



2008 Meeting Minutes Area 5

- December 2-3, 2008
 - November 10, 2008
 - October 14, 2008
 - September 9, 2008
 - August 12, 2008
 - July 8, 2008
 - June 10, 2008
 - May 13, 2008
 - April 28-29, 2008
 - April 8, 2008
 - March 11, 2008
 - February 12, 2008
-

Area 5 Committee Face to Face Meeting Minutes December 2-3, 2008

- Tuesday, December 2, 2008
- Wednesday, December 3, 2008

Designated Federal Official

- Roy Block - Milwaukee, WI - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Member
- Capehart, Craig - Dallas, TX - Member
- Colon-Sacarello, Rafael - Pilot Point, TX - Member
- Freeman, Chris - Pleasant Hill, IA - Member
- Fretheim, Dan - Decorah, IA - Member
- Manuszak, J. T. - Wichita, KS - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Member

Committee Members Absent

- Lynch, Reagan - Midland, TX - Member
- Rasmussen, Anne - Apple Valley, MN - Member
- Shah, Rajiv - Columbia, MO - Member

TAP Staff

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

Guests



- Lee Stieger - former panel member
- Moneta Howland - Tax Law Specialist

Tuesday, December 2, 2008

Opening/Welcome/Review Agenda (Ken Wright)

Ken Wright welcomed everyone and noted that we have a guest from the IRS coming to discuss an issue.

Chair/Vice Chair Responsibilities and Election Process (Ken Wright)

Elections for Chair and Vice chair will be held on Wednesday, December 3, 2008. Those running for Chair and Vice Chair will be allowed to give a brief speech and then we will have a vote by ballot. Chair and the Vice Chair will need to keep your ears open to be able to coordinate and to bring up ideas for the Joint Committee. The IRS currently plans to send a team for National Collection Standards to California. Norma Woodard will be connected to people involved with that.

Provide Bio and Skills Information (Ken Wright)

Wright indicated that members should update their bios in TAPSpace and make the other Panel Members aware of their other skills that may be useful to Taxpayer Advocacy Panel (TAP).

Staff Roles and Responsibilities (Roy Block)

Roy Block introduced the staff and noted that the staff is there to help the panel members and the staff is well aware of their manager's expectations.

Area 5 Ground Rules (Craig Capehart)

A teleconference takes place each month. The call-in number and access code will be on the top of the monthly meeting agenda. It is very important to be on time as we cannot conduct business without quorum. Another ground rule is you can disagree with ideas, but not people; be polite and respectful when disagreeing. Don't be intimidated. Be willing to speak up. An exchange of ideas is helpful and don't hesitate to ask someone to clarify what is being discussed. Don't share ideas outside of area committee, but you can communicate what TAP is about. Have a good humor when on the call, but keep jokes to a minimum. If we know someone has a skill in a certain area, we can call them. Make sure you stay on point as meetings will go more smoothly. Be sure to take part in meetings both teleconferences as well as the face-to-face meeting. When you reply to email, reply to all if you are saying something with substance. If it is directed to one person, just reply to that person. Make sure you identify yourself when you are speaking on a teleconference. Everyone on the call has a need to know who is talking. Make sure you are aware of the access code as the access code can change. Know that these are public meetings so make sure you are careful what you say in general conversation before the meeting begins. In the past the Chair kept track of who would talk and not talk and would call on those who didn't talk. If you do come in late on a call, make an effort to announce you have entered the call at the earliest opportunity. Also use your mute if you are not talking to minimize background noise.

Establish Quorum

Quorum will be 50 percent.

Attendance

The staff Secretary, Lisa Gabriel will take roll call at the beginning of each call.

Monthly Teleconference Time

The monthly teleconference will be held the 2nd Tuesday of every month at 9:30am CT.

Face-to-Face Meeting Dates and Location

The Face-to-Face meeting will take place May 7-9, 2009. The committee chose either Dallas/Fort Worth or Arlington, Texas. Gabriel will do cost comparison for the cities and note which one is the most cost effective.



Issue Identification (Ken Wright)

Research and Elevation Process (Ken Wright)

Review of active and parking lot issues (Ken Wright)

Outreach is where you find issues or ideas you can develop into issues. You have to do outreach, it is part of your commitment to TAP. Be sure to report all your outreach to your analyst. You can also identify issues yourself. The toughest job we have is finding the issues. Body count at an outreach is important as it justifies importance of TAP. There is a word template that can be emailed out and used to report your outreach. You just need to plug in the information and email it to the analyst. Issues are entered into the contact database by the analyst and it is assigned a random contact identification number. When working on an issue, panel members will need information from the IRS as we need to know if the IRS is already working on that issue or if another area is. The analyst assists us by doing research. They have the ability and resources to ask the IRS for data and other information to help develop the issue. Or the IRS may tell us not to work on a particular issue. Don't assume the issue is dead just because the IRS gave you an answer. We create a subcommittee and they work with the analyst to hold subcommittee conference calls to work the issue. The issue is written up and it is reviewed by the Area 5 Committee, and once approved, it is sent to the Quality Review Committee before going to the Joint Committee. The Joint Committee wants the issue to be well written. They Quality Review Committee will review the recommendation and send it to the Joint Committee for elevation or back to Area Committee for more work. If the Joint Committee does not elevate the recommendation, they will send it back to the Area Committee and let them know why it was not elevated.

Issue Foreign Tax Credit – Form 1116 (Craig Capehart)

Guest Speaker - Moneta Howland, Tax Law Specialist, Form 1116 Owner

While at the face-to-face meeting in San Antonio, Texas, last April, a new issue came up; #4805, Form 1116 Foreign Tax Credit. Many small time investors are completely unaware that foreign tax paid by a fund could result in a tax nightmare.

In recent years Exchange Traded Funds (ETF) and Closed End Funds (CEF) have been heavily promoted and are increasingly popular investment vehicles that are bought and sold by millions of small time investors just like stocks, whether online from discount brokers such as TD Ameritrade, through a financial advisor, or a traditional Merrill Lynch type full service account. Many of these funds invest in non-US companies thus creating foreign source earnings that generate foreign income tax liabilities that are paid by the funds. These foreign tax payments pass through the fund and are reported to the taxpayer on form 1099. Most form 1040 taxpayers are eligible to credit these foreign paid taxes against individual US tax liability. If the total foreign tax paid by all of an investor's ETFs and CEFs is \$300 or less then the credit is taken easily and directly on form 1040, otherwise form 1116 is required. The problem is threefold: (1) Form 1116 and its instructions are incomprehensible to the average small time independent investor with \$301 in foreign tax paid. (2) To complete form 1116 the taxpayer may need detailed information that is not reported on form 1099, or anywhere. Without the information a good faith taxpayer may be denied a tax credit for which he is otherwise eligible, including the \$300 in the safe harbor. (3) The cost to the taxpayer to hire expert assistance is likely to exceed the size of the credit thus making forfeit the credit, the only rational economic choice the taxpayer has (at least in the first two years). Thus, the taxpayer is unhappy and suffers financial loss.

We are aware that the 1099 shows what foreign tax was paid by the fund on your behalf. One may be entitled to a credit against their Form 1040. In 2006, over two million income tax returns had foreign tax credit. A Form 1116 needs to be completed in order to become eligible for Safe Harbor.

Per Capehart the information provided on Form 1099 is insufficient on Form 1116. Howland noted this form does say what is a qualifying statement and you may not have to fill it out any further. The Form 1116 would need to be filled out for both passive and general, one for passive one for general. If passive income is \$300 and general \$2 grand, both will need to be reported separately. Discussion took place on how to make the form more user friendly for the average taxpayer.



Howland added if income is from a Mutual Fund or a REIT (which is passive income), you do not have to put in total amount and the country code is not needed. It is a complicated statute and form, but we can change the instructions. Per Tom Walker, if the amount is over \$600 you still go through same procedure. Wright added if there is an issue that deals with a form, we go directly to the Forms and Pubs Issue Committee and they will say "yes" or "no" as to whether they will work it. Procedures are going to be written up on how to handle issues going to the Forms and Pubs Issue Committee. Howland does get the recommendations to make changes with Forms and Pubs and also is reviewed by Mark Richter. If it comes through TAP it will go to Bob Erickson then to Howland and Richter.

Subcommittee: Craig Capehart, lead, Rajiv Shaw, and Tom Walker.

Process of issue going to Forms and Pubs Committee

Write issue up in area committee
Logged in as project (does not get elevated to JC)
Send to Forms and Pubs Committee
Forms and Pubs Committee discusses the issue
Forms and Pubs Committee responds to Area Committee
If necessary, a subcommittee is formed to work the issue

Subcommittee breakouts to work issues (all)

Subcommittee reports and full committee discussion (Ken Wright)

Decision was made to work together instead of breaking out into subcommittees. Josefina Villarreal, Kay Bell and Dan Fretheim will have a conference call to discuss the new issues. Then on the monthly conference call, the issue will be talked about as a whole. That process will weed out issues, and put issues in categories such as issue we want to work or drop.

Issue 4829, Practitioner Priority Line. When IRS employees answer the line, they give you their name and badge number immediately. If you ask for it later in the call, they frequently refuse to give it again. Per Smiley, employees are only required to provide this information once. Wright indicated the IRM reflects that the employee number can be given out and does not specify just one time. **ACTIVE ISSUE**

Issue 4900, Increase for Charitable Mileage. The mileage was increased this year, but per Wright this is a legislative matter, if someone raises an issue that it is legislative, say this is a change in the law and you will need to go to your congressman as TAP cannot work that. **ISSUE DROPPED.**

Issue 4902, Instructions Qualified Joint Venture. Pertaining to the Qualified Joint Venture Election: the IRS instructions for this election are contained in the instructions for Form 1065 (partnership returns). However the QJV election does not involve filing a Form 1065. It would seem that these instructions should also appear on the 1040 series of instructions (maybe on the Schedules C, E and/or F instructions) where the affected taxpayers might actually be looking for them. These are on the 2008 instructions. Per Dan Fretheim, if this is on 08 instructions then this may be closed. Fretheim will follow up.

Issue 4925, Taxpayer was calling in for an answer to a tax question, the wait time to get a representative was excessively too long. This is an ongoing issue in TAP, in the past it has been discussed there is nothing TAP can do about this. Call volumes vary and TAP has had no luck on working this issue. IRS has told us that they cannot assure they will get someone through, and it is best to call at a certain time. **ISSUE DROPPED.**

Issue 4949, S-Corp Notices – Clarity – IRS has drop in paragraphs in general letters that go out to taxpayers specific to their "issue," but for this particular issue there is not a specific paragraph. These are CP (Computer Paragraph) notices, but CP notices are different. IRS employees can only use pre-programmed paragraphs for adjustments. IRS employees can not create a letter manually to fit the



adjustment. There are a limited amount of paragraphs that can be used for adjustments with the letter that goes out to the taxpayer. The Notices Issue Committee does not want to deal with this. Smiley said this is a software program and on Adjustment Notices one does not have the option to choose to add in a paragraph. This can be done with Computer paragraphs but not with Adjustment notices. **PARKING LOT**

Issue 4985 – Toll free-Access to Taxpayer Information. Lack of information given on this issue. **ISSUE DROPPED**

Issue 4986, Correspondence Audits. We are working on a letter to Taxpayer Advocate Nina Olsen regarding this issue. The Director of correspondence in Exam is aware there is a problem and they are working on implementing a shorter turn around time; 30 to 60 days instead of 90 days. It is cheaper for the IRS to do a correspondence audit than to bring the individual in. Wright added that one cannot get to appeals through correspondence though. 77 percent of audits done are done through correspondence. **ISSUE DROPPED.**

Issue 4990, Hartford Insurance Settlement. Not enough information and not IRS issue. **ISSUE DROPPED**

Issues 4991, Tax Rates are too high for Students. **ISSUE DROPPED**

Issue 5023, Toll Free Wait Time. Callers should get the right answer from the first person they speak to when they call the IRS. **ISSUE DROPPED**

Issue 5119, Deductible Job Hunting Expenses. This is legislative. **ISSUE DROPPED**

Issue 5120, Senior Citizens Should Not Pay Back Taxes. **ISSUE DROPPED**

Issue 4457, EITC Audits. **PARKING LOT.**

Closing Announcements and adjourn

Wednesday, December 3, 2008

Welcome/Announcements (Ken Wright)

Members may want to consider midyear that they are interested in going to another issue committee. If so, make it known to your analyst and they can see about moving a member. Woodard indicated that sometimes it may take a year to really get the full impact of what the committee can do. Capehart noted that once you invest your time into one committee it may not benefit a member to move. Per Wright, in the past some issue committees didn't have program owners that provided support so the committee pretty much had nothing to do all year. Per Bell know if you want to move to another committee make your change before the face-to-face meeting.

Discussion of Area 5 self assessment (SWOT) and ways to improve Area 5 (Kay Bell)

The Self assessment is spot on. Issues mostly come from Tax Professionals. It is necessary to set up subcommittees for the various issues as they arise. We have great staff support and strong leadership. Everyone is encouraged to read the self assessment and see where our weaknesses are and feel free to contribute how we can improve on those weaknesses.

Active Issues Forming Sub Committees

Issue 4457- Leave in Parking Lot.

Issue 4697- Norma Woodard and Jo Villarreal will be working on this and will be requesting research from analyst.

Issue 4480- Paul Shoemaker and Tom Walker will be working on this. Shoemaker will get Walker up to speed.



Issue 4241 – Norma Woodard, lead, Jo Villarreal and Anne Rasmussen.
Issue 4640- Jo Villarreal, lead, Dan Fretheim, and Ralph Sacarello working on this one.
Issue 4683 – Keep in Parking Lot.
Issue 4805-Criag Capehart, lead, Rajiv Shah, and Tom Walker.
Issue 4814- Ken Wright, lead, and J.T. Manuszak
Issue 4653-Ken Wright, lead, and Craig Capehart
Issue 4651- Ken Wright, lead, and Chris Freeman
Issue 4815- Need to write a letter to the Taxpayer Advocate Nina Olsen. Ken Wright and Kay Bell.
Issue 4575-Reagan Lynch and Chris Freeman
Internal Committee/Quality Review – Kay Bell and J.T. Manuszak.
Screening Committee – Ralph Sacarello, Jo Villarreal, Dan Fretheim and Vice Chair Craig Capehart.

Outreach Reporting Requirements (Kay Bell)

Please be sure to report all outreaches. Send an email to analyst.

Chair and Vice-Chair Election (Roy Block)

Elected Chair: **Kay Bell**

Elected Vice Chair: **Craig Capehart**

Office Report (Roy Block)

There are three new support people in the office. Patti Robb was promoted to the program analyst position, Ellen Smiley is our newly hired program analyst, and Lisa Gabriel is the new secretary. Roy explained what his expectations were for the staff. If members don't feel they are getting what they want or need, please contact Block. While Analyst Mary Ann Delzer is on her 60-day detail, your contact is Patti Robb and Roy Block.

Closing / Meeting Assessment (New Chair & New Vice Chair)

Kay Bell said she is honored and happy to share the work. She will delegate and is very excited about working with the new members. Make sure you stay in contact with the people on your subcommittee(s) to ensure things keep rolling along.

Next Teleconference Meeting to take place Tuesday, January 13, 2009 at 9:30 am (CST)



**Area 5 Committee
Teleconference Notes
November 10, 2008**

Designated Federal Official

- MaryAnn Delzer - Milwaukee, WI - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Member
- Bland, Sandy - Bemidji, MN - Member
- Capehart, Craig - Dallas, TX - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Rousseau, Rick - Killeen, TX - Member
- Shah, Rajiv - Columbia, MO - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi, TX - Member

Committee Members Absent

- Colvin, Elizabeth - Austin, TX - Member
- Freeman, Chris - Pleasant Hill, IA - Member
- Stieger, Lee - Leavenworth, KS - Member
- Norma Woodard - Choctaw, OK - Member
- Ken Wright - Chesterfield, MO - Member

TAP Staff

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

Public Attendance

- J. T. Manuszak - Wichita, KS
- Anne Rasmussen - Apple Valley, MN
- Thomas Walker - Dallas, TX

Welcome / Roll Call / Review Agenda

Kay Bell welcomed everyone to the call. Quorum met. TAP Director Shawn Collins, personally thanked each and everyone for their contributions, with a special thank you to the retiring members for the commitment made to the TAP program. Because of our panel members, TAP is becoming a household name and we truly appreciate all your hard work and we know you will continue to promote TAP. Stay in touch with us. Please fill out your exit survey as we would really appreciate your comments as it will improve our program.

Bell also reminded returning members to complete their issue committee selection.

Area 5 Chair Report-Bell

- Joint Committee (JC) Report-out – Charles Davidson has been elected as TAP Chair and Ken Wright as TAP Vice Chair. A proposed agenda, which is a draft working document, was sent out to panel members for the face to face meeting taking place in Arlington, VA. Those planning on running for chair or vice chair for Area 5 Committee, please let Ken Wright know.
- It was suggested by Ken that the Area 5 group dinner to be at Jaleos restaurant. Craig Capehart indicated that travel may be an obstacle, as there would be a need to get several



taxis to take about 20 people. A suggestion is to go to Old Town as there is a free shuttle from the hotel to Old Town. In Old Town, there are many fish restaurants and one has an upstairs private dining and it would be easy to make it down there with little expense and hassle. This restaurant has a price fixed menu of \$31.00 to include appetizer and dessert. Capehart to contact Wright on this.

- **SWOT Assessment** The self assessment, Strengths, Weakness, Opportunities and Threats (SWOT) was sent out by Wright. This is our evaluation for Area 5 for strength, weaknesses, threats, and opportunities. Please take 10-15 minutes to put down your ideas and send back to Mary Ann Delzer and this will be used in Arlington, VA to improve the Area 5 Committee processes. Also make sure you get your Outreach information into Delzer. We will be discussing how we handle elevated issues in Area 5. We need to think about fine tuning this process. We need to come up with an effective way to identify good issues and work on them.

Issue Discussion

- 4697 – Collection – National Standards (Norma Woodard) – Will report in December.
- 4480 – Name and SSN Mismatch (Paul Shoemaker) – Nothing written up as of yet, but the material has been collected and more information came in from Delzer. Are hoping to have this written up by the Annual Meeting to work on this issue during that time.
- 4241 – Improve Tax Payment Options (Norma Woodard) – Will report in December.
- 4640 – Forms 8109 – Deposit Coupons (Dan Fretheim) – Questions have been written up and this is still being worked on. A questionnaire is being developed and once that is completed that will be sent to Wright.
- 4805 – Form 1116 Foreign Tax Credit (Craig Capehart) – Progress is being made. Through Patty Wagner, the owner of that form has asked for more information which was sent along with some exhibits, so they can see what the taxpayer sees. Hoping to hear back from the owners soon, as well as meeting them at the Annual Meeting. It would be nice if they could give a tutorial live as this would be better than a phone conference.
- 4814 – Payment with Form 4868 (Ken Wright) – Will report in December.
- 4653 – LLC and rental income (Ken Wright) – Will report in December.
- 4651 – LLC Disregarded Entity Information (Ken Wright) – Will report in December.
 - 4815 – Combo letter in exam (Ken Wright) – Will report in December.
- 4575 – Website accessibility for blind (Regan Lynch) -- Haven't had a chance to write up anything, but collected information and hoping to have it ready for December for review.

Outreach If you have done outreach that you have not reported, please let Delzer know as soon as possible so she can compile them in preparation for the writing of the 2007 Annual Report.

Action Item Review – Delzer

Delzer completed all of her action items.

Dan Fretheim is working on the questionnaire regarding the Form 8109B.

Bell will continue to gather information to link to the website improveirs.org.

Bell will contact Lee Stieger for a copy of the W&I newsletter highlighting TAP. Wright did send out the template he uses to report outreach.

The meeting with the Collection Program owners regarding Allowable Living Expense will meet on the east coast on November 20, 2008.

ACTION: Delzer will check with the Brooklyn office to see if others can attend the meeting via teleconference.

Issue Committee Highlights – All

COMMUNICATION COMMITTEE - The Exit Survey has gone out and retiring members are encouraged to respond.



VITA COMMITTEE--The monthly call is taking place Wednesday, November 12, 2008. Final recommendations will go to IRS. We have some good recommendations. Committee has re-visited the 2007 issues since there were concerns around the response received last year. The committee had good conversations around last year's recommendations.

FORMS AND PUBS COMMITTEE – All scheduled projects have been completed and very little is left that hasn't been completed. When members are in Arlington, VA for Annual Meeting they will get a report from Wright.

TAC – Taxpayer Assistance Center report should be finalized and will be handed out at the Annual Meeting to members and to IRS.

Office Report – Roy Block –

Roy Block thanked the panel members that are retiring and welcomed the new members. Milwaukee is moving ahead and there are some changes in the office as we now have Ellen Smiley the newest employee to TAP Milwaukee. We are all looking forward to the Annual Meeting.

Public Input –

Thomas Walker is from Dallas Texas and is the Tax Director for the Dallas Cowboys.

J.T. Manuszak is from Kansas and was the Public Affairs Officer for the IRS for many years and is now teaching part time at various colleges.

Anne Rasmussen is from Minnesota and is a CFO for James Hill Library and also works for H&R Block.

Meeting adjourned.



**Area 5 Committee
Teleconference Notes
October 14, 2008**

Designated Federal Official

- Mary Ann Delzer - Milwaukee, WI - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Member
- Capehart, Craig - Dallas, - TX Member
- Colvin, Elizabeth - Austin, TX - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Rousseau, Rick - Killeen, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Bland, Sandy - Bemidji, MN - Member
- Freeman, Chris - Pleasant Hill, IA - Member
- Shah, Rajiv - Columbia, MO - Member

Public Attendance

- Walker, Thomas - Texas

Welcome / Roll Call / Review Agenda

Ken Wright welcomed everyone to the call. Quorum met.

Area 5 Chair Report-Wright

Joint Committee (JC) Report-out –

The face to face meeting was in Atlanta. All the chairs gave reports summarizing the year to date and many issues were elevated.

Ballots for the TAP Chair and Vice Chair will be going out soon. The good news is that several people are running. Candidates will have bios available on TAPSpace for your consideration.

The Annual meeting agenda was also discussed. We will keep the areas together this year. The area meetings will include working issues getting new members in the process right away. Workshops will be shorter topics to expose members to more issues. Stieger agreed that the workshops will be improved with sessions with several topics.

Looking to improve the Joint Committee operations with less administrative discussion and eliminating one of the face to face meetings. Stieger agreed that leadership now is a much bigger time commitment and this could be reduced with less travel and bureaucracy.

EITC Awareness Day will be January 30. Susan Gilbert will co-ordinate member activities again this year.

Shoemaker shared that he participated last year.

ACTION: Delzer to send members report from last years EITC Awareness Day.



Wright also reminded members to keep recruitment for next year in mind. Always mention recruitment in your outreaches.

ACTION: Delzer to send members a list of 2010 vacancies.

Issue Discussion

- 4697 – Collection – National Standards (Norma Woodard) –

IRS has asked input on the standards from TAP and a meeting will be scheduled. Woodard has solicited comments from her Oklahoma counterparts. She would like to hear comments from other practitioners.

ACTION: Woodard to write up issues around the national standards and share with Villarreal and Fretheim. Woodard to share Area 5 input with TAP members attending the meeting with the IRS program owners.

- 4480 - Name and SSN Mismatch (Paul Shoemaker) –

Issue is that name code and does not match with the taxpayers Social Security Number. This is a problem with e-filing as returns reject with hyphenated or multiple last names.

TAP has sent up a similar issue and IRS response was to clarify the information in Publication 1345. Colvin stated she feels IRS does not understand the extent of the problem. Often these are new taxpayers and this is time consuming and the rejects generate more paper returns. ITIN notices/letters should include an explanation or filed that tells the taxpayer their last name for filing purpose. Villarreal stated a notice CP565 she has from September 29, 2008, does not include that type of information.

ACTION: Delzer to research EIN notices to see if name control information is shared with businesses.

ACTION: Delzer to send out copy of CP 565.

- 4241 - Improve Tax Payment Options (Norma Woodard) –

Woodard was looking for EFTPS input from all Area 5 members. She is looking to write up the concerns before the next meeting.

- 4805 – Form 1116 Foreign Tax Credit (Craig Capehart) –

Have been looking at some of the research and looking at 2006 filing data, returns with foreign tax credit increased 19%. Of returns with adjusted gross income of \$50,000.00 or less, 22% had the tax credit. In reading the printed instructions, even if you foreign tax paid is less than the \$300 safe harbor, you still need to do the calculations. Other issue is that taxpayers do not have the information needed on the 1099 or substitute, to make the calculations.

Bell stated some mutual funds do provide the needed information to make the calculations in regard to the various treaties.

Capehart shared that for the folks making less that \$50,000, maybe to their benefit to not bother to calculate and take advantage of the credit paid, as the cost of the practitioner will be more than the tax benefit.

Wright said it is not much help to not have to attach the form if you still have to calculate the credit. TIGTA found that the businesses who did not request a Telephone Excise Tax Refund, stated their reason that it was too complicated and not worth it.

ACTION: Delzer to set up call owner of Form 1116.



- 4814 – Payment with Form 4868 (Ken Wright) –

Completed and Wright will send out.

- 4653 – LLC and rental income (Ken Wright) –

Still in process.

- 4651 – LLC Disregarded Entity Information (Ken Wright) –

Still in process.

- 4815 – Combo Letter in Exam (Ken Wright) –

Wright is working on a letter to be addressed to Nina Olson.

- 4575 – Website accessibility for blind (Regan Lynch) -

In researching irs.gov, the talking forms are in a separate part of the site that people have to search for. Recommendation would be to post the talking forms right in the forms section of the website that all people access.

Bell asked if you need special enhancements to open the talking forms. If you don't have the special software, is there an impact?

Delzer asked if the files are larger and if that could be a concern who want to download the forms and do not need the talking feature.

Lynch will research and write up his recommendation.

Outreach-Wright

Shoemaker has an article published in the Journal of Accountancy. Guthmann said it was fun to read and great to see in print.

Just a reminder that it is time to get contacts up to date in preparation for the annual report. Remember outreach helps justify our existence

ACTION: Wright to email his version of a word document for outreach reporting.

Issue Committee Highlights – All

Communications—Bell reported that an order was made for more outreach materials. A new project called "e-tap" is being started and will work to upgrade TAP's electronic communications. Will be a cross functional committee so please volunteer if you are interested. Want to put our link on other sites like law and business school sites.

ACTION: Panel members-let Bell know if you have a lead on a website that might be linked to improveirs.org

Shoemaker shared that the Outreach Toolkit is also being updated for the annual meeting.

VITA-Colvin shared that they have been working controversial issues such as whether to expand the scope of the program. Rousseau shared that the final recommendations will be completed soon. Also, members of the committee are participating again in the beta testing for Taxwise this year. Area 5 members with TCE and VITA experience should consider being part of the committee next year.

TAC-Fretheim reported they are in the final draft of their report about the scheduling of tax preparation in the walk-in offices. The report will be presented at the annual meeting.



Forms and Publications-Guthmann reported the committee has handled each as they have been presented. The form 941X is one of the forms worked on.

Notices-Stieger said the committee had many notices to evaluate this year. One highlight of the year was an article in a W&I newsletter praising the work of TAP. W&I sees the relationship with TAP continuing. Wright stated the IRS relies on TAP to get this type of work completed.

ACTION: Stieger to send Bell and Berkey a copy of the W&I newsletter featuring TAP.

Cancellation of Debt Work Group-Wright is the chair and Fretheim is also a member. Currently the committee has 8-10 issues to work. The NTA wanted TAP comment into this area and one issue was elevated at the last Joint Committee meeting. Please let Wright know if you are interested in this subject.

Federal Tax Deposit Coupons- Forms 8109-B-Area 5 continues to hear complaints about the inability to obtain blank forms 8109-B.

ACTION: Fretheim to develop questionnaire to gather comments on availability of forms 8109B. Fretheim to forward Word document to Wright by 10/30.

Office Report – Mary Ann Delzer –Gabriel will be soliciting travel preferences for the annual meeting. Anyone interested in a leadership position next year will need to stay for chair training on Friday, December 5.

New analyst of the Milwaukee office will be on board for the annual meeting.

Staff will be asking member preferences for Issue Committees for next year. Start to think about whether you would like to change Issue Committees.

Public Input - None.

Closing/Meeting Satisfaction Assessment – Remember November meeting is on Monday, November 10. Bell will chair the November meeting. Meeting adjourned.

Next Conference Call is November 10, 2008, 9:30 am CT



**Area 5 Committee
Teleconference Notes
September 9, 2008**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Member
- Bland, Sandy - Bemidji, MN - Member
- Colvin, Elizabeth - Austin, TX - Member
- Freeman, Chris - Pleasant Hill, IA - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Columbia, MO - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Capehart, Craig - Dallas, TX - Member
- Rousseau, Rick - Killeen, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS - Member

TAP Staff

- Block, Roy - Milwaukee, WI - Manager
- Delzer, Mary - Ann Milwaukee, WI - Program Analyst
- Robb, Patti - Milwaukee, WI - Program Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

Public Attendance

- Walker, Thomas - Texas

Welcome / Roll Call / Review Agenda

Ken Wright welcomed everyone to the call. Quorum met.

Area 5 Chair Report-Wright

- **Joint Committee (JC) Report-out** - Kay Bell brought up that an issue was elevated regarding Electronic Federal Tax Payment System (EFTPS) at the Joint Committee meeting. Bell has forwarded a copy of the recommendation to Norma Woodard. There is a push to get as many issues elevated as possible before the end of the year.

Issue Discussion

- 4697 – Collection – National Standards (Norma Woodard) – Woodard is waiting for input from Jo Villarreal and Dan Fretheim. Howard Guthmann is re-sending his email regarding this to Woodard. Once she receives this information if someone could help her put everything together it will all be ready to go. Roy Block indicated he received an email from IRS executives from Washington, DC and they would like to meet with TAP regarding the National Standards for collections. The meeting is to take place September 16th and they are asking for TAP's input. Should these executives want to put together a team, Woodard will be available to be to participate.
- 4480 - Name and SSN Mismatch (Paul Shoemaker) – No report this month.



- 4241 - Improve Tax Payment Options (Norma Woodard) – No report this month.

ACTION: Delzer to review issue matrix for other EFTPS related contacts.

- 4805 – Form 1116 Foreign Tax Credit (Craig Capehart) – Capehart and Shah were elected to work on this.

ACTION: Delzer to complete requested research regarding the Foreign Tax Credit.

- 4814 – Payment with Form 4868 (Ken Wright) – Write up is finished and will be distributed soon.
- 4653 – LLC and rental income (Ken Wright) – This is still being written up and plan to have completed sometime next week.
- 4651 – LLC Disregarded Entity Information (Ken Wright) – Write up is finished and will be distributed soon.
- 4815 – Combo Letter in Exam (Ken Wright) – Wright will prepare a letter to send to National Taxpayer Advocate, Nina Olson, for her consideration in regard to possible most serious problem for taxpayers. Block shared that IRS does acknowledge that they have a problem in this area.
- 4575 – Website accessibility for blind (Regan Lynch) - Lynch is waiting on comments from people who volunteered to test the site. Lynch is hoping to have this finalized in the next couple of weeks. Lynch will also be including Chris Freeman in the discussion.

Outreach

- July – One: Capehart
- August – Two: Woodard and Shoemaker

Woodard will start teaching her minister seminars in two weeks. She has approximately 750 participants.

ACTION: Delzer to send marketing materials to Woodard for her seminars.

Action Item Review – Delzer

Delzer is still working on the preliminary research on the Name and SSN Mismatch Issue.

Delzer changed status of issue 4697 to “Active.”

Delzer will continue to pursue working with Systemic Advocacy on the Combo Letter and find out what we will need to do.

Delzer is still working on Form 8109 issues with Fretheim. Delzer will work on creating a survey for Wright’s tax seminars beginning in October.

Issue Committee Highlights – All

COMMUNICATION COMMITTEE--Bell stated they are working on a project trying to consolidate electronic services within TAP, “e-TAP.” They would like more widespread involvement and so if anyone is interested in helping, please let Bell know.

VITA COMMITTEE-- Colvin stated VITA did a survey of TAP members concerning areas in which VITA could expand services. The results showed that members’ opinions were to not have VITA expand services to include tax preparation of Schedule C or K-1’s. They also worked on a publication revision, but have not seen the finished product yet. The committee also decided to ask IRS for updates on recommendations previously sent forward in 2007. This showed that IRS still needs to address some old issues.

FORMS AND PUBS COMMITTEE – Guthmann reported that all assignments that were in process have been completed.

TAC – Fretheim shared they are working on a report that will provide suggestions on revising Taxpayer Assistance Centers process for return preparation. The report is currently in draft and will be finalized in October for submission to the IRS in November.



BURDEN REDUCTIONS – Shah stated they are working an issue regarding hobby vs. business loss. IRS wants to have verbiage that is clearer for taxpayers as whether they have a business loss, or when to classify it as a hobby. IRS is hoping to create a brochure/webpage geared to the average taxpayer. Also working on coming up with a calculator to help determine the taxable amount of Social Security. Taxpayers could then more easily determine what amount of income will incur how much in additional taxes, to then know if it is worth making more money or not.

EITC – Villarreal was on vacation and had not attended the meeting, but will be attending the meeting this week. The committee is working on a model for the EITC page on the IRS website and is currently fine tuning it. They hope to make it very user friendly.

NOTICE IMPROVEMENT – Woodard shared that they are waiting for new notices and publications to review as they have completed their assigned work.

Office Report – Roy Block – The office is in transition as Delzer will be on an Acting Detail as TAP Manager in Seattle during the month of October. Delzer will finish all action items before she goes on detail and Block will support Area 5 in her absence.

Public Input – Tom Walker is excited about the TAP program and indicated it sounded like there was a good flow of issues during the meeting.

ACTION: Gabriel to email Walker a current Area 5 roster.

Closing/Meeting Satisfaction Assessment – Bell indicated that this was a really active meeting. Woodard is gearing up to complete lots of work. Wright has plenty going on and making good progress on the issues he is working. Please let Delzer know about the Outreach opportunities you have had. The issue regarding Form 8109 is being addressed.

Meeting adjourned.

Next Conference Call is October 14, 2008, 9:30 am CT



**Area 5 Committee
Teleconference Notes
August 12, 2008**

Designated Federal Official

- Mary Ann Delzer - Milwaukee, WI - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Member
- Colvin, Elizabeth - Austin, TX - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Bland, Sandra - Bemidji, MN - Member
- Capehart, Craig - Dallas, TX - Member
- Freeman, Chris - Pleasant Hill, IA - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Stieger, Lee - Leavenworth, KS - Member
- Villarreal, Josefina - Corpus Christi, TX - Member

TAP Staff

- Block, Roy - Milwaukee, WI - Manager
- Gabriel, Lisa - Milwaukee, WI - Secretary

Welcome / Roll Call / Review Agenda

Ken Wright welcomed everyone to the call. Quorum met.

Wright introduced Roy Block, new manager in the Milwaukee office. Block is very excited about coming to TAP (Taxpayer Advocacy Panel), because he is impressed with the work TAP does and the issues that are elevated. For Block, this will be an exciting challenge.

Wright taught "Cancellation of Debt" at TAS (Taxpayer Advocacy Service) Symposium in St. Louis, over a two week period.

The Milwaukee office has applicants for the vacant analyst position and in the next three weeks the ranking of those applications will take place and then we will conduct interviews. Block hopes to fill the vacancy before the next meeting.

Patti Robb continues to transition into her role as an analyst.

Area 5 Chair Report-Ken Wright

Joint Committee (JC) Report-out

Bernie Coston reported that TAP is on track with the budget to date. In the recruitment update, Nina Olson has approved the list of applicants and the list moves forward. The TAP Annual Report for 2007 is now being printed. As a reminder, the annual meeting will take place the first week of December. There has been a proposal to use TAP (Taxpayer Advocate Panel) Alumni as resources in the future. This would be strictly voluntary as TAP cannot incur any expenses related to this. This group could be available as a source of information and to do local outreaches.



The Treasury Inspector General for Tax Administration (TIGTA) is doing an audit on TAP. If you are contacted by TIGTA, please let the Milwaukee office before you respond.

Shawn Collins is the Acting TAP Director for 120 days. She is located in the Washington, DC office.

Issue Discussion

Kay Bell discussed the new issues for the month. One concern is an investor issue, especially when it comes to foreign funds and the foreign tax credit. Issue 4805, was submitted in May, and was in the parking lot. Also brought up in June was issue 4824, regarding Form 1116, Foreign Tax Credit. The item of interest is if you have paid more than \$300.00, you have to file that form to get credit for the tax paid. Bell had received suggestions that maybe the amount of tax paid, before needing to file the F 1116, should be increased. Not sure if this would be a legislative requirement or if IRS (Internal Revenue Service) can do any changes on this issue. It was indicated that by the time an accountant is hired to take care of this, whatever credit is earned is being used to pay someone to take care of it. Rajiv Shah and Craig Capehart, as well as Ken Wright showed an interest in this in the past and Bell will get to them the information they need to work on this.

ACTION: Capehart and Shah to research the filing threshold for Form 1116, Foreign Tax Credit for possible referral to Forms and Publications Committee.

There were also concerns about allowance issues with meals and mileage that TAP cannot do anything about, but Bell was thinking that TAP could send a letter to the IRS on how to make the rules clear. Issue 4683, Campus addresses for PDS, is being worked on by Wright.

Name and SSN Mismatch (4480) –Paul Shoemaker will be working on this issue. **ACTION: Delzer to do preliminary research on the Name and SSN Mismatch issue.**

Improve Tax Payment Options (4241) –Norma Woodard will be working on this project. **ACTION: Bell, Wright and Guthmann have information to share on problems with EFTPS and will forward to Woodard.**

Collections--National Standards (4697)

Woodard is interested in working the collection National Standards as well.

ACTION: Delzer to change status of issue 4697, to "active."

LLC and Rental Income - Wright is working on the issue

LLC Disregarded Entity Information - Wright is working on the issue

Combo Letters in Examination – Wright spoke to Nina Olson at the Town Hall meeting. Woodard has had some experience with these audits as well. Have gotten some correspondence or notices and responded with all required information, and then within a week received a combo letter. When you get a letter you have 30 days to file protest, but when you send a letter, the issue doesn't get assigned in a timely manner to an auditor. Guthmann has seen notices go out without any attention.

ACTION: Delzer will pursue working with Systemic Advocacy on the Combo Letter Issue.

Website Accessibility for the Blind – Lynch still working on this issue

Outreach

June-- Eight: Bland, Colvin, Shoemaker, Fretheim and Capehart

July—One: Capehart

Many folks are doing outreach and forget to report the activities. Please report your outreach to Delzer.

Action Item Review – Delzer

On issue regarding Form 8109-Deposit Coupon, the area that processes the coupons, don't have a "rejected" rate, as they perfect the coupons and enter the correct data right into the system. If a



coupon comes in and the machine can't read it, the form is pulled and entered manually. Block says the unavailability of Form 8109B is definitely an issue. Practitioners and businesses use these coupons for making deposits. If this could be posted on irs.gov the problem would not be an issue. Taxes cannot be paid without deposit coupon. Wright indicated Daniel Fretheim is interested in working on this issue. This is an issue that will have to go to Bob Erickson and the Forms and Pubs Committee. Just need to have a paragraph or two explaining the problem.

ACTION: Fretheim to develop issue to be sent to Forms and Pubs Committee.

Guthmann asked about the office in the Home Deduction that TAP worked on with the Burden Reduction Committee. Block indicated that this is being considered in Congress with a recommended standard deduction of \$1500.

Issue Committee Highlights – All

COMMUNICATION COMMITTEE – Bell indicating that getting the Annual Report done was the main goal and media attention was received. There will be hardcopies printed of the Annual Report which will be sent out to each of the panel members, about 2 – 3 copies each Committee is trying to come up with ways to improve and broaden electronic services on TAP and look at new ways to get the word out to the public, "e-TAP."

VITA COMMITTEE – Rousseau indicated that an informal survey has gone out to the TAP members looking at what kind of services one would like to see at VITA sites, what should be provided, overall what other needs are there. We are still soliciting for feedback so please respond to the survey if you have not done so already.

Office Report – Delzer

Staff is working on a draft agenda for Annual Meeting and getting that out for comment. Leadership Training will be on Friday for those who are elected Chairs. Combining Chair Training with the Annual Meeting will save travel money for next year. If you are interested in leadership, plan on traveling home on Saturday. Judi Nichols and Steve Berkey will be soliciting ideas for workshops, and want to know what people would like to see. Staff is hopeful that Commissioner Shulman will be at our annual meeting.

Public Input

None.

Closing/Meeting Satisfaction Assessment – Bell

We had quorum which is great. We discussed lots of Issues and identified Chairs for the subcommittees. We will need to follow up with Rajiv Shah and Craig Capehart on the Foreign Tax Credit issue. Howard Guthmann and Ken Wright will forward their concerns about EFTPS to Norma Woodard. Delzer will work with Fretheim with Form 8109B issue. Everyone needs to work on getting better about reporting Outreach.

Meeting adjourned.



Next Conference Call is September 9, 2008, 9:30 am CT
Area 5 Committee
Teleconference Minutes
July 08, 2008

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Freeman, Christopher - Chaska, MN - Member
- Fretheim, Dan - Decorah, IA - Member
- Lynch, Reagan - Midland, TX - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Villarreal, Josefina - Corpus Christi - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Bell, Kay - Austin, TX - Vice Chair
- Bland, Sandra - Bemidji, MN - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Guthmann, Howard - St. Paul, MN - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS - Member
- Woodard, Norma - Choctaw, OK - Member

TAP Staff

- Delzer, MaryAnn - Milwaukee, WI - Program Analyst
- Robb, Patti - Milwaukee, WI - Program Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

Welcome / Roll Call / Review Agenda

Ken Wright welcomed everyone to the call. Quorum not met.

Area 5 Chair Report-Wright

- **Joint Committee (JC) Report-out**

Ken reminded everyone of the annual meeting, December 1-5, 2008, at the Sheraton Hotel in Arlington, VA. At the JC meeting decision was made to change the annual meeting to not fragment new members from the current members of the panel. Would like to keep the areas together, new and current members have more time together. Also mentioned was since chair training is held right after the annual meeting, need to have a different way of choosing the chairs. Are forming a work group around the cancellation of debt of issue. Dan Fretheim will be in this working group.

Issue Discussion

- **Name and SSN Mismatch – Ken is looking for volunteers to be chairs for this issue.**
- **Improve Tax Payment Options – issue still being worked**
- **Dependency and pre-1985 Rule - dropped**
- **Payment with Form 4868 issue still being worked**
- **LLC and Rental Income – issue still being worked**
- **LLC Disregarded Entity Information – issue still being worked**
- **Combo Letters in Examination - issue still being worked**
- **Website Accessibility for the Blind – Lynch still working on this**



Action Item Review

Delzer to research the number of "rejected" forms 8109 - Delzer is still researching

Delzer will send to Villarreal information on what is available through e-services.—Delzer completed

Villarreal will write up E-filing Form 2553 and forward to Delzer to send to Forms and Pubs—Delzer reported that the Form 2553 for the S election can be e-filed with the Form 1120S. Wright requested issue be changed to ability to have the S election in an on-line process.

Wright will write something up on the dependency and pre-1985 rule to forms and Pubs to drop.—Wright discussed with Bob Erickson. Issue should be closed.

Issue Committee Highlights - All

Rousseau said the discussion about the Annual meeting was that a lot time needs to be spent with the area committees; half the day with area committees and half day with issue committees. In the past this has worked well with Volunteer Income Tax Assistance (VITA). This may help in getting the committees off and running better.

Ken added that he would like to see a working meeting for the annual meeting so people can feel more comfortable for expectations in January.

Wright reported the Forms and Pubs face to face meeting took place in Florida. The IRS program owners attended. Discussion took place about Joint Committee face to face. One issue communicated was how some committees get loaded down with a lot of work and others are not loaded down as much. Mentioned that we need to allow people to move around to other issue committees during the year instead of waiting until the annual meeting to make changes.

For Earned Income Tax Credit (EITC), Jo said she missed the last meeting, but prior to that they were working on a final copy of different projects each member had to work on and proof reading is being done at this time. Still hoping to get feed back on the Spanish re-file site.

Office Report – Delzer

- Recruitment

Susan, Roy, and Bernie are meeting on Wednesday about selecting new panel members, which will then be shared with Nina Olson and then onto the Secretary of Treasury.

- Staffing

Analyst position in Milwaukee has been posted.

New budget analyst Otis Simpson, started in Washington DC.

The week of July 28 – August 1st is the Taxpayer Advocacy Services Symposium. All TAP staff will be attending and no one will be in their offices

Rick Rousseau added as chair of the VITA committee he requested permission from Coston to send out to TAP members questionnaires about possible additional VITA services. Also, JC asked Lee Stieger to work on a possible TAP Alumni group. He will be asking for comments and input through email, on a way to use retired members from TAP. Like to have them as a resource.

Public Input

None.

Closing/Meeting Satisfaction Assessment – Ken

Meeting adjourned.

Next Conference Call is August 12, 2008, 9:30 am CT



**Area 5 Committee
Teleconference Notes
June 10, 2008**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Vice Chair
- Bland, Sandra - Bemidji, MN - Member
- Capehart, Craig - Dallas, TX - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Freeman, Christopher - Chaska, MN - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Villarreal, Josefina - Corpus Christi - Member

TAP Staff

- Gilbert, Susan - Atlanta, GA - Acting TAP Manager
- Robb, Patti - Milwaukee, WI - Program Analyst
- Gabriel, Lisa - Milwaukee, WI - Secretary

Welcome / Roll Call / Review Agenda

Ken Wright welcomed everyone to the call. Quorum met.

Area 5 Chair Report-Wright

- **Joint Committee (JC) Report-out**

There is really nothing to report this month. The JC is gearing up for their face-to-face meeting in St. Louis, June 19-21, 2008.

Wright encouraged everyone to think about running for chair next year. Please give him a call if you are interested.

Issue Discussion

- **Name and SSN Mismatch**
 - Will be discussed during July meeting.
- **Improve Tax Payment Options**
 - Will be discussed during July meeting.
- **Dependency and pre-1985 Rule**
 - Will be discussed during July meeting.
- **Payment with Form 4868**
 - Will be discussed during July meeting.
- **LLC and Rental Income**
 - Will be discussed during July meeting.
- **LLC Disregarded Entity Information**



- Will be discussed during July meeting.
- **Combo Letters in Examination**
 - Wright is writing up a report for this issue. National Taxpayer Advocate Nina Olson expressed interest in this issued and requested a copy of the report once it is completed.
- **Website Accessibility for the Blind - Lynch**
 - Lynch and Freeman have not had a chance to meet. Will report next month.

Outreach for May - All

Twelve – Colvin, Stieger, Shoemaker, Woodard
Please remember to report your outreach contacts.

Action Item Review

Will discuss next month.

Issue Committee Highlights - All

Lynch – Forms and Pubs – Collecting comments on Pub 526. He will forward comments to Ken Wright via email. It is obvious that it needs to be updated.

Bell- Communication – External subcommittee working on updating improveirs.org website. We want to make it more personal so we will be contacting you for permission to use some of your information, so bios will need to be updated. Formed a new subcommittee called “e-tap.” You will be getting more information about that too. We are looking for additional members who would be willing to join this subcommittee.

Stieger - Notices – Doing a lot of scoring on documents. Also working on an offshoot of the insert project. We are looking at the value of the inserts that are sent out with notices.

Rajiv – Burden Reduction – Had face to face meeting last week and have a couple issues that are moving ahead. One is related to the “aging” issues and that is to simplify how to calculate how much you can earn before Social Security income becomes taxable.

Rick – VITA – Have face to face in Atlanta later this week.

Office Report – Gilbert

- Recruitment
 - All office are in process of interviewing applicants. Should be completed by June 26. We are right on target.
- Staffing
 - Announced a position to replace Barb Foley.
- Annual Meeting
 - Hotel has been identified; Sheraton in Arlington, VA. Dec 1-5. The first and the fifth will be travel days.

Public Input

None.

Closing/Meeting Satisfaction Assessment – Bell

Meeting adjourned.

Next Conference Call is July 8, 2008, 9:30 am CT



Area 5 Committee Teleconference Notes May 13, 2008

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Vice Chair
- Capehart, Craig - Dallas, TX - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Freeman, Christopher - Chaska, MN - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS - Member
- Villarreal, Josefina - Corpus Christi - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Bland, Sandra - Bemidji, MN - Member

TAP Staff

- Ferree, Nancy - Plantation, FL - TAP Manager
- Fields, Anita - Plantation, FL - Secretary

Guest

- Velinski, Frank - Omaha, NE

Welcome

Ken Wright welcomed everyone to the call. He mentioned that Mr. Velinski is a member of the public and has an issue he would like to discuss when we do issues.

Roll Call

Quorum Met

Area 5 Chair Report-Wright

Susan Gilbert is now our new temporary manager in Milwaukee. Bernie is working to get a permanent manager there. There are currently two applicants.

- **Joint Committee (JC) Report-out**

The JC had a conference call last week. Kenneth informed the committee that the Tax Forms and Pubs/Language Services Issue Committee need Spanish speaking panel members to help MLI review the Spanish free file portion of the website. Ken will email Jo information regarding MLI and free file. There were two issues elevated. The recruitment is up 60% over last year. You will be getting information asking for help with interviews.

- **Springfield Town Hall Report-out**

There was a good turn-out. Sixty-two people attended mostly practitioners. Nina Olson was pleased with the feedback that was received.



Issue Discussion

Kenneth Wright would like to propose a way to work elevated issues to the Joint Committee. What ever subcommittee is working an issue, after the committee agrees to go forward then the subcommittee writes it up, post it to the area for review and comment with a one week suspense. The chair and vice-chair will do a quality review. Then it will go to Joint Committee. This process is adopted as policy for processing issues within Area 5. It is agreed on by consensus.

Kenneth initiated a conference call with the Area Chairs. They discussed changes to the Annual Meeting where they spend more time in the areas and spend more time doing real work. This would get the new members involved right away with issues and how to work them. Ken would like input on the agenda from last year's annual meeting from the new members of area 5. He wants to get their input on what they feel could be left out to afford more time in the areas.

Ken said for issues regarding forms and pubs, the subcommittee should write it up, place it on Tap Space for comments, after the 1 week deadline it will then be forwarded to Tax Forms and Pubs. How the IRS responds to 30 day letters, is an issue that Nina Olson is compassionate about. She would like the committee to work on it. Ken asked for volunteers to be part of the subcommittee to work the issue. Howard Guthman, Reagan Lynch, Joe Villarreal and Ken Wright will work this issue.

Outreach – All

There was no outreach reported.

Action Items

- **Ken Wright to follow-up with Mr. Velinski.**
- **Ken Wright to publish new procedure for Area 5's elevation of issues.**
- **Ken Wright put issues list together and assign subcommittees.**

Issue Committee Highlights - All

Ken Wright did a review on a proposed regulation on cancellation of debt and the pub will be going to print this week. At the Town Hall Nina mentioned that she read those comments.

Office Report – Nancy Ferree

Nancy Ferree reported that there is a 61% increase of applications from last year. We received a completed application from every state that we were recruiting in. The ranking started this week. Look for emails requesting help to assist with the interviews. Bernie is pursuing finding a manager for the Milwaukee office. We have four new Junior Analysts one in each of the offices. Milwaukee's new secretary will report May 27, 2008.

Public Input

Frank Velinski discussed an issue regarding the tax gap. Mr. Velinski owns a home for elderly care business. He is stating that this type of business is steadily growing and a number of the businesses are getting federal grants and the state is going out and hiring Independent contractors to do the work. He says that once the contractors are given a 1099, they in-turn don't pay the taxes that are required by law, which attributes to the tax gap. This issue was number 23 in Nina's 2007 Annual Report. Ken Wright mentioned that he is very thankful that Mr. Velinski joined the call and shared his issue; it is not something that TAP can work on. He then explained the mission of TAP.

Kenneth Wright told Mr. Velinski that he would like to explore this further, because there are a number of issues that we may be within our purview.

Closing/Meeting Satisfaction Assessment – Shah

Congratulations for having a brief and productive meeting.

Meeting adjourned. Next Meeting is June 10, 2008, 9:30 a.m. CT



**Area 5 Committee
Face-to-Face Meeting
San Antonio, TX
April 28-29, 2008**

- Monday, April 28, 2008
- Tuesday, April 29, 2008

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Bell, Kay - Austin, TX - Vice Chair
- Bland, Sandra - Bemidji, MN - Member
- Capehart, Craig - Dallas, TX - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Freeman, Christopher - Chaska, MN - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS - Member
- Villarreal, Josefina - Corpus Christi - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Guests

- Sherry Saucerman - Senior Stakeholder Liaison

TAP Staff

- DeTimmerman, Trish - Des Moines, IA - Acting TAP Manager
- Delzer, Mary Ann - Milwaukee, WI - Program Analyst
- Robb, Patti - Milwaukee, WI - Secretary

Monday, April 28, 2008

Welcome / Roll Call / Review Agenda

Ken welcomed everyone and then reviewed the agenda. Everyone took a few moments to introduce themselves.

Area 5 Chair Report-Wright

Joint Committee (JC) Report-out

The JC instructed each committee to look at the issues they are currently working, and try to set a reasonable completion date. The date should be added to the contact database.

They reviewed two issues submitted for elevation from Area 4. One issue was sent back for some minor changes; the other issue was elevated.

The JC decided they would like to review the chair election process at the face-to-face meeting in St. Louis in May.

The last Town Hall meeting is scheduled for Tuesday, May 6, 2008, at the Trutter Center in Springfield, IL.

Recruitment is going great. We have viable applicants in each state where they were needed.



Manager and Analyst Reports and Comments

Trish DeTimmerman said both the junior analyst position and the secretary position were filled in the Milwaukee office and there are several applicants for the TAP manager position. Hopefully a new manager will be onboard very soon. Program Analyst Barbara Foley left for a new position with Wage & Investment (W&I). Each of the offices are going to be taking a share of the JC analyst duties. Louis Morizio, TAP Manager in Brooklyn, will be taking over working with the TAP database.

DeTimmerman announced that panel members may be asked to help with the new member interviews which are planned for some time in June. The interviews generally last about an hour each. Please notify the Milwaukee office if you are available June 9 – 28.

Discussion of Area 5 Organization

Wright said we have a chair and a vice chair like all the area committees, but it seems that each of the different areas seem to take a different approaches as to the way they work. Some committees have found that an issue screening committee does not work. The panel member's job is to do outreach and collect or identify potential issues. Should we have a standing issue screening subcommittee or do we want the whole committee to look at the incoming issues? There are active issues (currently being worked) and there are issues in the parking lot.

Area 5 currently has a screening committee and Kay Bell offered to stay on as the head of the subcommittee. The committee looks at whether the issue is legislative, is being worked by another committee, or if it is even a viable issue. The viable issues are presented to the whole committee and the committee then determines the top three issues to be worked.

How beneficial would it be to have some preliminary research before determining whether the issue is viable? It would be helpful to identify the actual issue. Delzer said the screening committee could drop the issues not in scope of TAP, and she can do some background work on the ones remaining.

Bell said they look at the issues and present them to the whole committee to see if they spark some interest. Chris Freeman thinks all the issues should be looked at and the subcommittee should cut issues not within TAPs' purview. There should also be some membership rotation on this committee. After issues are identified, the whole committee should look at them and determine which ones they would like to work on. Remember, these issues progress slowly and it can easily take a couple months to complete them.

The screening subcommittee also tries to share some of the issues with the corresponding issue committees. They will decide if it falls within the scope of their committee. Delzer reminded everyone that any forms and publications issues must go through the Ad Hoc Forms and Pubs Issue Committee. Any issue placed in the parking lot is free game and any other committee can choose to work them.

We get active issues and the whole committee will vote on them. They will be sent out to review and will be discussed at the next call. Then the committee will determine which issues they want to work on. If no one steps up to work on an issue, the chair will assign someone to be on that subcommittee. Freeman said someone needs to do some background research to determine if another committee is already working that issue. If it is being worked by another committee, the issue should be sent to them. Delzer said she does that research and will let everyone know during the call. She thought it would be helpful if she were to sit on the screening subcommittee conference calls.

Decision: Delzer will be on the screening subcommittee calls to help weed out non-viable issues.

Wright offered to be a sounding board if someone has a tax question. And remember, every TAP member is also on an issue committee and you have a lot of resources available to you.

There will be a rotating screening committee – Bell will be the lead; Delzer will post all issues on



TAPSpace; the screening subcommittee will look at active issues and rank them – asking for everyone’s comments usually does not work. Volunteers will be asked to head up each subcommittee. If no one volunteers, Wright will draft members to work the issues.

Wright asked the members to think about running for Area 5 committee chair, but be aware, it will require more time and work.

The TAP Experience

Wright asked members what their expectations were versus what really happened. TAP has different surveys but nothing compares to a face-to-face meeting.

Rick Rousseau – third year perspective: He thought the introductions at each meeting are helpful and a very good thing. He has been on the Volunteer Income Tax Assistance (VITA) for over two years. Some of the same issues come up every year – i.e. tax forms and publications in Spanish – are they really needed? You need to think about all the different backgrounds of the members and they are great things to draw on. You spend the first year trying to figure out what you got into. You really get in the groove in your second year. And the third year is payback time – you really get involved. You should have a pretty good handle on how it all works in your second year. Subcommittees are where the work really gets done. You really don’t have time to work issues on the monthly conference call – hence the subcommittees. You need to have someone who is really interested in the issue to head the subcommittee. They will address it with more passion and things will get done. Listen closely and things will get done in TAP. There is always someone looking for input on their special project. It is rewarding to get involved in these different projects. Our backgrounds are varied and that sometimes determines the type of outreach one does. Outreach is how we get the word out about TAP and that is a source of new issues. Working issues through the area committees is a pretty slow process, so there is an advantage of kicking the issues through the proper issue committee. The disadvantage is you will not get a formal response back from the IRS if the issue committee does decide to work your issue. If the issue committee decides not to work your issues, they should give it back to the area to work it.

In your first year - listen to things that do interest you. As you listen on the calls, you will pick up on issues that interest you. The VITA Committee has three subcommittees and that is where the real work is done. They all report on where they are during the monthly committee calls.

If you don’t like the issue committee you are on, you can usually change it. Some members have been on the same issue committee for their whole three years. However, the focus of the issue committee can change each year too.

There are also other opportunities that come up with a very short response time. You have to be on the watch for these as not everyone is able to respond.

Josefina Villarreal – first year perspective: Meeting panel members from across the country gives you a wide scope of experience. It is a very diverse group of people and it is very interesting to compare notes and information. The biggest complaint about TAP is going to my first face-to-face issue committee meeting; I felt guilty because I didn’t know what I was supposed to be doing or what my role was. It would be nice if they would explain our role a little more in the beginning. She said she found that TAP is not very well known with about half of the attorneys and other people she works with. She is going to make it her mission to get the word out about TAP.

Dan Fretheim – first year perspective: A lot of information is provided to us at the annual meeting. It was hard to imagine how it was all going to work, but now that I’ve been involved for a half a year, it makes sense. He said he is still a little hazy on the life of an issue. There is so much information provided at the annual meeting, you forget half of it because you don’t use it. Part of this is because the area and issue committees work differently.



Chris Freeman – has always had an issue about jumping right in. He said TAP should think about waiting a couple months to have the annual meeting after new people are brought on. And the information should be doled out slowly. Each new member should be on a couple conference calls before attending a meeting.

Kay Bell - asked if each committee could have a carry-over issue to have as an example to the new members. Then when they come on the current members could explain the process.

Wright thought a member of the issue committee could do this with new members to show the life of their issue. The chairs and the third year members could help with this too. This would also help alleviate some of the burden on the staff.

Rousseau thought the chair rotating off could attend the annual meeting and that helps transition and train the new members. The retiring chair could also be put to work doing other things.

Paul Shoemaker thought the information given out at the annual meeting was great, but it would be better if the members could get some experience before actually doing the job.

Reagan Lynch and Norma Woodard were orientated in Milwaukee since they could not attend the annual meeting. They both felt they were better prepared for the area committee but not quite as prepared for the issue committee.

The committees work very hard to bring their issues to fruition before the end of the year but it might work better if there was one issue identified as a carry-over issue.

Elizabeth Colvin said whoever is chairing the committee can make a huge difference.

Troublesome Tax Issues?

Taxpayer Advocate Service

Marian Adams, DFO, and Margie Harrell, TAS office Austin Campus. TAS is an independent part of the IRS. Many taxpayers still do not know about TAS and that in itself is amazing.

What does TAS do? TAS criteria: suffering or about to suffer economic harm, or there is an immediate threat of detrimental actions; a significant cost if relief is not granted; irreparable harm or injury.

After contacting the IRS, if taxpayer has not received relief within 30 days, they meet TAS criteria.

Two reasons not often seen are the manner in which the IRS is administering the law, or the National Taxpayer Advocate (NTA) determines that public policy warrants it.

We do not discuss inquiries on the constitutionality of the tax law. Cases are generally worked where are received. That can be a local, area, or a campus office.

There are two sides to TAS; the case resolution side and the systemic side.

Customers come to TAS through correspondence, the toll free line, email, the local line, or referrals from other offices.

Right now, most cases are due to the stimulus refunds. If a taxpayer has a balance due to the IRS only, if they can prove they will be suffering a hardship, we can help that person.

Is there a footprint for TAS? Adams shared that it was determined there would be at least one Local Taxpayer Advocate in each state and they are in the largest cities. Some states have more than one LTA. The hardest part is letting taxpayers and general public know we are out there. Most TAS cases are worked via the telephone, as taxpayers seldom come into the office for a face-to-face. Primarily any case can be worked at any office. We did try a mobile tax site where we went to the taxpayer, but we did not get enough coming to us so do not do that anymore.

Another role of TAS is to identify systemic issues. The top 20 issues are identified in the NTA report to Congress every year. NTA can also go to congress with the most reported problems. Identifying and solving systemic issues are a big part of what TAS does.



Issues Discussion

What Makes a Quality Issue/ Developing and Writing the Issue

We need to look at the merit of the issue itself and whether that issue is well written. Wright is on the Quality Review Committee and they made up a checklist for each committee to follow when elevating an issue. All of the elevated issues are posted to TAPSpace for comments. The quality review team looks for format compliance, written in accordance with guidelines, and is generally well written. If it is lacking in any of these areas, it is sent back to the area committee so corrections/improvements can be made. They make the changes as directed (or not) and then it is forwarded to the Joint Committee. The joint committee checklist must accompany any elevated recommendation. As far as resources, there is a lot of talent on this committee so it would be great if you would make yourself available to help.

Review of Current Area 5 Active and Parking Lot Issues

4457 – EITC Audits - this issue was offered to the EITC committee but they were not interested in this issue. New checklist will be coming out next filing season. Parking lot issue until the annual meeting and new Form 886 is approved.

4480 – Name and SSN mismatch - Colvin thought this issue might be the name control match. Delzer thinks IRS should tell people what their name control is when they issue an ITIN, like they do with an EIN.

ACTION: Wright will write up to include all identification numbers and send to Forms & Pubs. He will send a cc to Lee Stieger in Notices too.

4241 – Improve Tax Payment Options – Viability of ACH payment options – When you go in to change or enter a checking account, it should make you verify which account the payment will come out of. Delzer will make a create a new issue for the database regarding direct ACH payment..

4640 – Forms 8109–Deposit Coupon – Dan Fretheim will work this issue, but it will be put into the parking lot until the annual meeting (which will give Dan about 7 months).

ACTION: Delzer to research the number of “rejected” forms 8109.

4652 – Dependency and pre-1985 rule

ACTION: Wright will write something up on the dependency and pre-1985 rule to forms and Pubs to drop.

4268 – Identity theft/processing verification – drop.

4651 – LLC Disregarded entity Information

ACTION: Wright will write up LLC Disregarded Entity Information and send a copy to Fretheim and Woodard.

3712 – Power of Attorney/Third Party Designee – Rajiv Shah offered to take this issue to the Burden Reduction committee. They are working on an aging issue and he will marry it with that. Drop from Area 5 parking lot.

4575 – Website accessibility for blind/Talking Tax Forma – Lynch will head the subcommittee; Chris Freeman will work with him.

ACTION: Lynch to report findings on talking tax forms July meeting.

Contact History Report for Area 5

4683 – Inability to find street addresses for IRS service centers for delivery by private delivery services.

ACTION: Wright will write up addresses for IRS service centers for delivery by private delivery services and give to Forms and Pubs.



4698 – VITA – Rousseau will give to VITA committee

4696 – E-Services expand to Business – Villarreal will go to the source to get more information – parking lot.

ACTION: Delzer will send to Villarreal information on what is available through e-services.

4697 – Collection, National Standards – Dan and Norma will do some research on this issue. Parking lot until report is done.

4698 – E-filing Form 2553

ACTION: Villarreal will write up E-filing Form 2553 and forward to Delzer to send to Forms and Pubs.

4699 – Installment agreement fees – Colvin found that it has been automated. Drop

4712 – Taxpayer Rights – Drop

Wright’s Issues. . .

- Limited liability companies holding residential rental properties – Notice 2004-33 – Burden Reduction – Wright will work this issue.
- Estimated taxes – Form 4868 should not require an amount – Delzer will do some research then Wright will write up for Forms and Pubs.
- Processing issues – First time Letter 525, Examination reports - This issue has been raised by the NTA. This is a systemic issue – Wright will draft a response for the next meeting.

ACTION: Wright and Delzer will do research and writing on the above issues.

The following is when you went “around the horn” for new issues:

Colvin:

- 1098 T – colleges use for reporting tuition paid. These forms are often not accurate and taxpayers need accurate reporting. Schools should know how much tuition was paid. This is a real problem when assisting them is filing a return.
- 1099-Misc – box 14 for gross proceeds paid to attorneys. Need some drastic rewriting. Cannot understand current instructions on how to handle this on a tax return
- Medical testing payments – sometimes it is in box 3, sometimes box 7; they should not have to pay self-employment tax. Should go on line 21 as the payment is a one time thing.
- Misclassified employees – no way to file Form SS8 without jeopardizing job, as you can not be anonymous.
- 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.

Shoemaker: none

Stieger: none

Guthmann:

- Investment clubs – problems with meeting expenses. Investment fees limited to the 2% limitation.
- Cost basis from brokers, mutual funds, etc. They have the information but won’t send it out. It will cost you \$30-\$75 to get the information if you request it.

Capehart:



- Currently many people are buying international funds (EFTs). Taxpayer must file Form 1116, to get credit for foreign tax paid of more than \$300. The 1099's issued don't give you enough information about how much or to whom the foreign tax was paid. Brokers do not know either. The vocabulary used also is not consistent. The \$300.00 amount needs to be raised or the brokerage companies need to be required to give all the information needed. Is this legislative or is it within IRS rule? Shah feels this is going to be an emerging issue.

Rousseau:

- VITA will be sending out a survey to all panel members – please send in any thoughts. We did receive about 30 responses to the software survey.
- VITA will start updating their training materials soon, if you have suggestions, please forward them.

Bland: none

Fretheim: none

Woodard:

- Two ministers making same amount, one pays social security and the other opted out. The one who opted out is not eligible for EITC.
- 1023 application process – Receive letters after filing the form asking for information beyond what is in the instructions. They always ask for more information but now they are asking for a lot of information not identified on the application.

Lynch:

- Lynch is working on the changes that should be made to the form 1023.
- AGI limit for VITA should be increased – (VITA committee is interested in this)

Villarreal:

- See e-services expand to provide W-2s and 1099s
- **ACTION: Delzer will send information on e-services.**
- Certain unrelated business for non-profits that is or should be taxable--Legislative
- Practitioner Priority Line – the employee gives you their name and badge number when you first call and if you ask for it later in the call, they frequently refuse to give it again.

Bell: none

Freeman:

- Taxpayer made an error on his 2006 taxes. He 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?

Shah:

- 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 – verbal and in writing.

Public Input

None

Tuesday, April 29, 2008

Welcome / Announcements / Review Agenda

Outreach

- Making reporting easier
Wright will send out the word template he devised to capture outreach. Everyone should be doing outreach every month.



- The role of the LTA and working with your local LTA—Marian Adams
Each LTA has the responsibility to work with their local panel member. We work closely with the small business community and congressional offices. Also are charged with making grass roots contacts. Work with the practitioner organizations and so reach out to people in the remote parts of the states. Members should be working closely with their LTAs to partner with them in their outreach efforts. Stieger suggested asking them for some of their business cards for when you run into someone who has a personal tax problem which TAP cannot address. LTAs hold a liaison meeting with their local congressional offices each year. The LTA responds to every congressional contact made on behalf of a constituent. There is one governmental liaison (GL) in each state. Your LTA can put you in contact with your GL. The GL also works closely with the state departments of revenue.
- Working with IRS Stakeholder Liaison—Sherry Saucerman
Wright welcomed Sherry Saucerman, the local Stakeholder Liaison (SL) in San Antonio. SL is part of Small Business/Self-Employed. Job is to partner with practitioners and this enables SL to leverage our efforts. Also do small business forums as well. Practitioners are used to dealing with the IRS and welcome the help SL. We have worked hard to build good relationships with practitioners.

We have practitioner meetings in Dallas and Houston, and are working on two state-wide meetings. There are also regional meetings – partnering with NATP – doing an 8 hour meeting; El Paso in May, Lubbock in August, Corpus Christi in November. If you contact her, she will give you all the dates and locations of the up coming meetings. SL did help TAP with their recruitment efforts.

Working with the small business/self employed, we share our information with small business development centers, bar associations, chambers of commerce, construction organizations, architects, restaurants, etc. IRS also uses SL to get information out to taxpayers who speak English as a Second Language (ESL). Also have many e-subscription services. Tax Talk Today is a presentation that has high level IRS executives talking about IRS policy and procedure. Delzer encouraged everyone to subscribe to these services, as there is a tremendous amount of information sent out.

Also do Phone Forums on various topics. IRS provides a toll free number and it is set up in lecture mode. You can register thru a AT&T website. You will get the phone number, access number and pin number so you can call in.

Handouts:

- Upcoming Phone Forums
- Small business workshop DVD
- Small business resource guide (can order from website)
- Small business calendar (can order from website)
- Information on EFTPS
- Flyer explaining independent contractors vs. employees
- Issue Management Resolution System (IMRS)
- Hot issues

SL believes doing outreach will help bridge the tax gap, so we are doing fact sheets. They are plain language with links to the publications. They come out once a month. Some of the fact sheets are in Spanish on the IRS.gov.

We do have media relations specialists who work with radio stations and television stations.

Another thing we do is disaster education. We ensure that information and disaster kits are available. These have to be a presidential declared disaster.

Meeting evaluation



If you are going to rate a meeting with a 3 or lower, please add your comments as to why you rated it that way.

Meeting adjourned.

Next Meeting is May 13, 2008



**Area 5 Committee
Teleconference Minutes, April 8, 2008**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal

Official Committee Members Present

- Bell, Kay - Austin, TX - Vice Chair
- Bland, Sandra - Bemidji, MN - Member
- Capehart, Craig - Dallas, TX - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Freeman, Christopher - Chaska, MN - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Stieger, Lee - Leavenworth, KS - Member
- Villarreal, Josefina - Corpus Christi - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

None

TAP Staff

- DeTimmerman, Trish - Des Moines, IA - Acting TAP Manager
- Delzer, Mary Ann - Milwaukee, WI - Program Analyst
- Robb, Patti - Milwaukee, WI - Secretary

Welcome / Roll Call / Review Agenda

Ken Wright welcomed everyone to the call. Quorum met.

Area 5 Chair Report-Wright

- **Joint Committee (JC) Report-out**
 - One issue was elevated by the JC.
- **Face-to-Face Meeting**
 - Wright is working on an agenda for the face-to-face meeting at the end of this month.

Issue Discussion

- **Auto Extension Form 990, Return of Organization Exempt From Income Tax – Lynch**

Reagan Lynch sent a write up to Wright for review. The issue will be sent to Forms and Publications for their review.

- **Improve Tax Payment Options**

This has to do with the use of EFTPS for making payments. Wright has another related issue and he will send to Kay Bell. She is on the review team and they will determine if it will be worked.

- **Issue Prioritization Subcommittee - Bell**



4574 – VITA-AGI Limit – VITA committee is working a similar issue. This issue should be sent to them for their review. Rick Rousseau will take to the VITA Committee. If they encounter resistance or decide not to work it, they will return it to Area 5 for work.

ACTION: Rousseau to take issue 4574 to the VITA Committee for their consideration.

4640 – Forms 8109 – Deposit Coupon – The coupon is a machine readable form. Mary Ann Delzer reported IRS is encouraging everyone to go to EFTPS. IRS will not invest at this time to improve the technology to address this issue.

4641 – Form 1040 Signature Options – Why can't the Form 8879 or Form 8453 be used for signature when an e-filed return is rejected and then needs to be mailed. Otherwise the taxpayer has to make another trip to the preparer to sign the paper return.

ACTION: Delzer will send to Forms and Publications to see if it will be considered.

4651 – Disregarded Entity information reporting – This seems to be a wide-spread issue. Wright is interested in working this one.

ACTION: Bell will put together the list of issues the subcommittee feels would be good issues to work and email to committee.

Wright thinks a possible new issue is the ability for taxpayers to change their address on line. You can do this through the online refund service – “Where’s My Refund.” This is an issue we could write up and make a recommendation for improvement.

ACTION: Delzer to research if change of address will be offered with new individual e-services to be rolled out later this year.

Wright also found very few free file alliances that support Form 982 – excluding cancellation of debt. Rousseau stated VITA is looking at broader offerings of service. A subcommittee is working on a questionnaire for the TAP members to provide input. Hold off on this issue to see what comes out of the VITA committee on this. Colvin thinks this kind of depends on the VITA site as to whether they can address these issues. Some can refer taxpayers to pro bono partners.

Delzer reported in regard to a previous issue sent to Forms and Publications. The W-7 instructions and Publication 1915 instructions did not provide the same guidance to taxpayers. The February 2008 version of the Form W-7 now matches the Pub 1915.

Outreach - All

Fourteen outreaches by Shoemaker, Guthmann, Stieger, Shah, Wright, and Bland.

Action Item Review - Delzer

Lynch will finish working on issue # 4435, automatic extensions for Forms 990.

Villarreal to take Issue 4457, proof of parenthood, to EITC Committee to see if they are interested in working the issue—Villarreal is still working.

Issue Committee Highlights - All

Communication – Bell - working on identifying new materials for outreaches. Working on finishing up the annual report.

VITA--Colvin --most members are deeply involved in tax preparation so have not been doing a whole lot.

Forms and Pubs --Freeman -- IRS is sending stuff and we are making comments and sending back.

TAC --Fretheim – completing interviews with TAC managers and employees right now. We have our face-to-face meeting next month and will be putting all the information together at that meeting.

Burden Reduction--Shah -- looking at the aging population and the issue of minimum distributions of



IRA funds. Identifying ways to simplify the form used. Guthmann also shared concerns about the simplification of the Office in the Home deduction.

Office Report – DeTimmerman

Congratulated Patti Robb who was selected as the Junior Analyst for the Milwaukee office.

We will be interviewing for a secretary in the Milwaukee office at the end of this week.

Barb Foley is leaving TAP for a position in W&I as an Analyst. The management position in Milwaukee was posted and closed. DeTimmerman's detail will end on May 3, but she will be in San Antonio.

Springfield town hall meeting with the National Taxpayer Advocate will be on May 6 at the Trutter Center at Lincoln Land Community College. Robb and Delzer will be attending the town hall to provide support.

Looking to recruit members in Iowa, Kansas, Minnesota, Oklahoma, and Texas. In Area 5 we have 60 draft and 29 final applications. We will be contacting the draft applicants to ask them to finalize them. Need more applications from Kansas.

Budget is a real issue at this time. Bernie Coston will not be attending the face to face meeting for the rest of the year for this reason.

Public Input-None. Closing/Meeting Satisfaction Assessment – Bell

Good meeting. Everyone attended the meeting. Good discussion on issues that will be followed up at the face to face meeting.

Next Meeting is April 28-29, in San Antonio



Area 5 Committee Teleconference Notes March 11, 2008

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Bell, Kay - Austin, TX - Vice Chair
- Bland, Sandra - Bemidji, MN - Member
- Freeman, Christopher - Chaska, MN - Member
- Stieger, Lee - Leavenworth, KS - Member

TAP Staff

- DeTimmerman, Trish - Des Moines, IA - Acting TAP Manager
- Delzer, Mary Ann - Milwaukee, WI - Program Analyst
- Robb, Patti - Milwaukee, WI - Secretary

Welcome

Ken Wright welcomed everyone to the call.

Trish DeTimmerman introduced herself and gave a history of her IRS experience. She actually is a program analyst in the TAS office in Des Moines, IA. It looks like she will be attending the San Antonio meeting in April.

Roll Call

Quorum Met

Area 5 Chair Report-Wright

• Joint Committee (JC) Report-out

The JC had a conference call last week. The TAP chair attended the Oversight Board meeting and said it went very well. They were very receptive of TAP's comments. Bernie Coston gave the Director's report. Our budget is pretty much on target. Mary Ann Delzer has been selected for the front-line manager training in IRS. The TAP charter has been approved and filed so we are good to go for another two years. Recruitment begins March 17 and runs through April 30. The staff will be sending out recruitment messages to all panel members to use to help with recruitment.

• Face-to-Face Meeting

We are right on track for the face-to-face meeting in San Antonio. Patti Robb will be sending an email this week requesting travel preferences. For those members who wish to drive, a cost comparison will have to be done.



Issue Discussion

- **Direct Deposit - Delzer**

A letter of support went to Nina Olson, National Taxpayer Advocate, on Feb 27, 2008. We asked her to continue to press the misdirected direct deposit issue and that she continue to advocate for her legislative recommendations along with implementation of the W&I Task Forces' recommendations.

- **RAL – ANPRM - Delzer**

This information was posted to the front page on TAPSpace. We requested everyone to send their comments directly to Treasury. Please take the time to respond.

- **Auto Extension Form 990, Return of Organization Exempt From Income Tax - Lynch**

Reagan Lynch wrote up a report; he is fine-tuning it and then it will be coming out. He mentioned that he also found an article by the IRS. Lynch looked at the Form 990 and thinks it is very confusing. He will continue to do some research.

Josefina Villarreal said she handles a lot of non profit entities and would be happy to give input. Delzer said all this input must go to the new Ad Hoc committee, Forms and Publications. Wright asked that it be sent to him before it goes to Ad Hoc.

- **Issue Prioritization Subcommittee - Bell**

- # 4523 – Toll free limited hours—parking lot
- # 4536 – Return Processing -- Contact Numbers-drop
- # 4561 – Revamping IRS code – legislative
- # 4268 – Identity Theft – already being worked – keep in the parking lot
- # 4432 – Estimated payments and short year corps-drop
- # 4457 – EITC audits--asking for proof of parenthood, what will be accepted Josefina Villarreal will take to the EITC committee and see if there is interest to work the issue

Outreach - All

Area 5 did five outreach activities; DeTimmerman, Shah, Villarreal, Woodard, and Wright.

Howard Guthmann said did one but didn't turn his information in. Villarreal did another outreach but has yet to do the report. Dan Fretheim turned one in this morning.

Action Item Review - Delzer

All action items are completed.

Issue Committee Highlights - All

Wright - Ad Hoc Committee (Forms and Pubs) – the members are working on forms and publications and when they are finished with the ones they have been given, they will get more. There is an unending supply of work. Right now they are looking at Publication 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), Publication 590, Individual Retirement Arrangements (IRAs), some English and Spanish forms, and also looking at what forms should be converted to Spanish.

Craig Capehart – Taxpayer Assistance Centers (TAC) – visited the Dallas TAC. They are working on the issue of the IRS scheduling appointments for taxpayers who need assistance in doing their tax returns.

Rick Rousseau – Volunteer Income Tax Assistance (VITA) – we are still working on expanding collaboration with partners and will address the training materials in the Spring. He attended a meeting in Atlanta where they were looking at software. A new contract will be awarded in January. We are looking at what we like and don't like with TaxWise. An email was sent out by Barbara Foley to some current and past members for their input. The big issue is what type of product would work best. If you have time, fill out the questionnaire. Rousseau will consolidate the input and forward it.



They will look at this input when they go out and look at the bids. He is gathering as much information as he can from the TAP members. While in Atlanta, he did an outreach at the meeting and told them about TAP.

Rajiv Shah – Burden Reduction – working on quite a few issues. They have two subcommittees; one is looking at Schedule C, *Profit or Loss from Business*, and one is looking into aging issues (folks retiring or about to retire and what they are facing).

Paul Shoemaker – Communication Committee – we have been working on advertising town hall meetings. We are also working on updating the tri-fold mailer and are also working on a TAP RAP; a video about TAP.

Josefina Villarreal – Earned Income Tax Credit (EITC) – we did not have a meeting in January and due to the time difference, missed the February meeting.

Norma Woodard – Notices – missed the February meeting due to the time differences.

Office Report – DeTimmerman

Delzer will be out of the office the week of March 17 to attend front-line management training.

Hopefully we will have the secretary roster coming soon and will have someone to interview. There were no applicants for the managerial position to replace Sandy McQuin. Wright mentioned that he talked to Bernie Coston about vacancies last week and was told lowering the grade for the manager position in Milwaukee may occur to attract applicants.

Just another reminder, recruitment begins March 17. Staff will be asking panel members to assist with TAP applicant interviews.

The town hall meeting scheduled for May 1 in Springfield, IL, has been postponed and tentatively set for May 6.

Wright will write up an issue about Electronic Federal Tax Payment System (EFTPS) and will forward to Delzer.

Public Input

None.

Closing/Meeting Satisfaction Assessment – Shah

Congratulations for having a brief and productive meeting.

Meeting adjourned. Next Meeting is April 8, 2008, 9:30 a.m. CT



Area 5 Committee Teleconference Notes February 12, 2008

Designated Federal Official

- Mary Ann Delzer - Milwaukee, WI - Program Analyst

Committee Members Present

- Bell, Kay - Austin, TX - Vice Chair
- Bland, Sandra - Bemidji, MN - Member
- Colvin, A. Elizabeth - Austin, TX - Member
- Fretheim, Dan - Decorah, IA - Member
- Guthmann, Howard - St. Paul, MN - Member
- Lynch, Reagan - Midland, TX - Member
- Shah, Rajiv - Scottsdale, AZ - Member
- Rousseau, Richard - Harker Heights, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi - Member
- Woodard, Norma - Choctaw, OK - Member
- Wright, Kenneth - Chesterfield, MO - Chair

Committee Members Absent

- Capehart, Craig - Dallas, TX - Member
- Freeman, Christopher - Chaska, MN - Member
- Stieger, Lee - Leavenworth, KS - Member

TAP Staff

- Robb, Patti - Milwaukee, WI - Secretary

Welcome

Ken Wright welcomed everyone to the call.

Roll Call

Quorum Met

Area 5 Chair Report-Wright

Joint Committee (JC) Report-out

The JC discussed the quality review process. There will be five panel members on the Quality Review subcommittee. Two members from the JC, two from Area committees, and the fifth person will be the chair of the committee elevating the issue(s). The recommendation will go thru quality review, and if is complete, be forwarded to the JC for consideration. If the recommendation needs clarification, it will go back to the originating Area committee. The Quality Review committee will not make substantive changes.

The JC also discussed metrics (measures); trying to come up with qualitative measures to determine success of TAP; contacts, issues, etc.

Response to TAP Issue 507-3534 – Lynch felt this is the best we will get for now. At least they didn't reject all our suggestions. Guthmann said the IRS assumes everyone is familiar with IRS.gov. and many people don't even have a computer. Our clients don't know where to mail their returns until we give them the address on an envelope. A leaflet with all the addresses in the country would be so very helpful. Lynch suggested the IRS should have a searchable database. A taxpayer could put in their address and it would give them the correct mailing address to be used. Taxpayers question why they use one address for refund and another for payment. Wright said if more people are using software, which should print the address information; a preparer should provide this information to their client; and if someone is doing a paper return, they will probably have the instructions and the



address. Guthmann noted the bigger problem is after the filing season. Wright said if we are going to get back to them on this issue, we need to have numbers and data. Villarreal thinks there is an option on the IRS toll-free number to make a selection for mailing returns.

ACTION: Villarreal will call the IRS toll-free number to see if there actually is an option for mailing returns.

Delzer suggested closing this issue partially accepted, monitor the problem, and possibly make it an active issue after the filing season.

Area 5 Annual Report

The Area 5 annual report submission is waiting for more information. It will be sent out to the whole committee after it's completed.

Face-to-Face Meeting

We will not be visiting the service center during our face-to-face meeting this year. We can revisit this next year.

Issue Discussion

- **Direct Deposit - Bland**

Wright sent his comments on the draft letter to National Taxpayer Advocate (NTA), Nina Olson, regarding the misdirected direct deposit of income tax refunds. There were some grammatical and style changes. Wright said many firms are implementing new procedures to avoid liability with misdirected deposits.

Delzer reported that beginning January 1, 2008, if a taxpayer realizes they put the incorrect bank account number on a return, and they can let the IRS know within 7-8 days, the IRS may be able stop the direct deposit and send a paper check.

ACTION: Delzer will make the discussed changes to the letter and then forward the NTA.

- **RAL – ANPRM - Delzer**

Area 4 will be working on this issue and Lynch will work with them.

- **Issue Prioritization Subcommittee - Bell**

The subcommittee came up with four issues they felt were worth looking into further:

- # 4522 - Reporting of income from child care when done by grandparents
- # 4435 - Automatic six month extension for Forms 990
- # 4193 - Self calculating PDF forms – this would cut down on math errors. Wright suggested looking at the Ohio state returns as they are an excellent model.
- #3712 - Third party preparation POA

ACTION: Lynch will begin working on issue # 4435, automatic extensions for Forms 990.

ACTION: Delzer to update the database to show issues 4522, 4435, 4193 and 3712 as Active. All other "new" issues will move to the "parking lot."

Outreach - Wright

Wright expressed disappointment with how many members did outreach this month.

Villarreal said she has a rather large meeting coming up. She will have a table and TAP handouts for this meeting and should reach approximately 200 people.

Twelve outreach activities by Bland, Lynch, Rousseau, Shoemaker, Stieger, and Wright.

ACTION: Item review

Issue # 4241 – EFTPS – Delzer reported on the research she had completed. Wright suggested to keep Active, but not form a subcommittee yet.

Issue # 4268 – Identity theft – Wright thinks this is an issue that will never go away. Delzer reported



the NTA included identity theft in this year as a Most Serious Problems and that IRS had a task force working on this issue. It will stay in the parking lot for now. Since the scheduled conference call for November falls on a holiday (Veterans Day), the call will be on Monday, November 10, at 9:30 C.T.

Issue Committee Highlights

Wright reported the Ad Hoc Forms & Pubs Committee have some assignments but are not doing a whole lot right now.

Office Report

The new acting manager for the Milwaukee office is Trish DeTimmerman. She is an analyst in the Des Moines TAS office. She has a great background, is smart, and not afraid to jump into things. The secretary position is still vacant.

Wright asked about how soon the junior analyst position will be filled. The response was hopefully very soon.

Public Input

None.

Closing/Meeting Satisfaction Assessment

Area 5 will not be hosting a Town Hall meeting this year. The closest one will be held in Springfield, IL, on May 1, 2007. Ken Wright said he plans to attend that meeting.

Bell said it was a busy meeting. We have a partial victory on one issue; we signed off on a letter to the NTA; we have one new issue to work on; and we are also going to work with Area 4 on the RAL issue.

Meeting adjourned.

Next Meeting is March 11, 2008, 9:30 a.m. CT