



2002 Meeting Minutes Area 6

- December 16, 2002
 - November 18, 2002
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Area 6 Committee Meeting Minutes

DATE: December 16, 2002

TIME: 2:00 PM PST

LOCATION: Conference Call

TAP ATTENDEES:

- Clayton Agena
- James Banks
- Mario Burgos
- Justin Doucette, Chairperson
- Skip Eshelman
- Chris Forzano
- Gregory Maciulla
- Joe Reder
- Virginia Symonds
- Bruce Twomley
- Sherry Whah, Vice Chairperson
- Thomas Sherwood, Designated Federal Official

ABSENT:

- Darlene Bramon
- Richard Cormier
- Sharon Stetz

TAP STAFF:

- Anne Gruber

OPENING

Tom Sherwood, as the Designated Federal Official, opened the first public meeting for Area 6 and handed it over to Justin Doucette to conduct business. Justin reviewed the protocol for an open meeting with public comments since this is the first open meeting for Area 6.

Anne Gruber took the roll call. Justin reviewed the Action Items from last month's meeting. Everyone received copies of the master calendar and a copy of the complete membership list. The phone cards and business cards are being processed, while the credit cards are being discussed.



OFFICE REPORTS

Anne reminded everyone about completing the Speakers' Report forms. Justin mentioned the importance of keeping track of contacts, so a record is kept for the annual report at the end of the year. Mario Burgos questioned if the report should be filled out on one-to-one contacts. It was decided that that would be too much paperwork, that the total individuals contacted could be written in one report, if desired. Greg Maciulla had a question about what to do when contacted by the media.

ACTION ITEM: Anne will email the name and telephone number of Arizona's IRS media representative to Greg.

A discussion was held on the proposed face-to-face meeting scheduled for May 29 and 30 in Seattle. Travel will be scheduled for Thursday morning with a meeting on Thursday afternoon. Friday will be an all day meeting, with return travel Friday night or Saturday. Further discussion was held on the possibility of more face-to-face meetings. Joe Reder and Justin want all possible meetings to show on the schedule in order to reserve the time. Greg thinks more face-to-face meetings don't need to be scheduled until their effectiveness has been proven. One possible option discussed would be to meet the day before the October national meeting in Washington D.C. Anne pointed out that Washington D.C. is not in Area 6 and the panel members would not be making themselves available to these taxpayers. The committee agreed to hold this idea for discussion at the next meeting. Justin then reported on the Joint Committee meeting.

REFERRALS

Justin explained the options when discussing the referrals. They are:

1. Hold/monitor for more research,
2. Elevate up to the Joint Committee,
3. Send back to the originating state for more information,
4. Close and put in a legislative holding bin to be elevated to Nina at end of year, and
5. Close and dropped (not all ideas are good ideas).

A case can be closed because it is a legislative issue that the committee can do nothing about. A closure doesn't mean that the idea is forgotten, all ideas, even though dropped, will be reported as part of the annual report.

ALASKA: #3 - Taxpayers' Rights

Bruce Twomley discussed the rights a taxpayer is granted when faced with an IRS levy. At a time when the IRS is under increasing pressure to raise revenue, Bruce suggests that TAP monitor to make sure individual's rights are maintained. He suggests a good starting point would be for committee members to contact their state Local Taxpayer Advocate. They should identify themselves as a TAP member. Bruce wondered about the notice that taxpayers receive advising them of a levy. Mario wondered how many of these taxpayers know about the Taxpayer Advocacy Service (TAS) and if a Form 911, Taxpayer Assistance Order (TAO) is sent to the taxpayer. **ACTION ITEM:** Anne will get a copy of the Final Notice. Tom said the taxpayers' appeal rights are sent with the letter. The committee wondered if there were any statistics available on the calls that TAS receives. Tom said that the calls that come to TAS that don't fit TAS criteria are routed in the right direction to help the taxpayer. Although no nationwide statistics are gathered about TAS phone calls, Tom can speak for Denver. In fiscal year 2002 the Denver TAS office received 10,700 calls and 5.72 % of these calls met TAS criteria, which would mean the caller was experiencing a hardship and /or were unable to resolve their question through normal IRS channels. Callers not meeting TAS criteria were properly routed. All TAS local office phone numbers are published in the blue pages of telephone books, so they all receive an abundance of calls. Few need TAS assistance. Most require general IRS or state tax assistance. It was decided to gather more information on this subject and discuss it again next meeting.

ALASKA: # 578 - Childcare credit



Sherry Whah led the group on this suggestion. She said the Childcare Credit is designed for working families. The current law is not set up to give parents a vacation from their children. It would require a legislative change to expand the credit to non-working parents. **ACTION ITEM:** A letter will be written to the taxpayer explaining that this is an issue that the TAP does not wish to pursue.

ARIZONA: #681 - Visiting Professors

Greg Maciulla started the discussion by pointing out that this is a case where the tax and visa laws can only be simplified or changed if Congress passes new legislation for the IRS. The issue that the person who brought this suggestion to TAP is basically that short-term visitors have the same amount of paperwork as long-term visitors. When a professor comes for 2 or 3 years, all the paperwork is understandable. But for 2 or 3 days, it is too much. A bureaucracy within a bureaucracy, the university's forms and the federal forms, causes massive amounts of paperwork. **ACTION ITEM:** Anne will send all the committee members the complete package of forms required to be completed when a visitor comes to the U. S. and this issue will be continued next month.

COLORADO: No reports

HAWAII: #598 - Bonus Pay

Clayton Agena explained that the 28% withheld from the pay for a bonus was not taxes, but rather withholding. Therefore the taxpayer will get the extra money back when a tax return is filed the following year. Although the employer has an option of two ways to withhold taxes on bonuses, the flat rate of 27% is easiest. A taxpayer can adjust the withholding for the rest of the year if need be to compensate for the added money taken for the bonus. Possibly TAP could suggest that the instructions be expanded for clarification. **ACTION ITEM:** Anne will send each member a copy of the instructions in Circular E that relate to bonus pay.

WASHINGTON: # 546 - Practitioner Priority Service

Howard Choder was a guest speaker who was very frustrated with the new Practitioner Hotline. He is trying to run a tax preparation business and when a client needs help with an account, he must call the IRS. Accounts questions are handled by the Practitioner's Priority Service (PPS), but Howard has experienced long wait times that he hesitates to bill his clients for. Often after a long wait he is either transferred to another queue or he is disconnected. Sherry, as a practitioner, calls PPS almost daily, and she too has experienced long wait times. Yet Joe and several other committee members have experimented with the number and have experienced no problem. Howard mentioned ACS, the Automated Collection System. Previously they were a part of the practitioner hotline, but now they are not. Practitioners with collection problems must call the regular collections number. This is time-consuming and frustrating. Howard then mentioned his concerns about the Offer in Compromise (OIC) program. That too is a program that has been centralized. With today's use of fax machines, email, telephones, etc. it makes good sense to centralize a process such as OIC. Why doesn't the IRS go all the way with technology? Why don't they allow the caseworkers to accept information via fax or email? Now a taxpayer must send proof of expenses, income, assets, and liabilities through the regular mail, adding weeks to the process. The committee confessed that they didn't know anything about OIC or ACS, and they asked Howard to come back next month to discuss those issues. But Joe had researched PPS calling all times of the day and talking to all 5 IRS campuses. He talked to managers and employees. They said that some calls last 1 to 3 hours and that some practitioners try to talk about 4 to 5 clients on one call. One site said they receive 1,000 to 2,000 calls a day and it is difficult to plan for such volumes. Sherry said that 60% of the time she has a short wait, things go smoothly, and it is a good experience. But 40% of the time it is just frustrating. Joe says the PPS is open from 7:30 AM to 1:00 AM, while the recording says 7:30 AM to 5:30 PM. This issue will be discussed again next month. **ACTION ITEM:** In the meantime, each state will try calling the hotline at various times to report their experiences. 1-866-860-4259 1-866-860-4259



WASHINGTON: #12 - Student Loan Deduction

Ebrahim Mirjalili spoke to the group about the phase-out of student loan interest deductions. He graduated from dental school in 1995 with over \$180,000 in loans outstanding. He has since paid over \$100,000 and he still owes more than what he borrowed. And yet he is unable to get any sort of tax break because between his wife and him their income is over \$130,000. It was clearly a business debt, why can't it be treated as such? Not only do doctors and dentists spend 10 years in the prime of life to get their education, but also the interest compounds, the debt can't be discharged in bankruptcy, and they are not allowed even a deduction on the tax form. Chris Forzano commented that it is not just doctors and dentists, but any highly educated person who used borrowed money to finance an education has the same dilemma. But they all know the consequences when they take out the student loans. They are aware of the future debt before they decide to take the loan. **ACTION ITEM:** A letter will be written to the taxpayer advising of TAP's desire to put this issue on hold until more like issues come up.

WASHINGTON: #591 - Cruise Ships

Joe Reder took the lead on this issue. He talked to many politicians and congressional leaders and no one seems interested in pursuing this. It is a big dollar item and everyone knows the problem. In 1997 they allowed a tax break for U.S. built ships, but no company has opted to go this route. No one seems in favor of changes that would raise the rates so dramatically. Travel agents also have a lot at stake. **ACTION ITEM:** Letter to be written to taxpayer advising to write own congressional leader. TAP will close this case and put it in the legislative hold.

CLOSING

Due to the time, case #635 (Washington), #602, #612, and #664 (Oregon) will be discussed at the next meeting.

Briefly Justin called on the remaining states.

IDAHO: No reports

NEVADA: No reports

NEW MEXICO: No reports

UTAH: No reports

WYOMING: No reports

Justin reminded everyone that the next meeting is January 27, 2003 at 2:00 PM PST. The agenda in the future will have the public input first. The cases will be discussed by state and each state representative will be asked for a recommendation. Tom adjourned the meeting at 4:05 PM PST.



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- Sherry Whah
- Thomas Sherwood, Designated Federal Official

TAP STAFF:

- Anne Gruber

OPENING

Justin Doucette opened the meeting. He welcomed the new members of the committee, i.e. Darlene Bramon from Nampa, Idaho, Skip Eshelman from Cheyenne, Wyoming, and Jim Banks from Bozeman, Montana. Clayton Agena from Honolulu, Hawaii was also joining the committee for the first time. Justin then went through the protocol for a conference call since this is a fairly new way to meet. He suggested trying not to use cell phones, or pay phones, or speakerphones when actually speaking. The speaker should always say his or her name before beginning to speak, so all listeners know who's talking. And if anyone is late, they shouldn't interrupt, but when connecting before the meeting time, the caller should state his or her name to let everyone know that he or she is on the line.

Justin explained that the Federal Register did not publicize the meeting in time this month; therefore this was not going to be an open meeting. The public was not invited and no issues were to be discussed. December 16 will be the first public meeting.

Before each future meeting the agenda will be distributed with the times notated for each item so everybody will know what time they are responsible for. A discussion will be terminated once time runs out. There will be a limited time to continue the terminated discussions at the end of each meeting. Otherwise, the matter will generally be postponed until the next agenda. Thus, the total amount of time needed for an item must be estimated accurately.

All issues will first go to Anne to be assigned a number on the TAP database and then go to the member of the state of origin for review. That member will then determine how much time is needed on the agenda for the committee to discuss the issue. The cut-off date each month will be the 5th. By



the 6th Anne will email to each member the issues that came to the committee from his or her state for the preceding month. By the 10th the committee member will have reviewed the issues and made a determination as to the amount of time needed on the agenda. Three days before each meeting, the agenda will be sent to all members. This process will be fine-tuned over time. Mario Burgos requested that all members see all the referrals; the entire committee would benefit from knowing what types of suggestions are coming to the TAP.

Anne took the roll call at 2:23. Then Justin explained that the minutes from the last meeting have already been approved and asked if there were any questions. To review, draft minutes are due within 5 workdays after each meeting. Committee members have a window to request changes and/or clarifications and changes must be made within 14 workdays after each meeting. Final minutes are due within 15 workdays of the committee meeting.

OFFICE REPORTS

Anne reminded everyone about notifying the office whenever anyone goes on an outreach assignment. National office must approve all travel expenses beforehand. The new Speakers' Report Form was briefly reviewed. The form serves two purposes. It is a request form and a report form. At times an organization might request a TAP member to speak at a function. The top of the form provides room for the organization's identification information. The bottom of the form provides space for the speaker, or TAP member, to report the event. At times, the TAP member will fill in both the top and the bottom sections.

A discussion was held on the amount of email that the area committee received. Most felt that they received neither too much nor too little. Darlene Bramon and Sharon Stetz mentioned that they were grateful for all the information. Many commented that there was trouble opening attachments that come from the IRS. Tom Sherwood suggested that it was possibly due to the firewall on IRS computers.

FACE-TO-FACE MEETING

Justin wondered if the planned meeting in January was too soon and if 1½ days might be too much time given the amount of issues so early. Chris Forzano pointed out that many committees were looking at the same time to meet and maybe it would be too much for January, that March might be better. Greg Maciulla thought that the time of the face-to-face meeting was an item that could wait and be an agenda item on the next conference call meeting in December **ACTION ITEM:** Anne will email the group and take a poll of desired dates. A variety of choices will be given, some weekend, some weekday, some 1 day, some 2 days. Joe Reder mentioned that he is busy the first week in May and weekends are bad for him. Virginia Symonds mentioned that she is busy the first two weeks in May. Definitely January and February are too early; Jim Banks commented that the later it gets in tax season is definitely too busy.

Next, location was discussed. Cost is important, but not the driving force behind the choice of cities. **ACTION ITEM:** Anne will email everybody with a list of five possible cities, which everyone can rank one to five in order of preference, plus one write-in location.

ELECTION

At 2:55 the election of a permanent chair and vice chair was discussed. Clarification was requested if Justin thought the chair position was too much work, or the election was for the benefit of the four new members. Justin said he wanted the new members to have an opportunity to lead if they wanted. Jim Banks motioned that the temporary chair and vice chair become permanent. Sharon Stetz seconded the motion and everyone approved.

CLOSING

Justin closed the meeting at 2:59, right on schedule. He reminded everyone of the next meeting on December 16 at 2 PM PST. It will be a public meeting with oral comments from citizens. He asked if



there were any questions now. Clayton Agena asked for clarification of the difference between the area committees and the issue committees. Justin explained that the area committees receive grassroots input from the public, while the issue committees serve a specific purpose and provide input on a topic that the IRS has identified. Justin offered the Power Point presentation that he developed to anyone who would like to use it for an outreach effort.

A request was made for a complete member list and a calendar with all meeting dates. **ACTION ITEM:** Anne will send both to all.

Several questioned the status of the business cards, the credit cards, and the phone cards. **ACTION ITEM:** Anne will make inquiries and report back to the group.