



2004 Meeting Minutes Area 4

- September 15, 2004
- August 18, 2004
- July 28, 2004
- July 27, 2004
- June 16, 2004
- May 19, 2004
- April 19-20, 2004
- March 17, 2004
- February 18, 2004
- January 21, 2004

Area 4 Committee Meeting Minutes Conference Call September 15, 2004

Present:

- David Cain
- Richard Greenberg
- Lawrence Lexow
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- James Abraham
- Robin Gausebeck
- Delford Jones
- Leslie Malcolmson
- Joseph Meissner

Staff Present

- Sandy McQuin, TAP Manager, DFO
- Mary Ann Delzer, Analyst
- Patti Robb, Note-taker

Welcome / Review Agenda / Roll Call

Welcome. We have a short agenda today. Quorum met.

Announcements / Approve Minutes

Minutes were approved without changes.



Public Input

None

Joint Committee Report-out

McQuin – Area 4 is winding down like the rest of the committees. There was a lot of discussion about the annual report during the Joint Committee meeting.

Smedley – the Married Filing Separately sailed through the Joint Committee smoothly due to great research and a thorough write up.

Meldman – “What’s On TAP” – the Ad Hoc committee proposed that they will have a permanent subcommittee with at least one person assigned at all times to write articles for What’s On TAP. All the panel members would gather subject topics and send them to this subcommittee. The subcommittee would write the article. If anyone writes an article and wants to submit it, they can do that too. National Office will review all articles for content before they are submitted for publishing.

ACTION: Delzer will contact Berkey (National Office) regarding current Area 4 articles written for “What’s On TAP” for approval to distribute.

McQuin – we were asked if discontinuing panel members could be a resource. National Office said yes, you can participate as alumni. All meetings are public anyway.

Meldman – Ad Hoc also recommended that the new chair be elected from the returning members and in place of a vice-chair, there would be a chair elect. The chair-elect would be elected from the general body and would shadow the chair in all he/she does. The chair of the Ad Hoc would no longer be vice-chair. The entire body would vote on the chair and chair-elect. This proposal was forwarded to Nina Olson, National Taxpayer Advocate (NTA), for approval.

Ad Hoc also proposed that issues that are legislative or regulatory in nature, be given to them to address. They would be forwarded directly to the NTA and would not go through the Joint Committee. If Ad Hoc does not hear from NTA in 60 days, the issue would not be worked. This proposal was sent to Nina Olson for approval. We are waiting for her response.

Smedley – Chair Seuntjens strongly recommended that current chairs not run for chair of the same committee again. New blood is needed.

W-4 – Smedley

Smedley asked if there were any comments on the W-4 issue being elevated by the Payroll Committee. Meldman gave it thumbs up. Greenberg agreed.

Smedley – probably won’t hear about the outcome – whether it is put into effect – during our term. The Payroll Committee will actually elevate this recommendation to their program owner.

ACTION: Smedley will update the annual assessment to reflect Area 4’s contribution to the W-4 issue.

McQuin – this issue was discussed at the Joint Committee meeting last week, and Payroll Chair Leonard Steinberg did acknowledge Area 4’s contribution.

There is no question that you all did a great job. I think you set the tone because your recommendations were so well researched, thought out, and well written. And you always represented



the taxpayer's point of view. You have been very successful. You were definitely a "best practice." Many areas don't work the way you did and some of them struggled.

Murphy – thanked the staff.

Greenberg echoed.

Smedley thought the committee was great to work with.

Outreach Report

Delzer asked if the Outreach section of the annual assessment was complete. Some reports turned in were general and some were specific.

Meldman – thinks the Joint Committee wanted more general information which is the way it is already written. You can write generically and can say, "Including an article written for Guidestar..."

Lexow – include something about "What's On TAP" and that it was adopted to go nationwide.

Smedley – you did a good job in writing this report. I just compiled everything you wrote and put it into the annual assessment. Does anyone want any other changes before we submit it to the Joint Committee?

Report was approved with the minor changes/additions as discussed above. No objections.

Oral Report in Washington, D.C. – Smedley

I will summarize our annual assessment at the annual meeting in Washington, D.C., and will probably use a PowerPoint presentation. Staff is currently working on a template for the PowerPoint.

Office Report -- McQuin

Panel member Meldman, DFO Morris, and McQuin did more interviews in Milwaukee this week. Morris and McQuin felt more needed to be done for the state of Wisconsin. Did a total of five interviews. Our recommendations were sent to National Office. Coston will be taking the list of recommended selections to Treasury this week. The list will include 52 names for replacement of regular panel members and another list for alternates. Coston said the Treasury liaisons were great to work with. Area 4 will be getting ten new panel members. That is a large turnover. We will miss the discontinuing members.

The staff is currently working full speed on the annual meeting scheduled for November 3-6, 2004, in Washington, D.C.

I want to say that I am in awe of your commitment to the TAP program (as Morris said). You bring amazing energy and passion to this committee. As IRS people get more involved, that will only help make TAP more successful. Although it may take a couple years before your recommendations are implemented. The IRS moves slowly.

Coston has spoken to Chesman and Sottile. The issues for the new issue committees have not been identified to TAP yet, but that does not mean they haven't been identified yet. They talked about the importance of the program owner knowing their role and the focus of the issue. They would like to get the program owners together at the annual meeting to give them their expectations so everyone understands and is on the same page. The program owners would also attend their issue committee meeting.



When the new members are selected, you are encouraged to contact them. It would also be nice if the discontinuing members would join the first conference call after the annual meeting.

Closing / Assessment

Smedley thanked everyone. It was a great pleasure working with you all.

Meeting adjourned.

Action Items

- **Delzer will contact Berkey (National Office) regarding current Area 4 articles for "What's On TAP" for approval to distribute.**
- **Smedley will update the annual assessment to reflect Area 4's contribution to the W-4 issue.**



**Area 4 Committee Meeting Minutes
Conference Call
August 18, 2004**

Present:

- James Abraham
- David Cain
- Richard Greenberg
- Delford Jones
- Lawrence Lexow
- Joseph Meissner
- Dick Murphy

Absent:

- Robin Gausebeck
- Leslie Malcolmson
- Robert Meldman
- Teresa Smedley

Staff Present

- Richard Morris, DFO, Acting Chair
- Sandy McQuin, TAP Manager
- Mary Ann Delzer, Analyst
- Patti Robb, Note-taker

Welcome / Review Agenda

Seven members present; quorum met. Richard Morris acted as chair in Teresa's absence.

Announcements / Approve Minutes

Minutes were approved without changes.

Public Input

None

Discussion of Issues

• Lien Desk Recording – Cain

Cain finalized the report and it was elevated to the Joint Committee. In it he requested that TAP be kept in the process. The Joint Committee reviewed the report and voted to send it forward.

• Married Filing Separate – Meissner

Meissner sent out his report (see attachment). We have researched this and discussed this with IRS personnel. At one point, we thought this was a minor personal problem, but then we learned that other taxpayers have encountered this same problem. Again, IRS had sent letters to the taxpayers inquiring about such income. They again were required to explain the situation and even provide proof, such as showing that the source of the income, such as a bank account, had both the husband's and wife's social security numbers on the account. There are two results:



1. IRS does send out letters of inquiry in these situations. This occurs when a husband and wife file separate returns. At the same time, banks and other institutions file reports with IRS about income such as interest which has been earned by a taxpayer with a given social security number that is the primary one listed on an account. IRS then sends a letter of inquiry to that taxpayer when the income, such as interest, is not listed on that taxpayer's return. Normally, a letter and explanation from the taxpayer clears up the situation.
2. We were also told that IRS does not usually make the same request of the married, filing separate taxpayer year after year. Usually, one explanation in one year is enough to resolve the situation in future years.

This entire process does not impose significant burdens upon taxpayers. First, they can themselves control what social security number is on any of their own accounts. Second, even if IRS makes an inquiry, the taxpayer can clear this up by explaining the situation, demonstrating that their spouse has reported the income, and changing the social security number on the account for future years. While a refund check may be held up for a short time, this does not seem like a significant burden which should change the way IRS operates in these situations.

Morris suggested a few minor changes. Abraham moved to accept the report with the minor changes and forward to the Joint Committee - seconded. No objections.

• W-4 – Cain

Smedley has taken over working this issue. She did a study as to what impact an EZ form would have. Found that when filing single, one is generally over withheld. When filing joint, generally one is under withheld. Will probably recommend using two separate forms; one for filing single, one for filing joint. The Small Business Committee recommended that the W-4 needs restructuring. They are currently writing up a report and it is almost ready to be elevated to the IRS program owner.

• VITA/TCE Test / Retest – Abraham

There was another call regarding the test / retest for VITA/TCE. It will be finalized very soon. Both Abraham and Greenberg said they were very satisfied with the process. McQuin said this is a huge success. You need to look at the successes of issues like this as well as the elevated issues. This needs to be written up and included in the annual report. Abraham will write up.

Annual Assessment

The draft annual assessment was sent out. Still waiting for the committee members to send number scores. Also need the missing outreach reports.

ACTION: Committee members send numerical scores and outreach reports to Smedley.

Office Report

McQuin reported that the names of the selected new panel members have been forwarded to Nina Olson, National Taxpayer Advocate, as well as the Department of Treasury. About 190 were interviewed. There are still a few telephone interviews that need to be done in a couple states.

Leslie Malcolmson is not on the call today because she is attending a Tax Forum. There are still two forms to go; Las Vegas and San Antonio. The NTA talks about TAP in her presentation at the forums. The Oversight Board has been talking to TAP at the forums.

All offices are working on their final face-to-face meetings. Then they will pour all their efforts on finalizing your annual meeting coming up in November. Please respond to Judi Nicholas' request for topics for the meeting.

The Joint Committee discussed Area 4's "What's On TAP" issue. Smedley didn't want you to have to wait to see the articles published so they decided that you should go forward with the articles you have completed to date. They don't want to hold up all your hard work until a final decision is made at



the annual meeting. However, Berkey has submitted parts of your articles and they were printed in the internal TAS Newsletter.

McQuin reminded members that we are trying to wrap up current issues as new members will be coming on board soon. New issues can be addressed after the annual meeting. Keep sending your issues – they will be entered into the database for future consideration. We don't want to lose them.

A conference call is being set up with Denise Fayne, Director, Tax Forms and Publications, to respond to the Just In Time issue. She wants to address several other issues on this call too.

Outreach Reports

Abraham did an interview on EITC and Tax Burden with a reporter from the local Dispatch newspaper.

Miscellaneous

Meissner asked about the confidentiality issue. McQuin told him this was brought up during the Joint Committee meeting. Director Coston will talk with the NTA as to whether this is a TAP issue. There is some confusion regarding this issue. The IRS is not outsourcing work. Some practitioners are doing this. However, since it has come up in a couple different committees, Coston will address.

Closing

Morris thanked everyone for their time. Meeting adjourned.

Action Assignments

1. **Committee members send numerical scores and outreach reports to Smedley.**

Action items still open from previous meetings:

1. **Malcolmson will complete FICA/Medicare report for September meeting.**
2. **Gausebeck will contact Meissner about her suggestion to put the EIN on tax form with the name.**

Attachment

TO: Area 4 Tap Committee

FROM: Joseph Meissner, Subcommittee Chair for Married, Filing Separately Return problem

DATE: August 17, 2004

SUBJECT: Draft of Final Report on Problem of Married, Filing Separately Returns

I. BACKGROUND:

A married taxpayer reported that he had been having a problem with his return. He files separately. His wife and he have income which is in his Social Security Number. He reports the income on her return. Both are legally entitled to this income. For several years he has received each year an inquiry from IRS about this. Of course, this holds up his refund. He explains each time the situation to IRS



which has accepted that the income is properly reported. Then he receives his refund. He is concerned why this continues to happen and asked TAP to research this.

II. PROCEDURE:

We have researched this and discussed this with IRS personnel. At one point, we thought this was a minor personal problem, but then we learned that other taxpayers have encountered this same problem. Again, IRS had sent letters to the taxpayers inquiring about such income. They again were required to explain the situation and even provide proof, such as showing that the source of the income, such as a bank account, had both the husband's and wife's social security numbers on the account.

III. RESULTS:

1. IRS does send out letters of inquiry in these situations. This occurs when a husband and wife file separate returns. At the same time, banks and other institutions file reports with IRS about income such as interest which has been earned by a taxpayer with a given social security number that is the primary one listed on an account. IRS then sends a letter of inquiry to that taxpayer when the income, such as interest, is not listed on that taxpayer's return. Normally, a letter and explanation from the taxpayer clears up the situation.
2. We were also told that IRS does not usually make the same request of the married, filing separate taxpayer year after year. Usually, one explanation in one year is enough to resolve the situation in future years.

IV. RECOMMENDATIONS:

1. This is a problem that begins with the two taxpayers. If they filed jointly, there never would be a need for IRS to inquire. Furthermore, the problem only happens when one taxpayer reports the income, but the account is primarily under the other taxpayer's Social Security Number. In other words, the taxpayers themselves could avoid the problem by putting the social security number on the account which is the same social security number used for reporting this income to IRS.
2. With the greater use of computers and the reporting by all banks and institutions of income to IRS, taxpayers should be on notice that IRS must insure all income and income taxes are properly accounted for. One way of helping the taxpayers would be to provide a warning in the IRS tax publications that IRS will initially look to the social security number of any account for who should be reporting that income. The listing of income under a different social security number may trigger an inquiry from IRS.
3. There are a number of non-governmental publications which are used by many taxpayers. TAP informally could contact these publications and respectfully recommend that they contain warnings to taxpayers about this.
4. From all of our research, it is apparent that IRS personnel are simply fulfilling their duties in making inquiries about such income. In fact, both as TAP members and as citizens, we want IRS personnel to do this.
5. Finally, this entire process does not impose significant burdens upon taxpayers. First, they can themselves control what social security number is on any of their own accounts. Second, even if IRS makes an inquiry, the taxpayer can clear this up by explaining the situation, demonstrating that their spouse has reported the income, and changing the social security number on the account for future years. While a refund check may be held up for a short time, this does not seem like a significant burden which should change the way IRS operates in these situations.



**Area 4 Committee Meeting Minutes
July 27-28, 2004
Louisville, KY**

Present:

- David Cain
- Robin Gausebeck
- Richard Greenberg
- Delford Jones
- Lawrence Lexow
- Leslie Malcolmson
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- Joseph Meissner

Staff Present

- Mary Ann Delzer, Program Analyst
- Richard Morris, DFO
- Patti Robb, Note-taker
- Sandy McQuin, TAP Manager
- Steve Berkey, NO Analyst

Guests

- Lois Burns, Louisville LTA
- Judy Krebs, Louisville Governmental Liaison
- Cathy Vanhorn, Cincinnati LTA
- Chuck Hendrix, EA, Louisville

Tuesday, July 27, 2004

Welcome / Review Agenda

Smedley welcomed the members to Louisville.

DFO Morris introduced the guests, Judy Krebs (Governmental Liaison), Cathy Vanhorn (Cincinnati LTA), and Lois Burns (Louisville LTA). He has been interviewing new panel members these past few weeks. It is a good group of potential candidates. He thanked the members for their dedication, time spent and hard work.

National Office Report

Berkey said that Director Coston would have liked to have been at this meeting but was doing interviews this week. Coston asked that Berkey convey his appreciation for your time and dedication.



Taxpayers should be proud of what you are doing. You work well as a team and have been very productive. You are also fortunate to have a very experienced TAP staff.

About 187 people have been interviewed for the panel. We will review the interviewer's recommendations and make selections. Area 4 will have ten new members. Hopefully the new members will be on board by September or October and up and running by November.

Work is being done on the communication strategy. Media guidance document will be completed and a pocket guide for communicators will be available. We did very well with the budget this year. There is a concern that 2005 will be a lean year. The actual budget amount is uncertain at this time. Berkey thanked the non-continuing members for their time.

Guests

Lois Burns, Louisville Local Taxpayer Advocate, welcomed everyone to Louisville. She is the portfolio advisor on Offer in Compromise issues. Information will be needed for the Annual Report in looking at the way the OIC program is functioning. If you have any questions or information, please give her a call.

Cathy VanHorn, Cincinnati Local Taxpayer Advocate, talked about how she was involved in the implementation of CAP. She has been an LTA for a year now. She is the portfolio advisor on Taxpayer Assistance Centers (TAC) (walk-in offices). She welcomes input from the panel. She echoed Coston – admires the panel's volunteerism and efforts.

Judy Krebs, Louisville Governmental Liaison, partners with the Taxpayer Advocate and works with the state and local agencies, congressional offices in sharing information. Goal is for all these areas to work toward tax compliance.

Review / Approve Minutes

The minutes were approved as submitted.

TAP Communication Strategy

McQuin stated that one of the concerns of TAP members has been marketing. The communication strategy is designed to find different ways to improve communication with internal and external stakeholders. TAP needs to go where the people already are. TAP members have identified outreach opportunities: civic groups, one-on-one conversations, PR through media (newspapers, radio, and television), public service announcements, talk shows, professional organizations, trade shows, publications, Stakeholder Relationship Management Liaison Council (SRMLC), state and local offices, VITA, church groups, high schools and colleges, state and local fairs, Chambers of Commerce, congressional liaisons/forums, veterans organizations, AARP TCE, association newsletters, religious organizations, clients and employers. You will be getting about ten new members in the Area 4 committee. It may be better to assign a sub committee to work on the design plan. It would be a good idea to get the new members involved. You need to set expectations; where do you want to go?

Gausebeck - will the new members be involved before the November meeting.

McQuin - don't think so but there will be an area meeting at the end of the national meeting like last year.

It was decided at the last Joint Committee meeting that no area or issue meetings will be held in October. The term of the non-continuing members ends September 30, 2004.

Meldman – the subcommittee for communication strategy should be made up on the continuing members only.



Smedley – it should also be the “old” members. It would be overwhelming for the new members.

Meldman – we should work on an outline. The new members can provide input then.

Lexow – the non-continuing members should have input as to their thoughts. There were no expectations or goals set for members.

Berkey – “What's On TAP” is a great media tool. And be sure to include guidance to new members to complete speakers report.

Vanhorn – the LTAs design an outreach plan every year. They are pretty general; speaking engagements, Low Income Tax Clinics (LITC), community activities, etc. We always mention the TAP and the member local to the area we are speaking in. We also have SRMLC meetings. We partner with TEC, SPEC, Counsel, and Communications. If you have messages to get out, this is a good vehicle. Get the information to the LTA. They are happy to hand out TAP handouts.

Burns – works with small business groups, e-file seminars, LITC, etc. We do have to work within budget constraints.

ACTION: Vanhorn will notify the staff when SRMLC meetings are scheduled. Staff will forward to the panel members.

Smedley – there should be time to work on this subcommittee today. Can we meet between the other subcommittee meetings to discuss.

Abraham – most issues have come from practitioners. They have all been administrative issues. How can we channel legislative issues? Most of those come from taxpayers. It is discouraging to send them to the NTA.

Discussion of Issues

• Lien Desk Recording – Cain

The lien desk is still in the process of being centralized and we still need a program owner. The written referral was handed out. Consensus to elevate to the Joint Committee.

• FICA/Medicare Claims – Malcolmson

Will work on this month. There will be a finished report for the August meeting.

ACTION: Malcolmson will complete FICA/Medicare report for August meeting.

• Married Filing Separate – Meissner

Meissner not present. Carryover to August meeting.

ACTION: Gausebeck will contact Meissner about her suggestion to put the EIN on tax form with the name.

ACTION: Meissner will complete MFS report for August meeting.

• W-4 – Cain

Abraham, Greenberg, and Smedley attended the SB/SE Payroll face-to-face meeting. There are two issues; 1) compliance; and 2) the form is unintelligible to the taxpayers. It is often inaccurate and difficult to complete. Smedley distributed a report of the meeting.



W-4 Subcommittee work with SB/SE Payroll Committee
Face-to-Face Meeting in Chicago
July 16-17

"The subcommittee working with the SB/SE Payroll Committee met with them face-to-face in Chicago and discussed the proposals presented for changing the W-4. The first proposal was to make changes to the current W-4, adding two "simple" ways to calculate the number of exemptions (1. Based just on how many family members and basing exemption on this, 2. Giving a percentage option to calculate how much to withhold). These changes would also incorporate line-by-line instructions into the form, since there are currently none. There was much discussion about these changes, with the main objection being that we started out to simplify the form, but these changes only make it more complicated. It would make the form three pages long, and the Program Owner indicated that they would not consider a recommendation that would take the form over its current two-page format. After additional discussion, it was agreed that perhaps what needs to be done is actually four recommendations.

ONE – incorporate the line-by-line instructions into the current form, but otherwise not make significant changes to the form itself.

TWO – request that the IRS perform a study of how a percentage-based withholding system could work and test it.

THREE – create a NEW W-4EZ form using the simplified "family member number" to determine how many exemptions to claim. This proposal is still in the testing stages, with Teresa Smedley agreeing to test various family groups that would come out using this system, compared to how their returns would show at the end of the year. Subcommittee scheduled to meet again on August 4 to look over these tests and firm up this recommendation.

FOUR – Set up special W-4 (10-W-4 NR) for non-residents."

End of Report

The current instructions are very confusing. The instructions should be incorporated into the form itself. It was suggested to go to two forms; a standard form and a W-4EZ. There was some discussion on the calculator available on irs.gov. You need to have your check stubs available and information from prior tax returns. This is too complicated. Area 4 will close this issue, as the SB/SE Payroll committee will elevate our issues. We do need to put something in our annual assessment to get credit for Area 4's input to Payroll's elevated issue. The subcommittee is meeting on August 4 and will report on testing of the W-4EZ and incorporate their input into the Payroll report.

• **Correspondence/Reasonable Response Times– Murphy**

Delzer sent the PowerPoint program to Murphy and Abraham. Waiting for response. Doubts this will be completed by August meeting. Should revisit this issue at the November meeting with the new panel members.

ACTION: Put correspondence/reasonable response times in parking lot for now.

• **Form 990 – Meissner**

Malcolmson reported that the Senate Finance Committee had a meeting and agreed that both Form 990 and Form 990PF need to be improved and should be e-filed. Since Meissner is not here, this issue will have to be carried over to next year. These issues differ from our original 990 issues.

ACTION: Put Form 990 in parking lot and review in November.

• **E-File Rejects – Abraham**

Abraham did a report on April 15. This is a legitimate issue. Would like to see the IRS write out the procedures they follow for the ten days following a reject. It would be something to hand out for VITA. Close issue.



• VITA Training – Abraham

Report from Abraham, Greenberg, and Malcolmson:

“July 12, 2004

At the invitation of Elaine S. Beck, Senior Manager, Education & Product Development, W&I, SPEC Atlanta, GA, Dick Greenberg, Jim Abraham, and Leslie Malcolmson from TAP Area 4 are serving on a work group that is developing the 2004 edition of the VITA/TCE certification test/retest. The 2003 test/retest and training material have received considerable criticism. Ms. Beck believes that a close collaboration between the Internal Revenue Service and their partners and volunteers provides the opportunity for crafting a more effective array of training products for 2004. Teams comprised of IRS staff and external Partners, including representatives from AARP Tax-Aide and the Armed Forces Tax Council, have been an integral part of the training material development process for many years. This year, she again convened a work group comprised of IRS Tax Specialists and Partners external to the IRS to assist in writing the certification test/retest. Ms. Beck was pleased to include TAP volunteers, as well as AARP Tax-Aide volunteers, in this group.

The test is designed to:

- Measure student knowledge;
- Use a particular tax situation to test a variety of areas of tax preparation;
- Eliminate repetitive writing;
- Build a test for our tax preparation software users and our paper preparers.

The certification test must satisfy the needs of the IRS’s integrated training (training for preparers who will be using a tax preparation software) and traditional training (classroom or CD-based or web-based) for preparers who may use either a tax preparation software or prepare a paper return. The work group will complete all phases in the construction of the certification test/retest from creation and problem writing to review and final evaluation. The work group began in May 2004 in Atlanta, GA, and will end with a final product in September 2004. Following its initial session in May, the group has had numerous conference call meetings to review the test/retest as they have evolved.

Shirley Janes of Ms. Beck’s staff is the coordinator of this effort. Ms. Janes is from the St. Louis, MO, office of SPEC’s Education & Product development.”

End of Report

Greenberg – the test/retest is now going through official test takers to see if it is viable. After this is completed, there will be a conference call on August 6 to discuss the results. A couple of the test questions may have to be rewritten but feels this test is excellent.

McQuin – this is the way TAP should be included.

Smedley – this will definitely go into our list of successes. We had a definite impact.

• Just in Time

We are still waiting for a reply. This should be elevated to the NTA. We need to get involved for the 2004 filing season.

Annual Assessment



Accomplishments

<u>Issue</u>	<u>Write Synopsis</u>
Lien Desk Reporting	Cain
W-4 Issue	Greenberg
Innocent Spouse	Meldman/Abraham
VITA/TCE Training	Malcolmson/Greenberg
What's On TAP	Lexow
Just In Time	Smedley

Issues Currently Under Consideration

Delay of Correspondence Delzer

Issues Tabled for Future Consideration

Form 990 Revisited
Review Parking Lot

Disappointments

1. need more detail on issues (that come from toll-free or web-site)
2. lack of cooperation for some IRS program owners when working issues
3. not meeting promised response timeline for some elevated issues
4. inability to address legislative issues
5. exit interviews not done
6. lack of initial participation from National Office
7. inconsistency (turnover) of specific program owners preventing continuity
8. need better orientation (issue and role of TAP) – would help panel members be more effective
9. lack of contact and response from some LTAs
10. initial lack of marketing materials

Time

- Exit interviews not done for panel members that left
- Flexibility – key in panel members ability to meet monthly
- Time commitment expectations clearly in current interviews
- Inconsistency in what was told in interview vs. actual time
- Reiterated that TAP does not look at legislative issues

Morris pointed out that the mission of the panel is here to advise the IRS (Executive Branch of the U.S. Treasury), not Congress.

The annual report consolidates issues that are communicated to Congress.

Ad Hoc Committee would possibly be appropriate vehicle to evaluate legislative issues.

National Office participation has improved – want it continued.



Subcommittee Work / Annual Assessment Work

Committees broke out and wrote reports. Reports were read to the whole committee.

ACTION: Smedley will consolidate subcommittee reports for annual report.

Wednesday, July 28, 2004

Annual Assessment Report Out

The remaining reports were read.

ACTION: All members should complete their outreach reports and forward to Delzer by August 31.

New Issues / Parking Lot

• **Correspondence** — some taxpayers received a notice and called the phone number listed on the notice. But when the phone was answered, the employee was unable to pull up the taxpayer's information.

Vanhorn – that may have been because they are in the process of moving (centralizing) some programs. Files are being moved from one campus to another.

- When non-profit has unrelated lease income, the IRS asks for more information but doesn't identify the specific property (there could be multiple properties).
- Schedule C Audits – IRS has begun a correspondence audit initiative of Schedule C returns. Taxpayers are being advised to mail documentation to the campus auditors. Taxpayers are advising the Service that they have multiple boxes of records. Can they really be expected to send boxes and boxes of records? Smedley suggested that Ad Hoc look at this issue. Vanhorn will forward more detailed information to Meldman for the next Ad Hoc meeting.

Outreach Report

Jones did an outreach at the YMCA.

Cain assisted in interviewing new TAP members.

Malcolmson assisted in interviewing new TAP members.

Morris and McQuin also interviewed new TAP members. The applicants were told that government moves slowly so don't expect sweeping changes.

Outreach Action Plan

Smedley - likes the PowerPoint however she doesn't have the equipment to use it.

Vanhorn – if you are in close proximity to an area or local office, check to see if they have one you can borrow.

McQuin – we can print a copy of the presentation and send it to you in case you do not have access to the equipment.

Vanhorn – LTAs can share their outreach plans for the year. They should be online. The managers can look at them and offer the opportunity to a panel member.



Greenberg – don't forget about SPEC. They are a good source too.

Lexow – should assign each person to devise their own individual outreach plan at the annual meeting.

ACTION ITEM	RESPONSIBLE PARTY	DUE DATE
Contact your LTA	All / Staff	12/31/04
Individual Plan	All	
Conference Call with LTA	Staff	
LTA Share Outreach Plans	Staff	
Memo to LTAs	National Office Staff	
Distribute Materials	All	
What's On TAP		
LTA Guidance Document	National Office Staff	
Develop Intro-Mission Statement		
Mission Statement on Business Cards	Staff	
TAP Member Intro Letter		
ID Events Ahead of Time – High Cost		

Identify opportunities where you can reach a group where you will get grass-roots issues. LTA can pass opportunities on to TAP. You need to identify opportunities that will cost money ahead of time.

Action Item Review

LITC Contracts – McQuin talked to LITC Director Randy Swartz. There is nothing in the contract that says LITC will work with TAP. The contract identifies TAS, not TAP.

Office Report

McQuin – the staff has been very busy supporting interviews. We have ensured that the toll-free line is being answered. So far it has been a very busy summer. Please get back to Judi Nicholas, Seattle TAP Manager, with your ideas about orientation and workshop topics for the annual meeting.

DFO Morris thanked non-continuing panel members, Bob Meldman, Larry Lexow, Dick Murphy, and Robin Gausebeck for their time and efforts.

Meldman said he could not have done the job as chair without the support of the staff and DFO Morris.

Action Items

1. **VanHorn will notify the staff when SRMLC meetings are scheduled. Staff will forward to the panel members.**
2. **Malcolmson will complete FICA/Medicare report for August meeting.**
3. **Gausebeck will contact Meissner about her suggestion to put the EIN on tax form with the name.**
4. **Meissner will complete Married Filing Separate report for August meeting.**
5. **Put correspondence/reasonable response times in parking lot for now.**
6. **Put Form 990 in parking lot and review in November.**
7. **Smedley will consolidate subcommittee reports for annual report.**
8. **All members should complete their outreach reports and forward to Delzer by August 31.**



9. **Greenberg to write an article for "What's On TAP" about the High School Curriculum program.**

Meeting Adjourned



**Area 4 Committee Meeting Minutes
July 27-28, 2004
Louisville, KY**

Present:

- David Cain
- Robin Gausebeck
- Richard Greenberg
- Delford Jones
- Lawrence Lexow
- Leslie Malcolmson
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- Joseph Meissner

Staff Present

- Mary Ann Delzer, Program Analyst
- Richard Morris, DFO
- Patti Robb, Note-taker
- Sandy McQuin, TAP Manager
- Steve Berkey, NO Analyst

Guests

- Lois Burns, Louisville LTA
- Judy Krebs, Louisville Governmental Liaison
- Cathy Vanhorn, Cincinnati LTA
- Chuck Hendrix, EA, Louisville

Tuesday, July 27, 2004

Welcome / Review Agenda

Smedley welcomed the members to Louisville.

DFO Morris introduced the guests, Judy Krebs (Governmental Liaison), Cathy Vanhorn (Cincinnati LTA), and Lois Burns (Louisville LTA). He has been interviewing new panel members these past few weeks. It is a good group of potential candidates. He thanked the members for their dedication, time spent and hard work.

National Office Report

Berkey said that Director Coston would have liked to have been at this meeting but was doing interviews this week. Coston asked that Berkey convey his appreciation for your time and dedication.



Taxpayers should be proud of what you are doing. You work well as a team and have been very productive. You are also fortunate to have a very experienced TAP staff.

About 187 people have been interviewed for the panel. We will review the interviewer's recommendations and make selections. Area 4 will have ten new members. Hopefully the new members will be on board by September or October and up and running by November.

Work is being done on the communication strategy. Media guidance document will be completed and a pocket guide for communicators will be available. We did very well with the budget this year. There is a concern that 2005 will be a lean year. The actual budget amount is uncertain at this time. Berkey thanked the non-continuing members for their time.

Guests

Lois Burns, Louisville Local Taxpayer Advocate, welcomed everyone to Louisville. She is the portfolio advisor on Offer in Compromise issues. Information will be needed for the Annual Report in looking at the way the OIC program is functioning. If you have any questions or information, please give her a call.

Cathy VanHorn, Cincinnati Local Taxpayer Advocate, talked about how she was involved in the implementation of CAP. She has been an LTA for a year now. She is the portfolio advisor on Taxpayer Assistance Centers (TAC) (walk-in offices). She welcomes input from the panel. She echoed Coston – admires the panel's volunteerism and efforts.

Judy Krebs, Louisville Governmental Liaison, partners with the Taxpayer Advocate and works with the state and local agencies, congressional offices in sharing information. Goal is for all these areas to work toward tax compliance.

Review / Approve Minutes

The minutes were approved as submitted.

TAP Communication Strategy

McQuin stated that one of the concerns of TAP members has been marketing. The communication strategy is designed to find different ways to improve communication with internal and external stakeholders. TAP needs to go where the people already are. TAP members have identified outreach opportunities: civic groups, one-on-one conversations, PR through media (newspapers, radio, and television), public service announcements, talk shows, professional organizations, trade shows, publications, Stakeholder Relationship Management Liaison Council (SRMLC), state and local offices, VITA, church groups, high schools and colleges, state and local fairs, Chambers of Commerce, congressional liaisons/forums, veterans organizations, AARP TCE, association newsletters, religious organizations, clients and employers. You will be getting about ten new members in the Area 4 committee. It may be better to assign a sub committee to work on the design plan. It would be a good idea to get the new members involved. You need to set expectations; where do you want to go?

Gausebeck - will the new members be involved before the November meeting.

McQuin - don't think so but there will be an area meeting at the end of the national meeting like last year.

It was decided at the last Joint Committee meeting that no area or issue meetings will be held in October. The term of the non-continuing members ends September 30, 2004.

Meldman – the subcommittee for communication strategy should be made up on the continuing members only.



Smedley – it should also be the “old” members. It would be overwhelming for the new members.

Meldman – we should work on an outline. The new members can provide input then.

Lexow – the non-continuing members should have input as to their thoughts. There were no expectations or goals set for members.

Berkey – “What's On TAP” is a great media tool. And be sure to include guidance to new members to complete speakers report.

Vanhorn – the LTAs design an outreach plan every year. They are pretty general; speaking engagements, Low Income Tax Clinics (LITC), community activities, etc. We always mention the TAP and the member local to the area we are speaking in. We also have SRMLC meetings. We partner with TEC, SPEC, Counsel, and Communications. If you have messages to get out, this is a good vehicle. Get the information to the LTA. They are happy to hand out TAP handouts.

Burns – works with small business groups, e-file seminars, LITC, etc. We do have to work within budget constraints.

ACTION: Vanhorn will notify the staff when SRMLC meetings are scheduled. Staff will forward to the panel members.

Smedley – there should be time to work on this subcommittee today. Can we meet between the other subcommittee meetings to discuss.

Abraham – most issues have come from practitioners. They have all been administrative issues. How can we channel legislative issues? Most of those come from taxpayers. It is discouraging to send them to the NTA.

Discussion of Issues

• Lien Desk Recording – Cain

The lien desk is still in the process of being centralized and we still need a program owner. The written referral was handed out. Consensus to elevate to the Joint Committee.

• FICA/Medicare Claims – Malcolmson

Will work on this month. There will be a finished report for the August meeting.

ACTION: Malcolmson will complete FICA/Medicare report for August meeting.

• Married Filing Separate – Meissner

Meissner not present. Carryover to August meeting.

ACTION: Gausebeck will contact Meissner about her suggestion to put the EIN on tax form with the name.

ACTION: Meissner will complete MFS report for August meeting.

• W-4 – Cain

Abraham, Greenberg, and Smedley attended the SB/SE Payroll face-to-face meeting. There are two issues; 1) compliance; and 2) the form is unintelligible to the taxpayers. It is often inaccurate and difficult to complete. Smedley distributed a report of the meeting.



W-4 Subcommittee work with SB/SE Payroll Committee
Face-to-Face Meeting in Chicago
July 16-17

"The subcommittee working with the SB/SE Payroll Committee met with them face-to-face in Chicago and discussed the proposals presented for changing the W-4. The first proposal was to make changes to the current W-4, adding two "simple" ways to calculate the number of exemptions (1. Based just on how many family members and basing exemption on this, 2. Giving a percentage option to calculate how much to withhold). These changes would also incorporate line-by-line instructions into the form, since there are currently none. There was much discussion about these changes, with the main objection being that we started out to simplify the form, but these changes only make it more complicated. It would make the form three pages long, and the Program Owner indicated that they would not consider a recommendation that would take the form over its current two-page format. After additional discussion, it was agreed that perhaps what needs to be done is actually four recommendations.

ONE – incorporate the line-by-line instructions into the current form, but otherwise not make significant changes to the form itself.

TWO – request that the IRS perform a study of how a percentage-based withholding system could work and test it.

THREE – create a NEW W-4EZ form using the simplified "family member number" to determine how many exemptions to claim. This proposal is still in the testing stages, with Teresa Smedley agreeing to test various family groups that would come out using this system, compared to how their returns would show at the end of the year. Subcommittee scheduled to meet again on August 4 to look over these tests and firm up this recommendation.

FOUR – Set up special W-4 (10-W-4 NR) for non-residents."

End of Report

The current instructions are very confusing. The instructions should be incorporated into the form itself. It was suggested to go to two forms; a standard form and a W-4EZ. There was some discussion on the calculator available on irs.gov. You need to have your check stubs available and information from prior tax returns. This is too complicated. Area 4 will close this issue, as the SB/SE Payroll committee will elevate our issues. We do need to put something in our annual assessment to get credit for Area 4's input to Payroll's elevated issue. The subcommittee is meeting on August 4 and will report on testing of the W-4EZ and incorporate their input into the Payroll report.

• **Correspondence/Reasonable Response Times– Murphy**

Delzer sent the PowerPoint program to Murphy and Abraham. Waiting for response. Doubts this will be completed by August meeting. Should revisit this issue at the November meeting with the new panel members.

ACTION: Put correspondence/reasonable response times in parking lot for now.

• **Form 990 – Meissner**

Malcolmson reported that the Senate Finance Committee had a meeting and agreed that both Form 990 and Form 990PF need to be improved and should be e-filed. Since Meissner is not here, this issue will have to be carried over to next year. These issues differ from our original 990 issues.

ACTION: Put Form 990 in parking lot and review in November.

• **E-File Rejects – Abraham**

Abraham did a report on April 15. This is a legitimate issue. Would like to see the IRS write out the procedures they follow for the ten days following a reject. It would be something to hand out for VITA. Close issue.



• VITA Training – Abraham

Report from Abraham, Greenberg, and Malcolmson:

“July 12, 2004

At the invitation of Elaine S. Beck, Senior Manager, Education & Product Development, W&I, SPEC Atlanta, GA, Dick Greenberg, Jim Abraham, and Leslie Malcolmson from TAP Area 4 are serving on a work group that is developing the 2004 edition of the VITA/TCE certification test/retest. The 2003 test/retest and training material have received considerable criticism. Ms. Beck believes that a close collaboration between the Internal Revenue Service and their partners and volunteers provides the opportunity for crafting a more effective array of training products for 2004. Teams comprised of IRS staff and external Partners, including representatives from AARP Tax-Aide and the Armed Forces Tax Council, have been an integral part of the training material development process for many years. This year, she again convened a work group comprised of IRS Tax Specialists and Partners external to the IRS to assist in writing the certification test/retest. Ms. Beck was pleased to include TAP volunteers, as well as AARP Tax-Aide volunteers, in this group.

The test is designed to:

- Measure student knowledge;
- Use a particular tax situation to test a variety of areas of tax preparation;
- Eliminate repetitive writing;
- Build a test for our tax preparation software users and our paper preparers.

The certification test must satisfy the needs of the IRS’s integrated training (training for preparers who will be using a tax preparation software) and traditional training (classroom or CD-based or web-based) for preparers who may use either a tax preparation software or prepare a paper return. The work group will complete all phases in the construction of the certification test/retest from creation and problem writing to review and final evaluation. The work group began in May 2004 in Atlanta, GA, and will end with a final product in September 2004. Following its initial session in May, the group has had numerous conference call meetings to review the test/retest as they have evolved.

Shirley Janes of Ms. Beck’s staff is the coordinator of this effort. Ms. Janes is from the St. Louis, MO, office of SPEC’s Education & Product development.”

End of Report

Greenberg – the test/retest is now going through official test takers to see if it is viable. After this is completed, there will be a conference call on August 6 to discuss the results. A couple of the test questions may have to be rewritten but feels this test is excellent.

McQuin – this is the way TAP should be included.

Smedley – this will definitely go into our list of successes. We had a definite impact.

• Just in Time

We are still waiting for a reply. This should be elevated to the NTA. We need to get involved for the 2004 filing season.



Annual Assessment

Accomplishments

<i>Issue</i>	<i>Write Synopsis</i>
Lien Desk Reporting	Cain
W-4 Issue	Greenberg
Innocent Spouse	Meldman/Abraham
VITA/TCE Training	Malcolmson/Greenberg
What's On TAP	Lexow
Just In Time	Smedley

Issues Currently Under Consideration

Delay of Correspondence Delzer

Issues Tabled for Future Consideration

Form 990 Revisited
Review Parking Lot

Disappointments

1. need more detail on issues (that come from toll-free or web-site)
2. lack of cooperation for some IRS program owners when working issues
3. not meeting promised response timeline for some elevated issues
4. inability to address legislative issues
5. exit interviews not done
6. lack of initial participation from National Office
7. inconsistency (turnover) of specific program owners preventing continuity
8. need better orientation (issue and role of TAP) – would help panel members be more effective
9. lack of contact and response from some LTAs
10. initial lack of marketing materials

Time

- Exit interviews not done for panel members that left
- Flexibility – key in panel members ability to meet monthly
- Time commitment expectations clearly in current interviews
- Inconsistency in what was told in interview vs. actual time
- Reiterated that TAP does not look at legislative issues

Morris pointed out that the mission of the panel is here to advise the IRS (Executive Branch of the U.S. Treasury), not Congress.

The annual report consolidates issues that are communicated to Congress.

Ad Hoc Committee would possibly be appropriate vehicle to evaluate legislative issues.

National Office participation has improved – want it continued.



Subcommittee Work / Annual Assessment Work

Committees broke out and wrote reports. Reports were read to the whole committee.

ACTION: Smedley will consolidate subcommittee reports for annual report.

Wednesday, July 28, 2004

Annual Assessment Report Out

The remaining reports were read.

ACTION: All members should complete their outreach reports and forward to Delzer by August 31.

New Issues / Parking Lot

• **Correspondence** — some taxpayers received a notice and called the phone number listed on the notice. But when the phone was answered, the employee was unable to pull up the taxpayer's information.

Vanhorn – that may have been because they are in the process of moving (centralizing) some programs. Files are being moved from one campus to another.

- When non-profit has unrelated lease income, the IRS asks for more information but doesn't identify the specific property (there could be multiple properties).
- Schedule C Audits – IRS has begun a correspondence audit initiative of Schedule C returns. Taxpayers are being advised to mail documentation to the campus auditors. Taxpayers are advising the Service that they have multiple boxes of records. Can they really be expected to send boxes and boxes of records? Smedley suggested that Ad Hoc look at this issue. Vanhorn will forward more detailed information to Meldman for the next Ad Hoc meeting.

Outreach Report

Jones did an outreach at the YMCA.

Cain assisted in interviewing new TAP members.

Malcolmson assisted in interviewing new TAP members.

Morris and McQuin also interviewed new TAP members. The applicants were told that government moves slowly so don't expect sweeping changes.

Outreach Action Plan

Smedley - likes the PowerPoint however she doesn't have the equipment to use it.

Vanhorn – if you are in close proximity to an area or local office, check to see if they have one you can borrow.

McQuin – we can print a copy of the presentation and send it to you in case you do not have access to the equipment.

Vanhorn – LTAs can share their outreach plans for the year. They should be online. The managers can look at them and offer the opportunity to a panel member.



Greenberg – don't forget about SPEC. They are a good source too.

Lexow – should assign each person to devise their own individual outreach plan at the annual meeting.

ACTION ITEM	RESPONSIBLE PARTY	DUE DATE
Contact your LTA	All / Staff	12/31/04
Individual Plan	All	
Conference Call with LTA	Staff	
LTA Share Outreach Plans	Staff	
Memo to LTAs	National Office Staff	
Distribute Materials	All	
What's On TAP		
LTA Guidance Document	National Office Staff	
Develop Intro-Mission Statement		
Mission Statement on Business Cards	Staff	
TAP Member Intro Letter		
ID Events Ahead of Time – High Cost		

Identify opportunities where you can reach a group where you will get grass-roots issues. LTA can pass opportunities on to TAP. You need to identify opportunities that will cost money ahead of time.

Action Item Review

LITC Contracts – McQuin talked to LITC Director Randy Swartz. There is nothing in the contract that says LITC will work with TAP. The contract identifies TAS, not TAP.

Office Report

McQuin – the staff has been very busy supporting interviews. We have ensured that the toll-free line is being answered. So far it has been a very busy summer. Please get back to Judi Nicholas, Seattle TAP Manager, with your ideas about orientation and workshop topics for the annual meeting.

DFO Morris thanked non-continuing panel members, Bob Meldman, Larry Lexow, Dick Murphy, and Robin Gausebeck for their time and efforts.

Meldman said he could not have done the job as chair without the support of the staff and DFO Morris.

Action Items

1. **VanHorn will notify the staff when SRMLC meetings are scheduled. Staff will forward to the panel members.**
2. **Malcolmson will complete FICA/Medicare report for August meeting.**
3. **Gausebeck will contact Meissner about her suggestion to put the EIN on tax form with the name.**
4. **Meissner will complete Married Filing Separate report for August meeting.**
5. **Put correspondence/reasonable response times in parking lot for now.**
6. **Put Form 990 in parking lot and review in November.**
7. **Smedley will consolidate subcommittee reports for annual report.**
8. **All members should complete their outreach reports and forward to Delzer by August 31.**



9. **Greenberg to write an article for "What's On TAP" about the High School Curriculum program.**

Meeting Adjourned



**Area 4 Committee Meeting Minutes
Conference Call
June 16, 2004**

Present:

- David Cain
- Robin Gausebeck
- Richard Greenberg
- Lawrence Lexow
- Leslie Malcolmson
- Joseph Meissner
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- James Abraham
- Delford Jones

Staff Present

- Mary Ann Delzer, Program Analyst
- Richard Morris, DFO
- Patti Robb, Note-taker

Welcome / Review Agenda

Dan Drumel resigned due to a family member's health. It is effective immediately.

Roll Call

Nine members present. Quorum met.

Announcements / Approve Minutes

Smedley announced that the committee needs to start working on their portion of the next annual report at the July meeting. She will try to have an outline done for the face-to-face meeting. Please be prepared to give input in Louisville. The Joint Committee meeting was Tuesday, June 15, 2004. They are looking at taking our "What's On TAP" nationwide. We will need to put the TAP communication strategy on our July agenda. The Joint Committee is going to finalize it and send it out for all the committees to implement soon.

Public Input

None

Discussion of Issues

• Lien Desk Recording – Cain

Cain wrote up a draft report. The lien desk is being centralized.

ACTION: Cain to forward draft Lien Desk report to Delzer. Final report to be completed for July meeting.



• **FICA/Medicare Claims – Malcolmson**

Nothing new to report, as need to complete some additional research before the report is finalized for the July meeting.

ACTION: Malcolmson will complete FICA/Medicare report for July meeting.

• **Married Filing Separate – Meissner**

When married people file separately, the returns are checked against each other if there is an income discrepancy. This is actually controllable by the taxpayer by 1) reporting 1099 income on the return with the controlling SSN, 2) ensure they both file and list their spouse's SSN, and 3) not an overwhelming problem as taxpayer can respond with the required information. This issue is the taxpayers, not the IRS. Meissner will be sending a report through the subcommittee and then to Area 4.

ACTION: Meissner will complete Married Filing Separate report for July meeting.

• **W-4 – Cain**

There is a SBSE Payroll Issue committee meeting in Chicago on July 16-17. Greenberg and Smedley will attend this meeting to represent Area 4.

ACTION: Greenberg and Smedley to report on SBSE Payroll meeting results at July meeting.

• **VITA Training – Greenberg and Malcolmson**

Abraham, Greenberg and Malcolmson attended a meeting on VITA test/retest redesign in Atlanta. There were eight people who participated including one representative from AARP and staff from SPEC. A final version of the tests is expected to be ready July 6, 2004. The materials will be available to the VITA/TCE volunteer managers by Thanksgiving. IRS acknowledged that last year there were great problems. It was a great meeting and IRS was very receptive to TAP and they were happy to broaden and expand the base of the work group. A web group is putting together a web site test to create an on-line self-test. That is scheduled to be complete by July 1. Are still polishing the product and will be having their final call on August 13. TAP really has been able to have an impact on the VITA/TCE program. Smedley said this accomplishment should definitely go in the Area 4 annual report.

ACTION: Abraham, Greenberg and Malcolmson to do draft report on VITA training for the Area 4 annual report.

• **Revisit Form 990 – Meissner**

This issue was put in the parking lot after it was elevated to see what was implemented. Delzer and Meissner will discuss and report in July. To change a form is a massive undertaking.

ACTION: Delzer will contact Mr. Berger, AICPA, to get more information on his letter sent to IRS regarding the organization's concerns about Form 990.

• **New Issues**

• **Corrected 1099s – Abraham**

This issue will be carried over to the July meeting.

• **Income Reporting for Day Care Aides - Malcolmson**

Concern is that home based service workers, and day care workers, should be treated as employees, not self employed. This is a national problem. Malcolmson would like TAP to work the issues. Smedley mentioned the NTA recommended a change to the code – which is legislative. Smedley suggested Malcolmson send a letter of support to NTA that agrees with her proposal. Really is not a systemic issue for TAP as requires legislation.

• **Delay of Correspondence – Murphy**

Waiting on more research. Hope to have something by the July meeting. The MFS subcommittee will work on this issue too since that issue will be complete by the July meeting.



Outreach Report

Lexow wrote the introduction and exit paragraphs for the "What's On TAP" articles. Need to complete the articles and give them as a package to Meldman to present at the JC meeting.

ACTION: Lexow to share introduction and exit paragraphs for "What's on TAP."

ACTION: Delzer to send Murphy's Innocent Spouse article to Meldman.

ACTION: Malcolmson will write up report from VITA meeting and send to Meldman.

High School Tax Curriculum – Greenberg

Developed a thirty minute curriculum/speech on filing taxes for high school students. It has been very well received. Elaine Beck from SPEC is very interested in the program. The problem is that teachers have no time to add this to their teaching plan. VITA and TCE volunteers may be willing to take this to the schools, as they have nine months on down time. He will present this at the SBSE Schedule C Non-filer meeting as a recommendation to the IRS.

ACTION: Greenberg to write on article for "What's on TAP" about the High School Curriculum program.

Murphy has been participating with a coalition working in his community promoting asset building and financial literacy. Meeting included presentations by IRS staff about VITA, EITC and Child tax credit. Murphy spoke about the work of TAP.

Office Report

Recruitment plan is to interview approximately 240 applicants to fill 48-49 spots. The interviews will take place the weeks of July 12, July 19, and July 26.

The next Area 4 meeting will be the face-to-face in Louisville, KY, July 27-28, 2004:

Tuesday, July 27 – 8 am to 3 pm

Wednesday, July 28 – 8 am to Noon.

Travel to the meeting is Monday, July 26. If you haven't already contacted Robb about your travel, please do so. New travel regulations were implemented on June 1 and the flights have to be made thirty days in advance of the actual travel now.

Meeting adjourned.

Action Assignments

Abraham, Greenberg and Malcolmson to do draft report on VITA training for the Area 4 annual report.

Cain to forward draft Lien Desk report to Delzer. Final report to be completed for July meeting.

Delzer will contact Mr. Berger, AICPA, to get more information on his letter sent to IRS regarding the organization's concerns about Form 990.

Delzer to send Murphy's Innocent Spouse article to Meldman.

**Greenberg and Smedley to report on SBSE Payroll meeting results at July meeting.
Greenberg to write on article for "What's on TAP" about the High School Curriculum program.**

Lexow to share introduction and exit paragraphs for "What's on TAP."



**Malcolmson will complete FICA/Medicare report for July meeting.
Malcolmson will write up report from VITA meeting and send to Meldman.**

Meissner will complete Married Filing Separate report for July meeting.



Area 4 Committee Meeting Minutes May 19, 2004

Present:

- David Cain
- Daniel Drumel
- Robin Gausebeck
- Delford Jones
- Lawrence Lexow
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- Jim Abraham
- Dick Greenberg
- Leslie Malcolmson
- Joe Meissner

Staff Present

- Richard Morris, DFO
- Sandy McQuin, TAP Manager
- Mary Ann Delzer, TAP Analyst

Welcome / Review Agenda

Smedley welcomed the committee and reviewed the agenda.

Announcements / Approve Minutes

Smedley discussed that Tap members are being asked to participate in interviewing the TAP applicants. Delford Jones volunteers to be a back-up for interviewing. Gausebeck asked when TAP members would know they were selected for interviewing. McQuin stated that next Monday the ranking of applications will begin. The location of the interviews will depend where applicants are located.

ACTION: Delzer to email to TAP a timeline for the recruitment process.

Minutes were approved as written.

Joint Committee Report

Smedley updated Area 4 on issues discussed at the Joint Committee meeting.

Recruitment--815 applications received through the website and 120 on paper. Staff are getting ready to do the ranking. TAP members will be involved in the interview process.

Large print TAP materials are available. Please let your manager or TAP Chair know if you would like the material.



Coston reminded all the Chairs to be sure to share the issues discussed at the Joint Committee meetings Communications Strategy was approved in November. Is now being shared with the Area committees so they can develop an Outreach Strategy. Need to encourage more public input to find out what problems they are seeing to address them. Are currently working with local field and media staff to issue TAP media releases. Looking for TAS to further market TAP.

TAP marketing material packet, with samples of all the pieces, did go out with all the information on ordering materials. Media training is available at for face-to-face meeting. Will help with how to talk with the public and organize the presentation. PowerPoint is also available. McQuin stated that media training will most likely be available at the national meeting. Meldman recommended participation in the media training. Last year was very good, but need to make the session longer because not everyone had a chance to directly participate. Smaller groups would be better and then repeat the session.

Public Input

None

Discussion of Issues

- **Lien Desk Recording Cain**

Lien process is going to be centralized. Cain to write a recommendation to be part of future discussion and /planning.

- **FICA/Medicare Claims Malcolmson**

No report

- **Innocent Spouse Meldman**

Were considered at the May JC meeting and all were elevated

- **Married Filing Separate Delzer**

Still researching the extent of the problem.

- **W-4 Cain**

Will be having another joint conference call with the Payroll Issue Committee on June 1, 2004 .

ACTION: Delzer to send W-4 materials by mail before the June 1 conference call.

- **VITA Training-McQuin**

Abraham, Greenberg, and Malcolmson in Atlanta this week looking at VITA training/testing as it is being re-written for next year. This is exactly what we have been trying to achieve with TAP, grassroots input up-front. This is meeting one of our goals. All three members are familiar with VITA and their input will be valuable. Cain shared that in West Virginia , SPEC sent out a survey on VITA training asking how IRS can make it better.



New Issues

- Corrected 1099s Abraham

ACTION: Carry over Corrected 1099s issue to June meeting.

- Reasonable Response Time Murphy

Received report on response time issues TAS sees. Seems to be a real issue. In fiscal year 2003, 76% of the Area 4 TAS receipts have to do with timeliness, in various degrees like 30 days or more, by IRS. Morris reminded the members that IRS receives millions of pieces of correspondence that need responses. Does continue to be an ongoing issue. IRS needs to look at resource allocation and systems to control correspondence. Subcommittee members will be Murphy, Drumel and Abraham

ACTION: Delzer to send a copy of the TAS report to Drumel and Abraham. Delzer to research correspondence control system.

- Extension of time for e-file rejects--Delzer

Did preliminary research on whether the current 10 day window is statutory.

ACTION: Delzer will perform additional research on the e-file rejects issue.

Outreach Report

Lexow is working on putting together an email list to get to a standard format. Goal is to get articles out by June 1, 2004.

Writing schedule for the next few months:

- July - Drumel
- May - Smedley - Overview of issues Area 4 is working on
- June - Murphy - Innocent Spouse issues

Meldman reminded the members to close the article with the means to contact TAP. Murphy reiterated that the article should be 200 words or so.

Smedley stated that she discussed What's on TAP at the Joint Committee meeting. National office is very interested in the articles completed so far and the contact list. McQuin said she would discuss the opportunity with Coston, but they will probably not work on until the fall.

Smedley asked that we keep it on the forefront just to not lose the idea. McQuin believes with National Office support, could have nation wide distribution and nation wide authorship. Meldman recommended that Ad Hoc forward and elevate the issue as part of the over all marketing plan. Lexow stated that many of the organizations he has made contact with are national organizations.

ACTION: Lexow to email Meldman list of contacts and samples of articles done to date, for consideration by Ad Hoc Committee.

Murphy stated the retiring members would probably be interested in seeing these articles after their time with TAP is completed. Morris suggested that the articles be posted to improveirs.org as well to reach the wider audience.



Office Report

Delzer informed the group the Louisville meeting will be held at the Seelbach Hilton Hotel. Robb will be contacting members in the next few weeks about their travel preferences.

The deadline for the sleeping rooms reservations are due June 26, 2004.

McQuin shared that the application process is completed and the ranking process will begin Monday. The interview process will be a little different this time around. Interview panel will consist of a LTA, a TAP panel member, and a member of the TAP staff. The questions will be standard and those interviewing will have an orientation before hand so there is consistency across the country. National Office is pleased with the number of applications received. The National TAP meeting will be November 4-6, 2004.

McQuin reported that in regard to the action item concerning the LITC connection with TAP, Coston is following up with LITC Director Randy Swartz.

Closing/Assessment

Next meeting June 16, 2004 at 8:00 a.m. CDT.

Action Items

Delzer

- **Delzer to research how many notices sent on MFS returns regarding joint income, and in what states.**
- **Delzer to email to TAP a timeline for the recruitment process.**
- **Delzer to send W-4 materials by mail before the June 1 conference call**
- **Delzer to send a copy of the TAS report to Drumel and Abraham. Delzer to research correspondence control system.**
- **Delzer will perform additional research on the e-file rejects issue.**

Cain

- **Cain will write a report on Lien desk and forward to Delzer. She will send it out to the rest of the committee for their approval (by 4/27/04).**

Carter

- **Carter to follow up on LITC contracts and notify TAP of planned co-operation between LITC/TAP.**

Lexow

- **Lexow to email Meldman list of contacts and samples of articles done to date, for consideration by Ad Hoc Committee.**

Malcolmson

- **Will write up a report for recommendation on FICA/Medicare claims.**



**Area 4 Committee Meeting Minutes
April 19-20, 2004
Embassy Suites Hotel Chicago Downtown
600 North State Street
Chicago, IL**

Present:

- James Abraham
- David Cain
- Daniel Drumel
- Richard Greenberg
- Delford Jones
- Lawrence Lexow
- Leslie Malcolmson
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- Robin Gausebeck

Staff Present

- Richard Morris, DFO
- Mary Ann Delzer, Program Analyst
- Patti Robb, Note-taker
- Sandy McQuin, TAP Manager
- Tersheia Carter, Program Analyst, National Office

Guest:

- Selma Taylor, Local Taxpayer Advocate, Chicago

Monday, April 19, 2004 8:00 a.m. -- 3:00 p.m.

Welcome / Review Agenda

Smedley welcomed everyone. She introduced Tersheia Carter, Program Analyst, from Washington, D.C. Smedley reiterated the directive from the Joint Committee that each committee try to elevate two issues by the May face-to-face meeting.

Review / Approve Minutes

Minutes were approved without changes.

National Office Report

Carter thanked everyone for their time and hard work. We are currently in the middle of recruitment. It began on April 1 and will end April 30. As of today, we have 334 applications in draft, 333 in final, and have taken 1,250 calls. Many are very excited. We have received applications from all states except Iowa and Arkansas. After recruitment is over, we will start the ranking process. Prior



applicants were notified that they will need to reapply. Applications were sent with the letters. Carter stated that panel members will be used during the interview process. McQuin said when TAS people do outreaches; they are aware that TAP is recruiting and always speak about TAP recruitment.

Malcolmson we can invite the applicants for Louisville to come to our face-to-face meeting in Louisville in July to get a feel for the meetings.

Abraham is a little frustrated that most of the issues that come up are legislative and we cannot touch them as such -- should inform applicants of this. Right now most of our issues come from practitioners, as opposed from actual taxpayers.

Meissner there isn't enough general knowledge about TAP out there. The IRS should send TAP information out with all forms, notices and letters to heighten awareness of TAP.

Carter Communication and Liaison has been getting a lot of information out there.

Delzer Area 2 elevated an issue to put TAP information in all publications and forms.

McQuin brought an article from the Milwaukee Journal Sentinel on AMT. Bob Meldman was quoted several times and mentioned TAP too.

Meissner stated that the Low Income Tax Clinics contract included a commitment to work on issue committees with TAP. What are the expectations here?

ACTION: Carter to follow up on LITC contracts and notify TAP of planned co-operation between LITC/TAP.

Action Items

Delzer has completed all her action items. Malcolmson is still working on writing a report on FICA/Medicare claims.

Discussion of Issues

- Married Filing Separately Meissner

Taxpayer said that he and his wife file separately, and every year he is contacted for more information (which is on his wife's return). TAS in Ohio has been contacted and they do not see many cases were this is an issue. Abraham said he and his wife have had this problem for the last three years. He will provide a copy of the letter he received from the IRS to the sub-committee. The issue seems to be in the area of income reporting.

ACTION: Delzer to research how many notices sent on MFS returns regarding joint income, and in what states.

- Lien Desk Recording Cain

The IRS is centralizing the lien processing. Morris sent a follow up email after National Office briefing to find out which sub-committee can talk to about this. No response to date.

The subcommittee on lien desk recording will meet and report out.



- FICA / Medicare Claims Malcolmson

Will try to complete report and submit in time for the Joint Committee face-to-face meeting in May.

- Innocent Spouse Meldman

The sub-committee had a conference call with Tim Lynn, Operations Manger, Innocent Spouse. They looked at 1) better way to screen applications upfront, 2) develop flow chart, and 3) improve education on innocent spouse. The IRS said the non-qualified claims have dropped. Two major reasons for non-qualified claims are unsigned applications and application for a year where there no joint return. There needs to be more education around the difference between innocent spouse and injured spouse. Another concern for taxpayers is that they do not understand that the non-requesting spouse must be notified by IRS. Meldman thinks they should go to the family law section of the American Bar Association (ABA) to inform them and educate them that the IRS is not bound by divorce decrees. Delzer talked to Peggy Podell, recently named chair of the Family Law section of the ABA , and she is very interested in the possibility of working more closely with IRS.

Meldman and sub-committee will write up recommendations today.

- W-4 Cain

Tax returns are so complicated that it is really difficult to know how much tax you will owe at the end of the year. We will be meeting via conference call with the SBSE payroll committee May 5, 2004 , to talk about their proposed work with the W-4. We will also be spending sub-committee time brainstorming ideas on revising the form W-4.

- VITA Training-Abraham

VITA prescribes through an information package how to teach the material. The manual goes through various aspects of the return, income, deductions, etc. It looks good, but come time to do returns, it causes confusion. We found that when we teach line by line, it goes much better. Every year the teaching manual has numerous errors too. The test at the end covers many areas of the return not done at VITA/TCE sites, so is not really relevant. It is difficult to pass the test. It needs to be changed.

Greenberg have been doing TCE returns for twelve years. The training material had improved until last year, which was a disaster. The test problems had wrong answers, etc. It is done on the honor system. You have up to seven days to take the test. They teach for two weeks in mid January and they got the actual forms for training after the training was completed. It was a huge waste as everything went right into the recycler. He also sent a letter (that originally went to AARP) to Pat Kirk, SPEC Territory Manager in Chicago . She forwarded the letter to Elaine Beck, Supervisory Program Analyst in Atlanta, GA. She called Greenberg about the problem. She asked him to join their committee, who will be working on developing the test for next year. Greenberg recommended that Abraham be on the committee too. Beck is scheduled to contact them in May.

Public Input

None

Sub-committee Breakouts



Tuesday, April 20, 2004 8:00a.m.-12:00 p.m.

Welcome / Review Agenda

Smedley opened the meeting and thanked the committee members for all of their hard work on Monday.

Sub-committee Report Out

- Married Filing Separately Meissner

Subcommittee needs to have another conference call receiving research from Delzer.

- Lien Desk Recording Cain

Looked at Publication 1450, *Instructions on Requesting a Certificate of Release of Federal Tax Lien*, to see what guidance IRS gives on requesting lien releases. TAP needs to be involved in redoing this publication. We should have input. We will recommend a web site where you can pull up lien information and see if tax has been paid or is still outstanding.

ACTION: Cain will write a report on Lien desk and forward to Delzer. She will send it out to the rest of the committee for their approval (by 4/27/04).

- FICA/Medicare Claims - Malcolmson

Need to get another form and instructions to review before a final report can be issued.

- Innocent Spouse Meldman

Three separate reports ready for elevation. By consensus, forward all three to Joint Committee. (See Attachments One, Two and Three)

ACTION: Delzer to forward recommendations to Toy for consideration at Joint Committee meeting in May.

- W-4 Cain

Other committees, Area 6 and Payroll, have addressed areas of this issue. Sub-committee will meet with Payroll on May 5 to get discuss the issue. It appears they will be focusing more on compliance. The sub-committee brainstormed and came up with a complete revamp. Any input is welcome.

- VITA/TCE Training Abraham

We cannot go forward with this until we hear from the IRS. We will mention the late arrival of materials. Will gather information from other TAP members and VITA/TCE volunteers to pass onto IRS in regard to training/testing.

ACTION: Abraham will forward the information on VITA/TCE to Delzer as it comes in.

New Issues



- Late Corrected 1099s Abraham

When corrected 1099s are issued, it generally requires an amended return. This causes everyone trouble IRS and Taxpayers.

ACTION: Abraham will write up a report about the issuance of the late corrected 1099 issue.

- E-File Rejects Abraham

There is a ten day window. This is not long enough for VITA or TCE. (See [Attachment Four](#))

ACTION: Delzer to research if the current window for E-file rejects is statutory or IRS procedure.

- Reasonable Response Time Dick Murphy, Chair, Dan Drumel, Jim Abraham.

Will look at EITC Audits, Automated Collection, correspondence in general to see how IRS can improve response time.

ACTION: Morris to research number of TAS cases related to IRS response times and report to sub-committee.

Outreach Reports

Delzer forwarded the contact list to Lexow to send articles for publication. The first paragraph should be canned information about TAP. The whole article should be a couple paragraphs long, about 200-250 words. Already have articles on: 1) Form 990, 2) General article about TAP, 3) Registration of Tax Preparers, and 4) TAP/ SSA worksheet.

Upcoming Assignments:

- Smedley W-4 (May)
- Murphy Innocent Spouse (June)
- Drumel July
 - August
 - September
- Abraham October

Closing/Assessment

Smedley introduced Selma Taylor, Local Taxpayer Advocate, Chicago, IL. Taylor said we are at the end of the filing season and everything escalates now. Levy situations are a big issue in Chicago. They get a lot of inquiries and a lot of the inquiries come from Congressional Offices. Malcolmson asked if there are reoccurring themes. Taylor replied OIC, and levies. Cain asked if she got a lot of call regarding refunds and are they legitimate? Taylor said yes, and some are legitimate and some are just calls from impatient taxpayers. In terms of the IRS not getting refunds out timely this is usually not an issue. Abraham said the Child Tax Credit and ability to check on your return on the IRS Web site is a wonderful service. Perfect! Smedley asked Taylor to let us know if the TAS people notice a trend as we are always looking for new issues. She then encouraged the committee members to visit their local TAS offices.

Our next teleconference is scheduled for Wednesday, May 19.



The next face-to-face is in Louisville, KY, in July.

Action Items

Abraham

- **Abraham will forward the information on VITA/TCE to Delzer as it comes in.**
- **Abraham will write up a report about the issuance of the late corrected 1099 issue.**

Delzer

- **Delzer to research how many notices sent on MFS returns regarding joint income, and in what states.**
- **Delzer to forward recommendations to Toy for consideration at Joint Committee meeting in May.**
- **Delzer to research if the current window for E-file rejects is statutory or IRS procedure.**

Cain

- **Cain will write a report on Lien desk and forward to Delzer. She will send it out to the rest of the committee for their approval (by 4/27/04).**

Carter

- **Carter to follow up on LITC contracts and notify TAP of planned co-operation between LITC/TAP.**

Morris

- **Morris to research number of TAS cases related to IRS response times and report to sub-committee.**

Attachment One

Joint Committee Issue Referral Form

TAP Committee: Area 4

TAP Database Number:

Short Description: Innocent Spouse

Date Approved by Committee: April 20, 2004

Members of Subcommittee/Author(s): Robert Meldman, Chair, James Abraham, Richard Murphy, Joseph Meissner

Statement of Issue:

Clarification of innocent spouse/injured spouse relief



Background:

Form 8857, *Request for Innocent Spouse Relief*, provides a mechanism for taxpayers to seek relief from the joint and several tax liability resulting from the execution of a federal joint income tax return. Notwithstanding the recent changes to Form 8857 and Publication 971, *Innocent Spouse Relief*, which provide friendly user information and easily understood flowcharts, the committee believes that the term "Injured Spouse" is misleading and confusing. It does not accurately describe the event or situation for which relief is sought.

Analysis of Issue:

Based on our interaction with the Innocent Spouse stakeholders we found that that confusion exists between the terms "Injured Spouse" and "Innocent Spouse." Mr. Tim Lynn, Operations Manager, Innocent Spouse, suggested that a term that looked less similar to Innocent Spouse may be helpful.

Methodology/Supporting Data:

The subcommittee consisting of two lawyers with tax and family law background, a senior VITA instructor, and a retired child welfare supervisor, had previously met with Ms. Diana Huebner, Innocent Spouse Program Manager, at the Cincinnati Campus at which time an initial overview identified these issues. The subcommittee thereafter interacted with Mr. Tim Lynn, and Ms. Diana Huebner.

Barriers to Approval:

Publication 971, *Innocent Spouse Relief* and Form 8857, *Request for Innocent Spouse Relief*, as well as many other related Internal Revenue Service forms and publications refer to either "Injured Spouse" or "Injured Spouse Relief" and would have to be modified. In addition the statutory definition of Injured Spouse would have to be amended. The cost associated with the change of the forms, publications and the Innocent Spouse eligibility explorer on www.irs.gov, may also be a barrier.

Proposed Solution:

It is recommended that the new terminology for "Injured Spouse Relief," become "*Relief From Denied Spouse Refund*," or such other language as the Internal Revenue Service deems appropriate.

Attachment Two

Joint Committee Issue Referral Form

TAP Committee: Area 4

TAP Database Number:

Short Description: Notification of Non-requesting Innocent Spouse

Date Approved by Committee: April 20, 2004

Members of Subcommittee/Author(s): Robert Meldman, Chair, James Abraham, Richard Murphy, Joseph Meissner



Statement of Issue:

Notification of Non Requesting Spouse

Background:

Form 8857, Request for Innocent Spouse Relief, provides a mechanism for taxpayers to seek relief from the joint and several tax liability resulting from the execution of a federal joint income tax return. Recent changes to Form 8857 and Publication 971, Innocent Spouse Relief, provide friendly user information and easily understood flowcharts. However, based on our interaction with the Innocent Spouse stakeholders we found that taxpayers were not sufficiently alerted that the Internal Revenue Service must notify the non-requesting spouse of the fact that an innocent spouse claim had been made and allowed to participate in the determination.

Analysis of Issue:

Form 8857, the accompanying instruction sheet and Publication 971, all address and explain that the non-claimant spouse must be notified and allowed to participate in the final determination of the claimants status. However this requirement *is not sufficiently emphasized to insure that the claimant realizes this before completing and submitting Form 8857.*

Methodology/Supporting Data:

The subcommittee consisting of two lawyers with tax and family law background, a senior VITA instructor, and a retired child welfare supervisor, had previously met with Ms. Diana Huebner, Innocent Spouse Program Manager, at the Cincinnati Campus. The subcommittee thereafter interacted with Mr. Tim Lynn, Operations Manager Innocent Spouse, and Ms. Huebner. One panel member attended a practitioners phone forum on innocent spouse and provided the other members of the subcommittee with the invaluable information. The stakeholders informed the committee that many requesting spouses withdraw their claims when the requesting taxpayer finally understands that notice must be given to the other spouse.

Barriers to Approval:

Form 8857 Part 1 states: "*See Spousal Notification in the instructions.*" Publication 971, page 2, paragraph titled "IRS Spousal Notification.

These notices may be deemed sufficient to draw attention to the notice requirement.

Proposed Solution:

Form 8857 Part 1, insertion of the following sentence in bold lettering under the third line (in lieu of the present bold sentence commencing "If you have been a victim retaliation, check here")

"THE LAW REQUIRES THE IRS TO INFORM YOUR SPOUSE OR FORMER SPOUSE OF THE REQUEST FOR RELIEF FROM LIABILITY *See page 2 of the instructions.*"

Re-insert the sentence regarding the" Victim.. and check box as a new Part VI.



In Publication 971, page 2, BOLD the entire paragraph captioned ♦IRS spousal notification.

Attachment Three

Joint Committee Issue Referral Form

TAP Committee: Area 4

TAP Database Number:

Short Description: Innocent Spouse Outreach

Date Approved by Committee: April 20, 2004

Members of Subcommittee/Author(s): Robert Meldman, Chair, James Abraham, Richard Murphy, Joseph Meissner

Statement of Issue:

IRS Outreach to the Family Law Bar and Judiciary on Innocent Spouse Liability

Background:

Taxpayers and their legal advisors are often not cognizant of the fact that the terms of a divorce decree although enforceable under local law, cannot and does not override the federal statutory liability created by the execution of a federal joint income tax return. Although Form 8857, *Request for Innocent Spouse Relief*, provides a mechanism for taxpayers to seek relief from the joint and several tax liability resulting from the filing of a federal joint income tax return, it is a *remedial solution*.

Analysis of Issue:

Generally, judges, family law attorneys, and litigants may be erroneously relying on the provisions in the divorce decrees imposing responsibility for the payment of current and /or back federal income taxes on one of the spouses. A divorce decree, although enforceable under local law, cannot and does not *override* the statutory liability created by the execution of a joint federal income tax return. Therefore, if the parties had filed joint returns for any of the past years open under the statute of limitations and or the current year and an audit of any return disclose a deficiency in tax, both taxpayers are equally liable for the back tax, penalties, and interest under the federal law. The IRS will seek and enforce payment from both spouses simultaneously. In order for the "innocent" spouse to *require* the "other spouse" to take full responsibility for the payment of the deficiencies he/she would be required to return to the local family law court and have the original decree enforced.

Methodology/Supporting Data:

The subcommittee consisting of two lawyers with tax and family law background, a senior VITA instructor, and a retired child welfare supervisor, had previously met with Ms. Diana Huebner, Innocent Spouse Program Manager, at the Cincinnati Campus. Ms. Huebner provided the committee an initial overview of the innocent spouse program and identified many of these issues. The subcommittee thereafter interacted with Mr. Tim Lynn, Operations Manager Innocent Spouse, and Ms. Huebner. One panel member also attended a practitioners phone forum on innocent spouse and provided the other members of the subcommittee with the invaluable information including the attached PowerPoint materials.



Notwithstanding the recent changes to Form 8857 and Publication 971, *Innocent Spouse Relief*, which provide friendly user information and easily understood flowcharts, the committee believes that a *proactive* approach and educational training of the Family Law bar may eliminate some of the confusion and unnecessary filing for innocent spouse relief. During the first quarter of fiscal year 2004 there was still an increase in the total receipt of Innocent Spouse Relief Claims.

Barriers to Approval:

Insufficient resources and available personnel may be a barrier to the implementation of this educational outreach. Although the committee has received enthusiastic acceptance of the educational outreach concept from the family Law Section of the American Bar Association, some State and/or local Bar associations may not be as receptive. Finally there may be no clear channel of communication with in the IRS readily available to implement the educational program.

Proposed Solution:

As an IRS outreach educational program, the Service would seek to work with the Family Law Sections of American Bar Association, the State Bar Associations, and local county bars, as well as the Judicial Family Law organizations.

In addition, that the IRS propose model language for inclusion in divorce decrees as follows:

Joint and Several Liability

This divorce decree does not override federal tax law. Generally, joint and several liability applies to all joint returns. This means that both you and your spouse or former spouse are jointly and individually responsible for any underpayment of tax plus interest and penalties. This is true even though this divorce decree states that your former spouse will be responsible for any amounts due on previously filed joint returns.

Attachment Four

SUBJECT: EXTENTION OF TIME TO FILE REJECTED E-FILE RETURNS
TO: REGION 4 TAP COMMITTEE
FROM: BRIGADIER GENERAL (RET) JAMES M. ABRAHAM, P.E.
DATE: 15 APRIL 2004

PROBLEM:

Taxpayers whose returns have been e-filed and rejected by the IRS which were filed near the April 15 filing deadline have only ten days after the April 15 deadline to either re-file electronically or mail a paper return. This may seem like sufficient time provided there is a timely rejection notice and the taxpayer can be reached and informed of the rejection and the necessary problem/s corrected.

In the case of paid preparers, this may not be as great a problem as it is for those who have their returns prepared at VITA or TCE IRS volunteer sites.



VITA sites in particular, find that attempting to contact the taxpayer and meet with them to prepare either an e-file or a return to be mailed can take more time than the ten day allowance. In addition, early turn-in dates of equipment can further handicap the process.

At VITA sites where the predominance of returns are for low income taxpayers, the following reasons compound the difficulty:

- Family turbulence
- Difficulty in making contact
- Dependents who have been claimed by others
- Married couples who have been separated who are not in contact with each other, who don't know how the other filed and/or who do not have the social security number of the spouse
- Immigrants who have their families residing with them in the United States but who don't have ITINs for them
- Heads of household who claim children but the child has filed his/her return claiming himself/herself, thus denying the head of household the exemption.
- The dependent is a full time student living at home, who has a small income and files claiming himself/herself, thus denying the married couple/head of household of possibly both Earned Income Tax Credit and the exemption.
- People who just don't want to answer the phone
- People who are notified and fail to show up on a timely basis
- Finding a location in order to meet those who have returns rejected so that corrections can be made.
- Finding a time convenient to both the taxpayer and the volunteer
- Other miscellaneous items

RECOMMENDATIONS:

- At this time, I have not found that any legislative action would be needed to change the current IRS regulation of allowing only ten days after the filing deadline of April 15.
- Therefore, it appears that only an administrative change in regulations is needed to extend the time beyond the current ten day limitation.
- Unless there is a reason which is not obvious to the writer, the recommended change is to increase the time to thirty days.
- In conjunction with a possible change to the current limitations, it is recommended that VITA sites remain open for an additional day at least fifteen days beyond April 15, in order to meet with taxpayers whose returns have been rejected for corrective action.

OBSERVATIONS:

This year, many sites were open on April 15. A huge number of taxpayers were present at many of the Columbus, Ohio, VITA sites who needed to file at the last minute. In past years, we have chosen to make up only mail-in returns during the last week prior to the filing deadline. I decided to increase the e-filing in order to at my sites as the IRS keeps attempting to increase the number of e-files.

This year, at the sites which I coordinate, I chose to e-file all but those who were claiming EITC. The reason for this is that others have already claimed dependents on returns previously filed. This the greatest reason for IRS rejects of e-filed returns. Thirty-one returns were filed the night of April 15, 2004, for the sites which I coordinate. Of those, there were four rejections for one of more of the above stated problems. Two days later, we were unable to contact a single person whose return had been rejected. Simple arithmetic shows that there are now only seven days left in order to meet the deadline for either mailing or refiling.



An additional problem is if the volunteer who has the responsibility for transmitting e-files has commitments which preclude his or her being available for corrective measures, this compounds the problem.

Of course, all this can be stated to be the responsibility of the taxpayer. However, those who are e-filed do not know whether there is a rejection of that return until they are notified by those who have performed the e-filing. In addition, those in the low income bracket usually know little or nothing about the tax code.

One individual who I will not name told me that perhaps what we ought to do is have taxpayers call within two days to determine whether or not their returns have been accepted. I, for one, am not wildly enthusiastic about the idea of having thirty or forty people calling me in order to determine whether or not their return has been accepted.

Again, while this will still add a burden to the volunteer, extending the deadline for correction action seems to be the best solution.



Area 4 Committee Meeting Minutes March 17, 2004

Present:

- James Abraham
- Daniel Drumel
- Robin Gausebeck
- Richard Greenberg
- Delford Jones
- Lawrence Lexow
- Leslie Malcolmson
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Absent:

- David Cain
- Joe Meissner

Staff Present

- Richard Morris, DFO
- Mary Ann Delzer, Program Analyst
- Patti Robb, Note-taker

Welcome / Review Agenda

Ten members present; quorum met.

Announcements / Approve Minutes

Minutes were approved without changes. Richard Morris announced that the Designated Federal Official (DFO) is not actually considered a panel member. Therefore, they are not a voting member. This was announced at the Joint Committee meeting on March 16, 2004.

The list of TAP member vacancies was sent out. Why is only one person being recruited in Michigan? The recruitment will start on April 1 and end on May 7, 2004. We will actually be recruiting from all 50 states and Puerto Rico so there will be a good pool of reserves.

Who volunteered to extend their TAP membership for one year?

- Jim Abraham - Yes
- Dan Drumel - No
- Robin Gausebeck - No
- Dick Greenberg - Yes
- Delford Jones - Yes
- Larry Lexow - No
- Leslie Malcolmson - Yes



- Bob Meldman - No
- Dick Murphy - No
- Teresa Smedley - Yes

Public Input

None

Discussion of Issues

- **Lien Desk Recording Cain**

Morris stated that the processing of liens will be moving to Philadelphia. We are waiting to hear from the executive on our request for information.

- **FICA/Medicare Claims Malcolmson**

Leslie will be writing a wrap-up report. We will not pursue this issue.

- **Innocent Spouse Meldman**

Abraham said that people don't understand the difference between innocent/injured spouse. The main problem for rejection of application is that the account is full paid and so the taxpayer is not qualified to file. It appears that the majority of innocent spouse claims are filed by taxpayers, not practitioners. The new Publication 971, *Innocent Spouse Relief*, and Form 8857, *Request for Innocent Spouse Relief*, are now available. There should be some way (on the form) to tell people that if their account is full paid, or they didn't file a married filing joint return, they should STOP. The subcommittee, Murphy, Meissner, Abraham, and Meldman will have a subcommittee meeting.

ACTION: Delzer to set up conference call for the Innocent Spouse Subcommittee, 10 AM Central Time on Friday, March 26, 2004.

- **Married Filing Separate Meissner**

Delzer sent out the requested information. She does not think this is an issue.

ACTION: Delzer to set up conference call for Married Filing Separate Subcommittee, in March, 2004.

- **Just in Time Delzer**

Sue Sottile, Director, Strategic Planning, felt they answered this in their December 16, 2003, interim letter. Smedley agrees for this filing season, but are waiting for the final response in late April. Abraham noted that he is just receiving his VITA training/forms information now. It arrives much too late and is just thrown away. What a waste of resources. Smedley said the panel needs to have input on this issue and should pursue at the April meeting. Maybe we need to be more specific in our recommendation. Abraham said there needs to be a cutoff date for sending training material to the sites.

- **W-4 Cain**



Smedley emailed David Meyer, Area 2 regarding Meldman's concern that this would require legislative action. He felt it would not require a legislative change. They are just asking for another line on the W-4 form for people to specify a percent to be deducted. Smedley feels the whole form needs revision.

ACTION: Delzer to set up conference call for W-4 Subcommittee, Tuesday, March 30, 2004 at 2:00 PM ET.

Outreach Strategy

Lexow did an article on licensing of Tax Preparers. We need a volunteer for the March article, as Claudman was assigned to write the March article but has since resigned. Lexow said he spoke to a communication specialist in Missouri and she didn't know anything about TAP. She seemed very interested. Smedley said that the panel has to take some responsibility to contact the places to publish or put out the articles.

ACTION: Delzer will send the list of contacts for the Outreach Strategy to Lexow to start sending the articles out.

New Issues

- **VITA/TCE Training Abraham**

VITA does not prepare a 1040 with a Schedule C, Profit or Loss from Business, or 1040 Schedule E, Supplemental Income and Loss, yet the VITA test addresses both of these schedules. The test needs to be modified to fit what VITA actually does. Greenberg said that the TCE people are also very disappointed with the test. There is a distinctive difference between the returns prepared by TCE and VITA. TCE does a lot of Form 1040 Schedule Ds, Capital Gains and Losses. The training materials are virtually useless this year. There is a committee that prepares the test. Greenberg's letter was forwarded to them. TAP definitely needs to address this situation. Abraham said he addresses lines when teaching VITA, not categories of income/expenses. Smedley said there needs to be a subcommittee meeting before the April meeting. This would be a good issue to elevate. Abraham, chair, Malcolmson, and Greenberg.

ACTION: Delzer to contact the program owner for VITA/TCE.

Outreach Report

Greenberg spoke at the College Excel Program at the School of Hospitality and Tourism Management, and at Curie High School, with a tax education program. He included a discussion on TAP.

Abraham has speeches scheduled for the Cincinnati area on March 26, 2004.

Murphy is involved in an Asset Building Coalition in Owensboro. This is an outreach to low and middle income families. IRS and VITA have been invited to be a part of the day to help with the EITC questions.

Office Report

The face to face meeting is scheduled for April 19-20, 2004, at the Embassy Suites Hotel Chicago Downtown, 600 North State Street, Chicago, IL 60610. Check in on Sunday, April 18 and check out on Tuesday, April 20. The meeting will be 8 am to 4 pm on Monday, April 19, and 8 am to noon on Tuesday, April 20. Robb will be contacting everyone regarding their travel preferences.

Sandy McQuin will be taking over as the manager for Area 5. Delzer will be mentoring Audrey Jenkins, Brooklyn Program Analyst.



See you in Chicago!

Meeting adjourned.

Action Assignments

Delzer:

- **Delzer to set up conference call for the Innocent Spouse Subcommittee, Friday, March 26, 2004 at 10 AM CT.**
- **Delzer to set up conference call for Married Filing Separate Subcommittee, in March, 2004.**
- **Delzer to set up conference call for W-4 Subcommittee, Tuesday, March 30, 2004 at 2:00 PM ET.**
- **Delzer will send the list of contacts for the Outreach Strategy to Lexow to start sending the articles out.**
- **Delzer to contact the program owner for VITA/TCE.**

Malcolmson

- **Will write up a report for recommendation on FICA/Medicare claims**



**Area 4 Committee Meeting Minutes
February 18, 2004**

Present:

- David Cain
- Daniel Drumel
- Richard Greenberg
- Leslie Malcolmson
- Sandy McQuin, DFO
- Joseph Meissner
- Robert Meldman
- Dick Murphy
- Teresa Smedley, Chair

Staff Present:

- Mary Ann Delzer, Program Analyst

Welcome / Review Agenda

Announcements / Approve Minutes

Minutes were approved without any changes.

Smedley shared that at the Joint Committee (JC) meeting, Coston announced that the budget would allow for a second face to face meeting. Area 4 needs to decide when and where. Currently are scheduled for Louisville end of July 26-28, 2004. JC looking for each Area to forward two issues by the May JC meeting.

Malcolmson and Meissner stated they would prefer one meeting earlier and one later, i.e., June/September. Malcolmson stated that face to face meetings are much more productive.

Smedley reminded the group of the dates for the Annual meeting, November 4-6.

After discussion, the members agreed to a Chicago meeting, with travel April 18 and the meeting April 19-20, 2004. The conference call April 21, 2004 will be canceled. The second face to face meeting will be in Louisville as originally scheduled.

Public Input

None

Discussion of Issues

Lien Desk Recording Delzer

Currently the lien process is being redesigned and will be centralized with calls going to Cincinnati and Philadelphia and printing in Detroit and Ogden. Implementation team has been contacted and they have indicated that they are working this and will get back to us. Hope is to have some input on the customer service that will be provided and give our suggestions.

ACTION: Delzer will follow-up with lien process owners for more information.



Inclusion of Interest Calculation on Billing Notices Delzer

Issue was that notices do not have complete penalty and interest calculations. All notices are generated by either SB/SE or WI Service Centers, no separate LMSB centers. Have a team with members from the different operating divisions and they look at what should be included in the notices. Only 1 notice can be printed and the decision made was to include a summary of the penalty and interest and not a complete calculation. LMSB agreed to the current notice and is working with the Revenue agents and their managers to provide the complete record for the customers when needed.

Close issue.

Interest Offset and Netting Meldman

To summarize the issue, a corporation may have a tax refund coming and a balance due on another period and looking for an offset. This is new with a law change and now netting is allowed. Basically this is a mathematical problem. The bottom line is that everyone knows that it is a problem. Unfortunately, with the current move to centralize the work at the Ogden Campus, little TAP can do at this point.

Parking lot/suspend until February 2005

FICA/Medicare Claims Malcolmson

Nothing to report this month

Innocent Spouse Meldman

Murphy shared that he was fortunate to attend a Practitioner Phone Forum on January 21, 2004, regarding Innocent Spouse Centralized Site Case Processing Overview and Relief from Joint and Several Liability. The discussion was led by Tim Lynn, Innocent Spouse Operations Manager and Connie Hemingway and Diana Huebner, Innocent Spouse Program Managers.

This was a technical discussion and a great way to improve education to practitioners. Publication 971, Innocent Spouse Relief, now has flow charts to help assist people determine if they qualify for Innocent Spouse. But screening upfront still a problem with 40% of applications sent that do not qualify. The information does indicate that the non-qualified claims are down some for the first quarter of FY2004. Since Area 4 has met with Connie and Diana when visited Cincinnati, they would probably be open to talk to us further.

Meldman stated that part of the solution could be for IRS to increase outreach efforts with Family Law practitioners as opposed to tax preparers.

ACTION: Delzer to contact Lynn to determine Innocent Operations interest in working with TAP.

ACTION: Delzer to contact Forms and Pubs to check on status of possible future revisions of Pub 971/Form 8857.

ACTION: Delzer to check data to determine errors on practitioner prepared/self prepared applications.

Married Filing Separate

Smedley asked for volunteers to work the issue. Meissner will chair, with help from Drumel, Greenberg and Malcolmson.

ACTION: Delzer to contact TAS and see if this is indeed a problem in Ohio.



Other issues

Smedley looking to the parking lot and the W-4 issue. Area 2 is recommending the reworking the form to add a line for the withholding as a percentage. Meldman stated he and Meyer believe this is not a legislative issue, but is a regulatory issue and IRS can change the form W-4 and publication. Smedley stated that she sees people owing year after year. Cain agreed that this is a complicated issue, especially if more than one job and tips involved. Smedley said the two earner couple, with multiple jobs needs to be addressed. McQuin said many employers as well do not understand the W-4 and kids file exempt and end up owing tax and penalties.

Cain agreed to chair committee, with help from Drumel, Greenberg, Murphy and Smedley.

ACTION: Smedley to contact Area 2 chair David Meyer to see how they will proceed on the issue.

ACTION: Delzer to contact Forms and Pubs to see if a revision in currently in the works of W-4/Pub 919.

Outreach Strategy

ACTION: Delzer to work on Outreach Strategy this during the next month. Will let members know what she may still need from them to move forward.

Outreach Report

- Meissner Has been working with organizations which assist low income families at tax time. Many of the issues discussed effect these taxpayers.
- Greenberg Has been working in the high schools teaching about the tax system. Is this outreach?
- McQuin Please mention/talk up TAP when out in the community doing any kind of speaking. These are good opportunities to educate the public about TAP.
- Delzer Materials are available to use when do outreach. Please email requests to me in regard to how many will be in attendance and when you will need it.

Office Report

- McQuin--Recruitment will begin March.
- Delzer Please send names to the office of individuals who may be interested in becoming TAP members. We can send out the application to them when it is available.

Action Assignments

DELZER

- **ACTION: Delzer will follow-up with process owners for more information.**
- **ACTION: Delzer to contact Lynn to determine Innocent Operations interest in working with TAP.**
- **ACTION: Delzer to contact Forms and Pubs to check on status of possible future revisions of Pub 971/Form 8857.**
- **ACTION: Delzer to check data to determine errors on practitioner prepared/self prepared applications.**
- **ACTION: Delzer to contact TAS and see if this is indeed a problem in Ohio.**



- **ACTION: Delzer to contact Forms and Pubs to see if a revision is currently in the works of W-4/Pub 919.**
- **ACTION: Delzer to work on Outreach Strategy this during the next month. Will let members know what she may still need from them to move forward.**

SMEDLEY

- **ACTION: Smedley to contact Area 2 chair David Meyer to see how they will proceed on the issue.**



Area 4 Committee Meeting Minutes January 21, 2004

Present:

- James Abraham
- David Cain
- Daniel Drumel
- Robin Gausebeck
- Richard Greenberg
- Delford Jones
- Lawrence Lexow
- Leslie Malcolmson
- Robert Meldman
- Richard Morris, DFO
- Dick Murphy
- Teresa Smedley, Chair

Staff Present

- Sandy McQuin, TAP Manager
- Mary Ann Delzer, Program Analyst
- Patti Robb, Note-taker

Welcome / Review Agenda

Frank Claudman has resigned from TAP. He got a promotion and didn't have the time to devote to the panel.

ACTION: Delzer will send a note of congratulations and thank you to Claudman.

No changes to the agenda.

Announcements / Approve Minutes

Minutes were approved without any changes.

Public Input

None

Action Items

All action items are in conjunction with issues, so they will be discussed during the issue discussion and reviewed at the end of the call.

Discussion of Issues

- **Refund Anticipation Loans (RAL) Meissner**
Revisit this issue in August. Put in parking lot until then.
- **Increase Acceptance of E-File Cain**
The design for the current Electronic Management System (EMS) does not allow returns that have errors or returns whose data can not be validated. The Modernized e-File (MeF) will have



these enhancements. First MeF systems will process Forms 990 and 1120 as of February. Eventually MeF will roll out to Forms 1040, etc. This system will allow IRS to keep returns and correct errors and continue to process. According to the timeline, it should be totally implemented by 2007. Rejects will continue until the MeF system is up and running. Smedley suggested that this issue be placed in the parking lot for monitoring. Consensus.

- **Lien Desk Recording Cain**

The lien recordings are in the process of being centralized. We should send out recommendations to help the process. This does not appear to be a problem with the court houses.

ACTION: Delzer will research to see what areas TAP input would have the most influence.

- **Inclusion of Interest Calculation on Billing Notices Lexow**

In the process of setting up a conference call with the program owner.

- **Interest Offset and Netting Meldman**

Still looking for the program owner.

- **1099S Drumel**

This issue is dropped.

- **FICA/Medicare Claims Malcolmson**

Malcolmson will take over as chair of this sub-committee. She is working on a summary report.

- **Just-in-Time**

Have not received a response to this elevated issue.

Parking Lot

Status	Issue
Potential	<ul style="list-style-type: none"> • Slow response by IRS to correspondence. <p>Notice committee is not working this issue.</p>
Suspend	<ul style="list-style-type: none"> • Improvements to taxpayer notification of back-up withholding. <p>Gausebeck will work if this issue is systemic.</p>
Drop	<ul style="list-style-type: none"> • Use of outside mediators in the Appeals process
Potential	<ul style="list-style-type: none"> • Innocent spouse is there a better way to screen application up front; develop flow chart, improve education
Drop	<ul style="list-style-type: none"> • Advance child tax credit was it administered correctly?

Potential	<ul style="list-style-type: none"> • Caller is an IRS employee. He has concerns over the OIC program in regard to "Doubt as to Liability." IRS will process change in tax if agrees TP does not owe the amount assessed. Despite that fact the TP lists an amount on the OIC; Exam can only adjust the tax to the correct amount on the account. Exam can not accept the dollars listed. TP must file new OIC then for "Doubt as to Collectibility." This puts the TP back into the OIC queue and they wait again for RO to consider the case in terms of collection of tax. Great burden to taxpayers to re-file OIC and begin process again. (2169)
Drop	<ul style="list-style-type: none"> • Caller referred to the Taxpayer advocate in Chicago for his personal problem but there is a customer service issue as well. Toll free employee told caller to call the Taxpayer Advocate Service but did not give him a telephone number so caller had to look up the number in his local telephone directory. (2173)
Suspend	<ul style="list-style-type: none"> • Unable to contact customer service reps regarding situations already discussed. This would not be as much of a problem if the service reps typed up a detailed description of the conversation and suggested resolution so other reps could get informed quickly. Also, service reps are too narrowly limited to their designated area and this can cause practitioners/taxpayers to be passed between several reps and wait on hold in excess of one hour. (118)
Drop	<ul style="list-style-type: none"> • Person became self-employed in 4th quarter so attempted to complete Form 2210 by hand and was unable to do so by following directions. Finally got someone with computer program to help her complete form. (132)
Drop	<ul style="list-style-type: none"> • Caller's income is over 100,000 because of all the overtime she works. She is using her skills as a registered nurse to care for her mother and disabled son. She can't deduct the expense of altering her home and vehicle nor other expenses. Nor can she deduct the value of her time used to take care of her mother and son which would be deductible if she paid a nurse. The home is in trust so she cannot deduct the mortgage interest or real estate taxes paid. The only credit she receives is the child/dependent care of \$750.00 for her disabled child. But, \$750.00 doesn't go very far. She thinks it is unfair to have a cap on the credit. (135)
Active	<ul style="list-style-type: none"> • Man called to say that he and his wife file separately every year, and every year he gets a notice that his return is missing information. He calls them every year and explains everything to them and is able to resolve it over the phone. Why can't the returns be flagged and the spouse's return checked before sending out notices and wasting his time as well as the IRS employee. The assistor told him to put a note on his return when he filed, but he is filing electronically this year. Can't there be a checkbox or some other way to flag his return to avoid this confusion year after year. (139)

Drop	<ul style="list-style-type: none"> CPA - Client had an audit recently and the agents (3) seemed to approach the audit strictly to say "gotcha." Did not look at records fairly. Need to get back to the kinder, gentler IRS. (2025)
Drop	<ul style="list-style-type: none"> Caller was very upset and wanted to provide a suggestion to the TAP regarding Form 1098, Mortgage Interest Statement- which recently was changed and it lists only one name. Suggestion is that the form be changed back to how it used to be where several names would appear on it when appropriate. (319)
Suspend	<ul style="list-style-type: none"> My husband & I both work a full time and two part time jobs. We both claimed Married and 0 on our W-4 forms. We had only W-2 income and we filed on Married Filing Jointly with 2 exemptions. We had itemized with about \$ 400 over the standard deduction. We still owed a large tax bill upon during our 1040 return. There is something definitely wrong with the tax charts showing the amount to be withdrawn or we are being grossly overcharged when filing our 1040. (1084) <p>Area 1 members (Shuman and Gedge) are working this issue.</p>
Pending	<ul style="list-style-type: none"> E-File / E-Fins why are they so different? <p>Abraham will write a report on this issue.</p>

This issue will be activated: Innocent spouse Meldman chair, Murphy, and Abraham.

ACTION: Delzer will check with Meissner to see if he would like to be on the Innocent Spouse sub-committee.

Outreach Strategy

Five articles are now on hand. Delzer will continue working. Greenberg will rewrite/update his article on SS worksheet.

Outreach Report

Abraham did a 30-minute television spot. Devoted time to talk about TAP.

Office Report

Delzer reviewed the remaining action items. Mr. Friese and Zuckerman received their responses.

Still did not decide on a city for the face-to-face meeting in July. Two cities are still in the running. Took a vote:

- Chicago, IL II (2)
- Louisville, KY IIIII II (7)

The meeting will be held in Louisville , KY.

Seuntjens challenged each committee to elevate two issues by the May Joint Committee meeting.

McQuin announced that any panel member who volunteered to extend their term for one year would be able to stay on for that extra year.



Meeting adjourned.

Action Assignments

Delzer:

- **ACTION: Delzer will send a note of congratulations and thank you to Claudman.**
- **ACTION: Delzer will check with Meissner to see if he would like to be on the Innocent Spouse sub-committee.**
- **ACTION: Delzer will research (lien desk centralization) to see what areas TAP input would have the most influence.**

Area 4 Parking Lot January 2004

Slow response by IRS to correspondence

Improvements to taxpayer notification of back-up withholding

Use of outside mediators in the Appeals process

Innocent spouse Is there a better way to screen applications up front; develop flow chart, improve education

Advance child tax credit-was it administrated correctly?

TAP Contact Database Items

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