on page 25 of Publication #559 can be included in the instructions booklet for the Form 1041.
2. Suggestion of a checklist of documents needed, and glossary of terms in plain language.
3. Need to clarify the process of income taxed at the estate level versus income passed to the beneficiary by using the Schedule K-1 (Form 1040). Better clarification of income.
4. The creation of a Form 1041-EZ (draft prepared by Mr. Darazsdi) to be submitted to the IRS for consideration for implementation.
5. Provide a section in the instructions with the "most commonly asked questions".
6. Add clearer examples on the instructions and related publications.
7. When referencing page numbers on one publication, currently it is not clear which publication it is referring to which causes confusion.
8. There seems to be a need to separate complex trust from simple trust.

Related Publication #559, "Survivors, Executors, and Administrators" (Attachment #2) was distributed to all in attendance.

Committee expressed an interest in Mr. Darazsdi's suggestions and would like to continue to pursue this issue and work on preparing a recommendation for improvements to the Form 1041 and its instructions and related publications to the IRS. A sub-committee was formed, composed of Patrick Mc Combie as the Chair, and panel members DiMartino, Meyer, and Mosley III.

Analyst De Jesus shared with the committee that another subject matter expert, Chuck Frank, Tax Law Specialist, Form 1041 and its instructions, from the National Office had intended to attend this meeting but couldn't due to other commitments, but he expressed a desire to meet with the panel via teleconference means in the near future.

The committee also expressed an interest in continuing to also work with Mr. Darazsdi as they pursue this issue.

At the end of the presentation, the committee expressed their gratitude to Mr. Darazsdi.

Action item for Analyst De Jesus:

Invite and add to the agenda Chuck Frank to the July 1, 2003 Teleconference Meeting.

Joint Committee News

Chair Balmer shared the following information with the panel:

1. The Joint Committee will be holding a second face-to-face meeting in DC in September 2003 for all the TAP Chairs to attend.
2. The TAP Annual Meeting (for all TAP members) has been scheduled for October 2-4, 2003. (October 1st would be a travel day) Additional information will be forthcoming.
3. The "Subcommittees" Active Issue Matrix (distributed in color) (Attachment #5) outlines the issues being worked by the area and issue committees to ensure that there are no duplication of efforts and where there may be duplications, the chairs are to get together to discuss whether a joint effort is applicable or to resolve which of the committees will take the lead on the specific issue. The Chair also shared that she has questions regarding this matrix she will be elevating to the Joint Committee in order to get clarification on the definitions of the color codes and will keep the panel informed. The Chair believes there should be a key at the end with the definitions.
4. Each committee is expected to elevate at least 2 issues, and assist with the writing of the Annual Report. Once the issue is elevated to the Joint Committee, this information may be included in the annual report. Panel discussed the procedure they would like to implement



when elevating a recommendation. Consensus reached was that Sue Sottile and Mike Chesman (Wage & Investment and Small Business/Self-Employed) TAP Liaisons need to be included with copies to the TAP Director on all elevated recommendations. Based on the TAP Charter, the panel also agreed that the Secretary of the Treasury, Commissioner of the IRS, and the National Taxpayer Advocate need to be informed as well as the Senate Finance Committees and House and Means Committee.

A question arose from Panel Member Perros on whether the Chairman of the Senate Finance Committee is the only one that receives a copy or does each member receive their own copies. The committee decided that if the committee chair feels it is appropriate he/she would make copies and distribute them to the committee members.

5. The Joint Committee recently considered changing the name of the program from Taxpayer Advocacy Panel to the Treasury Advisory Panel, but it will remain as is for now. The Joint Committee Chair expressed that this may be discussed again if the members that wanted the change continue to have problems with the current name.
6. Chair is required to conduct a survey on whether members feel they need a special class during the Annual Business Meeting due to their lack of experience or knowledge of the IRS. During the Joint Committee meeting, this issue was discussed. Area 2 did not express an interest or need for this.

Area Taxpayer Advocate shared that what makes the panel so unique is its diversity of talents and representation from all walks of life.

Designated Federal Official Romito referenced "Welcome to the IRS" material that he will share with the committee. (**Action Item for DFO Romito**)

Review/Approve Minutes from May 6, 2003 Teleconference Meeting

Minutes were reviewed and approved.

AFTERNOON SESSION

Electronic Federal Tax Payment System (EFTPS) (Issue # 467)

Guest Brian M. Finn, Territory Manager, TEC, Taxpayer Education & Communication Unit, specialization with EFILE and EFTPS, was welcomed and he shared that he is more into marketing this product and getting folks to use it instead of paper. He also informed the panel that the EFTPS is a Treasury Program and not an IRS Program.

Panel Member Bob Taylor (Attachment #3) Issue: EFTPS Telephone Prompts are Misleading- the question was the result of a TAP Webinar hosted by Chair Mary Balmer regarding the Electronic Funds Transfer Program System. The taxpayer indicated that the phone prompts might be misleading when a fiscal year business attempts to make a payment. On numerous occasions the taxpayer's payment was applied towards the incorrect year.

Recommendations Mr. Taylor is proposing on behalf of the EFTPS Subcommittee are as follows:

1. Clarify what is meant by tax year (fiscal vs. calendar year) and tax period at the time the taxpayer is prompted to enter this information, and
2. Modify the EFTPS Direct Payment Worksheet- Short Form.

Action item for Analyst De Jesus:

1. Find out the originator and analyst and inquire why the Short Form changed.
2. Find out how the liaison works between the Treasury and the IRS.
3. Document the process.



Proposal: EFTPS Recommendation

Panel Member Bob Taylor will continue to work on this issue with Dick Bobb upon his return from vacation. (Need to cite the legislative code) The panel discussed which format they should be using when elevating a recommendation.

Some suggested that the committee use the same format used by the GAO (Government Accounting Office). (e.g. Why do this study? What is being recommended? Results in Brief, Background, Executive Summary)

The recommendation should have a code reference number for tracking purposes.

An analysis of the problem, with an example cited should be used.

The committee decided to establish a "review process"- review of sub-committees. Panel members Theodore Perros and Jerry Gensiejewski Jr., agreed to work on this.

Regarding the telephone system- "What are we going to do?" Focus on quality of call. Technical assistance in the area where there is a problem (Mosley III)

Get chairs for subcommittees to work on recommendations.

Recommendations being considered by the committee are as follows:

1. Publish IRS telephone numbers on the website - on page #8 of the National Taxpayer Advocate FY 2002 Report to Congress, this is mentioned under the "most serious problems encountered by taxpayers." It concludes: "Currently, the entire web page has been temporarily withdrawn from the site." After extensive discussion, the committee decided not to pursue this since it was already included in a previous report.
2. Inform the public of how long they will have to wait, giving them the option to call back later if they wish.
3. Provide the public with the opportunity to submit or fill out a survey at end of the call. (Obtain feedback on customer service provided)

Action Item for Program Analyst De Jesus:

Research Systemic Advocacy (SAMS) system to see what has been completed that is mentioned in the most current Report to Congress, specifically those issues with a due date. Provide the committee with a list of the issues already worked on. See where we are.

Panel member Faith Vinikoor will follow up on a survey that Area 3 is currently working on and share with the committee.

By consensus the committee agreed in the establishment of subcommittees as follows: (the chair of the specific subcommittee will prepare recommendation that will be elevated to the Joint Committee)

Improvements to the Telephone System- Anthony Di Martino (Faith Vinikoor will share information she currently has with him)

Form 1041- Patrick Mc Combie (Chair)

Anthony Dimartino
David Meyer
Manning H. Mosley III



A Review Process Subcommittee- Theodore Perros (Chair)
Jerry Gensiejewski Jr.

Public Participation

None (for the record, a local citizen expressed an interest in attending, but decided instead to mail his issue to the panel-cross-reference Issue # 1984, "Estimated Tax Penalty" Issue)

TAP Speak

Consensus from the committee: continue to send emails as well as posting messages on TAP Speak.

Closing Assessment

During the course of the meeting, based on an issue brought up by C. Morgan Edwards, all members were advised to "get to know their local advocates and media specialists".

All agreed that it has been a "good meeting".

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TAP Speak

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Closing Assessment

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All agreed that it has been a "good meeting".

June 21, 2003 MORNING SESSION

Roll Call

Roll call was taken and quorum was met; (quorum = 10; 14 members present)

Survey of Time Commitments

Chair began meeting with "time commitments" and all agreed that currently there were no problems but if it does become a problem, they would let the Chairperson know.

Review Updated Operating Procedures Analyst De Jesus gave a brief overview of the highlighted changes and consensus was reached to accept.

Position Paper on Legislative Issues

The committee acknowledged National Taxpayer Advocate, Nina E. Olson's letter dated May 1, 2003, and will not be working legislative issues; although there were a few members who strongly feel that they would like to pursue these issues but understand that they can do so individually, and not as a panel member.

For the record the following 19 legislative issues were closed on June 21, 2003 by consensus of the committee: (The panel had been waiting for the final decision on whether the TAP would be handling legislative issues and these had been placed in the "parking lot" until now)

Issue #	Issue Description	Comment(s)
1161	New Education Credit	
1183	Flexible Spending Accounts	
1191	Marriage Tax Penalty	
1538	Recovery on Itemized Deductions	
71	Determine One Rule for Dependency	
96	Limited Authorization	
1497	First Time Offenders Amnesty	
107	Loss on the Sale of Principal Residence	
81	Retention of Capital Loss or Net Operating	
87	Inflation Indexing	Mosley III- referred to IG Report
1498	Alternative Minimum Tax (AMT)	Perros will support individually
1495	Flexible Spending Accounts	
68	Alternative Minimum Tax (AMT)	



772	Tax Code Too Complex	
102	Interest Income on Quarterly Estimates	
1487	Flat Tax	
1496	Labor as Payment for Taxation	
90	Add a Line to Bottom of Schedule C	
110	Third Party Designee	

Area Taxpayer Advocate Virgie Noel reminded the panel members that they can access Systemic Advocacy System (a.k.a. SAMS) by visiting: [http://advocate.no.irs.gov/systemic advocacy](http://advocate.no.irs.gov/systemic%20advocacy)

Action item for Analyst: Research SAMS in order to see if the issues being brought to the committee's attention are being captured as systemic trends.

Chair requested from Analyst to add a column on the Area 2 Issues Spreadsheet indicating if the individual who brought the issue to the attention of the panel wants to be kept informed of status of the issue by "yes" or "no" respectively. Also, analyst is to provide feedback to those who have requested feedback.

New Issues

Issue #	Issue Description	Status
1482	Client Filed Returns for Employment Plan	To be closed after contacting & referring individual to Pension Plan Unit
1529	Most Disability Insurance are Non-Taxable, why is Social Security Taxable?	Close after referring individual to Social Security
423	1040 ES Payment Voucher	Close as of 06/21/03
**494	Form W-4 Employee's Withholding Certificate	Obtain a Subject Matter Expert for Aug 5, 2003 Teleconference Meeting (Action item for Ferree)
** Committee agreed that this is a good issue; suggestion that one should be able to designate a percentage. Panel feels that this item should be addressed since it would affect a large population. May be committee's next priority. A new subcommittee was established: Bob Maziarz (Chair), C. Morgan Edwards, and Bob Taylor.		
1727	Systemic Problems Re: CP 2000	Forward to the Notices Issue Committee
1828	Discourteous Treatment by Toll-free	Close as of 06/21/03
***1865	Problem with the Handling of POA's on Practitioner Toll-Free Number	New Subcommittee Possible Recommendation

***1865 Subcommittee: Mosley III (Chair) and Jerry Gensiejewski Jr.- to prepare recommendation that the IRS allow the Power of Attorney to be filed electronically and that a confirmation be sent to the tax preparer.



The committee agreed that the following pending issues would be discussed during future meetings:

Issue #	Issue Description	Status
37	Treatment by IRS Employees	
599	Direct Debit Installment Agreement	
*1309	Form 1041/Examples	Recommendation Pending
1531	Paragraph about TAP in IRS Pubs	
1471	Dependent Child Care Credit	
*467	EFTPS Phone Prompts	Recommendation Pending
1474	Effective Dates/Legislation	
101	Electronic Tax Payments	
1490	Improve Telephone Service	
1480	Allow to Report as Income IRS Refund	
94	Cease the Legal Obligation to Report Income the IRS Refund	
*70	1040 Toll Free Number	Recommendation Pending
86	Rule 861	

Public Participation

None

IRS Forms Report

(Attachment # 4) Pages 5 & 22, from the GAO Report # 03-486- "Tax Administration- IRS Should Reassess the Level of Resources for Testing Forms and Instructions."

Panel Member Leonard Steinberg made a presentation to the committee suggesting that a new TAP committee be established; "A Standard Issue Committee" to deal with forms only. The committee can start by just reviewing the Form 1040 and its instructions. Mr. Steinberg stated that the forms reviewed should be "issue related" only.

The committee decided to first see how the Recommendation regarding the Form 1041 goes before considering this concept. (Parking lot)

Recommend Improvements to IRS Telephone System

Panel Member Di Martino will proceed with preparing this recommendation on behalf of the committee.

"Where Do We Go From Here?"- Goals/Objectives

Committee agreed to continue to work issues and elevate recommendations as discussed and prioritized during the last 2 days.

Closing Assessment

Panel Member Faith Vinikoor who also serves on the Earned Income Tax Credit (EITC) Issue Committee, reminded everyone that she would appreciate further feedback on a previous request regarding the review of Form 8867, "Paid Preparer's Earned Income Credit Checklist".



Panel Member Perros closed the meeting with words of wisdom for all.

*The next scheduled meeting will be held by teleconference on Tuesday, July 1, 2003, at 3:00 PM EDT (90 minutes)- Dial-in number and participant's code remain the same.

P.S.

***The meeting scheduled for July 1, 2003 has since been cancelled, and the next teleconference meeting is scheduled for August 5, 2003.**



**Area 2 Committee Meeting Minutes
May 6, 2003
3:00 PM - 4:30PM EST**

Participants (Committee Members)

- Mary Balmer, Chairperson
- Richard Bobb
- Anthony DiMartino
- C. Morgan Edwards
- Jerry Gensiejewski Jr.
- Karen Kerrigan
- Manning H. Mosley III
- Patrick McCombie
- David L. Meyer, Vice-Chairperson
- Theodore Perros
- Lou Romito, Designated Federal Official (DFO)
- Leonard Steinberg
- Robert Taylor

Staff Members

- Inez E. De Jesus, Program Analyst/Recorder
- Nancy L. Ferree, Program Manager

Members Not Present

- Calvin Johnson- (Military)
- Robert Maziarz (EITC Issue Committee)
- George Pruchniewski
- Doreen Scott
- Faith Vinikoor (EITC Issue Committee)

Welcome/Announcements/Roll Call

Meeting began by the taking of the Roll call by the Recorder and quorum was met.

Quorum: 10 (13 members participated)

Chair Mary Balmer welcomed all and shared that due to illness she was not able to attend the Joint Committee Face-to-Face Meeting in DC. Panel member Steinberg & Vice-Chair Meyer represented the Area 2 committee instead.

Committee member Steinberg shared the events of the Joint Committee Meeting:

1. National Taxpayer Advocate (NTA) Nina E. Olson addressed TAP's involvement in legislative issues and shared that the TAP Charter does not permit it. However, aspects of a legislative issue that involves administrative or procedural issues would be appropriate for the program.
2. However, any taxpayer can approach the NTA about legislative issues and she can choose to listen and use the input as anecdotal information.



3. IRS will not address the licensing of non-professional preparers. (This is an Ad Hoc Committee Issue)
4. TAP approved reconfirmation of the chairs and vice-chairs of all the committees.
5. TAP considered keeping 1/3 of the current panelists for a third year term for historic continuity.
6. TAP considered the issue of how a panelist would commit the workload between area and issue committees.
7. The Director of Systemic Advocacy, Arlene Kay, made a presentation.
8. TAP Area 4 (Mid-States) Committee covered the issue of electronic maintenance of tax returns. (A paid preparer be allowed to keep an electronic copy of a taxpayer's tax return rather than a hard copy.)
9. TAP will be involved in the review of the Free-File concept.
10. There was a discussion of the efforts to educate all taxpayers in financial literacy.
11. There was discussion about having the next national TAP meeting in Las Vegas to coincide with the National Tax Forum scheduled there in September.
12. An overview of the "TAP Speak" Forum, a means to facilitate communication between TAP staff and members is forthcoming. Panel members will be receiving information soon on this new program.
13. Due to budgetary concerns, at this time, it is not certain if a National TAP Conference will be held in October as previously intended. If it does take place, it will be a 3-day meeting; one day for National, one day for Area, and one day for Issue Committee(s). (Other locations rather than DC are also being considered.)

Vice-Chair Meyer presented the report on Area 2 Issues to the Joint Committee on May 3, 2003.

Review/Approve Minutes of April 1, 2003

Minutes were reviewed and accepted.

Update on Next Face-to-Face Meeting- June 20/21, 2003 (Philadelphia vs. Baltimore)

A roll call vote on the location of the next face-to-face meeting was conducted, Philadelphia vs. Baltimore. Philadelphia received a majority of the votes.

Action item for TAP Staff: Analyst De Jesus will commence making arrangements and will keep committee informed.

Objectives for the face-to-face meeting:

There was a discussion of what is to be accomplished at this meeting.

Chair Balmer requested that any suggestions for the agenda should be sent to her as soon as possible so that IRS Subject Matter Experts may be obtained.

The Chair envisions that the committee be able to move forward with recommendation(s) to the Joint Committee based on the issues received so far. This is why the prioritization of issues to be elevated is very important.

Subject Matter Expert

TAP Program Manager Ferree will make arrangements to obtain a Subject Matter Expert on the IRS Telephone system and any other issues the committee may decide on.

Update on 2003 IRS Nationwide Tax Forum-Committee Participation

There was a discussion about who will attend the Atlantic City National Tax Forum in July.

Panel member Mosley III mentioned that he had indicated an interest in attending this forum a while ago.



Prioritize the Top 3 Issues that need to be worked to Completion & Elevated to the Joint Committee

There was a discussion about what issues we should concentrate on, in order to forward for the national report.

The committee agreed on prioritizing of issues to be elevated as follows:

1. IRS Telephone System (inaccurate information provided)
2. EFTPS-Electronic Funds Transfer Program System (easy resolution: fix phone prompts and be consistent/clarify tax year)

Direct Debit Installment Agreement Issue- that taxpayer is sent monthly statements of account- this issue will be kept active.

Committee agreed that they must be focused on "how many taxpayers are affected". If an issue affects many taxpayers, then those are the ones that need to be prioritized and forwarded.

Issue on Form 1041, and related instructions, recommend improvements to examples and instructions is an issue that the committee will continue to work on. (Tabled for next meeting's discussion)

Public Participant

None

Closing Assessment

The committee felt that as advocates of the taxpayer, they have an obligation to report up to the National Taxpayer Advocate on those legislative issues that come into the committee from all TAP outreach activities. However, they agreed to take it upon themselves to report back to the National Taxpayer Advocate on those legislative issues, but would do so on an individual rather than as a committee member.

The committee agreed to carry over all issues on the agenda that were not covered during this meeting to the next meeting.

Committee agreed to cancel the June 3rd teleconference meeting previously scheduled.

Next Meeting: Face-to-Face- June 20/21, 2003 in Philadelphia (Center City), detailed information will be forthcoming.

Action Item: Analyst will revise Meeting Schedule and inform all concerned of the new meeting dates.

Meeting ended timely.



**Area 2 Committee Meeting Minutes
April 1, 2003
3:00 PM - 4:30PM EST**

Participants (Committee Members)

- Mary Balmer, Chairperson
- Richard Bobb
- Anthony DiMartino
- Robert Maziarz
- Patrick McCombie
- David L. Meyer, Vice-Chairperson
- Theodore Perros
- Lou Romito, Designated Federal Official (DFO)
- Doreen Scott
- Leonard Steinberg
- Robert Taylor
- Faith Vinikoor

Staff Members

- Inez E. De Jesus, Program Analyst/Recorder
- Nancy L. Ferree, Program Manager

Members Not Present

- C. Morgan Edwards
- Jerry Gensiejewski Jr.
- Calvin Johnson- (Military)
- Karen Kerrigan
- Manning H. Mosley III
- George Pruchniewski

Guests

- IRS Subject Matter Expert- Deborah L. Carey (Issue #312)
- IRS Representative-Shirely A. Bogan

Public Participant

- Ms. Hyon Bradford (Issue #1282)

Welcome/Announcements/Roll Call

Meeting began by the taking of the Roll call by the Recorder and quorum was met.

Quorum: 10 (12 members participated)

Chair Mary Balmer welcomed all and shared information from the recent Joint Committee Meeting. During this meeting, Balmer questioned what are the plans for replacing empty slots in some



committees that are not completely filled yet, and the TAP Director promised to get back to the committees soon with an answer.

There is a concern for when the two-year term is up for the volunteer panel members, will there be a bridge of current members remaining while new selectees join? Panel Member Steinberg shared that based on his experience having some members remaining in order to acquaint the new members is very effective and should be used in the future.

Committee Member Steinberg expressed his concern that the panel was not involved in the decision making process when recent decision was made to have the TAP Program Managers serve as Designated Federal Officials (DFO's) on the Issue Committees instead of the TAP Program Analysts. This issue was elevated at the last Joint Committee meeting and as a result, the TAP Director assured panel members that in the future this should not occur.

When the Chair inquired if there were any questions on the flow of issues, there were no responses.

Chair also shared that the issue whether TAP should be working legislative issues is still pending. The panels were informed two weeks ago that a decision from the Treasury is in draft letter format (awaiting approval before it is distributed and shared with all.) This is forthcoming. Any thought on Area 2's legislative issues need to be tabled until this letter is received.

Review/Approve Minutes of February 28, & March 1, 2003 (Face-to-Face)

Minutes were reviewed and accepted.

Guest Speaker-Subject Matter Expert from the IRS-Issue #312-

IRS Representative Deborah L. Carey addressed the panel instead of Ava Y. Spencer as previously planned.

Background- brief description of Problem brought to the panel by a resident of Maryland, Issue #312- "Taxpayer has direct debit installment agreement and does not receive statements. He feels not being given good customer service since regular installment agreements get monthly statements. Has had problems finding out balances and says if statements were issued he wouldn't have so much trouble knowing what he owes. Shouldn't be treated differently by using direct debit. Says direct debit helps the IRS yet not being kept updated on account is a burden to the taxpayer."

Ms. Carey informed the panel that from the offset when direct debit installment agreement is established, the taxpayer is informed that he/she will not be receiving monthly statements. It is believed that the reasoning behind this is in reduction of paper.

Ms. Carey addressed questions panel had, and she suggested that in order to address why statements do not go out to DDIA's taxpayers this might need to be elevated to a Systems Analyst. ((Action item for the staff).

Panel member McCombie suggested that the IRS use a system similar to the one used by Verizon.

Area 2 panel is considering recommending to the IRS that taxpayers who are on Direct Debit Installment Agreements be issued monthly statement of account. Before this is pursued, the panel needs additional background information.

1. How many taxpayers are on DDIA's? (Statistics are needed)
2. Why are statements currently not issued?
3. Is it possible that statements be issued?
4. How many taxpayers are complaining about not getting monthly statements?



Consensus was reached that before moving ahead with this issue, question number one needs to be addressed and once that is answered then a decision would be made.

The panel expressed their appreciation to Ms. Carey for her input.

Public Participation/Input

Before public participation, DFO Lou Romito provided ground rules and emphasis was made on the 5 minutes allowed for the public participants, and that if more time is needed that will be upon the discretion of the committee.

Ms. Hyon Bradford, Issue #1282, is a Marketing Consultant for the Profit-Tell International Inc; she had previously sent brochures to the committee entitled, "There's a Better Way to Hold On To Them When You Put Them on Hold"- Ms. Bradford addressed the "Telephone Improvement Product Service-Recording Message" that may be beneficial to the IRS in relation to improving the IRS Toll free line service. Ms. Bradford believes that this may improve the image of the IRS; she also emphasized that when an individual is on hold, rather than play music, use this time to educate them while on hold by sharing some information.

The panel expressed their appreciation to Ms. Bradford for her input.

Action Items from Prior Meeting-

For the record, the following "action/follow-up" items from the last meeting have been updated as follows:

1. The regulations regarding Tort Claim coverage when a panelist travels on government business at no charge to the government. DFO Lou Romito shared that a letter from the TAP Director will be sent out soon which will summarize IRS Counsel's response to the matter.
2. Issue #1203- "Request for Simplicity on all IRS Tax Forms" (not legislative issue)- The panel will be sending a closing letter- closed issue.
3. Government Issued Sprint Phone Cards-Panel Member Dick Bobb has received his card since last month's meeting.

For the record, the staff addressed action items from the previous meeting.

Brainstorm on Location for Second Face-to-Face Meeting- June 20/21, 2003

Panel is considering holding their second face-to-face meeting in either Philadelphia, PA or in Baltimore, Maryland. Program Analyst De Jesus is to conduct a cost comparison of both cities and share this with the panel within the next two weeks. **(Action item- due by no later than April 16th).**

Panel expressed a preference to have a Subject Matter Expert (SME) come to the meeting site as opposed to visiting a Service Center. Some panel members shared that they had already visited Service Centers/Campuses.

As the date nears, based on the prioritized issue, the staff will make arrangements to obtain a SME. **(Action item for the staff).**

Update on New Issue Numbering System

Program Analyst De Jesus shared that a new Contact Database has been created, thus causing a change in the numbers of the existing issues. Ms. De Jesus is currently working on creating a cross reference list and this will be distributed to all soon. **(Action item for the staff).**



Update on Active Issues

Issue #1211- "Request that a Paragraph about TAP be added to IRS Publications"-feedback from Panel Member Gensiejleski is needed; will be kept open for now.

Issue #1217- "EFTPS (Electronic Funds Transfer Program System) Phone Prompts are Misleading"- & Issue #1221-"Question on Electronic Tax Payments" - & Issue # 1259-"E-file Suggestion"- these 3 issues are interrelated. Sub-committee: Dick Bobb, Bob Taylor. Committee would like to see if anything can be done to improve the automated telephonic prompts for the EFTPS system. Program Manager Ferree has made arrangements for a teleconference meeting on April 16, 2003, at 3:00 pm EST with an IRS SME. (FTD EFTPS Pilot Project) for this sub-committee.

Issue #1229- "IRS Employees Do Not Have the Knowledge To Correctly Answer Tax Questions"-Sub-committee: Doreen Scott & C. Morgan Edwards- Ms. Scott shared that she had contacted the taxpayer that brought this issue to the panel and his question to the IRS was on retirement and mortgage interest etc.

Vice-Chair Meyer will be preparing and sending out closing letters as discussed at the previous meeting for some of the issues.

Issue #1242-3- "1040 Toll Free Line"- specifically the quality of the answers received. Panel Member Vinikoor took the lead on this issue. Other members listed on the sub-committee: DiMartino, Pruchniewski, Taylor, McCombie, Scott & Kerrigan..

Ms. Vinikoor suggested that perhaps a survey be sent out to the public and if so the NTEU (National Treasury Employees Union) will have to be contacted before doing so.

Issue #1253- "Improvement to IRS Telephone Service"- Sub-committee Member Pruchniewski- panel discussed having a SME at the next face-to-face meeting since the telephone issue is a recurring one. **(Action item for the staff)**

Issue #1243- "Taxpayer Assistance Centers Numbering System Not Applied Properly by IRS Employee"- Sub-committee: DiMartino- Panel member DiMartino shared that he has seen a great improvement at this IRS office. It was agreed by the committee that this issue be closed.

New Issues Since Last Meeting

Issue #1282- "Improvement to Telephone Service"- Please reference Ms. Bradford's (Public Participant) presentation to the committee noted earlier in the minutes.

Closed Issue #59- Website Comment: TAP Chair read the following to the panel: "I recently received a letter from the IRS stating that my state refund had been garnished due to the fact I owed for back taxes in 1997. I also received a letter from the federal government stating the very same thing. I now sit and wait for my refund in the amount of \$1,400.00 that was deducted from both the state and federal return. I feel that this is wrong.... I would like to try and change the system if possible so that other taxpayers will not be put through the same thing that I am still going through at this time!!!!!!!!!!!"

Issue #68- "Student Loan Interest Deduction"- legislative issue- David Meyer shared that since this issue is also being worked by Area 1, this issue was shared with Area 1 Panel Member Eileen Shuman.

Issue #76- Request from Midwest TAP - Form 1040A & Duplication of Supporting Documents due by April 9, 2003- Committee decided that response will be sent individually, and will be removed from the open issue list for Area 2.



Issue #79-2- "Form 1041/Instructions/Examples"-Chair Balmer shared that she had attempted to phone the individual that brought this issue to the panel because Chair needed to understand specifically what was complicated and/or time consuming with regard to completing the Form 1041. Chair is awaiting call back from this taxpayer.

Closing Assessment

DFO Romito asked the committee if they had heard from their Local Taxpayer Advocates. There were mixed responses.

DFO Romito shared that he had the opportunity to meet the Designee Commissioner Mark W. Everson (awaiting Senate approval) when he recently visited the Baltimore IRS Taxpayer Advocate Service office. Mr. Everson was made aware of the Systemic Advocacy, Best Practices and the role of the TAP-Area 2 committee. DFO Romito also expressed that Mr. Everson will carry over former Commissioner Rossotti's programs.

Meeting ended timely.

Next Meeting by teleconference = May 6, 2003, from 3:00 PM-4:30 PM EST- Same dial-in and pass code.

May 6, 2003



**Area 2 Committee Meeting Minutes
Face-to-Face Business Meeting February 28, 2003 (8:00am-5:00pm EST)
March 1, 2003 (8:00am- Noon EST)
One Washington Circle Hotel
One Washington Circle, NW
Zenith Conference Room
Washington, DC 20037**

Participants (Committee Members)

- Mary Balmer, Chairperson
- Richard Bobb
- Anthony DiMartino
- C. Morgan Edwards
- Karen Kerrigan
- Robert Maziarz
- Patrick McCombie
- David L. Meyer, Vice-Chairperson
- Theodore Perros (02/28/03)
- Lou Romito, Designated Federal Official (DFO)
- Doreen Scott
- Robert Taylor
- Faith Vinikoor

Staff Members

- Inez E. De Jesus, Program Analyst/Recorder
- Nancy L. Ferree, Program Manager

Members Not Present

- Jerry Gensiejewski Jr.
- Calvin Johnson
- Manning H. Mosley III
- George Pruchniewski
- Leonard Steinberg

Guests

- TAP Director Deryle J. Temple
- Director of Systemic Advocacy Arlene Kay (02/28/03)
- Manager of Individual Advocacy Erick Patterson (02/28/03)
- Manager of the DC Taxpayer Assistance Center Michele L. Page (03/01/03)
- Rae Di Martino (Public Participant)
- William David Keschull (Public Participant) (02/28/03)-C/R Issue #1241
- Lynn Distelhorst (Public Participant) (02/28/03)

Quorum: 11

February 28, 2003= 13 members present
March 1, 2003= 12 members present



Welcome/Announcements/Roll Call

Chairperson welcomed everyone who was able to attend the meeting despite the weather conditions. Prior to start of meeting, members mingled and interacted.

Roll call was immediately taken and quorum was reached.

Administrative/Travel

Program Analyst Inez E. De Jesus provided the panel with a brief overview of the travel guidelines for panel members while conducting TAP Business. This overview was for the benefit of those members who were not at Orientation. Highlights and tips on the processing of the "Travel Expense Report" were shared, as well as information on the meals and incidentals for the District of Columbia.

The hotel's expectation of check-out time was shared with the panel members who were lodging at this location.

Government Issued Sprint Phone Cards

Panel Member Dick Bobb indicated that he had not received the Sprint Phone Card.

Action item: Program Manager Nancy Ferree will follow-up on this matter.

Joint Committee News Vice-Chair David L. Meyer shared the recent discussion held regarding the handling of legislative issues; currently committees may address legislative issues until additional guidance is received from National Taxpayer Advocate Nina E. Olson within the next month or so. He also expressed appreciation towards DFO Romito's recent analysis report on the "Issue Processing at the Area Committee Level". Chairperson Balmer emphasized that all Area 2 Issues that are legislative in nature will be placed on hold until further information is received.

Vice-Chair Meyer also reported that the Joint Committee Chair does not want duplication of issues. Agreement was reached that the committee chairs will be communicating among themselves to avoid the overlap of issues. Once a shared database among the staff is placed into operation, reports showing all the issues from all areas will be available.

The Volunteer Ethics Agreement signed by all panel members states that "commitment to the panel will be approximately 300 hours per year", but some members have expressed that they feel they have already served 300 hours.

Vice-Chair Meyer briefly discussed that currently the "Limited Authorization on Form 1040" is effective until the end of 2003, and the Joint Committee is considering addressing this issue by requesting that "Limited Authorization" be revised/extended.

Review/Approve Minutes of February 4, 2003

Minutes were reviewed and accepted.

Action Items from Prior Meeting-

For the record, the following **"action/follow-up" items from the last meeting have been updated as follows:**

1. The regulations regarding Tort Claim coverage when a panelist travels on government business at no charge to the government. TAP Director Deryle Temple is currently following up with Counsel Carol Campbell for an opinion on this. Ms. Temple stated that this information will be forthcoming soon.
2. Issue #1203- "Request for Simplicity on all IRS Tax Forms" (not legislative issue)-Panel Member Dick Bobb shared that he has not been able to communicate with this individual after several attempts and committee agreed this issue will be closed and a closing letter sent.



TAP Director - Introduction/Discussion

TAP Director Deryle J. Temple welcomed all and shared her background of 20 years of service with the Internal Revenue. She stated that the Joint Chairperson will soon be sharing a decision document from the Treasury Department with the TAP Chairs who in turn will forward to the panel members. This decision document is related to issues coming into TAP that are legislative in nature. Ms. Temple expressed that she is looking forward to be working with the panels.

Ms. Temple introduced guests Arlene Kay, Director of Systemic Advocacy, and Erick Patterson, Manager of Individual Advocacy. Ms. Kay and Mr. Patterson explained the "Systemic Advocacy Management System" program also known as SAMS, which will be operational effective April 1, 2003. "The Office of Systemic Advocacy is responsible for the systemic analysis of issues, advocacy on behalf of individual and business taxpayers, and assisting in the production of the National Taxpayer Advocate's Annual Report to Congress". The Office of the Systemic Advocacy is also looking forward to partnering with TAP.

Panel member Theodore Perros expressed his point of view regarding legislative issues. As he engages in outreach activities and receives grass root issues that are legislative in nature, he strongly feels that these should be worked by the panel. Also, he expressed that 300 hours of volunteer time is not realistic.

There was positive interaction among the committee members, concluding that this committee is very committed to their mission, but need clarification on the IRS' charge/expectation from them, specifically in regards to the working of legislative issues.

Another point of view is that first priority should be to work non-legislative issues and second priority should be to work the legislative issues, but keeping in mind that due to time constraints of a 2 year commitment, the panel may not have the time to work the legislative issues.

Outreach Activities

Members shared their outreach efforts as follows:

Theodore Perros shared his experiences on February 15, 2003, at the DC Tax Preparation & Information Fair held at the Convention Center. The expected large crowd of attendees did not occur due to weather conditions. Dr. Perros observed the tax preparation assistance being provided to the public at no charge.

DFO Romito spoke of the upcoming Mall Outreach Activity at Century III Mall in PA on March 7, 2003, from 9:00am to 5:00pm. DFO distributed flyers that will be posted throughout the mall on this date. This event is sponsored by the Pennsylvania Department of Revenue, and is primarily designed to promote electronic filing. The TAP will set up a table near the Taxpayer Advocate Service. Panel members Scott and Taylor will be joining DFO Romito at this event in order to spread the word of TAP's existence.

Program Manager Nancy L. Ferree shared her experiences in the past at Tax Fairs in the State of Florida with Latino Businesses.

C. Morgan Edwards shared an article from The Charlotte Observer, dated February 13, 2003, from the Consumer News Analysis, entitled: "Early Tax Refund Services Carry Whopping Percentage".

Action item: Program Analyst De Jesus will make copies of this article and distribute to all panel members.



Panel Member Faith Vinikoor also shared her outreach activities with the Earned Income Tax Credit (EITC).

Panel Member Dick Bobb shared his connection with a stakeholder group in North Carolina. He will be on panel at an upcoming meeting in Asheville, NC in May 2003.

The panel discussed briefly the Refund Anticipation Loan (RAL) program.

Public Comment

Before the floor was open for input from the public, DFO Lou Romito provided the following ground rules:

- The suggestion/comment should be in generic form, since we will not discuss individual tax problems.
- The panel members are here to gather information and may ask for clarification of an issue to better understand the speaker's point. The personal opinion of a panel on any given issue is irrelevant.
- The speaker is limited to 5 minutes. The time may be lengthened at the discretion of the Designated Federal Official.
- Though the use of a numbered card, DFO will notify speaker and all present when there are 2 minutes left for the speaker.
- If the ground rules are ignored, DFO has the discretion to adjourn the meeting.

(Issue #1241) The first public speaker, Mr. William David Keschull, from Maryland, acknowledged the ground rules, and addressed the panel with 2 issues: "Conflict between IRS Forms and Instructions and Section 111(a) and 56(b)(1)(D) of the Internal Revenue Code. (Recovery of Tax Benefit Items & Alternative Minimum Tax)" (Legislative) Mr. Keschull feels that the Internal Revenue Service is not meeting its mission.

Mr. Keschull had provided the panel beforehand with a 19 page document acquainting members of the panel with his point of view which the panel had time to review prior to the meeting. (Attachment-Public Record)

After Mr. Keschull made his presentation and extra time was allowed, this was followed by question and answer period with the panel members.

Mr. Keschull has been elevating his issue to the IRS for the past 9 years. Most recent avenue used was through the Citizen Advocacy Panel (CAP) Pacific-Northwest office.

Mr. Keschull requested that the panel elevate his issue directly to the Secretary of the Treasury, but Chairperson Balmer explained the Area Committee's procedure for elevating issues. Committee agreed that it will review, research and analyze his concerns further within a reasonable time frame to determine if it merits elevating to the Joint Committee.

Panel asked if a tax attorney had been contacted, and response was "no".

Action item: Mr. Keschull will be sending additional information to the panel through the TAP Staff.

Action item: Program Analyst De Jesus is to forward to the panel background information received from the Pacific-Northwest Citizen Advocacy Panel, dated July 7, 2000, "Advocacy Issue, Case #158-I-Recovery of Itemized Deductions and the Effect on Social Security Benefits". (Previously submitted by Mr. Keschull.)



Guest Lynn Distelhorst, from Virginia chose to listen and submit via the www.improveirs.org her comments/suggestions. Ms. Distelhorst learned of the Area 2 Business Meeting from an advertisement that appeared in the Washington DC Times on February 28, 2003.

Guest Rae DiMartino participated as an observer.

Issue Discussion-Assigned Issues

It was agreed upon that a letter stating "Thank you" should be sent to all contacts that submit issues. The issue of letterhead arose. In the interim, the current temporary TAP Letterhead will be used.

Committee members expressed concern with using the existing TAP Logo since it included "Internal Revenue Service". By including the IRS in the logo it goes against the notion of TAP being independent of the IRS. TAP Director Temple explained that currently the TAP Logo and inclusion of IRS is being reviewed, and that this is a trademark issue.

The following issues were discussed in detail:

<u>Issue #</u>	<u>Description</u>	<u>Status</u>	<u>Legislative</u>	<u>Additional Remarks</u>
1203	Simplicity on Forms	Closed	No	Need Closing Letter
1204	Service at TAC	Closed	No	
1206	Computer Program	Closed	No	
1209 (1222)	AMT	Open	Yes	
1210 (1220)	Flexible Spending	Open	Yes	
1211	Paragraph Re: TAP be added to IRS pubs	In-progress	No	
1212	EFTPS	Closed	No	Need Closing Letter
1213	Changing IRS Auditor	Closed	No	
1215	Dependent Child Cr	Open	No	Letter of explanation to be sent out
1216	Problem Resolution	Closed	No	Need Closing Letter
1217	EFTPS-Phone prompts	Open	No	
1218	Exempt Org's	Closed	No	Need Closing Letter
1219	Effective Dates/Leg	Open	No	Letter of Explanation
1220 (1210)	Flexible Spending	Open	Yes	
1221	Electronic Payments	Open	No	
1222	AMT	Open	Yes	



(1209)				
1223	Marriage Tax	Open	Yes	
1224	Tax Burden	Closed	No	
1225	Pay Fees	Closed	No	
1226	Calculation/Taxes	Closed	No	
1227	Scare Tactics	Closed	No	
1228	Tax Code Complex	Open	Yes	
1229	IRS Employees Answering of Questions	Open	No	

For the record, EFTPS means Electronic Funds Transfer Program System

Issue #1229, questions/discussion arose from panel members regarding this issue. How does IRS train their telephone employees? TAP Director addressed this based on her past work experiences.

Closing Assessment

Meeting adjourned until Saturday, March 1, 2003, at 8:00am, same location. All agreed that meeting went well.

Saturday, March 1, 2003

Quorum was met, 12 members present.

Michelle L. Page, Manager of the District of Columbia Taxpayer Assistance Center, (TAC) visited the meeting this morning, and shared with the panel the services rendered at the Taxpayer Assistance Center(s).

Ms. Page was made aware of this event when she was approached by the TAP Staff and willingly made the commitment to post flyers announcing this meeting at the DC TAC office which is visited daily by taxpayers needing tax assistance.

Based on Ms. Page's background with working on the telephone call sites, she was also able to address all the questions the panel members had regarding toll-free line procedures (related to Issue #1229 discussed on prior day) and TAC's assistance provided to the taxpayer.

The panel agreed that in the future, Subject Matter Experts (SME's) should be invited to future meetings depending on the agenda. The staff will ensure that this happens.

Issues -Continued

<u>Issue #</u>	<u>Description</u>	<u>Status</u>	<u>Legislative</u>	<u>Additional Remarks</u>
1230	Interest Income on quarterly est's	Open	Yes	Letter of explanation to be sent and then issue will be closed
1231	Flat Tax	Open	Yes	
1241	Recovery of	Open	Yes	



	Itemized Deductions			
1242	IRS Prints Forms in Different Format	Closed	No	
1242-3	1040 Toll-free line	Open	No	

The panel agreed, the 1040 toll-free telephone issue needs to be pursued and elevated.

Action item: The panel requests that a subject matter expert (SME) be invited to attend the committee's next teleconference meeting scheduled for April 1, 2003. The staff will make the arrangements via a Territory Manager.

Action item: The panel would like to visit a call-site. (Be specific: issue/problem/and what you plan to obtain) Due to Disclosure, TAP Director will inquire if this is feasible.

Action item: TAP Staff is to provide the committee with a flowchart of the Toll-free number organization.

Issue #	Description	Status	Legislative	Additional Remarks
1243	TAC Numbering System	Open	No	

Discussion resulted in the Q-matic numbering system used at Taxpayer Assistance Centers.

Action item: Which TAC offices have availability for downloading forms?

1244	One Rule for Dependency	Open	Yes	
1245	Limited Authorization	Open	Yes	w/ Joint Committee
1246	Amnesty for Penalty	Open	Yes	Educate Public
1247	Loss on the Sale of Personal Residence	Open	Yes	
1248	Retention of Capital Loss	Open	Yes	
1249	Inflation Indexing	Open	Yes	
1249-B	New Education Cr	Open	Yes	
1250	Develop a 1099 Matching Program	Closed	Yes	
1251	Request Change to allow Refund as Income	Open	No	Contact for more info
1252	Cease the Obligation to Report as Income	Open	No	Contact for More Info
1253	Improvement to IRS Tel System	Open	No	
1255	Labor as Payment for Taxation	Open	Yes	
1256	Support of Regulating of Tax Preparers	Closed	No	



Discussion followed - prior to the start of the meeting members had been given a copy of Tax Notes, dated February 21, 2003, article by Rosemary Schlank, entitled: "Taxpayer Advocate Recommendations Certification of Unlicensed Tax Preparers".

1257	Error with Mailing IRS Survey	Open	No	Complete F 911 Forward to Phila TAS
Action Item: TAP Director will put procedure in writing for how to forward issues to TAS.				
1258	Suggestion add-a-line to Bottom of Schedule C	Open	Yes	Check Annual Report to Congress
1259	E-file Suggestion	Open	No	Will check with E-file Issue Committee
1264	Rule 861	Open	No	Will send letter of explanation and then close issue
1267	E-file Partnership	Open	No	Wait to participate in Focus group-May 2003
1269	Form 1098	Close	No	Forward to Area 4
Issue Discussion-New Issues				
79	Disagreement with how payments are applied/IRS gives conflicting advice	Open	No	
312	Taxpayer has trouble determining how payments are applied	Open	No	

Public Comment

None

Closing Assessment

TAP Director Temple asked the panel: "What can we do to better assist you?" She referenced the upcoming Joint Committee Meeting scheduled for May 2, & May 3, 2003. This will be a means of self-assessment of all the committees, and the Chairs are to provide feedback to the Joint Committee by this time via the Monthly Reports.

2003 Nationwide Tax Forums- TAP Director Deryle Temple addressed questions that arose regarding the upcoming Tax Forums.

The panel agreed by consensus that Panel Members Anthony DiMartino, and Bob Maziarz will be attending the Tax Forum scheduled for July 8, and July 9, 2003, in Atlantic City, New Jersey, at the Sheraton Atlantic City Hotel. A staff person will also be attending for support and assistance. Further information will be forthcoming as the date approaches.

Next Teleconference Meeting- April 1, 2003- 3:00pm - 4:30 pm EST-Same dial-in number, and participant's code will be used until further notice.

Action Item: Staff will make arrangements for obtaining a Subject Matter Expert (SME) as a follow-up to members interested in obtaining additional information on the IRS toll free number procedures.



Members were reminded that if budget is approved for Area 2 to hold its second face-to-face meeting, the dates reserved for this meeting are June 20-21, 2003.

Follow-up questions:

External access to SAMS?- TAP Director to find out from Director of Systemic Advocacy.

Meeting ended.

April 1, 2003



**Area 2 Committee Meeting Minutes
February 4, 2003
(3:00-4:00PM EST)**

Participants (Committee Members)

- Mary Balmer, Chairperson
- Nancy L. Ferree, Acting Designated Federal Official (DFO)
- Richard Bobb
- Anthony DiMartino
- C. Morgan Edwards
- Jerry Gensiejewski Jr.
- Karen Kerrigan
- Robert Maziarz
- Patrick McCombie
- David L. Meyer, Vice-Chairperson
- Theodore Perros
- George Pruchniewski
- Leonard Steinberg
- Robert Taylor
- Faith Vinikoor

Members Not Present

- Lou Romito
- Calvin Johnson
- Manning H. Mosley III
- Harvey Schiff
- Doreen Scott

Staff Members

- Inez E. De Jesus, Program Analyst/Recorder

Guests

- Dan Rinke from Commerce Clearing House (CCH)

Quorum: 11 (15 participating members)

Welcome/Announcements/Roll Call

Announcement was made that TAP Program Manager Nancy Ferree will be acting Designated Federal Official (DFO) in the absence of DFO Lou Romito during this teleconference meeting.

Chairperson Balmer requested that Program Analyst De Jesus update the members on the upcoming face-to-face meeting scheduled for February 28-March 1, 2003 in the DC area. De Jesus provided a brief overview for those who had not made their lodging reservations yet.

The Chairperson shared that the Joint Committee will be holding its face-to-face meeting in the DC area on May 2 and 3, 2003. Further information is forthcoming.



Chairperson Balmer discussed briefly the email she had forwarded to all on February 6, 2003, regarding CCH Tax Briefing: "Impact Analysis of The Bush Tax Plan".

Program Analyst De Jesus took the roll call, and a quorum of 15 was met; as per Area 2, Mid-Atlantic States Operating Procedures a quorum of 11 is required. For the record, there was no public participation, only a non-participating guest.

C. Morgan Edwards thanked everyone for their well wishes and gift during recent surgery.

Review/Approve Minutes of January 7, 2003

Minutes were reviewed and accepted.

For the record, the following "action/follow-up" items from the last meeting have been addressed as follows:

1. DFO Romito will research the regulations regarding Tort Claim coverage when a panelist travels on government business at no charge to the government. TAP Director Deryle Temple is currently following up with Counsel Carol Campbell for an opinion on this.
2. Issue #1203- "Request for Simplicity on all IRS Tax Forms"-Panel Member Dick Bobb shared that he has not received examples of forms taxpayer had promised to submit. He will attempt to contact taxpayer again prior to next meeting.
3. DFO Romito mailed out to all committee members background information on the fraud referral process, including Form #3949, "Information Report Referral". This includes information on what the IRS can and cannot tell the informant and why.
4. Success stories from prior Citizen Advocacy Panel (CAP) was distributed by Program Analyst De Jesus on November 26, 2002, and if additional information is required, committee is to let Inez know.
5. DFO Romito sent out during the past month IRS contact points to all committee members.
6. Program Analyst De Jesus provided Chairperson Balmer with "canned messages: that the TAP staff uses when emails are received from the public via the website.
7. During the past month, DFO Romito, Chairperson Balmer, and Vice-Chair Meyer have met via teleconference calls to iron out the processing of issues received.

Chairperson Balmer inquired if everyone had received their government issued Sprint phone card. She also informed the committee that this card may be used to initiate teleconference calls, and it is a great tool for sub-committees to use when they hold their administrative meetings. She promised to test this feature and keep the committee informed of her experience. (For the record on February 5, 2003, Chairperson sent a detailed email to all committee members with pertinent information.)

Chairperson Balmer also shared that an official TAP Logo and letterhead are not available but there is a temporary template that is being used in the interim.

Checkbox Authority issue extended to three years, #1245, was briefly discussed.

Additional news from the Joint Committee is that the Power-point Presentation has been distributed to all Joint Committee members.

The Milwaukee TAP Staff will send report to Congress to all committee members by hard copy as well as by CD Rom if desired.



Update on process for working the issues-

Chairperson Balmer shared that the issues, which come to Area 2, should be prioritized and elevated to the Joint Committee and the Joint Committee will decide which ones will go onto the Report to Congress.

There will be a different process for legislative issues and what that process will be is still not clear. This subject has been added to the Joint Committee's agenda for their next meeting on February 18, 2003. All TAP Chairs attend these meeting and will keep their committees informed of outcome. In the interim, the questions that arose were, should a draft letter be sent to Treasury? Or should it go directly to the National Taxpayer Advocate Nina E. Olson?

Vice-Chairperson David L. Meyer, Area 2 Issues Coordinator, addressed whether it is appropriate for TAP to be handling/working legislative issues. Other members agreed that the TAP mission needs to be adhered to which is:

"The TAP members listen to taxpayers, identify taxpayer issues and make suggestions for improving IRS service and customer satisfaction."

On the other hand, there are some members who believe that the Area committees should accept and work legislative issues.

An idea that arose is that perhaps the Ad hoc committee creates a sub-committee to handle legislative issues only.

Closing letters were discussed, for example Issue #1216, (Problem Resolution Officers are no longer available for Practitioners) a draft-closing letter will be prepared.

Interim letter for Issue #1209, Alternate Minimum Tax (AMT) was also discussed - Panel member Theodore Perros mentioned that a copy of taxpayer's letter dated November 21, 2002, had been sent to all.

Vice-Chair Meyer will be monitoring issues and had sent a spreadsheet to all with updated issues received. He requested volunteers and the following is a summary of what transpired:

Issue #	Topic	Committee Members
1203	Simplicity of IRS Tax Forms	Bobb, Theodore
1209	Alternate Minimum Tax (AMT)	Perros
1211	"TAP" to be added to IRS Notices	Gensiejewski Jr.
1215	Dependent Child Credit \$600	Meyer
1217	Electronic Funds Transfer	Bobb
1219	Legislative Dates-should be Jan 1st (Congress mandated item)	Meyer (with closing letter)



1221	Electronic Tax Payments	Bobb & Taylor
1223	Marriage Tax Penalty	McCombie
1224	Electronic Commerce Strategy	Balmer
1230	Interest Income	Meyer (will respond)
1242	IRS Prints Forms in Different Format	Balmer
1242-43	1040 Toll free line	DiMartino & Pruchniewski & Vinikoor
1243	Numbering System - Walk-in Offices	Vinikoor
1245	Check Box Authority for 3 years	DiMartino/Vinikoor
1250	1099 Matching Program	Kerrigan/Steinberg/Taylor
1253	Improvement to IRS Phone Service	Pruchniewski

Vice-Chair Meyer will take the liberty of assigning issues that have no volunteers on a rotational basis. (Issues on agenda not discussed: #1252, 1257 and 1259)

Chairperson Balmer shared that Panel Member Scott had requested that her name be placed accordingly.

DFO Ferree provided the committee with information on the possibility of Area 2 participating in a focus group for the new "Free E-File Initiative" that was recently launched. The Commissioner through the Director of Electronic Filing has requested that Area 2 TAP Members evaluate the user-friendliness of this new process. (For the record, the Free File is the new IRS program in which a consortium of tax preparation companies have agreed to assist certain income levels of taxpayers in electronically filing their federal and state tax returns at no cost.) Further information is forthcoming and it is in the planning stages that IRS Free-File employees who are conducting research will be at the face-to-face Area 2 meeting in the DC Area. Approximate 2 hours will be required from the panel.

Panel Member C. Morgan Edwards mentioned an article he had just read dated February 4, 2003, The Charlotte Observer, Consumer News Analysis, "Beware: Free File tax services may find way into your wallet"-which he promised to have copies distributed to all Area 2 panel members.

Chairperson requested that the committee elevate agenda items for the upcoming face-to-face meeting.

Before meeting concluded the next two meeting dates and locations were announced:

February 28/March 1, 2003 Face-to-Face- @ One Washington Circle Hotel in Washington, DC and the following Area 2 meeting will be on April 1, 2003, via teleconference call, from 3:00pm to 4:30pm est.

Meeting ended timely.



**Area 2 Committee Meeting Minutes
January 7, 2003
(3:00-4:00PM EST)**

Participants (Committee Members)

- Mary Balmer (Temporary Chairperson)
- Lou Romito (Designated Federal Official)
- Richard Bobb
- Anthony DiMartino
- Karen Kerrigan
- Patrick McCombie
- David L. Meyer
- Manning H. Mosley III
- Theodore Perros
- Harvey Schiff
- Doreen Scott
- Leonard Steinberg
- Robert Taylor
- Faith Vinikoor

Staff Members

- Nancy Ferree (Program Manager)
- Inez E. De Jesus (Recorder)

Members Not Present

- C. Morgan Edwards
- Jerry Gensiejewski Jr.
- Calvin Johnson
- Robert Maziarz
- George Pruchniewski

Quorum: 11

1) Welcome/Announcements/Roll Call

Temporary Chairperson Mary Balmer began the meeting by extending a welcome to all participants.

Program Analyst De Jesus took the roll call, and a quorum of 11 was met as per Area 2, Mid-Atlantic States Operating Procedures. For the record, there was no public participation.

In addition, Chairperson Balmer welcomed recently selected Robert Taylor who had been waiting patiently to be selected.

David L. Meyer attended the Joint Committee Teleconference meeting on December 17, 2002, on behalf of Mary Balmer and provided a brief overview to all.

All panel members that were selected after Orientation will be given the opportunity to participate in a "make-up orientation" by teleconference on January 9, 2003 at 11:00am EST. Recently selected



members confirmed that they had received an electronic invitation from Program Manager Nancy Ferree with all the pertinent information.

Tentative "make-up orientation" for those who miss the January 9th teleconference will be on January 16, 2003.

2) Election of Chair and Vice-Chair

Designated Federal Official (DFO) Lou Romito reported the following results received from the email he had sent to all:

Chairperson: Mary Balmer
Vice-Chairperson: David L. Meyer

Since there were no objections, these will go on record as being Area 2's permanent Chair and Vice-Chair and "Congratulations" were extended to both Mary and David.

3) Review/Approve Minutes of November 21, 2002

Minutes from the prior meeting were reviewed and all agreed that once a minor correction was made to one of the future meeting dates listed, the minutes would be recorded as accepted.

The following are action/follow-up items that were not discussed during this meeting due to time constraints. These will be added to next month's agenda:

1. DFO Romito will research the regulations regarding Tort Claim coverage when a panelist travels on government business at no charge to the government.
2. Issue# 1203-Request for Simplicity on all IRS Tax Forms-Committee member Dick Bobb will share his findings after discussion with Ms. Dodd with all panel members by next meeting January 7, 2003. (Agenda Item) At that point committee will address whether this is a suggestion that warrants being elevated.
3. Committee members requested that Program Analyst De Jesus mail out copies of prior success stories from the original Citizen Advocacy Panel(s)-(CAP's), e.g. Previous Annual Reports. Completed - On November 26, 2002, Florida CAP's Annual Reports for 3 years were sent out to all committee members. Also, on this same date, Pacific North-west CAP's first annual report was sent to all.
4. DFO Romito will be sending out to all background information on the fraud referral process.

4) Meeting Times & Frequency

Chairperson Balmer suggested increasing meeting times and frequency in order to make the best use of the committee's time. The committees' primary objective is to spend more time discussing issues.

The committee agreed by consensus that all future teleconference meetings will be extended to ninety minutes. (No objections)

Updated Future Meeting Dates (new timeframe indicated in "bold")

February 4, 2003	3:00-4:30PM EST	Teleconference
February 28 - March 2, 2003	TBD	Face to Face (DC Area)
April 1, 2003	3:00-4:30PM EST	Teleconference
May 6, 2003	3:00-4:30PM EST	Teleconference
June 3, 2003	3:00-4:30PM EST	Teleconference
June 20-22, 2003	TBD	Face to Face - Location TBD



July 1, 2003	3:00-4:30PM EST	Teleconference
August 5, 2003	3:00-4:30PM EST	Teleconference
September 2, 2003	3:00-4:30PM EST	Teleconference
October 2003	Annual Business Meeting - Dates TBD	
TBD = to be determined		

5) Flowchart-Illustrating the Process for Working the Issues

DFO Romito addressed "how are we working the issues from now on"- and reviewed the process as indicated by the flowchart. There were certain areas of the flowchart that were not clear.

Action item: DFO Romito will obtain clarification on the process of handling and elevating issues at the next TAP Staff Meeting scheduled for Wednesday, January 8, 2003, and report back to the committee.

Chairperson discussed the possibility of using a spreadsheet format to list all issues received, and to send this spreadsheet out to the committee members on a periodic basis asking them to volunteer for those issues that may be of most interest to them.

6) Issues

Until the Process for working the issues is clarified, the following issues (#1203, 1204, 1206, 1209, 1210, and 1211) as noted on the agenda, will be placed on hold and possibly added to next month's meeting agenda.

For the record, these issues are:		Leader
#1203	Simplicity of IRS Tax Forms	Dick Bobb
#1204	Complaint about Process at Local IRS Office	Bob Maziarz
#1206	Computer Programming Problems	Karen Kerrigan
#1209	Alternate Minimum Tax	Theodore Perros
#1210	Flexible Spending Accounts	Mary Balmer
#1211	Adding a TAP Paragraph to IRS Notices	Jerry Gensiejewski Jr.

7) Outreach Activities Since Area 2's Last Meeting

Panelist Harvey Schiff from Florence, South Carolina shared his recent experience whereby he attended a local meeting for Tax Professionals. There were approximately 250 in attendance. Mr. Schiff gave a brief presentation on the mission of the Taxpayer Advocacy Panel. Also, Panel Member Schiff distributed TAP outreach "Speak up" flyers at this event.

Panelist Faith Vinikoor, from Baltimore, Maryland, informed the committee on recent outreach she was involved in with Panelist George Pruchniewski (also from Baltimore, Maryland). This was the annual Federal and State Tax Institute. Panelist Vinikoor mentioned that there seems to be some confusion between the Taxpayer Advocate Service (TAS) and Taxpayer Advocacy Panel (TAP).

Panelist Vinikoor suggested that when a committee member is invited to an event, it's a good idea to request to get on the agenda, in order to spread the word out on the existence and purpose of this panel. This is also a positive avenue to partner/liaison with the IRS. All agreed.

DFO Romito spoke of his upcoming outreach at local shopping malls during the filing season as part of an annual TAS outreach activity. At these events, tax preparation assistance is provided and DFO Romito plans on using this event as an outreach for TAP.

Action item: DFO Romito will be sending out IRS contact points to all.



Chairperson Balmer shared her recent Webinar outreach event and is considering using this with TAP. DFO Romito shared that he had conducted research to determine if the IRS could do same but learned that the program in existence is for internal use only.

Vice-Chairperson Meyer shared that he is currently working on the possibility of broadcasting his involvement with TAP to his law firm clients, soliciting their ideas, suggestions and comments. He intends to keep the panel informed of his progress in this endeavor.

Chairperson Balmer also shared that she sent an email to all employees of the company she works for, in both the Virginia and Florida locations, soliciting ideas, suggestions and comments, using the tag line "What is it about the IRS that most annoys you?" She was very pleased with the responses received as a result of the email. These responses were all entered into the database and will be prioritized and assigned out to committee members for review.

A question arose with respect to the process for acknowledging comments received from the public. **Action item:** Program Analyst De Jesus will provide Chairperson Balmer with "canned messages" the staff uses when emails are received from the public via the website.

In response to a question about how we can best make the public aware of our upcoming face-to-face meeting, the panel members were advised to establish relationships with their local Media Specialists in an attempt to get this information published.

8) Public Input/Closing Assessment

Panel member Patrick McCombie provided the committee with a status report on the TAP Powerpoint Presentations task force team on which he currently serves. Their next meeting will be on Tuesday, January 14, 2003. Mr. McCombie shared that they are focusing more on accomplishments than on history of prior CAP's. Mr. McCombie will be sharing the final draft to all via Program Analyst De Jesus as soon as it is available.

Panel members agreed that taxpayers continue to feel intimidation with respect to the IRS and as a result there seems to be reluctance from the public to "speak up" and share their concerns with panel members. Everyone agreed that the TAP independence from the IRS should be emphasized at all outreach activities. All agreed that "if we identify ourselves with the IRS, we are defeating ourselves and the mission of TAP."

Panelist Schiff inquired about the placement of TAP Outreach Flyers at local Taxpayer Assistance Centers (formerly known as walk-in offices) and the feedback received was that it would probably be better to find other venues like Low Income Tax preparation offices, AARP, or VITA (Volunteer Income Tax Assistance) organizations.

Action item:

The committee will be informed by email of the specifics regarding their first face-to-face meeting scheduled for February 28-March 1, 2003, in the DC Area.

Next teleconference meeting will be held on February 4, 2003, from 3:00pm-4:30pm EST. The dial-in number and pass code will remain the same.

February 4, 2003