



## 2009 Meeting Minutes Area 4

- December 15, 2009
  - November 17, 2009
  - October 20, 2009
  - September 15, 2009
  - August 18, 2009
  - July 21, 2009
  - May 28-30, 2009
  - May 19, 2009
  - April 21, 2009
  - March 17, 2009
  - February 17, 2009
- 

### **Area 4 Committee Annual Meeting Minutes December 15 – 16, 2009**

#### **Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

#### **Committee Members Present**

- Akbar, Sandra - Chicago, IL - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Granger, Jackie - West Bend, WI - Member
- Kosanovich, Matt - Columbus, OH - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Monnier, David - Indianapolis, IN - Member
- Mull, Bob - Ann Arbor, MI - Member
- Oetken, Todd - Louisville, KY - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Turner, Dianne - Knoxville, TN - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Werner, Mary Jo - La Crosse, WI - Member
- Wingard, Kelly - Decatur, IL - Member
- Young, Marilyn - Nashville, TN - Member



### **Committee Members Absent**

- Adams-Dodds, Carolyn - Detroit, MI - Member

### **TAP Staff**

- Block, Roy - Milwaukee, WI - Manager
- Robb, Patti - Milwaukee, WI - Analyst
- Smiley, Ellen - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

### **Opening / Welcome/Review Agenda (Steve Vanderver)**

Quorum met. Introductions were made of the Panel Members and Staff.

### **Staff Roles and Responsibilities (Vanderver/Block)**

- **Methods of Communication**
- **Ground Rules and Telephone Etiquette**
- **Minutes/Minutes Approval**
- **Establish Meeting Quorum**
- **Follow-up Surveys**

Ellen Smiley is your immediate analyst. She will be your point of contact.

The main methods of communication are email and telephone, with email as the main method. Members will use Smiley's access number for the teleconferences each month. The dial in information will appear on the agenda sent out prior to the teleconference along with the pre-read information for the meeting. Smiley will provide these documents to you via email as well as post them on TAPSpace. Telephone etiquette guidelines to be used during the conference calls are:

- When using a speaker phone, please use your mute button
- Do not put the call on hold, as the hold music is a disruption for the teleconference call
- Be respectful and let current panel member finish speaking before you start
- State your name before speaking so all members know who is speaking

Minutes will be taken at every meeting. When the draft minutes are completed they will be provided to you by your analyst via TAPSpace asking you to review them and provide comments or changes by a certain date. Once the meeting minutes become final they are posted to [www.improveirs.gov](http://www.improveirs.gov).

The panel members established a Quorum to be 50%.

The Vice Chair is in charge of meeting surveys. A survey will be completed at the Annual Meeting and another survey will be completed after the face to face meeting in 2010.

A suggestion to panel members is to consider establishing a separate email account for TAP emails. Please advise the Milwaukee Staff of any changes in your email address in order to keep all members updated with current contact information.

### **TAP Annual Report**

The Area 4 Annual Report for the TAP Annual Report was reviewed and discussed. Some of the highlights for Area 4 are the completion of 110 outreaches and 16 issues were elevated.



### Active Issues List (Block, Smiley, Robb)

- **Many Issues Come from Outreach**
- **Different Kinds of Outreach**
- **Outreach Reporting Requirements**
- **Not All Identified Problems will be Issues**

Issues come from many different places. Sometimes the best issues come from a one on one outreach discussion. Currently the Communications Committee is working on having the [www.improveirs.org](http://www.improveirs.org) link added to Congressional sites to encourage people to provide their ideas on ways to improve IRS services and products.

When you complete an outreach, please complete the outreach reporting form and provide it to your analyst. Please review the form for type of presentation and audience. Bob Mull made a suggestion to add interesting facts about the IRS to the current PowerPoint used by TAP members for outreach presentations.

### Standing Subcommittees (Werner)

- **New Issues**
  - **New and Parking Lot Issue Report**

Mary Jo Werner explained the process Area 4 uses to review new issues. The New Issue Subcommittee holds a monthly call to review the New and Parking Lot Report, which is sent to them by Smiley one week prior to their call. New issues are evaluated and either dropped (legislative or not in scope), made active, or placed in the parking lot for further investigation. If there are a great number of taxpayers affected, the issue may take precedence over other issues. The issues are then brought up for review and consensus by the Area 4 Committee on the monthly call.

The new issue subcommittee will now consists of Mary Jo Werner (lead), Lev Martyniuk, Jackie Granger, Sandra Akbar, and Kelly Wingard. The New Issue Subcommittee agreed to continue to meet the first Tuesday of the month at 1pm CT. (Note: Ann Spiotto no longer on subcommittee since elected Chair for Area 4).

The New and Parking Lot Report was handed out and discussed as part of how the subcommittee operates, however consensus was not discussed / reached.

**Issue 5736** – IRS should recommend change in EFTPS (Electronic Federal Tax Payment System) software

Issue Statement: Correct EFTPS. The teleprompt needs an additional description for fiscal year taxpayers, which have tax years ending in a different month.

Recommendation: Parking Lot. Additional research: how many taxpayers are affected; what does the teleprompt actually say?

ACTION ITEM: Dianne Tuner indicated she has a contact at EFTPS and she will try to obtain the teleprompt script to provide to the Area 4 Analyst.

**Issue 5813** – IRS Toll-free Referring Calls TAP Instead of TAS

Issue Statement: IRS employees need to be educated on the difference between TAS and TAP

Recommendation: Active-Medium Priority.

**Issue 5857** – Tax Practitioner Hotline Availability

Issue Statement: Tax Practitioner hotline availability. In anticipation of more people having issues with delinquent accounts and IRS notices, is it possible we need more man/woman power to answer the



Tax practitioner hotline?

Recommendation: Parking Lot. Analyst will retrieve statistics to see what the actual wait time is for the practitioner hotline.

**Issue 5901** – Tie-breaker Rules for a Qualifying Child

Issue Statement: Clarify if the tie-breaker rules for qualifying children are mandatory or not

Recommendation: Parking Lot. Analyst is checking with District Counsel for clarification of the rules.

- **Internal Area 4 Quality Review (Wingard)**
  - **Writing the Recommendation**
  - **Quality Review**
  - **Addressing Internal Quality Review Comments**

Wingard noted each Area Committee should be practicing internal quality review. Wingard briefly reviewed the handout explaining how to write up an issue and suggested to follow the guide and checklist when completing an issue referral.

A subcommittee writes up the referral which is discussed on the monthly call by the Area 4 Committee. The Committee reviews and agrees by consensus to either elevate to the Joint Committee, rewrite, or dropped. Once an issue is approved for elevation, it first goes to the Internal Area 4 Quality Review Subcommittee. The Internal Area 4 QR Subcommittee consists of Matt Kosanovich, Marilyn Young, Todd Oetken, Bob Mull, Joyce Rhyhan, and Kelly Wingard.

Wingard will be the chair of this subcommittee. The analyst will send the referral to Wingard who will distribute issues for review to the subcommittee members. Each subcommittee member will review the issue and send it to Wingard who then sends it to Smiley. The subcommittee uses tracker changes.

#### **Area 4 Teleconferences (Vanderver)**

- **Agenda and Pre-read Information**
- **Feedback to Writers before the Teleconference**
- **Developing Consensus**
- **Not a Time to “Work the Issues”**

The committee agreed the monthly call will continue to be the third Tuesday of each month at 1pm CT. The agenda and pre-read information will be emailed to the members one week prior to the call and posted on TAPSpace. Please work out the issues provided with the pre-reads prior to the teleconference. If you have a suggestions on the issue write up, the committee asks you get in touch with the writer of that issue and communicate prior to the teleconference. When the committee has discussions about the items on the agenda it is important to come to a consensus.

#### **Disposition of Issues (Vanderver)**

- **Referring to Issue Committees**
  - **Forms and Pubs**
  - **Earned Income Tax Credit (EITC)**

Only two Issue Committees can receive referrals from Area Committees. Tax, Forms and Publications Issue Committee (Forms and Pubs) and Earned Income Tax Credit (EITC) Issue Committee takes referrals. There are new procedures for the referral process to Forms and Pubs. If the Area Committee determines an issue should be considered by Forms and Pubs, the analyst will forward a brief description of the issue to the Forms and Pubs analyst for review by the Program Owner. The Program



Owner will advise whether they want the issue worked or recommend the issue be dropped. If it is recommended the issue be pursued, it will be worked by the Area Committee. Once the issue is completed, approved by the Area, and reviewed by the Internal QR Subcommittee, the issue will be sent to the Forms and Pubs analyst as well as a copy to the Joint Committee analyst.

- **To Joint Committee (JC)**
  - **Pre-Read – Feedback to Writers**
  - **Committee Discussion – Recommend Changes or Elevate**
  - **Quality Review**

The Joint Committee consists of the TAP Chair and Vice Chair as well as all Area and Issue Committee Chairs. When an issue is referred to the Joint Committee it is reviewed on their next teleconference meeting. The Joint Committee will determine if the issue will be elevated to the IRS or sent back to the Area for additional review or rewrite. Once an issue is elevated to the IRS, it will be reviewed by the IRS and a response sent to the Area. The responses are: Accepted, Rejected, or Partially Accepted.

#### **Issues Await IRS Responses (Vanderver/Smiley)**

- **409-4945, Tax Law Access**
- **409-5286, CP 210 Clarifications for Even Balance**
- **409-5434, Check Box for Form 1065**
- **409-5471, IRS Identity Theft Advice Clarification**

No response has been received on these issues, as they were recently elevated to the IRS. Issue 4945 and 5434 were sent the IRS on November 3, 2009, and Issue 5286 and 5471 were elevated on November 30, 2009.

#### **Issues Referred to Forms and Pubs**

- **5260/5664 – form 8863 Education Credits and Forms** – sent to the program owner with recommendations on November 25, 2009. Waiting for response.
- **5443 – Release Date for Form 5227, Split-Interest Trust Information** – no update yet.
- **5561 – Income Classification** - waiting on feedback from program owner.
- **5562 – MFJ vs. MFS Comprehensive List of Items Affected** - sent to program owner with recommendations on November 25, 2009. Waiting for response.
- **5563 – Simplified Method Worksheet** - waiting for feedback from program owner.

**ACTION ITEM: Smiley will send new panel members an example of a Referral to Joint Committee and a Referral to Forms and Pubs.**

#### **Issue Discussion – Active Issues**

- **Issue 5369 – Simplify Form 433A** – This issue suggested to reduce the amount of required attachments when requesting an Installment Agreement, by allowing taxpayers to use the allowable living expenses. The Subcommittee for this issue was Dave Monnier, Joyce Rhyan (lead), Todd Oetken, and Bob Mull, felt the issue should be dropped. The subcommittee believes the process currently being used is reasonable, especially in asking for expenses.

#### **ITEM DROPPED**



- **Issue 5370 – First Time Event Penalty Abatement** – This issue is about changing the current procedure for penalty abatement requests to cover periods affected by the “first time event”, not just the first time penalty abatement which covers only one period. See IRM 20.1.1.3.5.1 as a reference point. The Subcommittee consists of Lev Martyniuk (co-lead), Dave Monnier, Steve Vanderver, Mary Jo Werner (co-lead) and Wayne Mackie. The Issue was approved by consensus and Smiley will forward the issue to internal QR once the write up is modified.
- **Issue 5569 – VITA/TCE Grant** - This issue is regarding the VITA Grant Application process. Specifically, a VITA Site Coordinator received grants in the past but now denied a grant. He is asking what changes, if any, have been made to the program. The Grant Application procedures mentions ranking but lacks criteria for that ranking. In addition, there is an evaluation panel but the membership and makeup of the panel is not identified. The subcommittee for this issue consists of Steve Vanderver (lead), Matt Kosanovich, and Ray Buschmann. An email was sent to the VITA Grant Program Office requesting information on the grant process and requirements and the subcommittee is waiting for a response.
- **Issue 5855 – 1099-Q, Qualified Tuition Payments (QTP)** – Taxpayers are not required to report distributions from QTP’s if the funds were used to pay tuition, however a taxpayer has received a notice stating he owes tax for a distribution issued from his QTP account and the funds from the account were used to pay tuition. The subcommittee consists of Kelly Wingard (lead), Dave Monnier, Ann Spiotto, Sandra Akbar, and Marilyn Young.

**ACTION ITEM: Smiley to find out how many CP 2000’s are issued for 1099Q issues and how many people receive 1099Q and do not have an education credit and therefore receive CP 2000?**

#### **Issue Discussion – Unassigned Active Issues**

- **5638 – Notices (add a line to notices advising taxpayers to show notice to their tax preparer)** – The subcommittee is Dianne Turner, Jackie Granger, and Rita Taylor (lead). Further research is requested to find out if the Notice Issue Committee previously reviewed this issue.  
**ACTION ITEM: Smiley will research to see if issue previously reviewed.**

#### **Election of Chair and Vice-Chair for 2010 (Vanderver)**

Elected Chair – Ann Spiotto  
Elected Vice Chair – Todd Oetken

#### **Teleconferences and Face to Face Meetings**

- **Date and Time of Monthly Teleconferences**

Teleconferences will be held the third Tuesday of every month at 1 p.m. CT/2 p.m. ET

- **Dates for Face to Face meeting**

The dates for the face to face meeting will be April 22-24, 2010

The location choices presented for the meeting are: Memphis, TN; Nashville, TN; Chicago, IL; Detroit, MI; and Louisville, KY

A travel cost analysis for each city will be completed by the secretary and the most cost effective location will be chosen for the face to face meeting.



**Discuss Area 4 2009 Internal Assessment (Buschmann)**

Handouts were provided showing the collective information on strengths, weaknesses, opportunities and threats.



**Area 4 Committee Meeting Minutes  
Tuesday, November 17, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Martin, Betty Nashville, TN Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn Detroit, MI Member
- Buschmann, Ray Lake Forest, IL Member
- Khan, Anne Chicago, IL Member
- Mackie, Wayne Frankenmuth, MI Member
- Monnier, David Indianapolis, IN Member
- Mull, Bob Ann Arbor, MI Member
- Rhyan, Joyce Cleveland, OH Member
- Spiotto, Ann Lincolnwood, IL Member
- Taylor, Rita Cincinnati, OH Member
- Vanderver, Stephen Evansville, IN Vice Chair
- Verwiell, John Cottage Grove, WI Member
- Wernz, Stanley Cincinnati, OH Chair
- Wingard, Kelly Decatur, IL Member

**Committee Members Absent**

- Bryant, Pat Millington, TN Member
- Martyniuk, Lev Cincinnati, OH Member
- Werner, Mary Jo La Crosse, WI Member

**TAP Staff**

- Block, Roy Milwaukee, WI Manager
- Robb, Patti Milwaukee, WI Analyst
- Gabriel, Lisa Milwaukee, WI Secretary

**Other Attendees**

- Cable, Lynn Tennessee Guest
- Oetken, Todd Kentucky Guest
- Turner, Dianne Tennessee Guest

**Welcome / Announcements/Review Agenda (Stan Wernz)**

Quorum met.

**Area 4 Chair Report (Stan Wernz)**

**JC Report:**

Area 4 elevated two issues last month. They are in the process of working their way through to the Internal Revenue Service (IRS). Charles Davidson, Joint Committee Chair, talked about his meeting with Commissioner Shulman and noted the Commissioner is very supportive of the Taxpayer Advocacy Panel (TAP). The TAP Chair for 2010 is Sabby Jonathan and Vice-Chair is Tom Walker. The Joint





Committee also discussed quality review and why it is so important. Wernz sent an email asking for volunteers to be mentors to the new members and so far has received one response. If anyone is interested please let him know. The Annual Meeting will be taking place December 14–18, 2009, in Washington D.C.

**Annual Report:**

The Area 4 annual report was sent in draft form and is subject to revision. Wernz said he would appreciate feedback. We have elevated a total of 15 issues to Joint Committee, Systemic Advocacy Management System (SAMS), and to the Forms and Pubs Issue Committee. Ray Buschmann noted Issue 5471 - IRS Identity Theft Advice Clarification was not listed in the report as elevated. The staff indicated the issue is currently in Quality Review and it is unknown if it will be on the next Joint Committee call agenda.

**Annual Meeting Area 4 Dinner:**

Area 4 will have a lunch gathering instead of a dinner; however if anyone is also interested in getting together for dinner, send an email to Wernz.

**Date for January 2010 Area 4 call:**

The first teleconference will take place January 19, 2010, at 1:00 pm CT.

**Recognition of Retiring Members:** Pat Bryant, Anne Khan, John Verweil, and Stan Wernz will be retiring from the panel this December. Wernz thanked them for their dedication and hard work.

**DFO Report (Betty Martin)**

Betty Martin expressed thanks to the retiring panel members for their hard work, noting it has been a very productive year. Martin said her Local Taxpayer Advocates (LTA) counterparts attended a leadership conference a few weeks ago. She added TAS is getting ready to experience an influx of inventory across the country.

**Issue Discussion:**

- **Issue 5369 – Simplify Form 433 A, Collection Information Statement (Joyce Rhyan)**

Nothing new - table for the annual meeting in December.

- **Issue 5370 – First Time Event Penalty Abatement (Lev Martyniuk)**

Nothing new - table for the annual meeting in December.

ACTION: Wernz will email Mary Jo Werner to see if there are any updates with issue 5370.

- **Issue 5569 – VITA/TCE Grant Applications (Steve Vanderver)**

Steve Vanderver did some research and viewed how the grants are written and scored. He emailed someone via the VITA website with some questions but has not heard back. Block will follow up. Vanderver said we want to find out what the rules are so we know what changes to recommend. ACTION: Block to follow up on VITA email request for information.

**IRS Responses to Elevated Issues**

- **Issue 4210 – Identity Theft Suspension of Return Processing (Kelly Wingard)**



The IRS was very complimentary in their response and accepted our recommendations.  
Closed proposal accepted.

### **New Parking Lot Issues Report (Anne Khan)**

**Issue 5736** – IRS should recommend change in EFTPS (Electronic Federal Tax Payment System) software

Description: Correct EFTPS. The teleprompt needs an additional description for fiscal taxpayers that have tax years ending in a different year than the current year the electronic estimated payment is being made.

Recommendation: Keep Active – Analyst is waiting for information about the actual number of people affected.

ACTIVE

**Issue 5854** – Simplify Explanation of Eligibility Requirements for Earned Income Tax Credit (EITC)

Description: The taxpayers eligible for EITC need a simple, easily understood summary of the eligibility requirements.

Recommendation: Forward to EITC Committee to find out if they have already reviewed and declined to work this issue.

FORWARD Issue 5854 to EITC Issue Committee

**Issue 5855** – 1099-Q, Qualified Tuition Payments (QTP)

Description: Notices issued incorrectly stating taxpayer owes for distribution from QTP accounts, when funds from the accounts are used to pay college tuition.

Discussion: There is no way for IRS to find out this information and no way for the Taxpayer to tell the IRS. We need to find out how many notices are being sent out and look at forms to see if there is a check box that could be added.

ACTIVE - MEDIUM PRIORITY - This issue will be worked at the Annual Meeting. Subcommittee: Kelly Wingard, Dave Monnier, and Ann Spiotto.

**Issue 5856** – IRS Website, Availability of Form W-9, *Request for Taxpayer Identification Number and Certification*, in English

Description: Could IRS provide as a choice a separate English version of a W-9 just like we do the Spanish version.

Discussion: It could be the website has been changed, but currently there is not a problem locating English version of W-9.

DROP

**Issue 5857** – Tax Practitioner Hotline Availability

Description: In anticipation of more people having issues with delinquent accounts and IRS notices, is it possible we need more man/woman power to answer the Tax practitioner hotline?

ACTION: Add issue 5857 to December Agenda

**Issue 5858** – Postage Wasted by Revenue Officers

Description: A blanket order for stamps should be available for Revenue Officers at USPS to reduce cost of mailing to actual amount due.

DROP

**Issue 5859** – Check box on Form W-2, *Wage and Tax Statement*

Description: Add a check box to Form W-2 to indicate it may be possible the employee had unreimbursed employee business expenses

Discussion: The IRS has 1.8 million returns via correspondence. The development of this issue will reduce the no change examination as 40% of the audits come out to be no change. Rewrite issue.

ACTIVE



**Status of Issues Referred to Forms and Pubs (Robb)**

- Issue 5260 – Hope Credit Clarification

Combine with Issue 5654 and was sent to Forms and Pubs Issue Committee. Rita Taylor stated it was elevated to the Program Owner.

- Issue 5443 – Release Date for Form 5227, *Split-Interest Trust Information Return*

No update

- Issue 5561 – Income Classification

No update

- Issue 5562 – Married Filing Joint (MFJ) vs. Married Filing Separate (MFS) List of Items Affected. Taylor rewrote this recommendation it will be forwarded to the Program Owner.
- Issue 5563 – Simplified Method Worksheet

No update

**Status of Elevated Issues (Smiley)**

- Issue 4945 – Tax Law Access

Elevated to the IRS on November 3, 2009

- Issue 5434 – Check Box for Form 1065, *U.S. Return of Partnership Income*

Elevated to the IRS on November 3, 2009

- Issue 5471,

Elevated to Quality Review on November 9, 2009. It will be on the Joint Committee agenda November 25, 2009.

**Outreach**

Block plans to attend a practitioner liaison meeting later this week and will talk about TAP.

**Issue Committee Highlights:**

EITC (Stephen Vanderver)

EITC completed their report and ready to be published.

TAC (Roy Block)

The Taxpayer Assistance Center (TAC) Committee has issued their final report. Their focus was how to improve the payment process. The committee came up with five recommendations to improve this process.



**Office Updates (Block)**

Interviews will be conducted within the next ten days for the open Program Analyst position in Milwaukee.

**Closing/Adjourn**

Meeting adjourned.

**Next Meeting will be the Annual Meeting in Washington D.C. December 14-18, 2009**

**ACTION ITEMS:**

- **Wernz will email Mary Jo Werner regarding Issue 5370 – First Time Event Penalty Abatement**
- **Vanderver will email Block regarding Issue 5569 – VITA/TCE Grant Applications and Block will follow up with the contact**

Smiley will add Issue 5857 – Tax Practitioner Hotline Availability to the December Area 4 meeting agenda.



**Area 4 Committee Meeting Minutes  
Tuesday, October 20, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Block, Roy Milwaukee, WI Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn Detroit, MI Member
- Buschmann, Ray Lake Forest, IL Member
- Khan, Anne Chicago, IL Member
- Mackie, Wayne Frankenmuth, MI Member
- Monnier, David Indianapolis, IN Member
- Mull, Bob Ann Arbor, MI Member
- Spiotto, Ann Lincolnwood, IL Member
- Taylor, Rita Cincinnati, OH Member
- Vanderver, Stephen Evansville, IN Vice Chair
- Verwiel, John Cottage Grove, WI Member
- Werner, Mary Jo La Crosse, WI Member
- Wernz, Stanley Cincinnati, OH Chair
- Wingard, Kelly Decatur, IL Member

**Committee Members Absent**

- Bryant, Pat Millington, TN Member
- Martyniuk, Lev Cincinnati, OH Member
- Rhyan, Joyce Cleveland, OH Member

**TAP Staff**

- Smiley, Ellen Milwaukee, WI Analyst
- Robb, Patti Milwaukee, WI Analyst
- Gabriel, Lisa Milwaukee, WI Secretary

**Other Attendees**

- Akbar, Sandra Illinois Guest
- Kosanovich, Matt Ohio Guest
- Oetken, Todd Kentucky Guest
- Turner, Dianne Tennessee Guest

**Welcome / Announcements/Review Agenda (Stan Wernz)**  
Quorum met.

**Area 4 Chair Report (Stan Wernz)**  
Stan Wernz thanked the guests for being on the conference call.



Wernz advised the Treasury Inspector General for Tax Administration (TIGTA) has been reviewing the Taxpayer Advocacy Panel (TAP) issues elevated to Internal Revenue Service (IRS) and have questions regarding how TAP closes responses. When issues are returned to TAP we update the issue indicating if the IRS has accepted, rejected, or partially accepted the recommendation.

The voting for the Joint Committee Chair and Vice Chair concluded yesterday and the results should be posted soon.

### **DFO Report (Roy Block)**

The Taxpayer Advocacy Service (TAS) is back logged with taxpayer inquiries about amended returns claiming the first time homebuyer credit.

### **Issue Discussion**

- **Issue 5369 – Simplify Form 433 A, Collection Information Statement (Joyce Rhyan)**

Table until next month

- **Issue 5370 – First Time Event Penalty Abatement (Lev Martyniuk)**

Table until next month

- **Issue 5471 – IRS Web-site Identity Theft Page (Ray Buschmann)**

TAP received a comment from a member of the public about the IRS website, "10 Things the IRS Wants You to Know about Identity Theft." The subcommittee suggests IRS change the first item listed on the website to advise if the taxpayer questions the notice received they should contact the identity theft unit. CONSENSUS TO ELEVATE

- **Issue 5563 – Simplified Method Worksheet (Steve Vanderver)**

The Committee agreed the issue should be referred to the Form and Pubs Issue Committee. CONSENSUS TO ELEVATE TO FORMS AND PUBS

### **IRS Responses to Elevated Issues (Smiley)**

- Issue 5366 – Bankrupt Taxpayer Refund Notification

CONSENSUS TO CLOSE AS PARTIALLY ACCEPTED

- Issue 5493 – Tax Law Updates on IRS Website

CONSENSUS TO CLOSE AS REJECTED

### **New Parking Lot Issues Report (Anne Khan)**

**Issue 5699** – Charitable Contributions without filing Schedule A

Description: Caller stated she was a return preparer and felt it was unfair to the people who could not file a Schedule A were not allowed a deduction for charitable contributions on their return.

Recommendation: DROP – Legislative

Discussion: ITEM DROPPED



**Issue 5702** – Health Savings Account (HSA)

Description: The caller believes HSAs are good but it is unfair to expect a person to predict what the costs of their health care will be for the year. If too much is deposited into the account, you lose what is not used. It would be better if the unused money was either refunded to the person or it rolled over to the next year.

Recommendation: DROP - Legislative. It appears the taxpayer confused flexible spending accounts with Health Savings Accounts, since HSAs do roll over.

Discussion: ITEM DROPPED

**Issue 5703** – Quarterly Payments

Description: Caller would like to see Quarterly estimated payments allowed to be paid electronically from ones checking account.

Recommendation: DROP. Electronic Federal Tax Payment System (EFTPS) can already do this. Smiley will contact the taxpayer to let them know. Block advised if return is filed electronically, there is an option at that time to set up next year's estimated payments to be paid electronically.

Discussion: ITEM DROPPED

ACTION ITEM: Block will send Committee information on setting up ES payments at the time the return is efiled.

**Issue 5736** – IRS should recommend change in EFTPS software

Description: Due to the relationship of EFTPS to the federal tax deposit software EFTPS manages and controls AND because of the nature of the problem itself (a taxpayer tax year issue), neither entity (EFTPS or the IRS) can fix the problem without the other entity's mutual cooperation. The IRS will have to make the recommendation to EFTPS to make a small change in their software. This is why I am contacting the Taxpayer Advocacy Panel of the IRS. I have been told repeatedly (for years) it had to be addressed by the "other" organization.

Recommendation: Analyst is doing more research, and waiting for owner to respond with further details.

Discussion: ACTION ITEM: Smiley will follow up on obtaining more information from program owner.

**Issue 5765** – IRS computer systems do not hold all or needed information

Description: Third party check box designation. Tax preparer called the IRS to discuss return and IRS employee could not verify third party check box authorization. Preparer believes the IRS needs to have computer system capability to have the entire form visible by their employees so the preparer does not get the run around.

Recommendation: DROP. First, tax preparers should use the Tax Preparers Hotline number. Second, there is the ability to verify third party check box information. It appears this may be a one-time problem.

Discussion: ITEM DROPPED

**Issue 5781** – TAS Employee – Rude and Not Humanistic

Description: Caller called 1-877-777-4778 1-877-777-4778 and the intake person was rude to caller and not humanistic. TAS employee was condescending to caller. Caller does not want assistance if she is going to be treated badly.

Recommendation: DROP. Nothing we can do about this now. If the taxpayer had taken the persons name or ID number, we may have been able to forward the comment.

Discussion: ITEM DROPPED

**Status of Issues Referred to Forms and Pubs (Smiley)**

- Issue 5260 – Hope Credit Clarification

This issue has been combined with Forms and Pubs Issue 5664, Form 8863 Education Credits and Instructions, and is under review by Forms and Pubs



- Issue 5443 – Release Date for Form 5227, Split Interest Trust Information

The original response to this issue advised Forms and Pubs previously responded to this issue elevated from the Joint Committee. Analyst advised the response was not to the Joint Committee, but to the Congressional Office. The same congressional letter was forwarded to TAP for review and consideration. There was push back and now Forms and Pubs is taking a second look at the issue.

- Issue 5661 – Income Classification

The Forms and Pubs Committee would like to know specifically which publications should have clarification; response has been sent advising Publication 4012 and the 1040 instructions.

- Issue 5562 – Married Filing Joint (MFJ) vs. Married Filing Separate (MFS) List of Items Affected

This issue is currently being working on by Forms and Pubs.

### **Status of Issues Referred to SAMS (Smiley)**

- Issue 5637 – Foreign Tax Credit

This is legislative issue and will be referred to the National Taxpayer Advocates (NTA) attorney advisors for consideration to be included in the Annual Report to Congress.

- Issue 5791 – Incorrect Processing of Recovery Rebate Credit (RRC)

IRS agreed there is a programming problem with processing the RRC, but because RRC only applied to the 2008 tax year and the processing year is almost over, there will not be any programming changes.

### **Status of Elevated Issues (Smiley)**

- Issue 4210 – Identity Theft Suspension of Return Processing

Patty Wagner is following up with the individual assigned to this issue for a response.

- Issue 4945 – Tax Law Access

This issue is on the agenda for the October Joint Committee meeting.

- Issue 5434 – Check Box for Form 1065

This issue is on the agenda for the October Joint Committee meeting.

### **Item of Interest – TAP Logo T-shirts (Smiley)**

TAP wanted to offer the panel members the opportunity to order a polo shirt with the TAP logo. Area 4 may choose a panel member to take orders. ACTION ITEM: If interested in ordering TAP shirts, email Smiley and she will forward the site to the coordinator.





### **Issue Committee Highlights:**

#### Volunteer Income Tax Assistance (VITA) (Stan Wernz)

The IRS has been encouraging the option for refunds to be issued in bonds. Wernz has a major concern as many clients can't keep track of tax returns from one year to the next. The people we are serving at VITA sites are ones least likely to take a bond as they need their money.

#### Earned Income Tax Credit (EITC) (Stephen Vanderver)

The Committee finished the surveys and the report is in its final stages and being summarized in the Annual Report.

#### **Office Updates (Block)**

The annual meeting agenda has each committee allotted for five hours of face-to-face time in Washington D.C. Panel Members expressed an interest in working issues at the annual meeting. If this is the intention, we need to have the New Issue Subcommittee identify issues during their November call to be presented at the annual meeting.

During the November teleconference the staff would like the Committee to calendar a meeting date in January so a Federal Register Notice can be posted.

#### **Closing/Adjourn**

Meeting adjourned

Next teleconference November 17, 2009 at 1pm CT / 2pm ET



**Area 4 Committee Meeting Minutes  
Tuesday, September 15, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Block, Roy - Milwaukee, WI - Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Bryant, Pat - Millington, TN - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Monnier, David - Indianapolis, IN - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Werner, Mary Jo - La Crosse, WI - Member
- Wernz, Stanley - Cincinnati, OH - Chair
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Khan, Anne - Chicago, IL - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Mull, Bob Ann - Arbor, MI - Member
- Verwiell, John - Cottage Grove, WI - Member

**TAP Staff**

- Smiley, Ellen - Milwaukee, WI - Analyst
- Robb, Patti - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- Dianne Turner - Tennessee - Guest
- Jeff Buckner - Indiana - Guest
- Sam Philips - Illinois - Guest

**Welcome / Announcements/Review Agenda (Steve Vanderver)**

Quorum met.

**Area 4 Chair Report (Steve Vanderver)**

- **Joint Committee Face to Face Meeting**



Steve Vanderver provided the update for the Joint Committee Face to Face Meeting. Vanderver advised the agenda and pre-reads for the Joint Committee Meeting is on TAPSpace to obtain some details about the meeting.

One important issue discussed was the election process. In the event there is a tie for either the Chair or Vice Chair of TAP it was decided by consensus to have the recommendation made by the outgoing Chair. The election process will be in two parts. First there will be an election for the Chair position and then there will be an election for the Vice Chair position. Vanderver provided a brief synopsis about Area 4 at the meeting.

Kelly Wingard gave a Quality Review report via teleconference at the Joint Committee. Also, additional members have been recruited for the Joint Committee Quality Review team.

At the face-to-face meeting, a recruitment update was given by Steve Berkey stating letters welcoming new members should be going out by November.

There were 16 issues discussed at the Joint Committee Meeting as well as discussions about the Annual Meeting and orientation for new members.

**DFO Report (Roy Block)** The Taxpayer Advocate Service is working with their congressional offices and continues to work with taxpayer's problem returns and hardship cases.

#### **Issue Discussion**

- **Issue 5369 – Simplify Form 433A, Collection Information Statement (Joyce Rhyan)**

The issue is to simplify the required information and substantiation requested. Dave Monnier and Joyce Rhyan have reviewed the issue, but are still working on it. The subcommittee has scheduled a meeting to discuss the issue and will provide more information at next months meeting.

- **Issue 5370 – First Time Event Penalty Abatement (Lev Martyniuk)**

Tabled until next month.

- **Issue 5451 – Deadline for filing Schedule K-1 (Mary Jo Werner)**

Mary Jo Werner discussed the issue of changing the due date from April 15th to March 15th at a company meeting and the response received was not to change the due date. She explained it was more likely partnership returns will be completed if the date was not changed.

#### **ITEM DROPPED**

- **Issue 5471 – IRS Website Identity Theft Page**

Ray Buschmann and Wingard have been researching this issue. It has been confirmed there have been bogus IRS letters sent out. The subcommittee is working the issue and will provide an update next month.

- **Issue 5562 – Married Filing Joint (MFJ) vs. Married Filing Single (MFS) List of Items Affected (Rita Taylor)**



This write up was included as a pre-read for the August teleconference meeting. Wingard supplied the Quickfinder list of MFJ vs. MFS information. It was suggested the list appear in a table format and be incorporated in Publication 17, Your Federal Income Tax as well as the IRS website.

### **CONSENSUS TO REFER TO FORMS AND PUBS**

- **Issue 5563 – Simplified Method Worksheet (Steve Vanderver)**

Vanderver will provide the Referral to Forms and Pubs for review at next months meeting.

### **New Parking Lot Issues Report (Pat Bryant)**

**Issue 5650** – New Form 941 – No place for W-2 Correction for FICA Purposes. Previously FICA corrections were listed in box 7e of the Form 941 so the totals would match the Schedule B. Now when a W-2C event occurs involving FICA, the 941 and Schedule B will never match.

Discussion: The Schedule B is to list your liability, not your deposits. The schedule B liability should match the tax on line 10 of Form 941. Credit for FICA corrections is included in line 11. The instructions are very clear for both the Form 941 and the 941X. The 941X instructions explain the time frame for filing the 941X in order to receive any credit on the current quarter Form 941.

#### **ITEM DROPPED.**

**Issue 5736** – IRS should recommend change in EFTPS Software. The EFTPS teleprompt needs an additional description for fiscal year taxpayers to ensure their deposit is properly credited.

Discussion: Member of the public, Jeff Buckner explained for fiscal year filers, no matter what year is listed in the teleprompt, a CP 108 notice is issued. Consensus is to have research done to find out how many CP 108's are issued for EFTPS deposits.

**ACTION ITEM: Smiley to provide research information.**

**Issue 5569** – VITA & TCE. The IRS is using large organizations (United Way) to get rid of the small sites which have been assisting poor and needy taxpayers.

Discussion: Wernz said it seems the SPEC Office is going in different directions. IRS is pulling back on grant money for the program and is not being honest enough to say they won't fund small sites. Is Congress asking SPEC to take this direction? Bryant noted if we work this issue we need to find out how the grant applications are scored. Wernz and Vanderver will work this issue.

**ACTION ITEM: Smiley to provide research information.**

### **Status of Issues Referred to Forms and Pubs (Smiley)**

- Issue 5070 – Forms 1040A, 1040, 1040EZ to include Reasons to file

The Tax Forms and Pubs Committee worked this issue. They identified seven specific areas for reasons to file. Of the seven issues identified, only one was accepted by the program owner.

- Issue 5260 – Hope Credit Clarification

This issue is in the process of being reviewed.

- Issue 5443 – Release Date for Form 5227, Split Interest Trust Information

The issue has been forwarded to the Program Owner for consideration.

- Issue 5661 – Income Classification



The issue has been forwarded to the Program Owner for consideration.

**Status of Issues Referred to SAMS**

- Issue 5637 – Foreign Tax Credit

This issue was sent to Systemic Advocacy Management System (SAMS) on September 3, 2009 requesting to raise the limits to \$500.00 for single and \$1,000.00 for married couples.

- Issue 5791 – Incorrect Processing of Recovery Rebate Credit (RRC)

Guest Sam Phillips explained the IRS changed the RRC for three returns he prepared. All three were returns filed later in the year, all had spouse schedule C loss, all qualified for the additional RRC based on the IRS website and worksheets. When he called the IRS to fix their error, they did adjust each account after discussions with their supervisor. It is a processing problem that could affect many taxpayers. Smiley explained the Issue was referred to Systemic Advocacy Management System (SAMS) for review. No response has been received yet.

**Status of Elevated Issues (Smiley)**

- Issue 4210 – Identity Theft Suspension of Return Processing

No response received.

- Issue 4945 – Tax Law Access

Joint Committee Quality Review changes were accepted. Issue will be forwarded to the Joint Committee for review.

- Issue 5366 – Bankrupt Taxpayer Refund Notification

Response just received from IRS. Subcommittee will discuss the response and report on next months Area 4 call.

- Issue 5434 – Check Box for Form 1065

Werner advised the issue will be revised as the Joint Committee requested and will be ready for review for the October Joint Committee call.

- Issue 5493 – Tax Law Updates on IRS Website

Response just received from IRS. Subcommittee will discuss the response and report on next months Area 4 call.

**Office Updates (Block)**

A thank you to everyone in Area 4 for getting your Bio's and Tax Check Waivers turned in. The Area 4 panel members are 100% compliant.

A reminder for returning members, please provide Lisa Gabriel with your date of birth. It is required for Gabriel to provide this information when making flight arrangements.



**Closing/Adjourn**  
Meeting adjourned

Next teleconference October 20, 2009 at 1pm CT / 2pm ET



**Area 4 Committee Meeting Minutes  
Tuesday, August 18, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Bryant, Pat - Millington, TN - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Monnier, David - Indianapolis, IN - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Wernz, Stanley - Cincinnati, OH - Chair
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Khan, Anne - Chicago, IL - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Mull, Bob - Ann Arbor, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Taylor, Rita - Cincinnati, OH - Member
- Verwiell, John - Cottage Grove, WI - Member
- Werner, Mary Jo - La Crosse, WI - Member

**TAP Staff**

- Smiley, Ellen - Milwaukee, WI - Analyst
- Robb, Patti - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- Dianne Turner - Knoxville, TN - Guest

**Welcome / Announcements/Review Agenda (Stan Wernz)**  
Quorum met.

**Area 4 Chair Report (Stan Wernz)**

- **JC Quality Review members needed**

We currently have three members from the Area 4 Committee on the Joint Committee Quality Review and are hoping to have members from other areas join this committee.



- **Tax Preparer Regulation – thoughts and ideas**

The IRS is considering additional regulations for Tax Return Preparers. Charles Davidson will be discussing this topic with Commissioner Shulman during the Joint Committee face-to-face meeting. If you have ideas you want considered, please send them to Davidson.

- **Annual Meeting – topics for workshops**

Wernz asked if you have anything you wish to expand on for the workshops. If so, please notify Steve Vanderver so he can discuss at the Joint Committee meeting.

**DFO Report (Betty Martin)**

Betty Martin noted that she was at the TAS Symposium last week and the week before she was at the Nationwide Tax Forum in Orlando, Florida. She stated at the Tax Forums she usually hears rave reviews on the service from the IRS, but this was the first year people expressed concerns about phone calls and getting timely responses. This indicates there is a higher work load.

**Public Input (Stan Wernz)**

Dianne Turner asked if there is a list of acronyms available.

**ACTION ITEM: Smiley will email Turner a list of most commonly used acronyms.**

**Issue Discussion**

- **Issue 5260 – Hope Credit Clarification (Kelly Wingard)**

This issue will be sent to Forms and Pubs. The new form for the Hope Credit is currently being reviewed by Forms and Pubs. The program owner is inviting any additional language from the Forms and Pubs Committee for the Form and the General Instructions.

- **Issue 5286 – Misleading Adjustment Notice (Steve Vanderver)**

Vanderver noted that he proposed to insert a statement to show “If the amount is none or zero dollars, no action is required.” This clarification will improve the meaning in the notice. This issue will be sent to Area 4 Quality Review.

- **Issue 5369 – Simplify Form 433 A, Collection Information Statement (Joyce Rhyan)**

Dave Monnier noted he read through the information emailed to him and from his point of view it should be dropped. He commented that it should remain on an individual basis and not the average. Pat Bryant added that the idea with this issue was to give the option to choose the averages or individual basis. This issue is being tabled for next month when Joyce Rhyan is on the call.

- **Issue 5370 – First Time Event Penalty Abatement (Lev Martyniuk)**

Smiley wanted to clarify that this issue was worked at the Face to Face meeting; however the Area Committee was not able to review it to reach a consensus. Vanderver noted that it came down to parsing the wording on how to define a first time event and that is where the subcommittee got hung up. The subcommittee will need to submit the final form for discussion at the next meeting.

**ACTION ITEM: Smiley will provide additional information to the subcommittee for clarification on this issue.**





- **Issue 5451 – Deadline for filing Schedule K-1 (Mary Jo Werner)**

Smiley sent information to Werner to review before forwarding to Systemic Advocacy Management System (SAMS). Issue will remain on agenda for September.

- **Issue 5562 – Married Filing Joint (MFJ) vs. Married Filing Single (MFS) List of Items Affected (Rita Taylor)**

Per Smiley, Rita Taylor asked her to tell the committee to review her referral and forward any comments or suggestion to her for review and discussion next month.

- **Issue 5563 – Simplified Method Worksheet (Steve Vanderver)**

Vanderver explained he has not been able to find concrete information in the instructions stating the tax free portion of an annuity is an allowed vs. allowable item. All examples provided in the instructions start with year one of the annuity. Martin suggested analyst contact a Taxpayer Advocate Service (TAS) technical advisor.

**ACTION ITEM: Ellen will contact technical advisor for further information.**

#### **New Parking Lot Issues Report (Pat Bryant)**

**Issue 5371** – Confusion over different addresses in 1040 Instruction Book for Form and for Money  
Description: In the 1040 booklet if you have to pay, it indicates you need to send it to Kansas City or Austin, but voucher form 1040V indicates you need to send to Fresno, CA. Taxpayer used the label included so sent the form to Kansas City.  
Discussion: ITEM DROPPED

**Issue 5391** – IRS Response Time frames and notices. IRS processing Form 990 was delayed (9 months); the response to taxpayer allowed 30 days for taxpayer's reply. The taxpayer issue is if it takes IRS 9 months to ask for additional information, why does the taxpayer need to respond within 30 days?  
Discussion: Clarified application form for exemption is Form 1023. ITEM DROPPED

**Issue 5471** – IRS Web-site Identity Theft Page. Taxpayer believes IRS suggestion regarding response to suspect IRS notices is bad advice. Before responding to information on a notice the authenticity should be verified.  
Recommendation: Recommend dropping.  
Discussion: Kelly Wingard thinks the person is saying that the wording is not helpful. Wingard suggests looking at the language used on the website. Ray Buschmann agrees. Issue will be worked by Buschmann and Wingard. ACTIVE

**Issue 5475** – IRS Phone System. Taxpayer received someone else's direct deposit refund. Resolution efforts were hampered through unavailability of personal contact by phone, and/or inaccurate information.  
Discussion: ITEM DROPPED

**Issue 5477** – Use of last four digits of Social Security Number. Taxpayer suggests using only last four digits of SSN in IRS correspondence as an additional security measure.  
Discussion: The IRS is already working to just use the last 4 digits of the SSN on notices. It is scheduled to be completed by 2013. ITEM DROPPED.

**Issue 5602** – Information should not have to be given again – Assign a Case Number. Put Taxpayer's information in the file for reference. Comments included what Taxpayer perceived as lack of timely



response.

Discussion: Issue discussed with Betty Martin. Case advocates try to contact Taxpayers within 30 to 45 days or sooner depending on the case. Betty offered to assist this individual when she returns to her office in two weeks as she is at training, etc. now. ITEM DROPPED

**Issue 5606** – Get me to a live person. When calling the IRS Toll free line in the initial menu why can't there be an option to be able to speak to a live person.

Discussion: Inadequate funding to staff phones. ITEM DROPPED

**Issue 5607** – Toll free line employees need more training. Even though calling "Where is my refund line", the caller indicated that she finds unacceptable that she could not be given a clearer message.

Discussion: The individual should have asked to speak to someone else when the first person could not give her enough information. With a duplicate return holding a refund, someone else is working it. ITEM DROPPED

**Issue 5637** – Foreign Tax Credit (FTC) A lot taxpayers are being exposed to the FTC because of investments in mutual funds in foreign countries. The practitioner community would like to see the \$300 to \$600 limits raised to \$500 and \$1000.

Discussion: Dan Fretheim noted this is a legislative issue as the dollar limits are code. Issue will be referred to SAMS.

**Issue 5638** – Notices: Tax practitioner indicates they would like to see a line added to all notices suggesting if the return was prepared by a professional tax preparer, the taxpayer should first ask the preparer's advice before responding to the notice.

Discussion: It's a good idea if you receive a notice from IRS with an error to talk to the paid preparer to see what is going on and get advice on how to handle. Adding a statement that recommends the individual do this should be easy. We discussed the issue of fees involved but that would be between the paid preparer and their client.

ACTIVE LOW PRIORITY

**Issue 5654** – CP 2000. CP 2000 unit needs to use a better selection process for correspondence audits

Discussion: Recommend dropping. Insufficient information as to what the problem is and what a "better" process would be. ITEM DROPPED

**Issue 5658** – Understanding Taxes. Allow Chambers of Commerce market the Understanding tax program in local schools.

Discussion: This sounds like a good idea and would not seem to be a problem to recommend some formal process for working with the Chambers of Commerce to promote this program in the local schools. ACTIVE WITH MEDIUM PRIORITY

**Issue 5569** – VITA and TCE. TCE/VITA small sites have been funded through \$3,000 to \$6,000 grants for years. The grant application has become large and confusing forcing these small locations to give up. Large organizations replace them. Taxpayers are more comfortable with dealing with the smaller sites than the larger organizations which intimidate them.

Discussion: This issue will be discussed in the next meeting. It had previously been recommended that we drop but someone had indicated an interest in working it.

Will leave issue in the parking lot for now.

### **Office Updates (Smiley)**

Smiley announced that Patti Robb was selected for the Analyst Position and is officially the analyst assigned to the Area 5 Committee and the Communications Committee.



**Closing/Adjourn (Vanderver)**  
Meeting adjourned.

Next teleconference September 15, 2009 at 1pm CT / 2pm ET



**Area 4 Committee Meeting Minutes  
Tuesday, July 21, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

**Committee Members Present**

- Buschmann, Ray - Lake Forest, IL - Member
- Khan, Anne - Chicago, IL - Member
- Monnier, David - Indianapolis, IN - Member
- Mull, Bob - Ann Arbor, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Verwiell, John - Cottage Grove, WI - Member
- Werner, Mary Jo - La Crosse, WI - Member
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Bryant, Pat - Millington, TN - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Wernz, Stanley - Cincinnati, OH - Chair

**TAP Staff**

- Block, Roy - Milwaukee, WI - Manager
- Smiley, Ellen - Milwaukee, WI - Analyst
- Robb, Patti - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- Dianne Turner - Knoxville, TN - Guest

**Welcome / Announcements/Review Agenda (Steve Vanderver)**

Quorum met.

Steve Vanderver welcomed guest Dianne Turner for joining the call. Dianne currently is an alternate for TAP, but has been selected as a current member starting in December 2009.

**Area 4 Chair Report (Steve Vanderver)**

Steve Vanderver stated Stan Wernz wanted to pass on a Thank You for a very productive face to face meeting. In addition, Wernz asked Vanderver to talk about the last Joint Committee Meeting call. One thing that was discussed was the election process for the Chair and Vice Chair of the Joint Committee.



It was decided a win is a win whether it was by one vote or more, however if there should be a tie it is not certain how a decision would be made. It could be possibly made by the TAP Staff or a flip of a coin. One change that is being considered in the election process is if a panel member is running for Chair and doesn't get the Chair position that they have the opportunity to run for Vice Chair. Kay Bell is the lead of the subcommittee for the election process with the assistance of Steve Berkey, if there are any third year members interested in joining this subcommittee please contact Bell directly.

#### **DFO Report (Betty Martin)**

Case workers are seeing a lot of cases regarding the \$8,000.00 first time home buyer credit. Many of these cases are being held in exam.

#### **Public Input (Steve Vanderver)**

Turner was surprised by the amount of material, but finds it very interesting and looks forward to getting involved.

#### **Issue Discussion**

- **Issue 5260 – Hope Credit Clarification (Wingard)**

Ray Buschmann stated that most of the time spent on this issue at the face to face meeting was the changes that were in the works. The Hope Credit was for two years and has now been changed to four years. When initially working on this issue the subcommittee wanted better clarification as to which two years the credit applied to and referred the issue to Forms and Pubs. Forms and Pubs indicated that it was clear in the regulations. Area 4 is saying that the form is not clear. The regulations give you eight examples but the form only gives four examples. The question is what a year is, is it a calendar year or academic year, etc. The regulations give four additional examples that do cover the field rather well. However there should be a better job of defining it on the form. Per Rita Taylor stated the form reads to refer to Publication 970, Tax Benefits for Education, for instructions on the form.

Kelly Wingard will ask the program owners of Forms and Pubs if there will be any changes to the Publication with the Hope Credit changing from two years to four years, since she is on the Forms and Pubs Committee. She will also inquire if they are going to be working on the wording or if this will not be addressed and depending on the answer Area 4 can continue to work this.

- **Issue 5370 – First Time Event Penalty Abatement (Werner)**

Mary Jo Werner stated this issue started at the Face to Face meeting and is still being worked on.. At the present IRS has the first period penalty abatement, but multiple periods may involve one event. Werner continued to say they are working on the wording to abate first time even as oppose to first time period. The subcommittee is to meet via teleconference to discuss the issue further.

- **Issue 5451 – Deadline for filing Schedule K-1 (Werner)**

This issue is still being worked on.

#### **New Parking Lot Issues Report (Anne Khan)**

##### **Issue 5209 – VITA/TCE Grant Money**

Description: Jesse is with a non profit grass roots agency 501c3, entitled Tri County Health Coalition of Southern Indiana. Every year for the last 17 years Jesse has submitted a request for a grant to their IRS for their agency to be able to have tax preparers prepare taxes for the elderly and poor. The last two years the grant was denied. Jesse indicated that every year he submits the same grant request,



and that nothing changes except the dates. His primary suggestion is that the IRS should provide why the grant was denied. One of the supervisors that denied the grant was Lynn Tyler.

Recommendation: DROP. The IRS has adjusted the targeting of VITA towards more rural/low income areas and funding is also limited. Trying to provide each grant request a reason why would probably open up a can of worms and could get people to "massage" their requests to get grants.

Discussion: ITEM DROPPED

#### **Issue 5391 – IRS Response Time Frames**

Description: Taxpayer filed an application for FORM 990. IRS backlog of inquires caused a long delay in the application. (9 Months). A letter was sent to the organization requesting additional information from the taxpayer so IRS could complete processing the application. The taxpayer issue is if it takes IRS 9 months to ask for additional information why does the taxpayer need to respond with in 30 days?

Recommendation: Analyst Follow Up – We believe that the taxpayer is actually referring to an application Form 1023 to verify tax exempt status. Ellen Smiley to check and see if it is possible to get an extension in the case where IRS is asking for additional information.

Discussion: ACTIVE, MEDIUM PRIORITY

**ACTION ITEM: Smiley will get statistics to see how long it is actually taking to get a response from the IRS.**

#### **Issue 5471 – IRS Website Identity Theft Page**

Description: On the IRS Web-site page "Ten Things the IRS Wants You to Know about Identity Theft" the first point indicates the following; "If you receive a letter or notice from the IRS which leads you to believe someone may have fraudulently used your Social Security Number, respond immediately to the name and address or phone number printed on the IRS notice." Individual calling feels this is bad advice and feels the authenticity should be verified before following any directions in any notices a person receives. He suggests the above statement should advise individuals to verify that the letter is authentic before responding... as it is written it does not take into account that people are actually getting fake IRS notices.

Recommendation: DROP. There doesn't seem to be a large number of fake IRS notices out there.

Discussion: Request to put on hold and bring this back up to the subcommittee and rewrite it to have IRS publicize this better by saying if you feel this is erroneous please contact the Identity Theft Office. This will be discussed at the next subcommittee meeting.

#### **Issue 5475 – IRS Phone System**

Description: Taxpayer (TP) had return prepared at volunteer center. When asked if she wanted to direct deposit her refund, TP declined. After the return was completed, quality reviewed and printed, TP changed her mind and requested direct deposit. Counselor inadvertently opened wrong return and entered routing number and account number. IRS sent TP the correct refund by US Mail; IRS direct deposited someone else's refund in TP's account. When TP recognized the error, she phoned State Coordinator (SC) requesting assistance. SC referred the TP to IRS toll free number (1-800-829-1040). About an hour later the TP phoned to say she had tried navigating the system since last talking with SC, and had no luck. SC attempted to use the phone number, but gave up. TP wanted SC to identify the party to whom the refund should have been sent, provide address and TP would write a check (SC declined that offer). SC phoned Taxpayer Assistance Service (TAS) 800 number and asked for assistance. TAS provided another toll-free number for TP to use. TP was going to try that number. If unsuccessful using this number, TP would wait for IRS to discover the problem and reverse the deposit. Surely there must be a better way to program phone menus. TP could not access a live person to report the problem. Thirty days had lapsed from the deposit until the TP became aware of the error. The individual expecting the refund was waiting. The ineffective phone system has been documented previously. Notably, the EITC Focus Group study in 2008 documented numerous complaints with the IRS Toll-free phone system.

Recommendation: .DROP. The core problem, which has to do with electronic filing and direct deposit, cannot be solved by IRS (taxpayer has to go to the bank to get that part fixed). The second issue, which has to do with the toll free line, is an ongoing issue and there doesn't seem to be much that can



be done about it (Nina Olson just pointed out that the number of taxpayers getting answers on the toll free line has dropped to 53%).

Discussion: In Publication 17, Your Federal Income Tax or Form 1040, U.S. Individual Income Tax Return, instructions tells you if you list a wrong account IRS is not responsible. The banks are supposed to check the direct deposit to make sure it is going into the correct account. Hold for further research.

**ACTION ITEM: Smiley will research to find out what is in the IRM or instructions regarding incorrect direct deposits.**

**Issue 5477** – Security on Notices

Description: Why does the IRS still use all 9 of the taxpayer ID and not just the last 4 on letters and notices sent to the clients? Where is the security in this? That way if someone else gets the letter the number is secured.

Recommendation: Good idea but hasn't this been recommended before?

Discussion: This issue came up before in the Joint Committee. The IRS has to go through a lot of work to make sure they have the right taxpayer, which is why the issue was rejected by Joint Committee. Smiley found three other issues similar to this and they were all dropped. Annie Khan suggested to table this for next month for more discussion in the subcommittee.

**ACTION ITEM: Smiley will follow-up - check database**

**Issue 5504** – Identification of Non-Custodial Parents

Description:

No way to verify deduction information for tax preparer

Recommendation: DROP. Tax preparers need to ask questions and request to see documentation from non-custodial parents requesting deductions. However, if the taxpayer is deliberately committing fraud, it is not the tax preparer's problem. IRS will then contact the taxpayer directly to deal with the problem.

Discussion: ITEM DROPPED

**Issue 5542** – Stop Garnishing of Wages when Promised

Description: Taxpayer spoke to the IRS on May 22nd. On that call payment arrangements were made and the caller was told that the IRS would fax a letter to the Taxpayer's employer so that wage garnishment would cease and was told it would be done that day. The employer did not get the letter when IRS stated to the taxpayer that they would and got it later and was received to late by the employer to stop the garnishment of wages and this last pay period the wages were still garnished and now the IRS will not reimburse the wages back to the taxpayer. The taxpayer did get a letter dated June 3, 2009 from the IRS stating that their account was resolved as payment arrangements were made. It was the same letter the employer received with the same date.

Recommendation: DROP – Not in Scope. This is not a systemic issue with IRS procedures

Discussion: ITEM DROPPED

**Issue 5561** – Income Classification

Description: There is a need to categorize all of the various income items into three categories, and consolidate all three categories into a single location. Most taxpayers are unaware that Disability benefits paid for by the employer are earned income.

Recommendation: Forward to Forms and Pubs. We like this layout. However, we think this belongs in Forms and Pubs. Suggest having analyst forward to that committee with a request that they look at this for inclusion in the 1040 instructions.

Discussion: Keep Active, but refer to Forms and Pubs

**ACTION ITEM: Ellen will forward Issue as written to Form and Pubs.**

**Issue 5562** – MFJ vs MFS Comprehensive list of items affected.

Description: There is no comprehensive list of the items affected when a taxpayer changes from MFJ to MFS. Examples include CG Deduction limitation, \$25,000 rental loss deduction, child care credit. Some itemized deductions and many state income tax laws favor MFS, so taxpayers need to know the



federal tax consequences associated with each option.

**Recommendation:** DROP. The tax code's complexity makes it almost impossible to create a comprehensive list of what changes when filing status is changed from MFJ to MFS (highly dependent on income levels etc).

**Discussion:** Wingard stated she uses Quickfinder and she finds it to be user friendly. Taylor remarked that these are either/or. If Quickfinder can have it why can't Publication 17 have it? Active, Medium Priority. This will need to be written up to where it can be referred to Forms and Pubs. Subcommittee: Kelly Wingard, Rita Taylor, and John Verwiel. Wingard will email Taylor what is on the Quickfinder and Taylor will be happy to do the write up and send to Smiley and have a discussion among the committee.

**Issue 5563 – Simplified Method Worksheet**

**Description:** Question regards the Simplified Method Worksheet for (1040) lines 16a and 16b. Line six states "Enter the amount, if any, recovered tax free in years after 1986, etc." I questioned this since I've always taught this was an "allowable" amount rather than an "allowed" amount and should be computed as if the exemption has been calculated and used in prior years. SO, I called the 800-429-1040 line. The answer provided by Mary Batson # 9310570 indicated it was a "use or lose" situation and should take into consideration prior year's eligibility, even though the exemption may not have been taken. Issue: to change the wording in the worksheet to reflect the use or lose provision.

**Recommendation:** This has to do with portions of pensions that are taxably vs. non-taxable. Need more information from the panel member to get a better understanding of what needs to be done.

**Discussion:** Vanderver will do the write up for this issue. Smiley said it looks like there should only have to be a change in that one sentence. This write up should be a simple paragraph and forward to Forms and Pubs.

**ACTION ITEM: Vanderver to write up issue and Smiley to forward when done.**

**Issue 5569 – VITA & TCE**

**Description:** Taxpayer has been providing assistance to poor and needy taxpayers for approximately 27 years through TCE/VITA. They have been receiving small grants of \$3,000 to \$6,000 dollars which does not cover all of their cost. They service 3 rural counties. Slowly, the IRS is using large originations (United Way) to get rid of the small sites that have been assisting poor and needy taxpayers. The grant application has become large and confusing forcing these small locations to give up. Taxpayers are more comfortable with dealing with the smaller sites than the larger originations which intimidate them.

**Recommendation:** DROP – Not in Scope. IRS has changed how it targets VITA. This doesn't seem to be a systemic issue as it relates to IRS processes

**Discussion:** Per Wernz he feels the issue is broader. Suggest leaving it in Parking Lot for now.

**Issue 4821 – MLI Issue**

**Description:** Accepting the paper Form 1040 in Spanish – it is problematic asking a taxpayer to sign the 1040 if they cannot read it. The Ad Hoc (Forms and Pubs) committee has an MLI subcommittee. Lynch will bring this issue up on the next call. The IRS used to accept them but this has changed their policy.

Update from MLI: (Marisa Knispel) No, MLI does not take referrals - only Forms & Pubs. The MLI (Multilingual Initiatives) office and the VTO (Virtual Translation Office) with whom the MLI Committee works are not currently considering the translation of the F1040 series. Only Pub 17 and 596. You should keep this suggestion in Area 4 and take a look at this link I found. There are names and numbers of people to call to follow up on: [Factoid\\_28\\_12-09-05.htm](http://Factoid_28_12-09-05.htm)

Analyst Follow Up – Ellen to check and see where this is on the MLI priority list and reasons why.

6-2-2009 - Response from Toni Cross (Supervisory Management and Program Analyst from Customer Assistance Relationship & Ed (Care), Media & Publications, Tax Forms & Publications, Language





Services) advised: The decision to translate the Form 1040 series to Spanish was addressed in FY-05. A team developed the following recommendations. Recommendation A was implemented to test customer perspective. A Spanish Form 1040 was tested and not received favorably. The final decision was to implement on-line free file in Spanish which allows taxpayers to complete their returns on line in Spanish. This also directly supports IRS's initiative to increase e-filed returns. This has been very favorable.

Recommendation: DROP. The MLI group already worked on this and tested it etc. It seems that IRS did their homework before deciding to stick with e-file in Spanish.

Discussion: ITEM DROPPED

**Issue 5457 – Educating Seniors of New Withholding Tables**

Description: A different withholding table should be established for retirees or they will end up owing taxes at the end of the year. If that is not feasible, an effort should be made to educate them so they will be ready at the end of the filing season.

Recommendation: DROP. IRS already published a second withholding table and is in the middle of a PR/Educational campaign about this issue.

Discussion: ITEM DROPPED

**Status of Issues Referred to Forms and Pubs (Smiley)**

- Issue 4771 – Mandatory Filing Form 944

Recommendation is going to be adopted. Analyst emailed William Egan, who explained cannot take off the statement \$1000 tax liability rule as it is in the Tax regulation, but will move the box to the end of the form. That is accepted and that is what they are going to do.

- Issue 5070 – Forms 1040A, 1040, 1040EZ to include Reasons to file

Forms and Pubs sent a final recommendation to the program owners and are waiting for a response.

**Status of Elevated Issues (Smiley)**

- Issue 4210 – Identity Theft Suspension of Return Processing

This was sent up at the end of April, and there has been no response yet.

- Issue 4945 – Tax Law Access

Information from Joint Committee Quality Review is being forwarded to Taylor, in which she will review and get back to Smiley.

- Issue 5366 – Bankrupt Taxpayer Refund Notification

Will be discussed on Joint Committee call tomorrow

- Issue 5434 – Check Box for Form 1065,

Will be discussed on Joint Committee call tomorrow

- Issue 5443 – Release Date for Form 5227, Split Interest Trust Information



Will be discussed on Joint Committee call tomorrow

- Issue 5493 – Tax Law Updates on IRS Website

Will be discussed on Joint Committee call tomorrow

- Issue 4760 – Installment Agreement Policy Changes

This issue was raised last year and discussed with the operating division. IRS is considering the 72 month time frame, therefore TAP closed this issue as a partial acceptance. This was reported on last year's report, but TAP will monitor if more aspects of the referral are incorporated into new policy changes.

#### **Face to Face Meeting Satisfaction Survey and July Survey (Vanderver)**

Some of the survey comments were about wandering off the subject. At future meetings we'll place these subjects on the board for future discussion. Please email your surveys to Vanderver for today's meeting.

#### **Issue Committee Highlights**

##### Earned Income Tax Credit (EITC) – Stephen Vanderver

The EITC Committee is going to have a second face to face meeting in September. Verlinda Paul is paying for it out of her budget as she was so impressed by the outcome of the meeting.

##### **Office Updates (Block)**

We have finished all of our face to face meetings and notice that Area 4 is really moving forward with raising issues.

##### **Closing/Adjourn (Vanderver)**

Meeting adjourned

Next teleconference August 18, 2009 at 1pm CT / 2pm ET



**Area 4 Face to Face Committee  
Meeting Minutes  
May 28 - 30, 2009**

**Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Bryant, Pat - Millington, TN - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Khan, Anne - Chicago, IL - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Monnier, David - Indianapolis, IN - Member
- Mull, Bob - Ann Arbor, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Verwiel, John - Cottage Grove, WI - Member
- Werner, Mary Jo - La Crosse, WI - Member
- Wernz, Stanley - Cincinnati, OH - Chair
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Blanchard, Greg - Cordova, TN - Member

**TAP Staff**

- Block, Roy - Milwaukee, WI - Manager
- Smiley, Ellen - Milwaukee, WI - Analyst
- Robb, Patti - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Welcome / Announcements/Review Agenda (Stan Wernz)**

Quorum met.

**Area 4 Committee 2008 Annual Report Review**

Each year the Chair of the Area Committee must submit an Annual Report of the activities that have occurred throughout the year. Area 4 has submitted this report for 2008 listing the activities, elevated issues, and issues that were sent to other committees. The purposes of maintaining this record is to track the issues accepted by IRS.

Roy Block has put together a list of the issues and results for 2008. Area 4 has doubled the issues elevated over last years, and we still have six months left of the year to work.



## New and Parking Lot Issues Report (Anne Khan)

### **Issue 5367** – Definitions in Instructions for Form 1099R

Description: There are no definitions in the instructions for preparing form 1099R to define the different terms used for Individual Retirement Accounts, For example, 1) direct rollover 2) transfer and 3) Reporting a direct rollover.

Recommendation: Drop

Discussion: This issue was a holdover and had to do with the 1099R Form, Reporting of IRA Distributions. It was suggested to drop and possibly rewrite the issue to clarify it. Bryant noted that this is about definitions for instructions for the 1099R and those instructions are made for the Financial Institutions. After discussion between Bryant and Wernz it was decided this is a training issue for VITA volunteers, so when the volunteers come across this they know to ask additional questions to the taxpayer. It is a suggestion to have hints in the Training Manual saying what those distribution codes are. Khan said this will help to have that training, but Wernz has another issue with this.

VITA part of issue is complete. Wernz stated to drop and may resubmit this issue after doing research.

Verwiell added that disability income is earned income. The average taxpayer doesn't understand it. Verwiell will write this issue up as a separate issue. **ITEM DROPPED**

### **Issue 5372** – Refund Check – Can't Tell Which Year

Description: Taxpayer wanted to know why there aren't more people to process tax returns. Taxpayer filed three returns: 2005, 2006 & 2007 in October 2008 and she has only received two of the three refunds. Taxpayer received two separate checks and is not able to figure out which check is for which year's refund. She also could not tell if her stimulus refund was part of the check. She suggests the IRS send out a notice stating which tax year the refund is.

Recommendation: DROP - Research indicates the tax year is displayed on the refund check so this is not an issue. Notice sent out separately would likely cause more confusion.

Discussion: The year is typed on the check itself based on research provided by Ellen Smiley. We know checks are issued from one place and notices are issued from another. Issuing a notice would only confuse the taxpayer.

**ITEM DROPPED**

### **Issue 5379** – Charged Late Payment

Description: Taxpayer stated that he prepared taxes for his client last year. When he filed their taxes this year they owed a substantial amount of money. Their payment was made by the 15th of April and they were still charged penalty and interest.

Recommendation: DROP - Taxpayers should have filed estimated tax payments since the code says that tax payments/withholding need to coincide with income, by quarter. The taxpayer could use Form 2210 if income was not consistent throughout year to minimize penalties.

Discussion: Paying quarterly estimated payments is legislative. **ITEM DROPPED**

### **Issue 5391** – IRS Response Time Frames

Description: Taxpayer filed an application for Form 990, Return of Organization Exempt from Income Tax. IRS backlog of inquires caused a long delay in the application. (9 months). A letter was sent to the organization requesting additional information from the taxpayer so IRS could complete processing the application. The taxpayer issue is if it takes IRS 9 months to ask for additional information why does the taxpayer need to respond within 30 days?



**Recommendation:** .Analyst Follow Up – We believe that the taxpayer is actually referring to an application Form 1023, **Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code**, to verify tax exempt status. Smiley will check and see if it is possible to get an extension in the case where IRS is asking for additional information.

**Discussion:** Smiley emailed TAS liaison, he called and said he will get back to her.

**ACTION ITEM: Smiley to follow up with TAS liaison.**

#### **Issue 5417** – Estimated Payment Coupons

**Description:** The taxpayer complained about the new system for distribution of 1040-ES, Estimated Tax for Individuals. He does not have a computer and if he calls to order the forms, by the time they come, his payment will be overdue. He wants to know why they are not mailed out like they used to be. The system was not broken so why was it changed?

**Recommendation:** DROP – We confirmed that the process had indeed been changed. Taxpayers can call at any time, well in advance of the first estimated payment due date, to get the package of 1040-ES if they do not want to go via the internet. When a person electronically files, they are asked if they want to print out the 1040-ES forms. **ITEM DROPPED**

**Issue 5434** – Check box for Form 1065, U.S. Return of Partnership Income, to indicate partners filed timely.

**Description:** Unable to complete Form 1065 timely, caller has filed an extension (Form 7005). The extension was filed on paper and mailed to the IRS. The Form 1065 was filed electronically shortly after the 7005 was mailed. The IRS assessed a penalty on the 1065 due to it being filed (as the IRS believed) without an extension. Caller recommends that forms 1065 and 1120S include a check box that can be checked to indicate shareholders have reported their earnings. This would eliminate the need to assess a penalty on late fled returns.

**Recommendation:** We don't recommend having a check box. Would suggest instead that taxpayer contact IRS and send them a copy of the extension request to get penalty eliminated. Ellen is going to check and see if penalties are assessed if all partners file in a timely manner.

**Discussion:** Smiley advised there is a Revenue Procedure 84-35 that explains the procedures under which partnerships with 10 or fewer partners will not be subject to the penalty if each partner timely filed their own tax return including the partnership income. Consensus to work. **ACTIVE MEDIUM**

#### **Issue 5442** – E-filing Extension of Time to File

**Description:** The Case: On April 14, 2009, I tried to e-file an extension for my income tax with no luck. I read IRS Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, carefully (You can apply for an extension by e-filing Form 4868 from a home computer or through a tax professional who uses e-file. Several companies offer free e-filing of Form 4868 through the Free File program. For more details, go to [www.irs.gov](http://www.irs.gov) and enter "Free File" in the search box at the top of the page.)

I accessed IRS website per the instruction in the form but couldn't find a way to do it. It says you can file the extension if you have a personal computer! Moreover, I have my own copy of Turbo Tax, that didn't help either.

When I read 4868 form, I was under the impression it will be easy and free. On the contrary, it was confusing and time consuming.

**Suggestion:** I suggest a direct link on the form to E-file the form will be helpful.



**Recommendation:** DROP – Pat checked the free E-file fillable forms at irs.gov and saw that “free e-file of extensions” is prominently pointed out in red on the website. It is no more complicated than anything else.

**Discussion:** A taxpayer can go to irs.gov and there is a link to do a free e-file. The question at this point, is it really easy as oppose to is it really available. Wernz found it to be complicated. It was determined you can find it. Wernz stated some things were ambiguous along the way. If you click “free file” you are going down the wrong path and you don’t want to go there. The descriptions need to have more information on the website.

Group decided to work this issue to make the instructions clearer on website. Recommend to work.  
**ACTIVE.**

**Issue 5443** – Release date for Form 5227, Split-Interest Trust Information Return

**Description:** I am writing to draw your attention to a pressing matter. Our firm administers over 5,000 charitable remainder trusts and charitable lead trusts. Each year we prepare Form 5227 Split-Interest Trust Information Return, for each of these trusts. Over the past three years the release date for this form has crept steadily later into the year. Already since the end of December 2008 the expected release date has moved from December 30, to January 20, to January 23, to January 27, to January 30, to February 9, to February 12. This repeated delay has a cascading effect.

First, our software vendor cannot incorporate the form into our tax preparation software until the form is released in its final form. Once available, this process typically takes 10 to 14 days. This means that a February 12 release date (assuming it is actually honored) can easily mean that the first returns cannot be prepared until the very end of February.

Second, the return's due date is April 15. However, the charitable remainder trusts must also issue a Schedule K-1 to the trust's income beneficiaries. For this reason, we strive to complete returns by March 15 in order to afford the income beneficiaries ample opportunity to complete their individual income tax returns by April 15. Many of our clients are individuals who have never extended their personal income tax returns and are deathly afraid of any deviation from their past conduct when it comes to matters pertaining to the Internal Revenue Service. If we are unable to deliver Schedule K-1s by March 15, this creates significant anxiety on the part of our clients.

Third, our clients, like those of most practitioners, have a propensity to "shoot the messenger." Each year this delay in the release of Form 5227 has cost our firm clients. We are a small business. We employ some 60 Indiana citizens. Loss of clients significantly impacts our ability to continue to employment at the same level. For Renaissance this repeated delay in issuing Form 5227 year after year is serious business that goes beyond work-load compression, it affects our ability to remain a going concern. I understand that there are less than 140,000 trusts that file Form 5227 each year and that other priorities intervene. But this argues for creating a form that is not subject to annual updates, but rather is updated only as legislative or regulatory changes demand. Not a system that repeatedly fails to meet expected release dates and creates a cascading set of downstream anxiety and delays.

**Recommendation:** Active, with Analyst Follow Up – There were numerous adjustments to Form 5227, Split Interest Trust Information Return, due to legislative changes in 2005/2006 which caused delays up until 2007. However, a review of the 2008 instructions showed very minor changes so there should have been no delay. The delay causes about 133,000 taxpayers to potentially have to file extensions which are costly to the IRS. Ellen to check if this was really caused by legislative changes in 2008 or something else.

**Discussion:** Smiley emailed the tax law specialist owner of this form, but has not heard back, but thinks we are not going to receive a response because the specialist will say ‘yes they were late’. Bryant asked how you approach the IRS to get the information out sooner. Block said there is an



analyst assigned to this form for printing.  
**Recommended to make ACTIVE.**

**Issue 5451** – Deadline for filing schedule K-1, Partner’s Share of Income, Deductions, Credits, etc  
Description: Every year I have to wait until the last minute or file an extension because of a delayed K-1. Why isn’t there a stricter K-1 deadline such as with 1099’s or W-2s? This could possibly affect many taxpayers.

Recommendation: DROP – K-1 dates are all different based on the partnership tax years.

Discussion: Werner advised AICPA took project on the have extensions for partnerships due by September 15 (30 days prior to individual extended due dates) to give the taxpayer time to file their return. K-1s should be due along the same time frame. Werner and Smiley will write a referral to SAMS.

**Refer to SAMS**

**Issue 4821** – MLI Issue

Description: Accepting the paper Form 1040 in Spanish – it is problematic asking a taxpayer to sign the 1040 if they cannot read it. The Ad Hoc (Forms and Pubs) committee has an MLI subcommittee. Lynch will bring this issue up on the next call. The IRS used to accept them but this has changed their policy.

Update from MLI: MLI (Multi-lingual Initiatives) does not take referrals - only Forms & Pubs. The MLI office and the VTO (Virtual Translation Office) with whom the MLI Committee works are not currently considering the translation of the F1040 series, only Pub 17 and 596. You should keep this suggestion in Area 4 and take a look at this link I found. There are names and numbers of people to call to follow up on: [http://win.web.irs.gov/Research/resdocs/Factoids/Factoid\\_28\\_12-09-05.htm](http://win.web.irs.gov/Research/resdocs/Factoids/Factoid_28_12-09-05.htm)

Recommendation: Analyst Follow Up – Smiley to check and see where this is on the MLI priority list and reasons why.

Discussion: Smiley found out SB/SE (Small Business/Self Employment) Committee did research that was provided to MLI strategy office in which they need to decide what they are going to do with this. Research was done five years ago and an email went to the MLI strategy office and we have not heard from them. They need to be asked if they plan on doing this and if so when. **HOLD FOR FURTHER FOLLOW UP.**

**Issue 5457** – Educating Seniors of New Withholding Tables

Description: A different withholding table should be established for retirees or they will end up owing taxes at the end of the year. If that is not feasible, an effort should be made to educate them so they will be ready at the end of the filing season.

Recommendation: Active – Medium - Withholding tables have been changed to reflect the Making Work Pay tax credit, but pensioners won’t be getting the tax credit so they may have too little withheld from their pensions and end up paying taxes at year end. We could look to see what IRS has done to publicize this issue, and perhaps recommend that penalties related to this be waived as a matter of internal policy for the 2009 tax year.

Discussion: IRS has issued new releases about the possible under withholding by pensioners. Also, IRS has issued a new withholding table for pensioners. Place issue in parking lot until summer.

**PARKING LOT**

**Issue Discussion**

- **Issue 5493 – Tax Law Updates on IRS Website (Taylor and Martyniuk)**



Reviewed and noted changes. Consensus to elevate.

### **ELEVATE TO JOINT COMMITTEE**

- **Issue 4776 – Revise Disconnect Message on the Toll-Free Line ( Khan, Monnier, Wingard)**

This dealt with the disconnect message, when system capacity is reached on the IRS telephone assistance line for individuals, callers receive the recorded message “due to extremely high call volume...” The issue was to address this with a softer message, however obtained information on the current message and it is not as harsh as we perceived. **ITEM DROPPED**

- **Issue 5260 – Hope Credit Clarification (Wingard)**

This was referred to the Forms and Pubs Committee. There was discussion on the definition of what the first two years of postsecondary education meant. Forms and Pubs returned the referral noting that it is stated very clearly in the regulations. Beginning tax year 2009, the Hope Credit is allowing the first four years of post secondary education to be used. However, not sure if the wording is very clear in the instructions. **ISSUE STILL BEING WORKED.** Subcommittee consists of Taylor, Buschmann, Wingard, Spiotto, and Mackie.

- **Issue 4210 – Identity Theft Suspension of Return Processing (Block)**

Block stated that this issue was raised to the IRS by the Joint Committee on April 23rd and the IRS issued a new Form 14039, Identity Theft Affidavit on April 24th. The IRS is requesting comments on the new form and we thought it was a good idea to send a copy of the Area 4 recommendation to this group. They may already have this recommendation, but we want to make them aware of TAP’s suggestion as well. The panel’s recommendation will still be part of the Annual Report and if we get a response from the Identity Group that will also be included in the Annual Report.

### **Taxpayer Advocate Service LTA (Sandy McQuin)**

Sandy McQuin stated she is very impressed with the issues Area 4 has raised. McQuin brought in Taxpayer Advocate booklets for each panel member and noted that these booklets may come in handy when members are doing outreaches. It provides TAS information that may be helpful should a taxpayer have a TAS related questions. McQuin spoke about TAS and LITCs. .

### **What Makes a Quality Issue Referral (Kelly Wingard)**

Handouts: Joint Committee Issue Referral Form Guide, sample from Area 1, and sample from Area 5.

Wingard stated that when you are writing an issue you should use the referral guide. Wingard gave examples and suggestions on how to write a Quality Issue. She noted that Quality Review will make suggestions and the individual or group referring the issue need to know that these are just suggestions.

In the benefits and barriers paragraph you need to explain how and why the benefits outweigh the barriers. One really needs to sell it in the benefits and barrier paragraph. In writing a referral issue we need the facts and not opinions.

Block discussed Issue 408-4760. This issue was previously elevated by the Joint Committee to the IRS. The IRS response was not accepted by Area 4 Committee, and a counter response was prepared and forwarded to IRS. A reply has not been received. Consensus was reached to forward this information to Shawn Collins.





**The June conference call is cancelled.**

**Breakout Subcommittees to Work Issue: Discuss and Decide**

- Issue 5366 – Taxpayer in Bankruptcy: Notification of Return Processing

Subcommittee: Pat Bryant, Anne Khan, John Verwiell

**ELEVATE**

- Issue 5370 – First Time Event Penalty Abatement

Subcommittee: Carolyn Adams-Dodds, Dave Monnier, Steve Vanderver

Subcommittee will continue to working on background, research, and analysis along with benefits and barriers.

**ACTIVE**

- Issue 5434 – Check Box for Form 1065 to Indicate Partners Timely Filed

Subcommittee: Lev Martynuik and Mary Jo Werner

**ELEVATE**

- Issue 5443 – Release Date for Form 5227, Split Interest Trust Information

Subcommittee: Stan Wernz, Bob Mull, Joyce Ryhan

**ELEVATE**

- Issue 5442 – E-filing Extension of Time to File

Subcommittee: Stan Wernz, Bob Mull, Joyce Rhyhan

**ISSUE DROPPED**

Closing/Adjourn (Stan Wernz)

Next teleconference July 21, 2009 at 1pm CT / 2pm ET



**Area 4 Committee Meeting Minutes**  
**Tuesday, May 19, 2009**  
**Teleconference 1:00 CST**

**Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Mull, Bob Ann - Arbor, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Verwiell, John - Cottage Grove, WI - Member
- Wernz, Stanley - Cincinnati, OH - Chair
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Blanchard, Greg - Cordova, TN - Member
- Bryant, Pat - Millington, TN - Member
- Khan, Anne - Chicago, IL - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Monnier, David - Indianapolis, IN - Member
- Werner, Mary Jo - La Crosse, WI - Member

**TAP Staff**

- Block, Roy - Milwaukee, WI - Manager
- Smiley, Ellen - Milwaukee, WI - Analyst
- Robb, Patti - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- Frank Palmisano - New Lenox, IL - Public
- Gerald Walsh - Wauwatosa, WI - Public

**Opening / Welcome / Review Agenda (Stan Wernz)**  
Quorum met.

**Area 4 Chair Report**

The Joint Committee is preparing for their face-to-face meeting in August in Atlanta, GA.



## Public Input

None

## Issue Discussion

- **Issue 4945 – Website (Rita Taylor / Lev Martyniuk)**

Rita Taylor split this issue into two parts. The Issue referral was emailed to all committee members as Issue 4945-A and Issue 4945-B. There is a consensus to elevate both issues. Ellen Smiley will add enter 4945-B so it will be assigned its own identification number.

Steve Vanderver had a question on the Proposed Solution for 4945-B, asking if the link will be going to a sortable database that has the ability to search for changes by date or by key words. Stan Wernz feels this can be done and that detail would be good when making this request. Taylor noted that any way the information can be made assessable would be great as there are almost constant changes to the tax code. Vanderver proposed that the solution be more defined and Taylor agreed to add the request that the information be sortable in the proposed solution. **CONSENSUS TO ELEVATE 4945-A now and 4945-B will be assigned a new number. 4945-B will be rewritten and discussed at the June face- to-face**

- **Issue 5208 – Measure Dropped Calls (Ellen Smiley)**

At request of the group Smiley emailed the document showing the level of service calculation and courtesy disconnect information. This is the documented information that goes to Congress. **DROP**

- **Issue 4776 – Revise Disconnect Message on the Toll-Free Line (Kelly Wingard)**

This issue will be worked at the face-to-face meeting in Milwaukee later in June.

### **New Parking Lot Issues Report (Anne Khan)**

This is also being tabled for the face-to-face meeting.

### **Quality Review (Kelly Wingard)**

Kelly Wingard received Dan Fretheim's issue (Area 5) and felt it was very well written and wants to use his proposal as an example for others to follow. She said he definitely followed the checklist provided.

Roy Block added that during the Area 5 face-to-face meeting, Fretheim's proposal was projected onto a screen for all members to see. They reviewed it as a group and made suggestions for changes. This was very helpful for all members to see what is needed in a proposal and to experience the process of writing a recommendation.

Wingard feels, from a quality review point of view, it is necessary to train panel members how to write a proposal following the checklist.

Wernz agreed it is very important to have this sort of training at the annual meeting.

John Verwiel added he thinks the new members are overwhelmed having so much thrown at them during the annual meeting and thinks perhaps the best time for this training should be done at another time and not at the annual meeting.



### Status of Referred Issues (Ellen Smiley)

Referred to the Forms and Pubs Issue Committee

- Issue 4771, Mandatory Filing Form 944

This issue is about updating the SS-4 Form, *Application for Employer Identification Number*, so filling out the form is clear to the taxpayer. It was suggested to add a statement along the lines of "if you expect to pay more than \$4,000 in wages, etc." This was elevated in December however we have not received a definitive answer. They are reviewing it now.

- Issue 5070, Forms 1040A, 1040, 1040EZ to Include Reasons to File (Forms and Pubs)

The Forms and Pubs Issue Committee will get back to us with the status of this recommendation.

- Issue 5260, Hope Credit Clarification (Forms and Pubs)

The Forms and Pubs Committee got back to us in March saying it was pretty clear in the regulations. The Program Owners want the group to look at the regulations again. Wernz requested to make this an Agenda item for the face to face.

**ACTION ITEM: Smiley to add the review of Hope Credit Clarification issue to the June face-to-face agenda.**

### Update on Referred Issues (Ellen Smiley)

- Issue 4946, Form 1098-T, Tuition Statement

This issue was returned to us from Systemic Advocacy Management System (SAMS) noting that this is a legislative change. The National Taxpayer Advocate (NTA) Nina Olson does provide recommendations for legislative changes once a year in her Annual Report to Congress, therefore SAMS will forward this issue to the NTA's Attorney Advisors for consideration as a future Legislative Recommendation.

- Issue 4210, Identity Theft – Allow Suspension of Return Processing

The Joint Committee (JC) approved and elevated this issue on April 23. The IRS issued a new Form 14039 "*Identity Theft Affidavit*" the next day. The IRS is looking for general public input on this new form. Roy Block will forward a copy of Area 4's Referral in response to IRS request for public input.

**ACTION ITEM: At June face-to-face, Smiley will provide a copy of the new form, copy of the IRS request for public input, and a copy of Blocks letter.**

### Outreach

Wernz spoke to an elderly lady at the airport and she was unaware of free tax preparation services available. He gave her a number to call to find a Volunteer Income Tax Assistance (VITA) site in her area. A gentleman overheard this conversation and expressed interest in volunteering to provide tax help for VITA.

### Issue Committee Highlights

VITA (John Verweil) The VITA Committee meeting went well. The test is up-to-date for TaxWise as well as the Form 1099 C, *Cancellation of Debt*.



EITC (Stephen Vanderver) The Earned Income Tax Credit (EITC) Committee had their face-to-face April 30 through May 2. There are two subcommittees; one committee to focus on EITC partners and how to publicize programs; and another committee to concentrate on the website. The EITC link on irs.gov has a toolkit and the committee is developing surveys. We are contacting SPEC to find out who our partners are and to determine how useful this tool kit is on the website. We hope to have a consolidated report at end of the month.

TAC (Ann Spiotto) The Taxpayer Assistance Center (TAC) will be having their face-to-face meeting in June. We have been looking at the payment process and are going to bring all our information for consolidation and complete our report. We are on track.

Notice Improvement (Carolyn Adams-Dodds) The Notice Improvement Committee is working on Document 9183, Justification to Analyst.

Forms and Pubs (Kelly Wingard) The Forms and Pubs Committee is reviewing the Depreciation Publication received in April of 2008.

Communications (Joyce Rhyan) The Communications Committee distributed surveys to new and returning members. The deadline is quickly approaching and we are still encouraging people to submit their surveys.

#### **Office Report (Roy Block)**

Area 5 had their face-to-face meeting at the beginning of May. The group did a great job looking at issues and four are being raised.

The managers and senior analysts looked at over 950 applications for potential panel members last week. We are now in the process of scheduling interviews.

We are also preparing for the Area 4 face-to-face being held here in Milwaukee next week.

Block noted he does not agree with January committee meetings being administrative. He feels Federal Register Notices should be done. Then members can start working issues right away.

Closing

Next conference face to face May 28-30, 2009 at 1pm CT / 2pm ET



**Area 4 Committee Meeting Minutes  
Tuesday, April 21, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Blanchard, Greg- Cordova, TN- Member
- Bryant, Pat - Millington, TN - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Khan, Anne - Chicago, IL - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Monnier, David - Indianapolis, IN - Member
- Mull, Bob Ann - Arbor, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Werner, Mary Jo - La Crosse, WI - Member
- Wernz, Stanley - Cincinnati, OH - Chair
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Martyniuk, Lev - Cincinnati, OH - Member
- Verwiell, John - Cottage Grove, WI - Member

**TAP Staff**

- Block, Roy - Milwaukee, WI - Manager
- Smiley, Ellen - Milwaukee, WI - Analyst
- Robb, Patti - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- Frank Palmisano - New Lenox, IL - Public

**Opening / Welcome / Review Agenda (Stan Wernz)**

Quorum met.

**DFO Report (Betty Martin)** In the Taxpayer Advocacy Service (TAS) the inventory continues to be high. At one time a case advocate had about 25 cases per person, but now each case advocate has about 80 cases each and it has been this way for a couple of years. This is a measure of the difficulty of our tax system. We are dealing with many hardships and other issues that have not been resolved through normal Internal Revenue Service (IRS) channels. Steve Vanderver asked about taxpayers not receiving their refund checks, as he had a client that told him that he did not get his check. Martin



noted sometimes taxpayers don't remember they signed the check or that the refund was direct deposited. She encourages having those taxpayers call the main IRS toll free line at 1-800-829-1040 1-800-829-1040 . Ray Buschmann asked if there was a concern of an overload of case work for employees. Martin stated that there is a concern, but there has been some additional hiring.

### Issue Discussion

- **Issue 4945 – Website (Rita Taylor / Lev Martyniuk)** Rita Taylor had recently emailed an updated version of this issue. This issue came from a tax practitioner who was not able to find the Treasury Regulations on the IRS website. Taylor is suggesting there be a link on the front page of the IRS website that will go either directly to the Treasury Regulations or will take the user to a tax law page that would give current references. David Monnier asked if there is another website to reference. Buschmann noted the U.S. Government Printing Office is another website, which is one of the original websites that goes to the US Code and is maintained by the House of Representatives but was never updated. Taylor stated that per her goal statement she wishes to 1) facilitate access to tax law from IRS.gov, and 2) facilitate locating tax information that changes between issuance dates of major tax publications online. Her proposed solution is to make the link on the IRS website read Tax Law Changes and when clicked on the next page would provide sources for the updates on the code. Taylor will rewrite this issue as two separate issues to address.
- **Issue 5208 – Measure Dropped Calls (Ellen Smiley)** Ellen Smiley spoke to an analyst at the Joint Operations Center (JOC) and found out that dropped calls are called courtesy disconnects and are included in the customer service representatives levels of service. Anne Khan questioned if this information is in a report to Congress. Smiley noted that this is in a report sent by the Treasury Inspector General that is referred to Congress and Congress is aware of the service levels. Monnier indicated the report emailed to him by Smiley with the information from the JOC provided a lot of statistics that are well explained. Monnier added it appears to be the IRS's plan to push callers to the website, but isn't improving the toll free line. Smiley will email the JOC report to the remaining panel members. Stan Wernz stated that he has another issue regarding the toll free line and will be writing a statement on that issue. Frank Palmisano noted when he worked for the Social Security Administration he dealt with their toll-free line and analyzing a vast amount of statistics. Statistics can be useful depending on what you are looking for such as using them for comparison purposes or methodology. Smiley said there are only so many IRS lines coming into the toll-free system and if the trunk is full the overflow will get disconnected. This issue will be revisited next month.
- **Issue 4776 – Revise Disconnect Message on the Toll-Free Line (Kelly Wingard)** Hold for next month

**New Parking Lot Issues Report (Anne Khan)** Area 5 had a large number of issues in their parking lot so the staff asked Area 4 if they would be willing to review some of those issues. Once Area 4 agreed, the staff sent the issues to be reviewed. Khan went into detail on a few issues. Some issues were dropped as the statements were not clear or paraphrased which made the issue hard to understand.

**Issue 5366 – Taxpayer in Bankruptcy: notice issued advising refund available**

Description: When a taxpayer is in bankruptcy the refund is frozen on the account and the taxpayer is not aware of the available refund. Each state has different bankruptcy laws, so the bankruptcy trustee has to work with the insolvency unit on the disposition of the refund. It would be beneficial for the taxpayer if a notice is issued when their return is processed advising that a refund is available and to contact their bankruptcy trustee. Taxpayers would not have to continually tie up the toll free line checking on their status.

Recommendation: It should be simple to issue a note to taxpayers in bankruptcy that their returns



have been processed so that they do not continually have to call into the toll-free number to check on status. Active, Medium Priority.

**Issue 5367** – Definitions and instructions for Form 1099 R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Description: There are no definitions in the instructions for preparing Form 1099 R to define the different terms used for Individual Retirement Accounts. For example 1) direct rollover, 2) transfer, 3) Reporting a direct rollover.

Recommendation: Form 1099 R is issued by Financial Institutions. We would not recommend adding more information to the instructions for Form 1099 R. The individual that made this suggestion is a panel member and noted that the 1099 R doesn't include definitions for the different individual retirement accounts. This individual is asking for a list of terms. Wernz stated that 1099 Rs are being issued with errors such as incorrect codes and wonders how does the IRS look at this when the taxpayer changes the 1099 R. Block stated that if American Association of Retired Persons (AARP) or the taxpayer identifies an incorrect 1099 and they are positive the coding is incorrect, the taxpayer can have the bank provide a statement and an AARP preparer can fill out the bottom of TaxWise so the taxpayer does not get taxed on the amount. Khan commented that this needs to be reworded and will need statistical information to find out what the real issue is, such as education. Smiley will email Khan on this issue.

**ACTION ITEM: Wernz will rewrite the issue with the assistance of Pat Bryant.**

**Issue 5368** – Security of Taxpayer information on Form 8879, IRS e-file Signature Authorization.

Description: During tax season the Tax Counselors for Elderly (TCE) Electronic Return Originator (ERO) collects the Form 8879 with back up documents for each taxpayer who wishes to e-file and is asked to mail this documentation to the IRS after the e-filed returns are accepted. The current practice is to use ordinary first class mail, sent monthly using IRS provided labels. No delivery confirmation is provided. Recognizing the sensitivity of the taxpayer information being sent by mail, is there a more secured method to satisfy IRS date requirements?

Recommendation: It was discussed to use the Form 3210, Document Transmittal, to document what was mailed and decided this was a waste of energy. The best idea is to e-mail the IRS employee who will be receiving the documentation so they are alerted it is coming in the mail and can make sure it shows up. ITEM DROPPED.

**Issue 5369** – Simplify the Form 433A, Collection Information Statement.

Description: The current economic climate may result in more taxpayers owing money. In order to simplify the information required to request an installment agreement, specifically three months worth of all living expenses, why not use the allowable living expenses the IRS currently uses for housing, utilities, food, clothing, transportation expense, and out of pocket health care expenses. Eliminating the requirement for this time consuming process would be less stressful for taxpayers and allow them to submit their request more timely and show the IRS is being more proactive in helping taxpayers.

Recommendation: It was decided that this might be worth taking a look at since it would definitely simplify the process and also eliminate the need for taxpayers to have to provide the same data multiple times for different months. Active with Medium Priority.

**Issue 5370** – First time event penalty abatement.

Description: Currently, there is a provision to eliminate penalties for failure to file timely, failure to pay timely, and failure to deposit timely if the taxpayer has no prior penalty assessments. The process should be changed to cover first time "events" and cover all periods affected by that event (within





reason) not just the first period.

Recommendation: Recommend to change the current procedure for penalty abatement requests to cover periods affected by the "first time event," not just first time penalty charge. Active with High Priority.

**Issue 4457** – Earned Income Tax Clinic (EITC) Audits.

Description: When asking for proof of parenthood, have some consistency for what IRS will accept.

Recommendation: There is consistency regarding proof of parenthood. If person is a direct parent, the IRS will do its own search to verify. Otherwise, see Form 886-H-EIC, Supporting Documents for Taxpayers Claiming EIC on the basis of a Qualifying Child(ren). ITEM DROPPED.

**Issue 4696** – E-services expand to business.

Description: Certified Public Accountants in public practice complained about the limitations of downloadable information limited to individuals. To obtain information on businesses one has to call "Practitioner Priority Services." It is a desire that we influence the ability for practitioners to access information "24-7" from the convenience of their computers. The priority services line is limited to the business hours of the IRS. As a bonus, could we include additional information for individuals?

Recommendation: This issue has come up before. The IRS is not willing to allow access via computer due to security and privacy issues. ITEM DROPPED.

**Issue 4732** – Notices

Description: A caller received a Statutory Notice of Deficiency with no number to call the employee issuing the notice. The only phone number listed is the general IRS toll free number.

Recommendation: The IRS does not assign individual employees unless there is an on-going case. In other situations the toll-free line is used for efficiency. ITEM DROPPED.

**Issue 4748** – Stimulus

Description: A taxpayer was thinking about the stimulus package and how they are not going to be able to get anything from the stimulus package because the taxpayer was claimed by his/her parents. If the parents are getting money from claiming the dependent and they get \$1,200, why can't the individual get their fair share which is \$300? If the taxpayer works and makes more than \$3,000 and goes to college, with college being expensive the taxpayer thinks college students should be able to get a share of it. The taxpayer is paying over \$20,000 a year to get a bachelor degree. If we go to college and make the \$3,000 dollar requirement then we should get our fair share.

Recommendation: This is legislative. ITEM DROPPED.

**Issue 4804** – Tax Gap

Description: The issue the taxpayer wanted to discuss and expand upon is somewhat complex but is fairly understood by National Taxpayer Advocate (NTA) Nina Olson. Please refer to the NTA's 2007 Annual Report to Congress, specifically pages 556 and 557. Though the example provided does not reflect the situation of the taxpayer, the taxpayer is concerned that: A) state agencies, authorized under IRS publication 926, Household Employer's Tax Guide, inadvertently permit individuals to choose whether or not to report their income tax. This is not a small issue. The Taxpayer Advocate report shows billions of dollars contributing to the tax gap from this area alone. As a small business owner, the taxpayer cannot compete with people who do not pay state or federal income tax, workers



compensation insurance, liability insurance etc; B) There is ample evidence that the gap will continue to grow significantly due to the influence of federal programs such as Cash and Counseling, Money Follows the Person, Community Supports Program, and other similar named programs. This does not mean the programs are ineffective, but rather it places the home care service recipient as the employer and they are often not administratively equipped for that position. Given what the taxpayer has read, the TAP appears to be the vehicle to hear this message. If not, who will alert Congress of a growing problem that is a significant tax burden on the taxpayer by increasing the tax gap further? The taxpayer has studied this issue for many years and believes there is a clear linkage between the Federal/State programs and non-compliant tax reporting.

Recommendation: This is a legislative issue and the NTA has previously included issue in the 2007 Report to Congress. ITEM DROPPED.

**Issue 4821** – Multi-Lingual Initiative (MLI) Issue

Description: When accepting the paper Form 1040, U.S. Individual Income Tax Return, in Spanish, is it a problem to ask a taxpayer to sign it if they cannot read it. The IRS used to accept them, but this has changed.

Recommendation: Smiley will forward this to the MLI Committee to see if this is on their priority list. There is also tax software on-line that has the Form 1040 in Spanish. REFERRED TO MLI.

**Issue 4822** – Investment Fees

Description: Investment clubs are having problems with meeting expenses. The investment fees are limited to the 2 percent limitation.

Recommendation: Legislative Issue. ITEM DROPPED.

**Issue 4825** – Ministers and EITC

Description: Two ministers are making the same amount; and one pays social security and the other opted out. The one who opted out is not eligible for EITC.

Recommendation: Legislative Issue. ITEM DROPPED.

**Issue 4827** – E-Services Expansion

Description: Taxpayer would like to see e-services expand to provide W-2s, Wage and Tax Statement, and 1099s.

Recommendation: Businesses can currently file W-2's electronically. ITEM DROPPED.

**Issue 4828** – Taxability of Non Profit

Description: Certain unrelated business for non-profits should be taxable.

Recommendation: Legislative Issue. ITEM DROPPED.

**Issue 4830** – Lack of service when calling toll free line

Description: A Taxpayer made an error on his 2006 taxes and wanted to apply the 2006 refund to his current amount due. When he called the IRS, he was told they were unable to look the tax return up. Why?



Recommendation: Generally, the IRS can look up a tax return on line. Perhaps this was a timing issue and the taxpayer called too soon after filing or the computer was down, or else he was asking about a state return vs. federal return. ITEM DROPPED.

**Issue 4831 – Amending Returns**

Description: Once you make a mistake on your return, it seems to be a Herculean task to work with the IRS to correct it. It is very frustrating and takes many contacts by verbal and in writing.

Recommendation: The fastest way to fix a mistake on a return is to file an amended return. Calling the IRS does not help. It is best to do this in writing. ITEM DROPPED.

**Issue 4832 – Mailing Tax Forms/Instructions**

Description: A taxpayer wanted to know why the IRS no longer automatically mails tax booklets/forms to taxpayers at the end of the year. He expressed his opinion that the cost of mailing booklets/forms is no greater than the unnecessary cost of mailing notices to recipients of economic stimulus payments. This individual is self-employed and believes IRS should at least mail booklets/forms to small businesses, if not to individuals.

Recommendation: This issue came up last year. Booklets are readily available to those who want them (libraries, toll-free line, and internet). For everyone else, it is better to save money and paper by not automatically mailing out the booklets. ITEM DROPPED.

**Issue 4836 – Collection**

Description: TAS case balancing is a problem for taxpayers and representatives. Caseworkers also need better communication skills. It is good to hire caseworkers with English as a second language (ESL), but some of them are difficult to understand in English. Authorized Collection Services continues to be difficult to deal with, unlike working with the Revenue Officers.

Recommendation: This issue is too general. ITEM DROPPED.

**Issue 5190 – Taxpayers emailing questions to IRS**

Description: Taxpayers can not email the IRS with a tax law question or account related question. Taxpayers can only call the IRS or write a letter to the IRS. When I refer to the IRS, I am referring to the operating divisions. Can IRS employees respond to these questions by email?

Recommendation: Once an IRS caseworker is assigned, they can receive and send e-mails, but with general tax law or account related questions, they have to call or mail. This has come up before and the IRS has cited issues relating to security, privacy and cost. ITEM DROPPED.

**Issue 5216 – Toll-Free Number / Taxpayer Assistance Center (TAC) services offered**

Description: Through the tax season IRS should be open seven days a week, or at least have a 24-hour hotline to reach an actual person and the IRS should work weekends during tax season.

Recommendation: IRS already has longer hours during filing season. It comes down to a budget issue. ITEM DROPPED.

**Office Report (Roy Block)**

A reminder that the Area 4 face-to-face meeting will be held in Milwaukee. The hotel is the Courtyard Marriot. Lisa Gabriel will get information out on this as we get closer to the date.



This week is National Volunteer week and the Milwaukee Staff is thankful to the Panel Members for all their time and effort.

**Closing**

Next teleconference May 19, 2009 at 1pm CT / 2pm ET



**Area 4 Committee Meeting Minutes  
Tuesday, March 17, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Block, Roy - Milwaukee, WI - Manager

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Bryant, Pat - Millington, TN - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Khan, Anne - Chicago, IL - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Monnier, David - Indianapolis, IN - Member
- Mull, Bob - Ann Arbor, MI - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Vanderver, Stephen - Evansville, IN - Vice Chair
- Verwiell, John - Cottage Grove, WI - Member
- Werner, Mary Jo - La Crosse, WI - Member
- Wernz, Stanley - Cincinnati, OH - Chair
- Wingard, Kelly - Decatur, IL - Member

**Committee Members Absent**

- Blanchard, Greg - Cordova, TN - Member
- Mackie, Wayne - Frankenmuth, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Taylor, Rita - Cincinnati, OH - Member

**TAP Staff**

- Smiley, Ellen - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- None

**Opening / Welcome / Review Agenda (Stan Wernz)**  
Quorum met.

**Area 4 Chair Report**

**Joint Committee Report**

At the Joint Committee meeting last month it was announced that the 2009 Annual Meeting will be held December 14 through December 18, 2009. The hotel is located in downtown Washington D.C. Nina Olson was pleased with the turn out at the Little Rock, Arkansas Town Hall. Another Town Hall will be in Oklahoma City, Oklahoma on March 26, 2009. EITC Day was successful and a thank you goes out to those who participated. The Annual Report has now been posted to TAPSpace. If you find



something missing that should be posted, let Steve Berkey know. Recruitment is in full swing. If you know anyone that would be a good candidate, please give them the recruitment literature that was mailed to you. It is encouraged to always recruit even if there is not a position to fill in your state. The Joint Committee Face to Face Meeting will be held in Atlanta, Georgia from August 20 to August 22, 2009.

### **Public Input**

None

### **Selection New Vice Chair**

Jeff Kennedy has resigned from his TAP position due to employment responsibilities and therefore a selection of a new Vice Chair is needed. Steve Vanderver was nominated and upon receiving a brief synopsis of the responsibilities for Vice Chair, Vanderver agreed to run for Vice Chair. There were no other nominations. Vanderver was unanimously elected Vice Chair.

### **Issue Discussion**

- **Issue 4945 – Website (Rita Taylor / Lev Martyniuk)**

Lev Martyniuk advised Rita Taylor wrote up the referral for this issue. The issue was regarding the first page of the IRS website not having a link to access the actual tax laws. Some taxpayers may want to have access to the tax laws in order to do their own research. We propose to have a link from the front page of the IRS website that will take you directly to the tax laws. Roy Block stated that per the Issue Referral form that was sent out as pre-read, the goal statement reads (1) Facilitate access to tax law from irs.gov and (2) Facilitate locating tax information that changes between issuance dates of major tax publications on line. This committee decided to move the link to the front page so that it would be one click to access the information. The issue will be delayed until next month when Rita Taylor is able to join the call and present the information.

- **Issue 4210 – Identity Theft (Mary Jo Werner)**

This issue concerns people using someone else's Social Security Number (SSN) to receive a refund for income tax credits. Then, when the true owner of the SSN would file to get their refund or stimulus payment, the taxpayer would be notified they have already filed, when the taxpayer did not file. We are proposing the IRS use a form to change a taxpayer's filing requirement. This form would have a checkbox that can be marked stating "I do not have a filing requirement; please block my SSN from being used to process any future federal income tax returns until I notify them otherwise.". Vanderver stated it would be a concern in the event someone obtains the form to say remove the block and they are not the taxpayer. Some filers who are not legal residents electronically file their tax return using their Individual Tax Identifying Number (ITIN), but they override the ITIN with a SSN when completing the W-2 information. Stan Wernz stated that we may want to consider doing a cost comparison on this in case this goes to the next level. A question came up on how someone would know how to obtain this form. Block responded that we would educate taxpayers on obtaining and filling out this form. Vanderver noted that the largest group targeted for this is the elderly. Pat Bryant stated that there are ways to educate these people on how to block their account. Bryant suggests this be elevated and Vanderver 2nd the suggestion. Ann Spiotto objects to this being elevated due to cost and other logistical barriers and the barriers outweigh the benefits. There is no assurance the people filing this form will not be exposed to fraud. The majority of the committee wants to elevate it per Bryant. Wernz stated to send this forward with the statement that there are reservations from Ann Spiotto.

### **Issue Discussion (low priority active)**

- **Issue 4331 – Innocent Spouse Notices (Pat Bryant)**



When a Form 8857, Request for Innocent Spouse is filed, you receive a Preliminary Determination and a Final Determination. The Preliminary Determination letter is clear if you disagree, the IRS must receive your appeal within 30 days from the date of the letter. For a Final Determination letter, you must submit your petition to Tax Court within 90 days. It was suggested that an actual date be put on the determination letters. Bryant does not feel that an actual date should be on either of these letters as the letters are clear on when an appeal or petition must be filed. Bryant believes we should drop this. ITEM DROPPED.

### **New Parking Lot Issues Report (Anne Khan)**

Issue 5213 – Suggestion on How to Close the Tax Gap.

This issue recommends telling people over the age of 70 years they still have to file tax returns. Recommend dropping this issue as the IRS is already telling people through media and publication who should file and who should not. ITEM DROPPED.

Issue 5228 – Non-Custodial Parent Would Like to File as Head of Household.  
Head of Household filing status is a legislative issue. ITEM DROPPED.

Issue 5268 – Wait Time at a TAC.

This is a common issue with assistance centers. The customer wanted a copy of his transcript. The customer was complaining that he was waiting over an hour. A request for transcript can also be made by phone. Suggested referring this issue to the TAC Committee. REFERRED TO TAC AS INFORMATION ITEM.

Issue 5286 – Adjustment Notices are Misleading.

CP210 statement of adjustment to your account gives information on the balance prior to adjustments. After the adjustment, if the remaining balance is zero, then the next paragraph still reads, to avoid penalties and /or interest please allow enough mailing time so we receive your payment timely. This is confusing to taxpayers. Suggest making issue active with low priority.

Issue 4371 – RALs and Privacy.

This is a parking lot item. The taxpayer is concerned about their privacy when seeking a RAL. This is not a privacy issue. We believe before any checking is done with indebtedness, the taxpayer does sign off before the debt indicator is checked. We think IRS is timely in clearing balance due accounts, however other agencies may not be clearing their balance due accounts timely. ITEM DROPPED.

Issue 4330 – Practitioner Hotline.

This is a parking lot item. The issue concerns why the IRS can't answer tax law questions on the practitioner hot line. We recommend dropping. The practitioner hot line is not designed to look up tax law and answer tax law questions. Practitioners can find their own answers. The hotline is set up to look at accounts dealing with specific account related problems. ITEM DROPPED

### **Quality Review Subcommittee (Kelly Wingard)**

Revision on internal issues and feedback received.

### **ACTION Item Review (Ellen Smiley)**

**Smiley provided the committee with the information for Issue 4331 – Innocent Spouse Notices, see issue discussion above.**

Mary Jo Werner will provide new issue (stemming from Issue 4782 – Simplification of the Offers-in-Compromise) sometime after the April 15, 2009 filing date.

### **Outreach**

Wernz noted that we are down a little on the Outreach Report and also expressed the importance of recruiting during this time.



## **Issue Committee Highlights**

### **Office Report (Roy Block)**

We are fine tuning the face to face and looked at various options. We are trying to choose the lowest location in terms of cost. The cost of going to Memphis, Tennessee is \$4,000.00 over the cost of having the meeting in Milwaukee, Wisconsin. Therefore, the face to face meeting has been moved to Milwaukee. The hotel is located right across the street from the meeting location.

### **Closing**

**Next teleconference April 21, 2009 at 1pm CT / 2pm ET**

### **ACTION ITEMS:**

#### **WERNER**

- **Werner will write a new issue (stemming from # 4782, Simplification of the Offers-in-Compromise) and forward to Smiley after April 15th.**

### **Monitoring Status of Referred Issues**

- 4771 Mandatory Filing Form 944 (Forms & Pubs)
- 5070 Forms 1040A, 1040, 1040EZ to include Reasons to File (Forms & Pubs)
- 5260 Hope Credit Clarification (Forms & Pubs)





**Area 4 Committee Meeting Minutes  
Tuesday, February 17, 2009  
Teleconference 1:00 CST**

**Designated Federal Official**

- Martin, Betty - Nashville, TN - Designated Federal Official

**Committee Members Present**

- Adams-Dodds, Carolyn - Detroit, MI - Member
- Bryant, Pat - Millington, TN - Member
- Buschmann, Ray - Lake Forest, IL - Member
- Kennedy, Jeff - Louisville, KY - Vice Chair
- Mackie, Wayne - Frankenmuth, MI - Member
- Martyniuk, Lev - Cincinnati, OH - Member
- Monnier, David - Indianapolis, IN - Member
- Mull, Bob - Ann Arbor, MI - Member
- Rhyan, Joyce - Cleveland, OH - Member
- Spiotto, Ann - Lincolnwood, IL - Member
- Taylor, Rita - Cincinnati, OH - Member
- Verwiell, John - Cottage Grove, WI - Member
- Werner, Mary Jo - La Crosse, WI - Member
- Wingard, Kelly - Decatur, IL - Member
- Wernz, Stanley - Cincinnati, OH - Chair

**Committee Members Absent**

- Blanchard, Greg - Cordova, TN - Member
- Khan, Anne - Chicago, IL - Member
- Vanderver, Stephen - Evansville, IN - Member

**TAP Staff**

- Block, Roy - Milwaukee, WI - Manager
- Smiley, Ellen - Milwaukee, WI - Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

**Other Attendees**

- Rose Browne - Local Taxpayer Advocate

**Opening / Welcome / Review Agenda (Jeff Kennedy)**

Quorum met.

**Area 4 Chair Report**

**Joint Committee Report**

The Joint Committee (JC) meeting was administrative so there is really nothing to report.



## Public Input

None.

## Issue Discussion

- **Issue 4946 – Form 1098-T, Tuition Statement (Kelly Wingard / John Verweil)**

This is being put on hold until after the filing season.

- **Issue 5260 – Hope Credit Clarification (Kelly Wingard / John Verweil)**

Wingard completed Issue Referral to Forms and Pubs, consensus by committee to forward to Forms and Pubs.

- **Issue 4776 – Toll-Free Option to Speak to a Person (Dave Monnier)**

Dave Monnier submitted a recommendation. It will go through our internal quality review subcommittee for review. Wayne Mackie suggested if the changes to the recommendation are minor, quality control can make the changes and forward to Smiley who will elevate to the JC; if the changes required are more substantial, the issue should be returned for editing. The internal quality review subcommittee will review and return to Ellen Smiley by March 6. Smiley will elevate to the JC.

- **Issue 5208 – Toll-Free Dropped Calls (Dave Monnier)**

This issue branched off of Issue 4776, Toll-Free Option to Speak to a Person. This had to do with the IRS toll-free telephone system and the IRS presenting their performance data in a report that goes to Congress. This report has everything but the dropped calls and we feel that this is an important number. This recommendation will go to the internal quality review subcommittee then to Smiley to elevate to the JC.

- **Issue 4945 – Website (Rita Taylor / Lev Martyniuk)**

The IRS website has been updated there but is no direct link to authoritative literature. Mackie noted that there ought to be a direct link to the Cornell material so a user doesn't have to figure a way to get there. Rita Taylor said there is a direct link from the IRS homepage to the Form W-4, Employer's Withholding Allowance Certificate, Form 1040, U.S. Individual Income Tax Return, and Form 1040EZ, Income Tax Return for Single and Joint Filers with No Dependents, but not to the Cornell site. Pat Bryant stated in the past we had to note how many people would be affected by this issue. Roy Block responded he's not sure if that data would be available. Kennedy mentioned that on the homepage on the bottom left hand side it reads "online services;" perhaps we could put a link there entitled "the tax code."

**ACTION: Jeff Kennedy, Rita Taylor, and Lev Martyniuk will write up Issue 4945 for discussion and send to Smiley for pre-read for the next meeting.**

- **Issue 4210 – Identity Theft (Mary Jo Werner)**

Mary Jo Werner would like to meet with Smiley, Block and the rest of the subcommittee at a separate time. They will meet at 8:30 am CT, Wednesday, February 18, 2009. Subcommittee members are Mary Jo Werner, Jeff Kennedy, Steve Vanderver, and Kelly Wingard.

## Issue Discussion (low priority active)



- **Issue 4330 – IRS Hotline just for Tax Practitioners (Ellen Smiley)**

Currently the IRS practitioner hotline does not answer tax law questions. Smiley asked members how they want to proceed with this issue. Bryant said that this will be discussed during the new issue subcommittee call.

- **Issue 4331 – Innocent Spouse Notices (Pat Bryant)**

Bryant said this was discussed and suggested dropping this issue. The letters are very clear. Per Kennedy, keep this on the table to discuss next month.

**ACTION: Smiley will send pre-read on Issue 4331 via email to all committee members for next month's call.**

- **Referred Issue 5070, Forms 1040A, 1040, 1040EZ to include Reasons to File (Ellen Smiley)**

Smiley received an update from Program Analyst Marianne Ayala on February 11. The issue was forwarded to a subcommittee. Ayala will update Smiley with their response.

### **New Parking Lot Issues Report (Bryant)**

Issue 5185 – Publications, not orderable. Taxpayer was in need of Publication 1345. This publication was not printed and if the taxpayer wanted one, they would have to go to the IRS website and print the publication from there. This is a limited use publication. ITEM DROPPED.

Issue 5191 – Start date for e-filing. Taxpayer wants start date for e-filing to be changed to coincide with the dates for W-2's being issued. ITEM DROPPED.

Issue 5192 – Lockbox address change. IRS changes lockbox address for payments too late in the year and practitioners have already printed envelopes for their clients. Committee suggested that practitioner use labels. ITEM DROPPED.

Issue 5196 – Eliminating CP-108. Taxpayer indicated that EFTPS is used to pay his tax and then receives a CP-108 notice and feels the notice is unnecessary. The IRS cannot determine the tax period a payment is to be applied to. This is where the CP108 serves a good purpose. ITEM DROPPED.

Issue 5205 – Interest and Penalties Rates are too high. This is a legislative issue and cannot be addressed. John Verweil asked if there was a statute of limitations. Smiley noted that the statute of limitations is for 10 years for the balanced owed from the date of assessment. ITEM DROPPED.

Issue 5210 – Individual Taxpayer Identification Number (ITIN) process when denied. There is no to appeal if an ITIN is denied. If you have a Social Security Number and an ITIN, you cannot use both. The notice sent out provides a clear cut reason as to why the ITIN was denied and the forms can be resubmitted. ITEM DROPPED.

Issue 4371 – RALs and Privacy

**ACTION: Smiley will do research on Issue 4371 for new issue subcommittee.**

### **Quality Review Subcommittee (Kelly Wingard)**

Wingard said the subcommittee reviewed one issue so far.



**ACTION Item Review (Ellen Smiley)**

Action items completed

**Issue Committee Highlights**

Forms and Publications (Wingard) – The Committee is discussing Issue 5405 - first time home buyers credit. If anyone has suggestions please email Wingard.

Block noted that a new issue subcommittee is being created under SBSE and an email went out looking for volunteers.

**Office Report (Roy Block)**

Block will be attending a meeting in Washington D.C. next week on the National Taxpayer Advocate's report to Congress.

**Next teleconference March 17, 2009 at 1pm CT / 2pm ET**

**ACTION ITEMS:**

- Jeff Kennedy, Rita Taylor, and Lev Martyniuk will write up Issue 4945 for discussion and send to Smiley for pre-read for the next meeting.
- Smiley will send pre-read on Issue 4331 via email to all committee members for next month's call.
- Smiley will do research on Issue 4371 for new issue subcommittee.