

2010 Meeting Minutes Area 5

- December 7, 2010
- November 9, 2010
- October 12, 2010
- September 14, 2010
- August 10, 2010
- July 13, 2010
- June 6-8, 2010
- May 11, 2010
- April 13, 2010
- March 9, 2010
- February 9, 2010

**Area 5 Committee
Annual Meeting Minutes
Washington, D.C.
December 7, 2010**

Designated Federal Official

- Marian Adams Wichita, KS Designated Federal Official

Committee Members Present

- | | | |
|---------------------------|------------------|-----------------|
| • Bilancia, Richard | Loveland, CO | Member |
| • Colon-Sacarello, Ralph | Pilot Point, TX | Member |
| • Donnelly, Ken | Lee's Summit, MO | 2011 Chair |
| • Fishman, Annie | Rockwall, TX | Member |
| • FitzGerald, Annette | Branson, MO | Member |
| • Fretheim, Dan | Decorah, IA | 2010 Chair |
| • Gustafson, Joan | Prescott, AZ | Member |
| • Kalchthaler, Carolyn | Plano, TX | Member |
| • Manuszak, J. T. | Wichita, KS | Member |
| • McPeak-Tolle, Catherine | Plano, TX | Member |
| • Palmer, George | McLoud, OK | Member |
| • Parrish, Charnia | Albuquerque, NM | Member |
| • Rollins, Jackie | Austin, TX | 2011 Vice Chair |
| • Tatum, Sue | Arkadelphia, AR | Member |
| • Walker, Thomas | Dallas, TX | Member |

Committee Members Absent:

None

TAP Staff

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



Guest

- Villarreal, Josefina Corpus Christi, TX Retiring Member

Opening/Welcome / Pledge of Allegiance/ Review Agenda (Fretheim)

Dan Fretheim welcomed everyone. Introductions were made. Quorum met.

Staff Roles and Responsibilities (Fretheim/Block)

Roy Block told the members if they need research done they go to their Area 5 Analyst Patti Robb. Her contact information is on the Area 5 roster. If Robb is out of the office, her back up is Ellen Smiley. Lisa Gabriel supports both of the analysts. Annie Gold, Secretary, is your contact for travel; such as making your hotel and flight arrangements. Gold is also responsible for completing all the travel vouchers. Our door is open to every panel member; call or email us anytime.

Robb's policy is to get the draft agenda to the chair and DFO for their approval before sending it out to the panel members one week before the conference call. She will send out the agenda and pre-read via email and post it to TAPSpace as well.

- **Methods of Communication**

The main methods of communication are email, telephone, and conference calls.

- **Ground Rules and Telephone Etiquette**

Issues are not meant to be worked during the Area 5 monthly conference call. Announce who you are when speaking during a conference call so the group knows who is talking. Do not talk over others. Remember the call is scheduled for one hour so be conscious of how much time you are taking. Make your point, but if the rest of the committee doesn't see what you see, move on.

While on the conference call please mute your phone when not talking to minimize background noise. Do not put the call on hold as some phone systems have hold music and it is very disruptive to the call.

If you are not on the call when role is taken, you must announce yourself even if you are late; otherwise you will be marked absent. If you know you are not going to be on the call let your analyst know. Review the pre-read information and send your comments (if you have any) to Robb.

- **Minutes / Minutes Approval**

Draft minutes are posted to TAPSpace and a message will go out to notify the Area 5 Committee members. Changes or corrections are requested by a certain date. If no changes are needed or after changes are completed the minutes will be posted as final.

- **Establish Meeting Quorum**

Consensus - 50 percent plus one for quorum.

- **Meeting Assessment Surveys**

Surveys will be done at the face-to-face meetings only.

- **Designated Federal Official (DFO) Responsibilities**

The Area 5 DFO is Marian Adams. She monitors the meeting, ensures you stay on track and assists the committee when needed.

Joan Gustafson suggested panel members get in contact with their local Media Relation Specialist. A list is included in the Outreach Toolkit or you can get the information from Robb.



Area 5 Teleconferences (Fretheim)

- Agenda and Pre-read Information
The pre-read information will be sent out a week before the conference call. It is also posted on TAPSpace.
- Feedback to Writers before the Teleconference
Please read the pre-read information before the call. If you have comments, contact the author or Robb to provide feedback.

Standing Subcommittees

New Issues Subcommittee:

- Annette FitzGerald
- Zak Manuszak
- Jackie Rollins
- Sue Tatum
- Tom Walker

Quality Review Subcommittee:

- Annie Fishman
- Zak Manuszak
- Carolyn Kalchthaler

Joint Committee Quality Review

- Joan Gustafson

Area 5 Scout

- Catherine McPeak-Tolle

Active Issues

Issue 18222 – Include Coverage for ITINS in Form 5405, FTHBC (Rollins/Kalchthaler)
In process

Issue 18512 – Identifying Foster Children as Dependents (FitzGerald/Walker)
Drop and reassign to Area 6. Toni Smith will take ownership.

Issue 18437 – The Difference Between TAS and TAP (Tatum)
Drop

Issue 18628 – Rewrite Letter 1085 (Kalchthaler/Rollins)
Jackie Rollins briefed the committee. There is some concern that this may be a one time occurrence and an individual issue.
Marian Adams will research.

New Issue Discussion

Issue 18783 – Internal Revenue Service (IRS) Should Mail Refund Checks “Registered”
Drop

Issue 18784 – Educate IRS Employees on SEPP 72(t) Plans
Subcommittee: Jackie Rollins, Tom Walker, and Charnia Parrish
Walker will send a request for specific research.

Issue 18837 – IRS Should Not Share Taxpayer Information with States
Drop



Issue 18853 – 1040A & 1040EZ Instructions made Audible on IRS.gov

Subcommittee: Rich Bilancia and Sue Tatum

Analyst will research.

Issue 18855 – Put Definition Table in Home Buyer Credit Instructions

Tom Walker noted what he heard directly from an IRS Program Owner all issues regarding First Time Home Buyer Credit (FTHBC) should be combined and addressed as one issue. There should only be one referral form elevated.

Rollins will research and revisit on January conference call.

Issue 18901 – E-Services / System Maintenance Too close to Return Deadline

Drop

Issue 18992 – Expand Designee Allowable Time Frame

Issue is the same as an issue elevated to the IRS in November.

Drop

Issue 19035 – Taxpayers should be able to Change their Address on IRS Website

The Treasury has this ability so it can be done. Richard Bilancia told the committee what needs to be done to prevent identity theft. The technology is there, it's just not implemented yet.

Subcommittee: Richard Bilancia, Ken Donnelly, Joan Gustafson, and Zak Manuszak..

Issue 19071 – Need a Way to Mail Returns Last Minute

Drop

Issue 19140 – Notice of Deficiency / Offsets / Petitioning Tax Court

Subcommittee: Ralph Sacarello and Annie Fishman.

Issue 19195 – IRS Internal Divisions Not Working Together

Drop

Issue 19280 – Change Search Query for Hyphenated Form Search on IRS.gov

When searching the IRS website (irs.gov), whatever you are searching for the user should put phrase in quotes as it is done for Google. Discussion on improving the search engine

Subcommittee: Catherine McPeak-Tolle and Richard Bilancia.

Issue 19297 – 1040 Instructions Disclosure Needs more Information Regarding Family Members

Subcommittee: George Palmer and Catherine McPeak-Tolle.

Rebuttal Decision

- Issue 17344 – Add Form 4868 to 1040 Package Close – Rejected
- Issue 18215 – Permit User Font Size Selection for IRS.gov Close, but monitor
- Issue 17982 – E-Services EAR, Notice Inquiry – Close – Rejected
- Issue 17641, Speakerphone – A rebuttal will be written as the IRS did not respond to the recommendation. Roy Block offered to survey Wisconsin Practitioners. He will attach the information to the rebuttal.

Issue Rebuttals Sent to IRS (Info only)

- Issue 16742 – IRS Publication for Truck Drivers
- Issue 16746 – Office Audit Working Hours



Issues to review (from Tom) to determine its actions

- 16747 Option for Audit Reconsideration – Close, rejected
- 16958 Publication 901, US/Norway Income Tax Treaty – Robb received an email from the TAP Submitter indicating he is on contact with someone in D.C. regarding this issue. Fretheim will write up the rebuttal. Hold for more information. IRS rejected but there is some movement in Washington, DC.
- 16737 Do Not list SSN on Levy due to ID Theft – Close, rejected
- 17442 Filing an Extension 1120 for Home Owner’s Association – Close, Accepted
- 18001 Practitioner Priority Hotline – Close, rejected
- 18223 Include Schedule D-1 in 1040 Tax Package – Close, IRS no longer mailing tax packages

Election of Chair and Vice-Chair for 2011

Chair – Ken Donnelly
Vice Chair – Jackie Rollins

November minutes were approved by consensus.

Establish Date and Time of Monthly Teleconferences

Monthly Teleconferences will be the third Thursday of each month at 11:30 am CT, starting February 17. The January conference call has been scheduled for the second Tuesday, January 11, 2011, at 11 am CT.

The New Issue Subcommittee will meet the first Friday of every month at 10 am CT, beginning on February 4th.

Establish Dates for Face-to-Face meeting (2011 Area 5 Chair)

The face-to-face meeting will be June 1-4, 2011. Panel Members will travel on June 1, meet all day June 2 – 3, and travel home on June 4.

Suggested locations for the face-to-face meeting:

- Austin, TX
- Dallas, TX
- Houston, TX
- Wichita, KS
- Santa Fe, NM
- Albuquerque, NM

Meeting Adjourned

Next conference call will be Tuesday, January 11, 2011, at 11 am CT



**Area 5 Committee
Meeting Minutes
November 9, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams Wichita, KS Designated Federal Official

Committee Members Present

- Donnelly, Ken Lee’s Summit, MO Member
- Fretheim, Dan Decorah, IA Chair
- FitzGerald, Annette Branson, MO Member
- Kalchthaler, Carolyn Plano, TX Member
- Rasmussen, Anne Apple Valley, MN Vice Chair
- Shoemaker, Paul Lincoln, NE Member
- Walker, Thomas Dallas, TX Member
- Woodard, Norma Choctaw, OK Member
- Villarreal, Jo Corpus Christi, TX Member

Committee Members Absent

- Capehart, Craig Dallas, TX Member
- Colon-Sacarello, Ralph Pilot Point, TX Member
- Rollins, Jackie Austin, TX Member
- Manuszak, J.T. Wichita, KS Member
- Lee, Brad Mahtomedi, MN Member

Public

- Monty Meyer Bettendorf, IA
- Smith, Toni Omaha, NE

TAP Staff

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

Welcome / Roll Call / Review Agenda (Dan Fretheim, Annie Haywood)

Quorum was met.

Area 5 Chair Report – (Dan Fretheim)

The realignment is going forward. Members who are changing areas will go to their new area meeting in December.

The representatives from Taxpayer Advocacy Panel (TAP) attended a meeting scheduled with Commissioner Douglas Shulman. Due to unforeseen circumstances, he was unable to meet with them; however, they did meet with Steven T. Miller, Deputy Commissioner for Services and Enforcement. They presented the 2010 Annual Report during their meeting. The TAP re-naming issue was discussed. National Taxpayer Advocate Nina Olsen indicated the name came from the White House so it will not change.



Congratulations to Tom Walker and Jon Kim on their selection as TAP Chair and Vice Chair, respectively.

A mentoring program was approved by the Joint Committee and will begin in December. We are looking for second and third year members to embrace the new members in order to help them in their transition.

DFO Report (Marian Adams)

Marian Adams will continue as our Designated Federal Official (DFO) for another year.

Active Issues

- **18222, Include Coverage fro ITINs in Instructions and Publications**
(Rollins, lead, Kalchthaler)
The issue is still in discussion.
- **18666, Use email Instead of Postal service**
(Walker, lead, Donnelly, Block)
Drop - IRS currently working issue.
- **18437, The Difference between TAS and TAP**
(Tatum)
Will discuss at the annual meeting
- **18628, Rewrite Letter 1085**
(Kalchthaler, lead, Rollins)
Will discuss at the annual meeting

Draft Recommendations

- **18358, Comments About IRS Service**
(Donnelly, lead, Fretheim)
Consensus to send to Joint Committee for review
- **19066, PTIN Public Database to Provide Preparer Designation**
(Donnelly)
Consensus to send to Joint Committee for review
- **19183, Business Forms 1099/1098 via E-Services**
(Joe Villarreal)
The write-up was discussed and there were a few suggested minor modifications. Patti Robb will make the changes.
Consensus to send to Joint Committee for review
- **18512, Identifying Foster Children and Dependents**
(FitzGerald, lead, Walker, with input from Toni Smith)
Toni Smith pointed out taxpayers with a foster child with an incorrect social security number are not able to utilize *efile*.
Will discuss at the annual meeting

Issues Elevated to Joint Committee QR

- **18221** Show the Tax Year on 1040 Worksheets
(Rollins, lead, Shoemaker)
- **18620** Revise RCA for Penalty Abatement
(Manuszak)



Responses Received from IRS

- **16746, Office Audit Working Hours**
Rebuttal will be written as the Internal Revenue Service did not address the recommendation.
- **16958, US/Norway Tax Treaty**
Issue is on hold pending requested information.
- **17344, Add Form 4868 to 1040 Tax Publications**
Rejected
- **17029, Color of EIC Tables**
Rejected
- **16742, Truckers Publication**
Rejected: Anne Rasmussen will write a rebuttal.
- **18215, Permit User Font Size Selection**
Discuss response at the annual meeting.
- **16736, Line for Accrued Interest on Schedule B**
Rejected
- **17982, E-Services Electronic Account Resolution-Notice Inquiry**
Rejected
- **509-5487, CPE Credits for TAP Members Who Area Enrolled Agents**
Rejected
- **16737, Do Not List SSN on Levy Due to ID Theft**
Response is due in December.

Office Updates

Thanks to everyone for all the hard work. Area 5 has had nineteen issues elevated to the IRS by the Joint Committee. Another three issues are on the November agenda and four issues were entered on the Systemic Advocacy Management System (SAMS).

Meeting Adjourned

The next meeting is the Annual Meeting in Washington, D.C., December 6-10, 2010.



**Area 5 Committee
Meeting Minutes
October 12, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams Wichita, KS Designated Federal Official

Committee Members Present

- Capehart, Craig Dallas, TX Member
- Colon-Sacarello, Ralph Pilot Point, TX Member
- Donnelly, Ken Lee's Summit, MO Member
- Fretheim, Dan Decorah, IA Chair
- Kalchthaler, Carolyn Plano, TX Member
- Lee, Brad Mahtomedi, MN Member
- Rasmussen, Anne Apple Valley, MN Vice Chair
- Shoemaker, Paul Lincoln, NE Member
- Woodard, Norma Choctaw, OK Member

Committee Members Absent

- FitzGerald, Annette Branson, MO Member
- Manuszak, J.T. Wichita, KS Member
- Rollins, Jackie Austin, TX Member
- Villarreal, Josefina Corpus Christi, TX Member
- Walker, Thomas Dallas, TX Member

Guests

- Meyer, Monty Bettendorf, IA Public
- Smith, Toni Omaha, NE Public
- Sue Tatum Arkansas Member Area 3

TAP Staff

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

Welcome / Roll Call / Review Agenda

Annie Haywood did roll call. Quorum met.

Area 5 Chair Report

The Joint Committee elevated two issues submitted by the Area 5 Committee; Issue 17641, Speakerphone; and Issue 17803, Clarify the Difference Between *e-file* and Free File.

The TAP 2009 Annual Report has been printed and will be mailed out to all panel members.

Next year there will be a mentoring program TAP-wide. This will assist new members as well as second and third year members.

The analysts need to check issues for duplication to ensure another area is not working a similar issue. Issue 17641, Speakerphone, was almost a duplicate issue to one elevated to the JC by Area 7.

Public Input

Monty Meyer said the Preparer Tax Identification Numbers (PTIN) process is new for tax practitioners.



Roy Block added a problem was identified with the programming so Area 4 submitted it as a SAMS issues. It was fixed within twenty-four hours.

Active Issues

- **18222, Include Coverage for ITINs in Form 5405, First-Time Homebuyer Credit and Repayment of the Credit** (Rollins, lead, Kalchthaler)
Carolyn Kalchthaler informed the committee they are waiting for the updated forms to be issued before they begin their draft write-up.
Deferred to November meeting.
- **18219, Change Timing of Notices Sent** (Sacarello, lead, Walker)
Ralph Sacarello said the issue was thoroughly reviewed and we determined it is legislative. Internal Revenue Code (IRC) Section 6303, *Notice and Demand for Tax*.
Drop
- **18358, Complaints About IRS Employees** (Ken Donnelly, lead, Fretheim)
The issue comes from a TP inquiring about correspondence on first time homebuyers.
Deferred to November meeting.
- **18437, The Difference Between TAS and TAP** (Robb)
Patti Robb completed the draft of comments and will discuss with Block. This issue will be on the December agenda to be finalized by the committee members during the Area 5 meeting.
- **18512, Identifying Foster Children and Dependents** (FitzGerald, lead, Walker, with input from Toni Smith)
Deferred to November meeting.
- **18666, Use email Instead of Postal service** (Walker, lead, Donnelly, Block)
This is a very large issue with a lot of internal information shared.
Deferred to November meeting.

Update

- **18223, Include Schedule D-1 in 1040 Tax Package** (Rollins)
This issue will be dropped as the Internal Revenue Service (IRS) just announced they will no longer mail out tax packages.
Drop

Responses Received from IRS

- **16746, Office Audit Working Hours**
The response said the IRS has already considered extending the hours in Office Examination groups and even conducted a test. It did not generate enough taxpayer interest to justify additional security, staffing, and facility costs.
Members felt it didn't actually address the Area 5 recommendation to change the Appointment Letter 3572 to advise taxpayers that alternate hours are available as the IRS does offer flexibility and examiners are encouraged to work with taxpayers to schedule appointments. Villarreal will draft a rebuttal letter to the IRS. **Deferred to November meeting.**
- **18001, Practitioner Priority Hotline**
Norma Woodard said she would review and decide if she would like to rebut. Block said if the response did not adequately answer our recommendation, it should be clarified.



Deferred to November meeting.

- **17442, Filing Extension for HOA**
The IRS accepted the recommendation. They have an implementation target date of December 2010.

Sacarello asked if a response was received to Issue 16742, Publication for Truck Drivers. The issue was elevated to the IRS in June so a response should be coming soon. Fretheim added Rasmussen heard from a contact in the Truckers Association and this issue was mentioned to them by someone in the IRS so it is obviously on the IRS's radar.

New Issues (Rasmussen)

- **18525, Bad Number Given for Revenue Agent**
The number provided went to an examination group secretary. It didn't go directly to the agent but she would have transferred the taxpayers.
Drop
- **18528, Bad or Incorrect Number on Notice/Letter 4458C**
The number was called and it went to a menu tree, but the caller could have gotten where they wanted to go.
Drop
- 18537, IRS Promotes Free File – EITC Fraud
The comments in this issue were confusing.
Drop
- **18556, Need to Speak to Live Person on Toll Free Parking Lot (recurring issue)**

- **18558, CP Notice Received Acknowledgement**
Fretheim added this is a recurring issue also.
Parking Lot (recurring issue)

- **18597, Ability to Look Up Account Balance Online**
Area 6 is working an identical issue.
Drop
- **18621, Returned Form 2848 (POA) Due to Title Line**
- **18622, Form 2848 POA and EIN**
Both issues are similar so Robb will research to see if this occurs a lot or if they are isolated incidences. These two issues may be combined.
- **18627, Form 944 versus Form 941**
Beginning in 2010, employers can notify the IRS if they want to elect to file form 944 instead of Form 941. This is a non issue.
Drop
- **18628, Rewrite Letter 1085**
Robb completed research and found over 20,000 letters were sent out in 2004. (Kalchthaler, lead, Rollins)

Office Update (Block)

- Block announced that Area 5 will be losing a couple of states beginning at the Annual Meeting. We will lose Iowa, Nebraska, and Michigan. But in turn, we are picking up four states: Arkansas, Arizona, Colorado, and New Mexico. The staff will be making travel arrangement for the members in the states we are losing so there won't be any confusion.
- Roy's Cell Phone Number – When we are in travel status for the annual meeting, if for any reason your plans have to change and a room needs to be cancelled or changed, it is your responsibility to call the hotel to make the changes. But please contact Block as well on his cell; his cell number will be sent out via email and will be included in your travel information as well.



- Letter Supporting CPE Credits—Area 5 raised an issue to the IRS requesting that TAP be able to give CPE credits. A wait and see approach was taken as Circular 230 was being rewritten. A follow-up letter was sent a couple weeks ago once again letter asking the IRS to consider. We will let you know when we hear from them.

Outreach

Ken Donnelly shared that he did an outreach with over 400 participants. One issue identified by a practitioner was regarding the PTIN database. He would like to identify the practitioner by title, Attorney, CPA, etc.

Issue Committee Highlights

Communications - Kalchthaler and Paul Shoemaker are working on the changes in the new TAP website and logo. The third year members should have received the exit survey.

Forms and Pubs – Sacarello said they are not getting much work.

Notices – Brad Lee and Norma Woodard are working on two things; website questions and answers. The frustration levels are pretty high.

SBSE – Anne Rasmussen is working on the audit technique guide. There are four questions to answer and six to eight guides to go through. This is an enormous task.

TAC – Craig Capehart said they are finishing up their final report for the year.

VITA – Donnelly stated all reports are in and there is a call today to discuss success stories for VITA.

Meeting Adjourned

The next conference call is Tuesday, November 9, 2010, at 11:00am CT



**Area 5 Committee
Meeting Minutes
September 14, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams Wichita, KS Designated Federal Official

Committee Members Present

- Capehart, Craig Dallas, TX Member
- Donnelly, Ken Lee's Summit, MO Member
- Fretheim, Dan Decorah, IA Chair
- FitzGerald, Annette Branson, MO Member
- Kalchthaler, Carolyn Plano, TX Member
- Lee, Brad Mahtomedi, MN Member
- Manuszak, J.T. Wichita, KS Member
- Rasmussen, Anne Apple Valley, MN Vice Chair
- Rollins, Jackie Austin, TX Member
- Shoemaker, Paul Lincoln, NE Member
- Walker, Thomas Dallas, TX Member
- Woodard, Norma Choctaw, OK Member
- Villarreal, Jo Corpus Christi, TX Member

Committee Members Absent

- Colon-Sacarello, Ralph Pilot Point, TX Member

Public

- Tatum, Sue Area 3 Member
- Smith, Toni Omaha, NE

TAP Staff

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

Welcome / Roll Call / Review Agenda

Quorum met.



Area 5 Chair Report – (Dan Fretheim)

- The Joint Committee (JC) reviewed and approved three Area 5 issues during the September 28 conference call.
- Tom Walker, Susan DaCorte, Lee Battershell and Sabby Jonathan will attend the annual meeting with Commissioner Douglas Schulman on October 12, 2010.
- TAP is going forward with the proposal on the area realignment. If you have any comments, please forward them to Fretheim.
- The 2009 Annual Report will be coming out soon.
- Ralph Sacarello is the Area 5 representative on the Correspondence Audits subcommittee.
- The Annual meeting will be December 6 – 10, 2010.
- The process to select the 2011 TAP Chair and Vice-chair is just around the corner. We will be using the same process used last year. Information will be coming out soon.

Public Input

N/A

Active Issues

- 18222, Include Coverage for Individual Taxpayer Identification Numbers (ITIN) in Instructions and Publications - (Rollins, lead, Kalchthaler)

Rollins reported they need more time and are waiting for the draft Form 5405, *First-Time Homebuyer Credit and Repayment of the Credit*.

- 18219, Change Timing of Notices Sent (Sacarello, lead, Walker)

There is nothing to report at this time. Sacarello will have a report in October.

- 18094, Reporting of Rental Real Estate Activity (Legislative)

This issue came from a recommendation from a Government Accountability Office (GAO) document that said TAP might want to explore the following: "To provide clarity for which taxpayers with rental real estate activity must report expense payments on information returns and to provide greater information reporting. Congress may wish to consider amending the Internal Revenue code to make all taxpayers with rental real estate activity subject to the same information reporting requirements as other taxpayers operating a trade or business." There is no requirement to issue Form 1099 to vendors. Fretheim asked if the committee wanted to write a recommendation to National Taxpayer Advocate Nina Olson since this is legislative. Consensus to put on the JC agenda for their input before writing a letter to Olson.

- 18358, Complaints About IRS Employees

Ken Donnelly asked to work this issue. He will write up the recommendation. Fretheim pointed out Area 1 raised a similar issue and it should be looked at before proceeding on this issue. Action: Patty Robb will forward a copy of the Area 1 issue, 16906, to Donnelly.

Issues Elevated to Joint Committee QR

- 17803, Clarify the Difference Between E-File and Free File



(Manuszak, lead, Kalchthaler)

Comments received from the JC quality reviewers were sent to the authors. If a final recommendation is returned to Robb by Monday, September 20, it will go to Susan Gilbert to be put on the JC September 28 agenda.

- 17641, Speakerphone (Manuszak, lead, Lee)

Comments received from the JC quality reviewers were sent to the authors. If a final recommendation is returned to Robb by Monday, September 20, it will go to Susan Gilbert to be put on the JC September 28 agenda.

Issues in Internal QR

- 18221, Show the Tax Year on 1040 Worksheets (Rollins, lead, Shoemaker)

A few minor changes were suggested. Consensus to send to JC quality review.

- 18620, Revise RCA for Penalty Abatement (Manuszak)

Consensus to send to JC quality review.

Issues for Committee Consensus

- 18223, Include Schedule D-1 in 1040 Tax Package (Rollins)

Statistics – how many paper Schedule D-1s are filed in a year should be added to the research and background.

ACTION: Robb will send the statistics to Rollins. Consensus to send to JC QR after statistics are added.

- 18620, Revise RCA for Penalty Abatement (Manuszak)

The Code Section cited in the recommendation, 6651, is a penalty assessment section. Tom Walker and Fretheim will assist Zak Manuszak on this issue.

ACTION: Consensus to send to JC QR after changes are made.

Issues Approved for Elevation to IRS by Joint Committee on August 24, 2010

- 17443, Guidance on Filing 1120 for HOA (Villarreal)
- 17982, E-Services Electronic Account Resolution – Notice (Rollins)
- 18215, Printing Fonts on IRS.gov Website (Rollins)

New Issues (Rasmussen)

- 18400, Abusive Tax Preparers – **DROP**
- 18403, Phone Call to IRS - **DROP**
- 18405, E-Services and Forms 2848 and Form 8821 – **DROP**
- 18406, TAS Employees Need More Training – **DROP**



- 18410, TAS needs a Dedicated Spanish Line - **DROP**
- 18426, Protect Taxpayer and Report Preparers/EA – **DROP**
- 18436, Fraudulent Preparers – **DROP**
- 18437, The Difference between TAS and TAP – **Active**
- 18512, Identifying Foster Children as Dependents – Foster families are having difficulty in getting the social security numbers for their foster children from child welfare agencies.

ACTIVE - Issue will be dropped if it turns out not to be an issue. Toni Smith said this is a definite problem and offered to provide input. Smith will meet with Ken Wright, Donnelly and Kalchthaler for discussion.

- 18666, Use Email Instead of Postal Service – Roy Block said E-Services uses email. Marian Adams explained the IRS position is to not send out any Taxpayer information through email due to security issues. The bottom line is IRS is not allowed to send any account information with a Taxpayer’s name or any other identifying information using email.

ACTIVE - (Walker, lead, Donnelly, Block)

Office Update

- **Area Realignment Map**

Block explained the reasoning behind the TAP area realignment. Area 5 will be losing Minnesota, Iowa, and Nebraska, and will be picking up Arkansas, Arizona, Colorado and New Mexico.

Area 5 will need to elect a new chair at the annual meeting in December.

The SPEC, VITA and TCE people are looking for a training manual on ITINS from Area 5. (Rollins, lead, Villarreal)

Please ensure the correct version of the issue elevation form is used when writing a recommendation.

Outreach

Fretheim encouraged everyone to continue to conduct outreach activities and be sure to send your reports and issues to Robb so they can be added to the database.

Meeting Adjourned

The next conference call is Tuesday, October 12, 2010, at 11:00am CT



**Area 5 Committee
Meeting Minutes
August 10, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Donnelly, Ken - Lee's Summit, MO - Member
- Fitzgerald, Annette - Branson, MO - Member
- Fretheim, Dan - Decorah, IA - Chair
- Kalchthaler, Carolyn - Plano, TX - Member
- Lee, Brad - Mahtomedi, MN - Member
- Rollins, Jackie - Austin, TX - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member

Committee Members Absent

- Manuszak, J. T. - Wichita, KS - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Woodard, Norma - Choctaw, OK - Member

Public

- Page Moore - Omaha, NE
- Toni Smith - Omaha, NE

TAP Staff

- Robb, Patti - Milwaukee, WI - Program Analyst
- Gabriel, Lisa - Milwaukee, WI - Program Analyst

Welcome / Roll Call / Review Agenda (Fretheim)

Quorum met

Area 5 Chair Report (Fretheim)

Dan Fretheim welcomed and introduced the new panel member Annette Fitzgerald who will be representing the State of Missouri. She is taking the place of Swarna Vallurupalli who resigned.

DFO Report (Marian Adams)

No report.

Public Input

None.



Issue Discussion

There has only been one response to one of the Area 5 issues elevated to the Internal Revenue Service (IRS). Patti Robb sent a list of the outstanding issues to acting Database Analyst Audrey Jenkins for follow-up. The one response received was not clearly marked as accepted or not accepted so we requested a more defined response.

Issues Elevated to Joint Committee Quality Review

Three issues have been elevated to the Joint Committee Quality Review subcommittee:

- Issue 17982, E-Services Electronic Account Resolution / Notice (Rollins)
- Issue 18215, Printing Fonts on IRS.gov website (Rollins)
- Issue 17443, Guidance on Filing 1120 for HOA (Villarreal)

Issues Waiting for Additional Information

- Issue 17641, Speakerphone (J.T. Manuszak, Brad Lee)

Brad Lee said he added more Internal Revenue Manual (IRM) information to this recommendation. Jackie Rollins and Ken Donnelly verified that they experienced this same problem several times. Lee will add this information to the write-up and will forward to Robb. Consensus to send to Joint Committee Quality Review

- Issue 17803, Clarify the Difference Between *e-file* and Free File (Manuszak, Kalchthaler)

Carolyn Kalchthaler added more information to the Background portion of the recommendation. Consensus to send to Joint Committee Quality Review.

New Issue Discussion (Donnelly)

- Issue 18223, Include Schedule D-1 in 1040 Tax Package

Include Schedule D-1, Continuation Sheet for Schedule D (Form 1040), in the 1040 tax package. Recommendation: Jackie Rollins already has a draft recommendation written. It will be reviewed on the September conference call. Subcommittee: Rollins

- Issue 18222, Include Coverage for ITINs in Instructions and Publications

Include coverage Individual Taxpayer Identification Numbers (ITIN) in instructions and publications. Recommendation: Rollins said this is an ongoing problem and is an ignored topic. Taxpayer Inspector General for Tax Administration (TIGTA) criticized the IRS about ITINs and said they need to address this issue. Specifically, the instructions for Form 5405, First-Time Homebuyer Credit and Repayment of the Credit, speaks of non-resident aliens but does not address ITINs. Rollins said she key this recommendation to Form 5405 and instructions, but it actually involves many other forms and publications. Fretheim suggested addressing other forms and publications the Summary and Conclusion. WORK Subcommittee: Rollins, lead, Kalchthaler

- Issue 18221, Show the Tax Year on 1040 Worksheets

Show the Tax Year on 1040 Worksheets

Recommendation: WORK Subcommittee: Rollins, lead, Shoemaker



- Issue 18220, Include State and Local Tax on Transcripts

Include State and Local Income Tax Withholding on Wage and Income Transcripts.
Recommendation: Area 4 is elevating a recommendation addressing this issue. DROP

ACTION ITEM: Robb will check to see if Area 4 is addressing E-Services transcripts regarding this issue.

- Issue – 18219, Change Timing of Notices Sent

Practitioner stated that it takes about 14 days for the IRS to post a Power-of-Attorney after a CP 23 Notice is sent out (We Changed Your Return). It takes the IRS about 60 days to look at correspondence. In the meantime, a notice is automatically issued in 30 days (CP 503) which can panic a taxpayer.

Recommendation: WORK Subcommittee: Sacarello, lead, Walker

- Issue – 18094, Reporting of Rental Real Estate Activity

A recommendation from a Government Accountability Office (GAO) document that TAP might want to explore is the following: "To provide clarity for which taxpayers with rental real estate activity must report expense payments on information returns and to provide greater information reporting. Congress may wish to consider amending the Internal Revenue code to make all taxpayers with rental real estate activity subject to the same information reporting requirements as other taxpayers operating a trade or business."

Recommendation: This issue is legislative; however, it is a good issue. Income from rentals is generally reported on Schedule E, *Supplemental Income and Loss*, and when using this Schedule can deduct expenses (Section 212 of the IRC); whereas Schedule C, *Profit or Loss From Business*, filers are required to issue 1099 Misc to anyone paid over \$600 (Section 6041 of the IRC). More research is being done as to how many Schedule E's are filed in a given year. HOLD

ACTION ITEM: Robb will do more research.

- Issue – 18358, Complaints About IRS Employees

The IRS needs should have a complaint form available or a page on the irs.gov website to submit a complaint about rude or incompetent employees.

Recommendation: On Hold

ACTION ITEM: Robb will review a similar issue already elevated to the IRS.

- Issue – 18361, Form 9465 and Payment Options

There needs to be an option for taxpayers to pay in installments but within 120 days.

Recommendation: The instructions with Form 9465, *Installment Agreement Request*, specifically say (at the very top of page 2):

"Can you pay in full within 120 days? If you can pay the full amount you owe within 120 days, call 1-800-829-1040 1-800-829-1040 to establish your request to pay in full. If you can do this, you can avoid paying the fee to set up an installment agreement. Instead of calling, you can apply online."

DROP



On Hold

- Issue 17372, TAP Newsletter/Release (Kalchthaler)

Table for next month teleconference

Office Update – Outreach Budget

Robb informed panel members the budget for outreach travel is depleted for this fiscal year.

Outreach

Rollins did an outreach at the National Association of Tax Professionals (NATP) in Austin in July. The TAP booth was set up in a high traffic area. She received many great comments and a couple issues.

Project Committee Highlights:

The Earned Income Tax Clinic (EITC) Committee is working on Publication 15, *(Circular E) Employer's Tax Guide*, and Publication 15-A, *Employer's Supplemental Tax Guide (Supplement to Publication 15)*.

The Notice Improvement Committee is looking at printouts ensuring they match up with the website pages.

The Small Business Self Employed (SB/SE) Committee is updating the Audit Technique Guides.

The Taxpayer Assistance Center (TAC) Committee is working on writing their report.

The Volunteer Income Tax Assistance (VITA) Committee will be presenting their recommendation for training in Education for Asset Building.

Meeting Adjourned

Next Tele-conference will be Tuesday, September 14, 2010 at 11am CT



**Area 5 Committee
Meeting Minutes
July 13, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Donnelly, Ken - Lee's Summit, MO - Member
- Fretheim, Dan - Decorah, IA Chair
- Kalchthaler, Carolyn - Plano, TX - Member
- Lee, Brad - Mahtomedi, MN - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Rollins, Jackie - Austin, TX - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Vallurupalli, Swarna - Chesterfield, MO - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member
- Woodard, Norma - Choctaw, OK - Member

Committee Members Absent

- Manuszak, J.T. Wichita, KS Member
- Shoemaker, Paul Lincoln, NE Member

TAP Staff

- Block, Roy - Milwaukee, WI - TAP Manager
- Robb, Patti - Milwaukee, WI - Program Analyst
- Haywood, Annie - Milwaukee, WI - Secretary

Guests

- Adamson, Florence - Austin, TX - Exam Operations Manager
- Louis Kapugi - Sharpsburg, GA - Member (Area 3)

Welcome / Roll Call / Review Agenda

Quorum met

Dan Fretheim welcomed everyone. He Introduced Florence Adamson, Examination Operations Manager in Austin, Texas. He also thanked Jackie Rollins for making arrangements for Adamson to join call.

First-Time Homebuyers Credit – Presentation

Florence E. Adamson, Austin Examination Operations Manager

Florence Adamson said she is giving input from the Exam side. They are essentially the end of line and get their First-Time Homebuyers Credit (FTHBC) issues from submission processing. They do not



accept all the returns they receive. They do not see original returns in Austin; they work the amended returns.

The select rate is at about 70 percent (for audit) mainly because the taxpayers are not attaching the proper supporting documentation. They need to provide the required proof to claim the FTHBC. Documentation is the only reason they should be referred to Exam. She said they are disallowing about 73 percent of the credits because they are missing documentation. She spoke to several preparer and practitioner groups and most of them are aware of this. Most of these returns are from preparers who are not doing due diligence.

Once we get the cases, they have already been in the process for 3 to 4 months. The taxpayers are frustrated – but once Exam selects the return for audit, the taxpayer will receive a letter within ten days. The letter will explain exactly what documentation is needed. The only tax law change has been the extension to the date of closing on the home. We had one preparer who sent in two returns – he did not hear anything on one return and got a letter for the other return.

Roy Block said the Taxpayer Advocacy Panel (TAP) toll free line has been getting calls from local taxpayers who have been waiting months for their refunds.

Adamson said there is not much we can do to help with that. We are at the mercy of Congress and they decided to extend the FTHBC on the last extension in November. We struggled getting everything taken care of so we could handle influx. Fresno and Kansas City each sent 25,000 returns to Austin to be processed as they could not handle them. Kansas City has since then sent another 10,000. When the returns first came through, the programming was not in place for processing so many returns rejected. We faced so many challenges trying to get the inventory through. When Exam gets them, they have already been in the system for months. Then add additional time if they are selected for audit.

This year the Earned Income Tax Credit (EITC) and FTHBC were peaking at the same time. Dealing with those issues, answering the phones and doing our regular work has extended the whole process. Adamson said it generally takes 45 to 60 days for correspondence.

A return could take about 12 weeks if all the proper paperwork is attached. If not, processing the return could take as much as 6 months, and if audited, it could take longer. If return is filed timely, interest is paid. However, the amount of interest paid differs in different instances. It really behooves them to file an amended return rather than an original.

Jackie Rollins asked if the Form HUD-1, *Settlement Statement*, is still required on the 2008 return – the one before the law changed.

Adamson said the new Form 5405, *First-Time Homebuyer Credit and Repayment of the Credit*, was changed in January to address all levels of the tax law changes and does require the Form HUD-1.

Carolyn Kalchthaler said there were a lot of problems in the beginning from both sellers and buyers; and that includes the title company. Adamson added it is very difficult when Congress changes things so late in the year.

Fretheim thanked Adamson for taking the time to address this issue with the Area 5 Committee.

Issues Reviewed by the Joint Committee

Fretheim said 7 Area 5 issues were sent to the Joint Committee for approval and elevation. All of them were approved, however, one issue, 18001, Practitioner Priority Hotline, was returned for more information. They want the subcommittee to add the reason why the priority hotline was no longer



working Automated Collection System (ACS) issues. The paragraph needs to be tweaked. After the additional information is added, it can be elevated to the IRS without having to go through the Joint Committee again.

June Elevated Issues

- 16742, IRS Publication for Truck Drivers
- 16958, Publication 901, US/Norway Tax Treaty
- 17029, Color of EIC Tables in 1040 Publications
- 17442, Filing Extension for Homeowners Association
- 16736, Line for Accrued Interest on Schedule B
- 17344, Add Form 4868 to Form(s) 1040 Tax Packages
- 18001, Practitioner Priority Hotline

Issue Discussion – Active Issues

- Issue 17641, Speakerphone

Issue: Assistors sometimes demand taxpayer turn off speakerphone as a condition of receiving service.

Brad Lee worked with Zak Manuszak on this issue.

Add additional language as to why this issue matters. The recommendation needs to be fleshed out. Is this a rule from the assistor? Beef up the background and research. Bring back next month.

- Issue 17803, Clarify the Difference Between *e-file* and Free File

Issue: The difference between e-file and Free File needs to be clarified in IRS publications.

The titles are misleading and they need to be clarified. Rollins said to add a comment that when using Fillable Forms, the program does not do most of the computations. This recommendation also needs to be fleshed out. Kalchthaler will add the information she presented. Beef up the background and research. Bring back next month.

- Issue 17982, E-Services Electronic Account Resolution - Notice

Issue: Electronic Account Resolution does not have an option for Civil Penalty.

E-Services is great but needs a little tweaking. It can be very perplexing to not be able to access things. Civil penalty is one of those perplexes. This issue was submitted by a professional group. They need to add CIV PEN or another type of drop down menu. CONSENSUS TO SEND TO JC QR

- Issue 18215, Printing Fonts on IRS.gov Website

Issue: IRS should provide instructions how to print in a larger, more easily read font.

Rollins said she found this is a real problem for some people. It is simple to change the font size to print on some computers but not as easy on others. Not everyone is computer savvy so this would really help "us" out. The members asked for a couple simple tweaks before sending to the Joint Committee Quality Review Subcommittee.

CONSENSUS TO SEND TO JC QR

- Issue 17443, Guidance on Filing 1120 for Homeowners Association (HOA)



Issue: IRS does not provide clear guidance on tax treatment particular to an HOA.

Joe Villarreal explained the issue and her recommendation. Tom Walker found some grammatical issues that will need to be taken care of. He will make some minor modifications before sending to the Joint Committee Quality Review Subcommittee.
CONSENSUS TO SEND TO JC QR once modified.

Swarna Vallurupalli said a lot of international students were told they qualified for a \$1,000 refund. Now they are getting notices that they did not qualify and now have to pay it back. Block said he will send an email to the Program Owner in Washington, D.C., who handles H&R Block.

Active Issues

- Issue 17372, TAP Newsletter/Release

Still on hold.

Meeting Adjourned

Next Teleconference will be Tuesday, August 10, 2010, at 11am CT



**Area 5 Committee
Face to Face Meeting Minutes
June 6–8, 2010**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Donnelly, Ken - Lee's Summit, MO - Member
- Fretheim, Dan - Decorah, IA - Chair
- Kalchthaler, Carolyn - Plano, TX - Member
- Lee, Brad - Mahtomedi, MN - Member
- Manuszak, J.T. - Wichita, KS - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Rollins, Jackie - Austin, TX - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member
- Woodard, Norma - Choctaw, OK - Member

Committee Members Absent

- Vallurupalli, Swarna - Chesterfield, MO - Member

TAP Staff

- Collins, Shawn - Washington D.C. - Program Director
- Block, Roy - Milwaukee, WI - Program Manager
- Robb, Patti - Milwaukee, WI - Program Analyst
- Gabriel, Lisa - Milwaukee, WI - Program Analyst

Guest

- Warren, Joseph - St. Paul, MN - Local Taxpayer Advocate

Welcome / Announcements / Review Agenda (Fretheim)

Quorum met.

Dan Fretheim welcomed everyone to the face-to-face meeting. He mentioned based on the agenda much of the time spent during this meeting will be working issues.

Area 5 Chair Report / Joint Committee Update (Fretheim)

The Joint Committee approved five issues during their June meeting; two were project committee issues and three were area issues.

The area chairs were asked to check with their committee members to see if anyone has been successful getting a link to the TAP website, www.improveirs.org, on another organizations website. If



so, the information should be sent to the Milwaukee TAP Manager Roy Block as he will compile a list of the different organizations.

DFO Report (Marian Adams)

The inventories in her office have escalated. Each case advocate has approximately 100 cases. Most cases have to do with First Time Home Buyer Credit and Making Work Pay Credit and adjustments have to be done manually.

Local Taxpayer Advocate (LTA) – St. Paul, Joseph Warren

Joe Warren said he has been with the IRS for 27 years, and has been the Local Taxpayer Advocate in St. Paul for four years. He currently has four case advocates and they are all fairly new. A new lead case advocate was just hired. About 40 percent of the cases they are seeing are Small Business Self-Employed (SBSE) and about 58 percent are Wage and Investment (W&I).

Many of the cases are IRS levy cases, processing of amended returns, injured spouse cases, and processing of original returns related to "First Time Homebuyer Credit."

A question asked was: In the past it was relatively easy to have penalties removed. What is it like now?

Warren responded there is a big review on how IRS removes penalties. Tax exempt organizations are not being held to the same standard as small business. It is more difficult to get those penalties removed.

Marian Adams added all IRS employees are required to use the reasonable cause assistant procedure. This communicator is very difficult as it requires a lot of supporting documents and becomes very difficult to waive penalties unless the taxpayer qualifies for the first time penalty abatement.

Another question was: Can a Revenue Officer write up a Form 3870, Request for Adjustment?

Warren answered they have the authority to do a penalty abatement request. The revenue officer gets to know the taxpayer as well as the facts and circumstances and may have to do a little more probing to see if there is any provision to have the penalty removed.

New Issue Discussion (Rasmussen)

- Issue 17490 – Raise the Income Limit for Free e-file to \$100,000

Caller on Aspect wants the income limit on Free E-File raised to \$100,000.

DROP

- Issue 17503 – E –file Form 941

Provide a way for small businesses to e-file Form 941, such as the TeleFile system which was discontinued several years ago, or similar to the SSA online W2 submission system.

SBSE looked at this issue last year and sent their recommendations to IRS.

DROP

- Issue 17504 – SSN Privacy Regarding Checks

The instructions on vouchers for estimated tax payments and 1040 payments (and perhaps others) STILL say to write your social security number (SSN) on your check or money order.



There are many taxpayers with the same last name who may also have the same last four digits of their SSN, so they need to have the full SSN on the payment. When the tax return is sent in with a payment, the return goes to the processing center and the check goes directly to the bank.

DROP

- Issue 17544 – Need More Face-to-Face Time with Taxpayer for Audits

IRS needs to spend more face-to-face time with taxpayers. Recently an employment tax audit of a city result in an incorrect report being processed and it is still not corrected.

The letter that accompanies the examination changes clearly states a conference can be requested with a supervisor if you don't agree.

DROP

- Issue 17560 – Notice Clarification/Provide More Information

Taxpayer receives a notice "CP21-B" that reads, "We will explain why you received this notice, how we changed your account, how this change affects you, and action you may wish to take." However there is no clear explanation.

Parking Lot – track - place in "Recurring Folder" - issues that are customer related or repeat issues.

- Issue 17634 – IRS Toll Free, IVR Option to Talk to an Assister

When calling the IRS toll free why listen to all the options when you only want to talk with an assister, could the IVR start out with hitting a key to direct you to the phone queue in order to talk directly with an assister?

Parking Lot – track - place in "Recurring Folder" - issues that are customer related or repeat issues.

- Issue 17642 – First Time Homebuyers Credit (FTHB) Processing Unacceptably Slow

It's insane how these returns are taking MONTHS to get processed.

Parking Lot – track - place in "Recurring Folder" - issues that are customer related or repeat issues.

Rollins offered to make arrangements to have a subject matter expert make a presentation on the next conference call regarding this issue.

- Issue 18001 – Practitioner Priority Hotline

Practitioner Hotline no longer works on Automated Collection System (ACS) accounts. Once assister realizes the account is assigned to ACS they immediately transfer practitioner to ACS therefore losing priority service.

Subcommittee: Woodard, lead, Sacarello, Rollins.

- Issue 17641 – IRS Assister Refuses to Help when Taxpayer is using speaker phone

IRS assistor demanded the taxpayer take their phone off speaker or they would not talk with them. Taxpayer uses the speaker phone in order to have the ability to be hands free to shuffle paper and files. Is this a personal preference or is this a policy for privacy?

Subcommittee: Manuszak, lead, Lee

- Issue 17802 – Limited Power-of-Attorney Abilities Using E-Services



E-Services allows a tax professional to submit Form 2848, Power of Attorney (POA). When selecting the topics covered by the POA, it does not allow selection of Form 1099/1096/W-2/W-3, etc.

Subcommittee: Villarreal, lead, Sacarello

- Issue 17803 – Clarify the Difference Between *e-file* and Free File

Taxpayer called and said he doesn't understand the difference between *e-file* and Free File. There should be some clarification in IRS publications to explain the difference.

Subcommittee: Manuszak, lead, Shoemaker, Kalchthaler

Issue Discussion – Active Issues

- Issue 16736, Deductions of Accrued Interest from Bonds (Rasmussen)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 16742, IRS Publication for Truck Drivers (Fretheim)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 16958, Pub 901 US/Norway Tax Treaty (Lee)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 17029, Color of EIC Tables in 1040 (Shoemaker)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 17344, Add Form 4868 to 1040 Pub (Donnelly)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 17372, TAP Newsletter/Release (Kalchthaler)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 17442, Filing Extension for Home Owner's Association (Villarreal)

Issue will be elevated to Joint Committee internal quality review subcommittee.

- Issue 17443, Filing Form 1120 for Home Owner's Association (Villarreal)

Draft recommendation was written up and will be emailed for comments and suggestions.

- Issue 5799, Permit User Font Size Selection for IRS.gov (Rollins)

DROP (was going to be a rebuttal)



- Issue 17387, SSA Levy Program (Sacarello)

DROP

- Issue 16740, Instructions Relating to Employment of Taxes LLC (Vallurupalli)

Not all LLCs with two or more members are partnerships. Many opt out as disregarded entity and are actually treated as a corporation. The former "partners" are now employees subject to withholding; therefore it is not advisable to address just one facet of an LLC. The instructions in Circular E and other publications would have to be written in great length and detail to cover both types of entities.

DROP

Discussion – How to Write an Effective/Quality Issue

Issues must be submitted on the correct issue recommendation form.

Make your point and be concise. Ensure you have a very clear, definitive solution. Don't be vague.

Quality review should clean it up from an editorial side. Watch the font, grammar, and punctuation.

The Joint Committee is not going to try to rewrite anything. If the recommendation has to be rewritten it will go back to the area. Walker told the Joint Committee Quality Review Subcommittee to spend no more than 30 minutes on an issue. If it requires longer than that, send it back to the area. The key is to keep the issue concise, and do not over analyze or over support to the point where your reader stops reading.

Most issues are two to three pages and are distinct and clear. Make sure the solution is as explicit as possible.

Next teleconference will be Tuesday, July 13, 2010, at 11am.



**Area 5 Committee
Meeting Minutes
May 11, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Donnelly, Ken - Lee's Summit, MO - Member
- Fretheim, Dan - Decorah, IA - Chair
- Kalchthaler, Carolyn - Plano, TX - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Rollins, Jackie - Austin, TX - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member

Committee Members Absent

- Capehart, Craig - Dallas, TX - Member
- Lee, Brad - Mahtomedi, MN - Member
- Manuszak, J. T. - Wichita, KS - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Woodard, Norma - Choctaw, OK - Member
- Vallurupalli, Swarna - Chesterfield, MO - Member

Public

- Monty Meyer - Bettendorf, IA

TAP Staff

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

Welcome / Roll Call / Review Agenda (Fretheim)

Quorum met.

Area 5 received two responses from the Internal Revenue Service (IRS) and if time allows, we can discuss them at the end of the call.

Area 5 Chair Report (Fretheim)

Dan Fretheim reported on what happened at the last Joint Committee conference call. Five recommendations from the project committees were reviewed and approved for elevation. Per the new procedures of March 24, 2010, all recommendations from the project committees must go through the Joint Committee for approval.



Twelve recommendations from the area committees were reviewed and elevated to the IRS as well.

Tom Walker reported he participated in a telephone conference with Taxpayer Advocacy Panel (TAP) Chair Sabby Jonathan, National Taxpayer Advocate Nina Olson, TAP Director Shawn Collins, and Panel Member Gary Iskowitz. The main issue discussed was Correspondence Audits. Olson asked TAP to send her any information or recommendations they have regarding this issue. Sending issues which are very detailed and solid and could be implemented would be very beneficial. A letter signed by Jonathan will be sent to Commissioner Doug Shulman.

Please remember to complete your Strength, Weaknesses, Obstacles, and Threats (SWOT) surveys and send the to your Area Chair. Walker will send the survey request to Patti Robb and she will forward it to all Area 5 Committee members.

ACTION: Robb to send the SWOT Survey to all Area 5 Committee members

The 2009 Annual Report is in process and will be completed soon.

TAP recruitment has come to a close. There were 428 applications and the ranking will be completed this week. Interviews will be conducted in June.

DFO Report (Marian Adams)

Marian Adams noted the Taxpayer Advocacy Service (TAS) offices nationwide are inundated with cases on levies, seizures, and collections issues. There is also a high volume of First Time Home Buyer (FTHB) credit cases.

Issue Discussion – Active Issues

- **Issue 16740, Instructions Relating to Employment of Taxes LLC (Vallurupalli)**

Jackie Rollins said the IRS remains silent on certain issues in order to avoid detailed explanations. There has been no real effort made to make a statement like “remember, if you’re partners in a Limited Liability Corporation (LLC), you still have to pay self employment taxes.” The updated Publication 3402, *Taxation of Limited Liability Companies*, was released in March. Per Rollins, if we recommend a statement, it should be in this publication, but it will require a broader statement. Rollins will do a draft recommendation for the June meeting.

- **Issue 16742, IRS Publication for Truck Drivers (Fretheim)**

Fretheim has completed the last revision of his recommendation and will send to Anne Rasmussen for review. After Rasmussen’s review, it will go to the Area 5 internal quality review.

- **Issue 16831, Form 1099-S Published Too Late (Robb)**

This issue was initially sent to the Forms and Pubs Project Committee, however since there are new procedures in place, it was sent back to the committee. Robb did some research and received information from the owner of Form 1099-S, *Proceeds from Real Estate Transactions*. The Form 1099-S and its accompanying instructions have a scheduled release-to-print date of late September each year, which allows the print specialist to get contracts awarded for printing. That date can slip for any number of reasons, as it did this year due to IRS Notice 2009-93, *Truncating Social Security Numbers on Paper Payee Statements*, which pushed publishing dates of all the Form 1099 products back by 3 months. It should not happen again. Consensus to drop this issue. **DROP**



- **Issue 16866, Bankruptcy Toll-Free Number (Walker)**

Publication 908, *Bankruptcy Tax Guide*, does not include a phone number for insolvency. There needs to be a paragraph added at the end of the publication. This issue has gone through the Area 5 internal quality review subcommittee already. Consensus to elevate to Joint Committee Quality Review.

ELEVATE

- **Issue 16736, Deductions of Accrued Interest from Bonds (Rasmussen)**

Walker reviewed the draft recommendation and suggested adding some additional verbiage. Rasmussen will send the revised version to the internal quality review committee.

- **Issue 16958, Pub 901 US/Norway Tax Treaty (Lee)**

Brad Lee was unable to be on the call so this issue will be worked at the face-to-face meeting in June. Robb said she just received a great deal of background information from the submitter and will bring it to the meeting.

- **Issue 17029, Color of EITC Tables in 1040 (Rollins)**

Rollins said she will have a draft recommendation for review at the face-to-face meeting.

- **Issue 5799, Permit User Font Size Selection for IRS.gov (Rollins)**

Rollins said this issue has come up at other meetings and there supposedly is a way to make the font bigger for printing. Fretheim stated if the IRS Website doesn't have instructions, maybe this is basis for the rebuttal. Rollins will complete the draft rebuttal letter for the face-to-face meeting.

New Issue Discussion (Walker)

- **Issue 16855 – Bad Service**

Taxpayer called the IRS Toll free line and spoke to a representative who was not friendly and did not provide a substantial answer.

DROP

- **Issue 17250 – Promotional Items A Waste Of Taxpayer Money**

A taxpayer shared concerns on why the IRS needs to use tax dollars for give-aways. **DROP**

- **Issue 17284 – “Preparer” Written In 3rd Party Designee Section**

The 2009 Form 1040, *U.S. Individual Income Tax Return*, has deleted the sentence under Third Party Designee that begins, "But if you want to allow the paid preparer who signed your return to discuss..." Preparers need to fill in their name, phone number, and Personal Identification Number (PIN) in this section even though this information is included under the paid preparer section. Consensus was this is a good change as sometimes signatures are not legible.

DROP

ACTON: Robb will send a note to the submitter as to why this issue was dropped.

- **Issue 17344 – Add Form 4868 Auto Extension to File to 1040 Instructions**



Taxpayer stated he has all the information to complete his tax return Form 1040 except some paperwork from the bank. So he now has to travel to the nearest Taxpayer Assistance Center (TAC) to pick up Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, (he does not have a computer). He suggested the IRS consider adding Form 4868 to the 1040 Instructions.

Subcommittee: Ken Donnelly and Tom Walker.

ACTION: Robb to research how many of the over six million extensions filed were done by a paid preparer.

- **Issue 17372 – TAP Newsletter / Release**

A TAP member subscribes to IRS Tax Tips daily, and received nice info on TAS. The article has a list of links on the left hand side of the column and thought maybe they could add a hyperlink to TAP there.

Subcommittee: Carolyn Kalchthaler, lead, Tom Walker.

- **Issue 17385 – Loan Origination Statements**

There will be an issue with the loan origination on the 2010 HUD Settlement Statements since there is now a requirement to put all charges in one lump sum called Origination (processing, origination, tax service fee, application fee, loan origination fee). IRS guidelines say only the true percent of the loan origination is allowed as a deduction. Preparers will have no way of knowing that.

This issue is not within TAP's scope.

DROP

- **Issue 17387 – SSA Levy Program**

There is a problem with the communications between Automated Collection System (ACS) and the Department of the Treasury Financial Management Service in Birmingham, Alabama, that administers the SSA Levy Program. This taxpayer account was paid in full through the SSA levy sometime in 2009. The levy then was systemically released but neither the taxpayer or the Power of Attorney (POA) ever saw a letter or a levy release notifying that the levy was no longer on the SSA payments. It is all one big mysterious event with the IRS computer talking to the SSA computer and the taxpayer and the POA are left completely out of the loop.

Subcommittee: Ralph Sacarello, lead, Jackie Rollins.

A following discussion indicated there are a lot of Social Security levies. If the taxpayer has an outstanding IRS debt, it is noted in the system automatically and Social Security will send a letter to the taxpayer giving them 30 days to respond. If there is no response, fifteen percent of the Social Security Payment is sent to the IRS. To have this released the IRS posts a transaction code that interacts with the Social Security system.

If ACS or a Revenue Officer has a case and the taxpayer has multiple incomes they can place a levy on the Social Security income in the amount they determine to be appropriate.

- **Issue 17423 – 1040 Instruction Booklet – Hard to Read – New Binding with No Margin**

The new 1040 instruction book has a new binding that is squared off. There is no margin and some of the words are in the binding area so they cannot be read.

DROP

- **Issue 17442 – Filing an Extension 1120 for Home Owner's Association**



Home Owners Associations (HOA) that are incorporated are allowed to choose between filing a Form 1120, *U.S. Corporation Income Tax Return*, or Form 1120-H, *U.S. Income Tax Return for Homeowners Associations*. As the instructions for the 1120-H read...“The Association may file the form that results in the lowest tax.” This year my client would be filing the 1120 as it appeared that lower tax would result from filing this form rather than the 1120-H. However, as time has run out, I efiled an extension as an 1120 rather than the 1120-H they had been for the past several years. As a consequence I received a rejection notice after March 15, 2010. The explanation was that tax return extension did not coincide with the type of entity registered in IRS records. After two more attempts and three days later, the extension was accepted, but only by re-recording the extension as an 1120-H extension. The taxpayer is given a choice to file Form 1120 or 1120H, but there needs to be more guidance.

Subcommittee: Jo Villarreal; she will use the others as a sounding board.

- **Issue 17443, Filing Form 1120 for Home Owners Association**

HOAs are only allowed to offset member income by member related expenses. If there is non-member income, there may be non member expenses, but you must justify and detail those expenses.

Subcommittee: Jo Villarreal; she will use the others as a sounding board.

Face to Face Discussion – St. Paul

If you need any information or research done for your issues, please let Robb know so she can bring it to the face-to-face meeting.

IRS Responses

- Issue 5832 – Farm Crop Share Rental Passive Activities

Consensus, Close, Rejected

- Issue 16776 – Universal IRS Database

Consensus, Close, Accepted

Outreach

Fretheim encouraged panel members to continue getting their outreaches in to Robb.

Project Committee Highlights:

EITC recently had their face-to-face in Cottage Grove, Fla.

Meeting Adjourned

Next Meeting is the face-to-face, June 6 – 8, 2010, in St. Paul, Minn.



**Area 5 Committee
Meeting Minutes
April 13, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Donnelly, Ken - Lee's Summit, MO - Member
- Fretheim, Dan - Decorah, IA - Chair
- Kalchthaler, Carolyn - Plano, TX - Member
- Lee, Brad - Mahtomedi, MN - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Rollins, Jackie - Austin, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Walker, Thomas - Dallas, TX - Member
- Woodard, Norma - Choctaw, OK - Member

Committee Members Absent

- Manuszak, J.T. - Wichita, KS - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Vallurupalli, Swarna - Chesterfield, MO - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
-

TAP Staff

- Robb, Patti - Milwaukee, WI - Program Analyst
- Smiley, Ellen - Milwaukee, WI - Program Analyst
- Haywood, Annie - Milwaukee, WI - Secretary

Welcome / Roll Call / Review Agenda (Fretheim)

Quorum met

Issue Discussion – Active Issues

- **Issue 16740**, Instructions Relating to Employment of Taxes LLC (Vallurupalli)

Issue: The Internal Revenue Service (IRS) should issue instructions through Circular E and other publication relating to employment taxes that members of an LLC which is classified as a partnership for tax purposes should be treated as self-employed and not as employees.

Jackie Rollins will work this issue Swarna Vallurupalli. Rollins will follow up with former member Ken Wright.

- Issue 16742, IRS Publication for Truck Drivers (Fretheim)



Issue: Tax preparer thinks there needs to be an IRS publication for truck drivers, especially but not limited to owner-operators.

Dan Fretheim and Anne Rasmussen received a letter of support from the American Truckers Association (ATA) regarding their proposal that the IRS issue a publication that contains technical guidance for those involved in the motor carrier industry. The draft recommendation will be shared at the May meeting.

- Issue 16743, IRS Employees Need Training on ITINs (Sacarello)

Issue: Practitioner is asking the IRS to develop training on Individual Taxpayer Identification Numbers (ITIN) for assistors.

The Committee came to consensus to drop this issue as the training materials already exist. Patti Robb will send an email to Ralph Sacarello for concurrence. **Drop**

- Issue 16831, Forms Published Too Late

Issue: Taxpayer wanted to know why the Internal Revenue Service (IRS) doesn't publish the new year's Form 1099-S until April or May of each year.

Robb will research to see if there is a defined date for release for Form 1099-S.

- Issue 16866, Bankruptcy Toll-Free Number

Issue: The bankruptcy toll-free line is not published. The toll-free number should at least be published in Publication 908, Bankruptcy Tax Guide.

Subcommittee: **Tom Walker, lead, Anne Rasmussen.**

- Issue 4640, Use of online Form 8109-B (combined with) Issue 16739, FTD Coupons Must Order More With IRS Employee (Fretheim)

Issue: IRS disagreed with the Area 5 recommendation. Fretheim is writing a rebuttal letter for approval at the May meeting.

Responses Received - Issues Referred to Forms and Pubs

- Issue 5674, Health Savings Account, Form 8889

Tax Forms and Pubs said they will not be able to adopt recommendation. **DROP**

- Issue 16697, Form 8283, Non-Cash Charitable Contribution

May consider our recommendation when Form 8283 is revised. **DROP**

- Issue 16736, Deductions of Accrued Interest from Bonds

Response said electronic filing allows for the reporting of Accrued Interest on the Schedule B, however the taxpayer's electronic filing software must support this feature. Taxpayer should refer to their software package or provider for additional information. **Rasmussen will continue to work the issue**, Norma to assist.

Subcommittee: **Anne Rasmussen, lead, Woodard.**

- Issue 5418, Single Filer Standard Deduction – **Close, Accepted**



- Issue 16744, Explicit Schedule A Instructions

Schedule A and Publication 502, *Medical and Dental Expenses Including the Health Coverage tax Credit*, are not meant to be all-inclusive but attempt to list the most prominent expenses. **DROP**

Status of Elevated Issues

- Issue 5801, Change of Incorporation State of Exempt Organizations – *waiting for a response.*
- Issue 16737, Do Not List SSN on Levy Due to ID Theft – Elevated to IRS
- Issue 16746, Office Audit Working Hours – Elevated to IRS
- Issue 16776, Universal IRS Database – Elevated to IRS

Responses from IRS

- Issue 5487, CPE Credits – Circular 230, *Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, and Appraisers.* - Circular 230 will not be revised until September, so do not anticipate a final response until October. **Close, Under IRS Consideration - monitor**
- Issue 5799, Permit User Font Size Selection for IRS.gov –

Rejected by IRS – Rollins wants to follow-up on capability/research issue. **Keep open.**

Subcommittee: Rollins, lead, Kalchthaler

- Issue 5888, Erroneous Earned Income and Additional Child Tax Credits, for Form 4029, *Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits.* - Rejected by IRS. **Close, Rejected**

New Issue Discussion (Rasmussen)

- Issue 16831 – Forms Published too Late

Description: Taxpayer would like to see the IRS publish the new tax year Form 1099-S before April or May.

ACTION: Robb will research to see if there is a defined date for release.

- Issue 16866 – List Bankruptcy Toll Free Number in Publication 908

Description: The bankruptcy toll-free line is not published anywhere and should at least be published in Publication 908, Bankruptcy Tax Guide.

Subcommittee: Walker, lead, Rasmussen

- 16956, International IRS Number has no Option for Spanish

DROP

- 16958, Publication 901, US/Norway Income Tax Treaty -

The verbiage is old and the Publication is not updated.

Subcommittee: Lee, lead, Fretheim, and Capehart



- 16959, Tax Credits

DROP

- 16960, Toll-Free – Different Employees/Different Answers

DROP

- 16985, Filing Form 8379, Injured Spouse Allocation

DROP

- 17029, Color of EITC Tables in 1040 Publication

Earned Income Tax Credit (EITC) table should be in a different color. **Subcommittee: Rollins, lead, Shoemaker**

- 17066, Clarify Schedule M Instructions

DROP

- 17199, No Refund, IRS Said Nothing Withheld from SSA Benefits

DROP

Meeting Adjourned

Next Teleconference will be Tuesday, May 11, 2010, at 11am CT



**Area 5 Committee
Meeting Minutes
March 9, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Donnelly, Ken - Lee's Summit, MO - Member
- Fretheim, Dan - Decorah, IA - Chair
- Lee, Brad - Mahtomedi, MN - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Rollins, Jackie - Austin, TX - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Vallurupalli, Swarna - Chesterfield, MO - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member

Committee Members Absent

- Capehart, Craig - Dallas, TX - Member
- Kalchthaler, Carolyn - Plano, TX - Member
- Manuszak, J. T. - Wichita, KS - Member
- Woodard, Norma - Choctaw, OK - Member

Public

- Monty Meyer - Bettendorf, IA

TAP Staff

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

Welcome / Roll Call / Review Agenda (Fretheim)

Quorum met.

Area 5 Chair Report (Fretheim)

TAP Chair Sabby Jonathon sent out a summary of the last Joint Committee meeting. He announced the 2010 TAP Charter was approved. The charter is renewed every two years and will be posted on TAPSpace as of March 16.

All Project Committee reports and recommendations will now go through the Joint Committee.



Jonathan received approval of his proposed response to Announcement 2010-9 (regarding new requirements proposed by the IRS Commissioner to report uncertain tax positions by business taxpayers). The response has been mailed, and was posted to TAPSpace.

Tom Walker reported that the revised Quality Review (QR) process has been implemented, and is working well. Most Area Committees have already implemented their own Area level QR process, and are putting issues through the pipeline. Jonathan reminded everyone that we need more issues processed. Submitting issues to the IRS is primarily how TAP effects change. Dan Fretheim said he feels the process went smoothly based on the first issue raised to Joint Committee from Area 5.

Former Chair Charles Davidson is working with staff and an ad hoc committee to complete the 2009 Annual Report.

The TAP recruitment will begin soon. 29 members in 25 states are scheduled for retirement, so we will be recruiting in those states. Recruitment will begin March 15, and run through April 30. If you know of any qualified candidates, please encourage them to apply. An email went out to all TAP Members (with a link) asking members to test the application process. If you have time please give it a try and report any glitches or problems you may encounter.

Area 5 Issue 16776, Universal IRS Database, was approved for elevation to the IRS by the Joint Committee. It was sent to the IRS on March 5.

Issue Discussion – Active Issues

Issue 16742, IRS Publication for Truck Drivers (Fretheim)

Ann Rasmussen has been in contact with the American Trucking Association and they have offered to draft a letter to support this issue. The recommendation is still in the works.

Issue 16744, Explicit Schedule A Instructions (Fretheim)

Issue still being worked.

Issue 16740, Instructions Relating to Employment of Taxes LLC (Vallurupalli)

Jackie Rollins offered to work with Swarna Vallurupalli on this issue.

ACTION: Patti Robb will email issue 16740 and all related information to Vallurupalli and Rollins.

Vallurupalli and Rollins will schedule a call to discuss the issue. Fretheim suggested Vallurupalli email Kenneth Wright and let him know where they stand and to see if he has anything to add since this was originally his issue.

Issue 16736, Deductions of Accrued Interest from Bonds (Rasmussen)

Consensus to send Issue 16736 to the Forms and Pubs Project Committee.

ACTION: Robb will forward issue 16736 to Forms and Pubs.

Issue 16743, IRS Employees Need Training on ITINs (Sacarello)

ACTION: Roy Block will provide additional information ITIN training material to Sacarello.

Issue 16697, Form 8283, Non-Cash (Lee)

Consensus to send Issue 16736 to the Forms and Pubs Project Committee.

Issue 16735, ERO Visit (Rasmussen)

According to IRM 4.21.1, Monitoring the IRS E-file Program, some visits are random due to taxpayer complaints. **DROP**



Issue 16739, FTD Coupon Books – Must Order More with IRS Employees (Fretheim) Fretheim is working on writing a rebuttal to the IRS response to Issue 13739.

Status of Issues Referred to Forms and Pubs

- Issue 5418, Single Filer Standard Deduction – *waiting for a response*
- Issue 5674, Health Savings Account, Form 8889 – *waiting for a response*
- Issue 5872, Form 1099-C and Joint Debtors – *response was included with the pre-read information. IRS disagreed with the issue. Consensus to Close, Rejected.*

Status of Elevated Issues

- Issue 5801, Change of Incorporation State of Exempt Organizations (Robb) – *waiting for a response.*

New Issue Discussion (Rasmussen)

Issue 16877 – Amended Return, IRS Not Processing

Description: Taxpayer filed an amended return to capture the First Time Home Buyer Credit and feels if the IRS is going to hold the paperwork for so long, they should include that information in the instructions.

Recommendation: Potential issue.

Issue 16877 will be revisited next month.

Issue 16866 – List Bankruptcy Toll Free Number in Publication 908

Description: The bankruptcy toll-free line is not published anywhere and should at least be published in Publication 908, Bankruptcy Tax Guide.

Recommendation: ACTIVE

ACTION ITEM: Robb will forward to Forms and Pubs. If it comes back for the area committee to work the issue Tom Walker is interested is being on the subcommittee.

Issue 16864 – More Publications Online

Description: Taxpayer would like to see more publications posted to the IRS website.

Recommendation: After discussion it wasn't clear what publications the taxpayer was looking for. This is from a web comment and the taxpayer didn't leave any contact information. The committee feels there are ample publications on the IRS website. DROP

Issue 16831 – Forms Published too Late

Description: Taxpayer would like to see the IRS publish the new tax year Form 1099-S before April or May.

Recommendation: Robb will forward issue 16831 to Forms and Pubs

Issue 16830 – Form 2290 for Farmers

Description: IRS quit sending out Form 2290, Heavy Highway Vehicle Use Tax Return, so farmers don't remember they need proof of filing to get their tags at the courthouse.

Recommendation: The form is available online and therefore farmers do not have to wait for IRS to send the form. DROP

Issue 16823 – Your SSN Should Be More Specific on Tax Forms

Description: Taxpayer thinks tax form needs to be more specific and should say "spouse's SSN" if the taxpayer is filing jointly.



Recommendation: Robb noted all the forms are specific on listing spouse's social security number (SSN) when filing jointly. Ellen Smiley added when a taxpayer calls the IRS regarding a joint return, the representative will ask which SSN is listed first as that is how the account is pulled up. It doesn't matter who puts down their SSN first on the return, but the return is pulled up by the SSN that is listed first. DROP

Issue 16946 – Free File Program – Not all Free

Description: Taxpayer used Free File on the IRS website and feels the vendor should clearly state which items are not free. All fees should be stated up front.

Recommendation: IRS does not tell vendors how to run their programs. DROP

Issue 16822 – IRS Should Fill Out Returns – They have the information

Description: Taxpayer feels since IRS has all taxpayer information they should fill out the tax return.

Recommendation: DROP

Face to Face – Need to set start/end times

Sunday, June 6, meet from 1 pm – 5 pm CT.

Monday, June 7, meet from 8 am – 5 pm CT.

Tuesday, June 8, meet from 8am – 12 noon CT.

Closing

Issues sent to the Joint Committee quality review committee:

- Issue 16737 – SSNs on Levys, Issue
- 16746 – Office Audit Working Hours
- Issue 16747 – Option for Office Audit Reconsideration

Meeting Adjourned

Next Teleconference will be Tuesday, April 13, 2010, at 11am CT



**Area 5 Committee
Meeting Minutes
February 9, 2010, 11:00 a.m. CT**

Designated Federal Official

- Marian Adams - Wichita, KS - Designated Federal Official

Committee Members Present

- Capehart, Craig - Dallas, TX - Member
- Donnelly, Ken - Lee's Summit, MO - Member
- Fretheim, Dan - Decorah, IA - Chair
- Kalchthaler, Carolyn - Plano, TX - Member
- Lee, Brad - Mahtomedi, MN - Member
- Rollins, Jackie - Austin, TX - Member
- Sacarello, Ralph - Pilot Point, TX - Member
- Shoemaker, Paul - Lincoln, NE - Member
- Villarreal, Josefina - Corpus Christi, TX - Member
- Walker, Thomas - Dallas, TX - Member
- Woodard, Norma - Choctaw, OK - Member

Committee Members Absent

- Manuszak, J. T. - Wichita, KS - Member
- Rasmussen, Anne - Apple Valley, MN - Vice Chair
- Vallurupalli, Swarna - Chesterfield, MO - Member

Public

- Monty Meyer - Bettendorf, IA

TAP Staff

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

Welcome / Roll Call / Review Agenda (Fretheim)

Quorum met.

Area 5 Chair Report (Fretheim)

Dan Fretheim emailed a summary of the Joint Committee meeting to Area 5 members. He said he will continue to do so on a monthly basis. The 2010 Annual Meeting will take place the week of December 5.

Tom Walker is head of the task force for the Joint Committee Quality Review (QR) Subcommittee. The guidelines for QR were approved by the Joint Committee.



The Joint Committee would like to have a mid-year meeting with National Taxpayer Advocate Nina Olson. Acting Director Shawn Collins is going to follow up with her to see if she is available.

TAP Recruitment opens March 15 and ends on April 30, 2010.

DFO Report (Marian Adams)

The Local Taxpayer Advocates were in Washington, D.C., last week for a Congressional Affairs Conference. We went to Capital Hill to bring up subjects that the NTA outlined in her Annual Report to Congress.

Issue Discussion – Active Issues

Issue 16742, IRS Publication for Truck Drivers (Dan Fretheim)

Fretheim said he forwarded his draft recommendation to Ann Rasmussen for review. They are waiting for input and statistics from a couple trucker organizations. Rasmussen has already spoken to both groups and said they were excited to know this issue is being addressed. They are hoping to have the draft recommendation complete for review at the March meeting.

Issue 16744, Explicit Schedule A Instructions (Dan Fretheim)

The subcommittee plans to work this issue before the next meeting.

Issue 16746, Office Audit Working Hours (Joe Villarreal)

Norma Woodard reviewed the write up and noted the issue is good to move forward. **Issue 16746 , Office Audit Working Hours, will go to the Area 5 internal quality review.**

Issue 16740, Instructions Relating to Employment of Taxes LLC (Swarna Vallurupalli)

Vallurupalli said she will email Ken Wright for input. Jackie Rollins inquired about Publication 583, Starting a Business and Keeping Records.

ACTION: Rollins will coordinate with Vallurupalli on Issue 16740, Instructions Relating to Employment of Taxes LLC.

Issue 16736, Deductions of Accrued Interest from Bonds (Anne Rasmussen)

Draft recommendation was received but not sent out for pre-read. Issue will be reviewed during March meeting.

Issue 16737, Do Not List SSN on Levy Due to ID Thefts (Jackie Rollins / Carolyn Kalchthaler)

Issue 16737, Do Not List SSN on Levy Due to ID Thefts, will go to the Area 5 internal quality review.

Issue 16747, Option for Audit Reconsideration (Ken Donnelly / Tom Walker)

Ralph Sacarello noted from a practicing point of view, when the taxpayer gets the 90-day letter, we go to court. But if you request an audit reconsideration, sometimes it takes the IRS so long to review it the tax court date goes away and the taxpayer loses their court date. Ken Donnelly will update the language.

Issue 16747, Option for Audit Reconsideration will go to the Joint Committee quality review after additional language is added.

Issue 16743, IRS Employees Need Training on ITINs (Ralph Sacarello)

Sacarello received a list of IRS training materials from Roy Block.

Block will send some IRS ITIN training materials to Sacarello.

Issue 16739, FTD Coupon Books – Must Order More with IRS Employee (Fretheim) –

Issue 16739, FTD Coupon Books, will be reviewed on the March call.



Status of Issues Referred to Forms and Pubs

- Issue 4683, Campus Addresses for Private Delivery Services (PDS) – Rejected – This issue is regarding specific forms that could make addresses accessible to those using PDS. It was rejected for security reasons. The committee is considering a rebuttal. Rollins will work on the rebuttal with Block’s assistance.
- Issue 5811, Fonts in Form 1040 is Hard to Read – Partially Accepted – **Close, partially accepted.**
- Issue 5418, Single Filer Standard Deduction – Response expected February 11, 2010.
- Issue 5674, Health Savings Account, Form 8889 – Response expected February 11, 2010.
- Issue 5872, Form 1099-C and Joint Debtors – Response expected February 11, 2010.

Status of Elevated Issues

- Issue 5873, Form 4029, Exemption for Disregarded Entities – Response from Lynne Camillo - the project has been included in the Office of Tax Policy and Internal Revenue Service 2009-2010 Priority Guidance Plan.

Close, partially accepted.

New Issue Discussion (Tom Walker)

Issue 16697 – Form 8283, Noncash Charitable Contributions

Description: Throughout Form 1040, U.S. Individual Income Tax Return, as well as Schedule A, Itemized Deductions it provides consistent instructions to add these lines, subtract these lines, and add more lines and is very diligent in providing step by step instructions on how to fill out a form. However on Form 8283 in Part 1 where it asks you to enter your date of contribution, date item was acquired, how acquired, donor's cost, fair market value, and Method used to determine fair market value, there are no instructions to add the amounts for Column G and where to put that amount on the Schedule A.

Recommendation: **Work – Issue 16697, Form 8283, Non-cash Charitable Contributions, will be referred to Forms and Pubs for approval. Subcommittee: Brad Lee and Roy Block.**

Issue 16707 - Publication 15, Employer's Supplemental Tax Guide

Description: Part 1: In Publication 15, Employer's Supplemental Tax Guide (Circular E) has 19 pages of tables. Very few employers use this paper publication as most have payroll services that use software. IRS should eliminate the 19 pages of tables on the printed publication. Part 2: If those 19 pages can be eliminated then perhaps Publication 15 and Publication 15a can be combined as one Publication, as some of the pages are also duplicate information.

DROP

Issue 16735 - What is considered business hours for a business

Description: A local practitioner from the state of Minnesota called to ask TAP for assistance in changing the dates of ERO visits that IRS schedules each year. Currently the IRS schedules these visits later in the month of January. The caller is asking the IRS to schedule these visits before the IRS open the tax filing season which is January 11, each year.

Recommendation: **Table for March conference call.**

Issue 16779 - Notices and Form 2290, Heavy Highway Vehicle Use

Description: (AKA - 5912 in TAP Database) There were minimal notices for Form 2290, Heavy Highway Vehicle Use Tax Return, sent out from the IRS. If the IRS can't send out a notice stating something is due, then they don't deserve the money. If they don't want to send out notices, then they should work through the licensing department to collect their \$550 Heavy Highway Vehicle Use Tax, when you license your truck. The IRS should work through the licensing departments to collect their \$550, Heavy Highway Vehicle Use Tax when you license your truck.



Recommendation: Issue 16779, Notices and Form 2290, Heavy Highway Vehicle Use Description, will be included in the rebuttal of the 8109-B issue Fretheim is currently drafting.

Outreach

ACTION: When recruitment begins (March 15) Robb will send the application link to Area 5 Panel Members to disseminate.

Carolyn Kalchthaler asked City of Plano, TX, add a link to TAP on the city's website.

EITC Day

Norma Woodard said EITC Day was cancelled due to inclement weather in Oklahoma.

Meeting Adjourned

The next conference call will be Tuesday, March 9, 2010, at 11am.

ACTION ITEMS:

- Issue 16746 , Office Audit Working Hours, will go to the Area 5 internal quality review.
- Rollins will coordinate with Vallurupalli on Issue 16740, Instructions Relating to Employment of Taxes LLC
- Issue 16737, Do Not List SSN on Levy Due to ID Thefts, will go to the Area 5 internal quality review.
- Issue 16747, Option for Audit Reconsideration will go to the Joint Committee quality review after additional language is added.
- Block will send some IRS ITIN training materials to Sacarello.
- Issue 16739, FTD Coupon Books, will be reviewed on the March call.
- Issue 16697, Form 8283, Non-cash Charitable Contributions, will be referred to Forms and Pubs for approval. If approved, Area 5 will work - Subcommittee: Brad Lee and Roy Block.
- Issue 16779, Notices and Form 2290, Heavy Highway Vehicle Use Description, will be included in the rebuttal of the 8109-B issue Fretheim is currently drafting.

When recruitment begins (March 15) Robb will send the application link to Area 5 Panel Members to disseminate.