



2009 Meeting Minutes Joint Committee

- November 25, 2009
 - October 28, 2009
 - September 23, 2009
 - August 20, 2009
 - July 22, 2009
 - June 24, 2009
 - May 27, 2009
 - April 22, 2009
 - March 25, 2009
 - February 25, 2009
-

Taxpayer Advocacy Panel (TAP) Joint Committee Teleconference Minutes Wednesday, November 25, 2009

Designated Federal Official

Shawn Collins - Acting TAP Director

Members Present

Charles Davidson - Chair
Kenneth Wright - Vice Chair
Linda Gambardella - Chair, Area 1
Kimberly Brown - Chair, Area 2
Dale Cooper - Chair, Area 3
Kay Bell - Chair, Area 5
Steve Vanderver - Vice Chair Area 4
Tom Walker - Vice Chair, SB/SE
Sabby Jonathan - Chair, Area 7
Erica Webber - EITC
Mark Paris - Chair Communications
Chuck Tice - Chair, Notices
Al Rodriguez - Chair, MLI
Sandy Finestone - Area 7 Vice Chair
Craig Capehart - Area 5 Vice Chair
Earnest Miller - Notice Improvement Vice Chair
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
John Kim - Vice Chair, VITA

Staff Present

Shelby McKenzie - Note Taker
Louis Morizio - TAP Manager
Judi Nicholas - TAP Manager
Steve Berkey - Senior Program Analyst
Mary Ann Delzer - Database Analyst
Audrey Jenkins - Program Analyst
Ellen Smiley - Program Analyst
Patti Robb - Program Analyst



Guests

Justin Axelrod - Area 3 Member
Kelly Wingard - Area 4 Member
Ray Buschmann - Area 4 Member

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting

Roll Call

Quorum was met.

National Office Report (Shawn Collins)

Shawn Collins reported that an email was sent out today asking all of the members to provide their choice for the Issue Committees by December 4, 2009. Simpson requested members rank their choices form 1-4.

TIGTA audit is complete and final recommendation has been received and posted on TAPSpace for all those who wish to read it. Collins thanked Sabby Jonathan and his sub-team for the quick turn-around so that the October deadline for issue status review was met.

TAP Chair Report

Davidson has been working very closely with Jonathan to ensure that the leadership transition goes smoothly. Davidson put together a format for the chairs that spells out what they are to include in their contributions for the Annual Report. Report will be due by the end of the Annual Meeting.

Review and Approve October Minutes

October minutes approved by consensus as written.

Area Issues Recommendations for Review

Area 1-5134-Lack of Availability of Deposit Coupons for Payroll Taxes

Linda Gambardella presented the issue.

Statement of Issues:

Occasionally, some small business owners have been unable to make their payroll deposits due to a lack of easy access to deposit coupons. This is a cause of great frustration to the business owner trying to meet his/her obligation. The inability to make the deposit also has the effect of causing the business owner to be assessed trust tax penalties for late deposits. Occasionally, the taxpayer no longer has the funds to deposit, if he has to wait a period of time to turn over the money. This only exacerbates the perceived adversarial relationship between the Internal Revenue Service (IRS) and the small business owner.

Goal Statement:

We believe it is in the taxpayers', agencies' and the public's best interest to facilitate trust tax deposits, thereby, increasing IRS collection of these taxes while easing taxpayer burden making such payments.

Proposed Solution:

Each IRS office, no matter how large or small, or what the location, should have deposit coupons available in order to remove the barrier to the taxpayers' ability to make timely payments and reduce



taxpayer burden.

Benefits and Barriers:

The benefits of the proposed change are the United States Treasury collects what are due and the taxpayer does not unnecessarily incur late penalties, interest, and trust fund taxes.

We understand one barrier to making coupons more available may be the desire to have businesses use EFTPS. While this system is a good one, there are occasionally difficulties. The problems may be within the system, or with the taxpayer. We are not suggesting that the electronic payment method should not remain the preferred method of accepting payment, only that payment may be easily accepted if that option is not available for some reason.

Summary and Conclusion:

Some business owners have had trouble making payroll tax deposits. Deposit coupons are not readily available or easily accessible. Wait time for coupons causes undue hardship upon the taxpayer/trustee. Penalties and interest are often assessed in these cases then The Internal Revenue spends time and money collecting these funds. Whatever the difficulty is we cannot and should not turn away a customer attempting to make a payment to the IRS simply because he does not have access to his computer password and cannot locate a coupon. The IRS should have supplies of coupons readily available at the Taxpayer Assistance Centers by adding the 8109B to the list of forms that are on the Mandatory Stocking List. This will reduce taxpayer burden and increase compliance.

DECISIONS: Consensus to elevate with suggested changes

Area 3-5831-IRS Name Mismatch with Verified SSA Information

Justin Axelrod presented the issue.

Statement of Issues:

The instance of a taxpayer’s name being different for IRS records and Social Security Administration (SSA) records is common. No tax guidelines or procedures exist for a taxpayer to follow to get the Internal Revenue Service (IRS) records updated.

Goal Statement:

To provide guidance to taxpayers when their returns are rejected by the IRS for a last name mismatch when the last name provided on their tax return reflects the last name on their current Social Security Card (SSC) and on file with the SSA..

Proposed Solution:

1. Create a procedure for taxpayers that have had their return rejected and have verified that their Social Security number (SSN) and name control information is correct with the SSA. This information should, at a minimum, be included in Publication 17 (Your Federal Income Tax).
2. Include guidance on Notice 54B (Problem with Name and Identifying Number) informing taxpayers how to proceed when the name used on their SSC matches the name used on their tax return, and the IRS last name does not match those records.
3. Notice 54B already includes an address for the taxpayer to send supporting documentation. We suggest the IRS allow the taxpayer to send in a current copy of their SSC for verification. This procedure should be included in Publication 17 and on Notice 54B.

Benefits and Barriers, Including impacts of the Proposed Change:

Benefits: Filing a tax return is central to the success of the nation’s voluntary tax system; however, when the taxpayer’s return is rejected because of an error that is caused because of information reporting between the IRS and the SSA, it undermines the process and creates an additional burden for the taxpayer. Providing guidance to taxpayers on how to proceed when they have verified their information is correct with the SSA will help to streamline the return process for the taxpayer and the IRS.



In 2008, the IRS sent out Notice 54B (Problem with Name and Identifying Number) to 204,172 taxpayers. This year alone, the IRS has sent out Notice 54B to 178,976 taxpayers. This notice does not provide guidance to the taxpayer on the steps to take if they have verified their information is correct. By providing guidance on this form and in Publication 17, it will alleviate some of the calls to the RIS and allow the taxpayer to follow the procedures to promptly remedy the issue.

Barriers: The IRS will have to develop a system to remedy this problem. Proper guidance, however, can easily be added to notices and publications in a cost effective manner.

Summary and Conclusion:

Many taxpayers are having their returns rejected because of problems with their name and identifying number, when in fact, the information is correct with the SSA. It is imperative that the IRS address this issue and provide guidance to the taxpayer on the steps to take so they can have their return processed promptly.

DECISIONS: Consensus to elevate

Area 4-5471-IRS Identity Theft Advice Clarification

Raymond Buschmann presented the issue

Statement of Issue:

The Internal Revenue Service (IRS) instructs taxpayers who receive written IRS correspondence to reply to the name/address or phone number printed on the letter or notice, even when taxpayers believe their identities have been stolen or their Social Security numbers have been compromised. Because scammers have the potential to mimic IRS written correspondence, these instructions could expose taxpayers to identity theft risks.

Goal Statement:

To reduce the potential for scammers to gain access to taxpayers' personal information via fraudulent IRS notices and letters.

Proposed Solution:

The IRS should advise taxpayers who receive suspicious letters or notices purportedly from the IRS to contact the IRS Identity Protection Specialized Unit at 1-800-908-4490 to verify the document's authenticity.

Benefits and Barriers, Including impacts of the Proposed Change:

Barrier: Additional load directed to the Identity Protection Specialized Unit. If this additional work load becomes significant, then the question is whether the increase is due to the discovery of more scam mailings than originally thought (which would be good to know), or the need to develop a better system to authenticate letters and notices from the IRS, especially those that solicit information from the taxpayer.

In cases where the taxpayer receives a genuine IRS notice, arguable time could be saved by the taxpayer calling directly to the number on the notice. However, if there is fraudulent activity on the account, it would be a best practice to refer the incident to the Identity Protection Specialized Unit, this time may actually be saved by having the inquiry go directly to the identity protection specialists.

Benefits: The chief benefit of this proposal is to prevent fraud. By directing taxpayers to verify suspicious mailings with the Identity protection Specialized Unit, the proposal also would provide a quicker route to the IRS department equipped to deal with theft and fraud problems—and assumedly, would prompt quicker action.

This proposal also would serve to discourage scammers, since by advising taxpayers to verify the letter's authenticity, the scam's success rate should go down and the scammer's discovery rate should



go up. If the advice is not modified, the current IRS identity theft prevention tips may backfire by actually serving to encourage scammers to use written notices.

Summary and Conclusion:

Although bogus letters, written and faxes to taxpayers are not as prevalent as e-mail scams, the threat is real, and should be addressed when the IRS provides advice to the taxpayer on the subject of identity protection. Since the IRS has created the Identity Protection Specialized Unit to help taxpayers deal with identity theft, the IRAS should identify this unit as the first to call if the taxpayer suspects identity theft or fraud. The benefits derived from his proposal far outweigh the barriers of reworking the IRS' advice.

DECISIONS: Consensus to elevate

Area 4-5286-CP 210 Clarification for Even Balance

Steve Vanderver presented the issue

Statement of Issue:

Notice CP 210, *Even Balance*, provides information regarding account adjustments. When no amount is due, the "Total Amount You Owe" shows as "NONE" or "\$0.00." However, the following paragraph then states "To avoid additional penalty and/or interest please allow enough time so that we receive your payment by [data]." Making reference to penalties and interest when no payment is due may confuse taxpayers.

Goal Statement:

To clarify Notice CP 210 to show no action is necessary when there is no balance due.

Proposed Solution:

Modify Notice CP 210 as follows:

1. Add instructions after the "Total Amount You Owe" and before the payment paragraph stating:

If the "Total Amount You Owe" shows as "NONE" or "\$0.00," no further action is required.

1. Delete the payment paragraph. CP 210 Even Balance notices do not reflect a balance due.
2. Delete the statement on page 2 "Cut out and return the voucher at the bottom of this pager if you are making a payment, even if you also have an inquiry."
3. Delete the payment voucher.

Benefits and Barriers, Including impacts of the Proposed Change:

Barrier: The costs of modifying Notice CP 210.

Benefits: Clarification of the notice will improve its meaning and intent.

Summary and Conclusion:

This change would preclude confusion on the part of the taxpayer when no payment is due and no further action is required on the taxpayer's part.

DECISIONS: Consensus to elevate

Area 5-5801-Change of Incorporation State of Exempt Organizations

Kenneth Wright presented the issue.

Statement of Issue:

If an exempt organization wants to change its state of incorporation without otherwise changing its purpose, the Internal Revenue Service (IRS) requires a new application for exemption to be filed.



Goal Statement:

The IRS should adopt an abbreviated procedure to permit exempt organizations that are corporations to change their state of incorporation without having to file a new application for exemption.

Proposed Solution:

The IRS should adopt a simpler procedure under which an exempt organization that is a corporation under applicable state law can change its state of corporation. This could be accomplished with a letter or short application providing information as is necessary to establish to the satisfaction of the IRS that, as a result of moving its state of incorporation, there are or would be no substantial changes in the organization's character, purposes, or methods of operation. Copies of organizational structure and/or organizing documents of both the old and the new corporations showing that there have been no changes, together with any other representations or affidavits the IRAS may consider necessary could be included. Such request could be prospective based upon a favorable response from the IRS that the change occur as represented. There should also be no user fee or only a small fee, as processing such request should require minimum time by the IRS.

Benefits and Barriers:

Benefits: A simpler procedure will be: (1) to make it easier and less expensive for exempt organizations that are corporations to change their state of incorporation; and (2) to reduce significantly the burden on the IRS of processing such requests.

Barriers: The costs of implementing the changes. No information is available concerning such costs.

Summary and Conclusion:

The IRS should develop a simpler process for exempt organizations that are corporations to change their state of incorporation in order to reduce the costs to both taxpayers and the IRS of doing so under present procedures.

DECISIONS: Consensus to elevate

Area 5-5889 -Online Employer Identification Number for Grantor Trusts

Kenneth Wright presented the issue

Statement of Issue:

The online application for employer identification numbers (EINs) at www.irs.gov does not permit a grantor trust to obtain an EIN for non-filing purposes. United States Department of Agriculture (USDA) Farm Service Agency (FSA) offices are requiring EINs for trusts owning farmland and participating in FSA programs even though the trusts are grantor trusts and are to use the taxpayer identification number (TIN) of the grantor for income tax purposes. Farmers obtaining trust EINs online only to satisfy FSA requirements will generate unnecessary grantor trust tax returns.

Goal Statement:

The IRS should coordinate with the FSA in an attempt to resolve this issue. The IRS should also permit online filers for trust EINs to apply for and receive EINs for non-filing purposes. If that is not possible, the IRS should provide warnings that the online application cannot be used to apply for an EIN for non-filing purposes and that a paper application must be filed using Form SS-4, *Application for Employer Identification Number*.

Proposed Solution:

The IRS should contact the FSA and attempt to persuade the FSA to use the TIN of the grantor for farmland held in a grantor trust rather than requiring a trust EIN. If that is not possible or the FSA will not do that, the IRS should develop a process similar to that previously implemented for disregarded entities by which it can issue a trust EIN that will be linked to the TIN of the grantor of the trust and which will not require the filing of a grantor trust return for FSA payments reported under the trust EIN. Unless the online application is changed, the IRS should also prohibit its use for grantor trust that are applying for TINS for non-filing purposes and direct taxpayer applying for those EINs to fax paper



SS-4s to the IRS instead. Those directions should also tell taxpayers how to fill out the SS-4, such as by checking the "Other" box at line 10 and writing "FSA" or "USDA" as the reason.

Benefits and Barriers, Including Impacts of the Proposed Changes:

Benefits: Eliminates the filing of unnecessary Forms 1041 for grantor trusts while ensuring proper matching of FSA payments to returns.

Barriers: Cost of implementing the change. No information is available on a number of trust EINs that have been issued through the online application or the costs of reprogramming or other solutions.

Summary and Conclusion:

The IRS should take measures to eliminate the filing of unnecessary grantor trust returns because of FSA requirements that grantor trusts obtain EINs.

DECISIONS: Consensus to elevate with proposed changes

Area 5-5799-Permit User Font Size Selection for IRS.gov

Kenneth Wright presented issue

Statement of Issues:

Although the Internal Revenue Service (IRS) website, IRS.gov, has instructions for how users can increase or decrease the font size of the website as it appears on their monitors, doing so is browser dependent and cannot be done through an online control. In addition, pages printed from the website are the same font size regardless of the screen settings. This can result in pages that are difficult to read or which print in too small a font. The link to instructions for changing font sizes is also difficult to notice.

Goal Statement:

IRS.gov should make it possible for users to increase or decrease the display font size through a prominent online control feature in addition to adjustments that can be made through browsers. Any changes in font size should also be reflected in pages printed from the website.

Proposed Solutions:

Modify the IRS.gov website to permit users to increase or decrease font sizes as displayed on monitors through a prominent online control on the website itself and not just through the control-plus and control-minus browser controls. This could be accomplished, for example, by incorporating buttons on the web pages themselves that would increase or decrease font sizes or through use of command bar text size commands. Any printed pages should reflect changes in screen font sizes so that users can print pages in larger or smaller fonts to meet their needs better. Finally, the IRS should make the link for changing font size more noticeable, as its present location with other links at the top of the page makes it difficult to notice.

Benefits and Barriers, Including Impacts of the Proposed Change:

Benefits: Make IRS.gov more accessible to users who want to read or print information found there, especially those taxpayers who are not comfortable with computers or who may have older computers and software.

Barriers: Cost of implementing changes to the website. No information is available concerning such costs.

Summary and Conclusion:

The IRS should make IRS.gov more accessible to taxpayers by enabling users more easily to increase or decrease font sizes as displayed on their monitors and as printed.

DECISIONS: Consensus to elevate

Area 5-5888-Erroneous Earned Income and Additional Child Tax Credits for Form 4029 Filers



Kenneth Wright presented issue

Statement of Issue:

.Taxpayers who are exempt from Social Security taxes and benefits by virtue of having filed Form 4029, *Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits*, are still able to receive such credits when their only source of earned income is from self-employment and their returns have been identified as Form 4029 returns in accordance with Internal Revenue Service (IRS) instructions.

Goal Statement:

The IRS should ensure that its programming for processing individual income tax returns will not generate an earned income tax credit (EITC) or additional child tax credit (ACTC) for returns on which the only source of earned income is from self-employment and which are identified as Form 4029 filers.

Proposed Solutions:

The IRS should ensure that its programming for processing individual income tax returns will not generate an earned income tax credit (EITC) or additional child tax credit (ACTC) for returns on which the only source of earned income is from self-employment and which are identified as Form 4029 filers. The IRS should also ensure that taxpayers filing such returns do not receive correspondence from the IRS indicating they may be eligible for the EITC and recommending that the taxpayers contact the IRS.

Benefits and Barriers, Including Impacts of the Proposed Change:

Benefits: Eliminates the erroneous refunds of EITC and ACTC and to help ensure tax compliance.

Barriers: Cost of implementing the change, which might be offset by the reduction of ineligible credits issued or the costs of reprogramming or other solutions.

Summary and Conclusion:

The IRS should modify its computer programs to prevent Form 4029 filers who have only self-employment income from receiving erroneous refunds of EITC and ACTC.

DECISIONS: Consensus to elevate

Area 5-5873-Form 4029 Exemption for Disregarding Entities

Kenneth Wright Presented

Summary of Issues:

The Internal Revenue Service (IRS) began, January 1, 2009, requiring entities that are disregarded from their owners for tax purposes (disregarding entities) to be treated as corporations for employment tax purposes. This will adversely affect taxpayers who have elected to be excluded from Social Security coverage by filing Form 4029, *Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits*, and who are employed by certain sole proprietor employers who have also made Form 4029. Such employers will now be required to treat wages paid to those employees as Social Security wages if the employer is a one-,ember limited liability company (LLC) that is a disregarded entity.

Goal Statement:

The IRS should permit one-member disregarded entities to continue to be treated as disregarded for purposes of being treated as exempt employers if the sole member of the LLC has made a Form 4029 election.

Proposed Solution:

The IRS should amend its regulations to permit entities to continue to be treated as disregarded entities solely for purposes of determining whether wages paid to an employee who has a Form 4029



election are exempt wages. If both the employee and the sole member of the LLC employer have made Form 4029 elections, the wages should be exempt. Wages paid to employees who do not have Form 4029 elections would not be affected.

Benefits and Barriers, Including Impacts of the Proposed Change:

Benefits: To permit members of religious sects who have valid Form 4029 elections to continue being exempt from Social Security coverage without having to give up the limited liability protection afforded by LLCs.

Barriers: Cost to the IRS of implementing the change, which should not be significant. Any taxpayers ceasing to use one member LLCs as a business form. A change which would have no income tax consequences.

Summary and Conclusion:

The IRS should amend Treasury regulation section 301.7701-2(c)(2)(iv)(B)), to permit one member LLCs that are disregarded entities to be treated as electing employers if the sole member has a valid Form 4029 election in place.

DECISIONS: Consensus to elevate

Area 5-5832-Farm Crop Share Rental Passive Activities

Kenneth Wright presented the issue

Summary of Issue:

The passive activity regulations do not provide sufficient guidance on the difference between farm crop share lease arrangements that should be treated as non-rental joint ventures and those that should be treated as rental activities.

Goal Statement:

The Internal Revenue Service (IRS) should publish additional guidance clarifying the difference between a farm crop share lease arrangement that should be treated as a trade or business for passive activity purposes because it constitutes a joint venture and a crop share lease arrangement that should be treated as a rental real estate activity.

Proposed Solution:

When Treasury Regulation §1.469-1T(e)(3) defining passive rental activities is issued in final form, it should contain clarification of the difference between a crop share lease arrangement which constitutes a joint venture and one which constitute a rental activity. Examples similar to the following two should replace present example 8 (described below under Background, Research, and Analysis) at §1.469-1T(3)(viii):

Example 1: The taxpayer makes farmland available to a tenant farmer pursuant to an arrangement designated a crop share lease. Under the arrangement, the tenant is required to use a tenant's best efforts to farm the land and produce marketable crops. The taxpayer is obligated to pay 50% of the costs incurred in the activity (without regard to whether any crops are successfully produced or marketed), and is entitled to 50% of the crops produced (or 50% of the proceeds from marketing the crops). The taxpayer does not participate in decision-making regarding crop rotation, selection, and pricing; the purchase, sale, or leasing of capital items, such as cropland, machinery, and equipment; or work more than 100 hours or more over a five-week period in activities connected with agricultural production. All items of income and expense are properly reported by the taxpayer on Form 4835, *Farm Rental Income and Expenses*. The taxpayer is engaged in a rental activity.

Example 2: Assume the same facts as in the preceding example. In addition, the taxpayer consults with the tenant and inspects the production activities periodically. The taxpayer is treated as providing the farmland for use in a farming activity conducted by a joint venture in the taxpayer's capacity as an owner of an interest in the joint venture and must report the arrangement on Schedule F, *Profit or Loss From Farming*. The taxpayer is therefore not engaged in a rental real estate activity.



Until new regulations are issued, the IRS should consider issuing a revenue ruling or other appropriate interim guidance clarifying the distinction between crop share leases that are rental activities and those that are joint ventures.

Benefits and Barriers, Including Impacts of the Proposed Change:

Benefits: Clarify proper application of the passive activity limitations to farm crop share lease arrangements.

Barriers: Costs of implementing the change. No information is available on such costs.

Summary and Conclusion:

The IRS should clarify how crop share lease arrangements are to be treated for passive activity purposes in order to aid taxpayers compliance.

DECISION: Consensus to elevate

Area 5-5487- CPE Credit for TAP Members Who Are Enrolled Agents

Tom Walker presented the issue

Summary of Issue:

IRS Office of Professional Responsibility (OPR) does not grant continuing education credits to Taxpayer Advocacy Panel (TAP) members who are Enrolled Agents (EA).

Goal Statement:

To have the OPR establish criteria for EAs that will allow recognition and approval for Continuing Profession Education Credits (CPE).

Proposed Solution:

Award DPE credits to TAP members who are enrolled agents based on established criteria that compares TAP member input with programs routinely approved for CPE credits. For example, provide CPE credits for holding a committee chair, performing research and analysis, completing write ups and/or other communications assignments.

Benefits and Barriers, Including Impacts of the Proposed Change:

The addition of credits awarded by OPR could ease the burden of those members whose time commitment to TAP might interfere with their attendance at formal seminars and conferences and allow them to earn credits while they work on issues and projects for TAP. The Internal Revenue Service (IRS) benefits from the input of those with experience and expertise of the many issues.

Summary and Conclusion:

Enrolled agents, covered by Circular 230, deal with and offer solutions to tax and tax-related issues from Earned Income Tax Credit (EITC), to penalty abatements, to notice clarity. Their professional expertise and familiarity with these issues helps to bring sought after solutions and fresh ideas to long standing IRS problems. They dedicate 300 to 500 hours of their time (annual) with a three-year commitment) and even more time if they chair a committee. Providing a mechanism for the EA to earn CPE credits allows IRS to recognize their dedication and commitment to bettering the Federal tax system.

DECISION: Consensus to elevate

January Meeting of the JC—determine date

Jonathan proposed that the call be January 27, 2010 at 3:00pm EST. Consensus was met.

Annual Meeting Update

Steve Berkey gave an update on the final changes for the agenda and it will be sent to printing next



week. Berkey pointed out that Wednesday night is for Area Committee dinners and Thursday evening is for Issue Committee dinners. Arrangements for all dinners are the responsibility of the committee chair.

Kimberly Brown advised that she has the menus for the nearby restaurants. Berkey will post on TAPSpace.

Davidson encouraged chairs to get together with their new members on Monday night if they are available.

Berkey will post the final version of the agenda to TAPSpace.

Area/Issue Committee Activities

Kimberly Brown will be responsible for collecting the money for the TAP Shirts.

Davidson asked Brown to send the information to Berkey to post on TAPSpace.

Davidson thanked Jonathan and his committee for working diligently on the issue review for the TIGTA audit.

**Public Input
None**

Closing

Davidson thanked members for attending the meeting and apologized for going long on the meeting.

Meeting Adjourned Next Meeting: Annual Meeting December 15-17, 2009



**Taxpayer Advocacy Panel (TAP)
Joint Committee Teleconference Minutes
Wednesday, October 28, 2009**

Designated Federal Official

Steve Berkey Senior Program Analyst

Members Present

Charles Davidson Chair
Kimberly Brown Chair, Area 2
Dale Cooper Chair, Area 3
Stan Wernz Chair, Area 4
Kay Bell Chair, Area 5
Dean Conder Chair, Area 6
Sabby Jonathan Chair, Area 7
Eileen Birge Chair, EITC
Chuck Tice Chair, Notices
Mark Paris Chair, Communication Committee
Sandy Finestone Area 7 Vice Chair
Tom Walker Small Business Self Employed (SBSE) Vice Chair
Craig Capehart Area 5 Vice Chair
Earnest Miller Notice Improvement Vice Chair
Laura Criel Chair, Volunteer Income Tax Assistance (VITA)
Richard Waterman Chair Forms and Publications
John Kim VITA, Vice Chair

Staff Present

Shelby McKenzie Note Taker
Susan Gilbert Senior Program Analyst
Mary Ann Delzer Database Analyst
Ellen Smiley Program Analyst
Patti Robb Program Analyst

Guests

Justin Axelrod Area 2 Member
Rita Taylor Area 4 Member
Mary Jo Werner Area 4 Member
Harlan Barnett Area 6 Member

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting.

Roll Call

Quorum was met.

National Office Report (Steve Berkey)

Steve Berkey stated that the Selection Package for new members was delivered to Treasury on Tuesday, October 27, 2009. Once Treasury responds the committee will be notified. Berkey congratulated the incoming Chair, Sabby Jonathan and Vice Chair Tom Walker on Shawn Collins, Acting TAP Director's behalf. Berkey advised that Collins had received initial proposals on Issue Committees from the IRS for the next year pending the National Taxpayer Advocate's (NTA) approval. The committees will remain in tact with the exception of the Multi Lingual Initiative Committee (MLI);



there is a proposal to make MLI a subcommittee of Tax Forms and Publications. Collins and the managers are discussing the projects and once a decision is made the information will be given to the members. We anticipate a deadline of November 6, 2009 for this decision.

TAP Chair Report

Davidson thanked Kenneth Wright for leading the meeting while he was in traveling status returning from DC last month. Davidson felt the meeting with Commissioner Shulman, National Taxpayer Advocate Nina Olson and W&I and SB/SE Program Owners went well. Davidson also stated he felt the Commissioner supports the TAP program as well as the partnerships developed with the Program Owners. The IRS has increased their awareness of TAP and continues to request teams to provide input on various IRS projects. Davidson delivered the report. "Recommendations on Tax Preparer Regulation" to the Commissioner and also pointed out that members of the Joint Committee formed a sub-committee to work on the recommendation to the President's Economic Recovery Advisory Board. Both of these recommendations dealt with Legislative issues. The preparer report is posted on TAPSpace.

Davidson thanked the candidates for their participation in the Chair and Vice Chair elections and congratulated Sabby Jonathan and Tom Walker on their election as the new Chair and Vice Chair respectively, for the 2010 year.

Annual Meeting teams have been meeting and workshops are scheduled. New Member Orientation is being developed, with the format revised and is coming along well. Davidson also thanked the areas that worked on the Tax Forums which ended in September 2009. Areas 1, and 3 in Florida, Area 5 in Dallas, and Area 7 in Los Vegas.

November is the last working meeting of the Joint Committee; Davidson urged the Area Chairs to have recommendations that are close to completion finished as soon as possible because there would be no opportunity to act on issues in December and January.

Davidson asked Chairs to advise of whether or not they will be able to make the November 25, 2009 meeting, if not able to attend, please advise if Vice Chair will be in attendance.

ACTION ITEM

Discussion: Should a policy be developed to allow the Area Chair, staff, TAP Chair, Vice Chair, or TAP Director the ability to remove a member from a Chair position if they are not effective?

Review and Approve August and September Minutes

August minutes were reviewed and Mary Ann Delzer noted there was no date on the copy of the minutes. Susan Gilbert indicated she would add the date and the minutes were approved by consensus with the needed change.

September minutes approved by consensus as submitted

Area Issues Recommendations for Review

Area 3-5498-Phone Prompt Doesn't Have Proper Options

Dale Cooper presented the issue.

Statement of Issues:

Issue #5498 is presented to TAP from a taxpayer who received a "Notice of Federal Tax Lien Filing and our Rights to a Hearing Under IRS 6320" (Letter 3172). In an effort to respond to the notice, the taxpayer became confused because taxpayer information is identified with an Individual Taxpayer Identification Number (ITIN) rather than a Social Security Number (SSN). The call prompts offered at the toll-free number (800-829-3903) do not include guidance for an ITIN taxpayer.



Goal Statement:

Letter 3172 should provide sufficient contact information for all taxpayers. If a toll-free number is provided then the taxpayer should be offered clear instructions for obtaining service.

Proposed Solution:

Change the telephone instructions at 800-829-3903 to allow the taxpayer using an ITIN to be routed to the correct service group. If it is intended to direct these taxpayers to an alternative group then the communications message presented in Letter 3172 should direct taxpayers to the correct toll-free number.

During the period while the changes to the automated attendant prompts are underway, the contact information created for each Letter 3172 should include specific information that the ITIN caller should "wait for live customer service support when asked for your Social Security or Employer Identification Number".

Benefits and Barriers:

Benefits: The benefits for implementing the Proposed Solutions are measured by the improvement in customer service for those taxpayers who are not U.S. citizens or business, otherwise eligible for a SSN or EIN. As they U.S. tax system is grounded in the voluntary compliance making the system easier to use would increase compliance by all taxpayers but especially those non-citizens. As the Letter 3172 is sent when a taxpayer is liable for tax liens the urgency to make the system easy to understand and available is apparent.

Barriers: The barriers presented with implementing the Proposed Solution are with the cost of making the programming changes to the automated attendant phone system for the phone number(s) used for Letter 3172.

Summary and Conclusion:

When a non-citizen taxpayer receives a notice regarding a tax lien the opportunity to receive help is limited today because the phone system does not offer readily identifiable services unless on has an EIN or SSN.

The communications can be improved with a change to the message offered on automated attendant phone system. During this interim period while this change is being completed, the contact people should be encouraged to add "when you call please wait for the live customer service help when you hear the prompts for SSN/EIN".

DECISIONS: Consensus to elevate

Area 3-4977-ITIN Deactivation Procedures

Dale Cooper presented the issue.

Statement of Issues:

Some taxpayers who are issued an Individual Taxpayer Identification Number (ITIN) and are subsequently issued a Social Security Number (SN) are using both numbers. ITIN holders are required to inform the Internal Revenue Service (IRS) ITIN Unit when they have received a SSN so the ITIN may be deactivated. Taxpayers using both an ITIN and an SSN may be receiving some income reported under the ITIN and other income reported under the SSN which may result in underreporting of income on their tax return.

Goal Statement:

To ensure that taxpayers are not using both an ITIN and SSN at the same time.

Proposed Solution:

- The ITIN Unit should revoke an ITIN if it is not used to file tax returns or for other Federal purposes for a period of more than five years.



- Change the working on Notice CP565 (We Assigned You An IRS Individual Taxpayer Identification Number (ITIN)) to inform the ITIN holder what to do if he/she subsequently receives an SSN. (Attachment 1)
- Add a "frequently asked question" (FAQ) to the IRS website to address the process of "How do I notify the IRS that I no longer need an ITIN?"
- The Social Security Administration (SSA) and the IRS should share information.

Benefits and Barriers, Including impacts of the Proposed Change:

The taxpayer who files with an ITIN instead of an SSN are not eligible for certain tax credits. Once it is discovered that a taxpayer has both an ITIN and an SSN, the taxpayer will be required to amend his tax return to obtain the credit.

The benefits of deactivating the ITIN's would help the IRS in collecting taxes from people using more than one tax ID number to report income.

There should be no hardships to anyone by implementing the solutions.

The main barrier to the proposed solutions is that solution (4) involves an agency outside the IRS making a change. The SSA currently provides information to the IRS about SSN's and taxpayer names, so there is already some sharing of information. The fourth solution would ask the SSA to add a step to their process which would ask the applicant if they already have an ITIN. When the SSA reports to the IRS about the issuance of a new SSN, the SSA could also indicate if the taxpayer also had an ITIN. There seems to be problems with the government computer systems making changes, so we see a barrier there also. Perhaps the SSA could provide a statement to the recipients of an SSN when it is issued to remind them to notify the IRS to deactivate their ITIN's since it is illegal to hold both an SSN and ITIN.

DECISIONS: Consensus to elevate with proposed changes

Area 4-5434-Check Box for Form 1065

Mary Jo Werner presented the issue

Statement of Issue:

Revenue Procedure 84-35 provides an exception from late-filing penalties for partnership returns if the partnership is a qualifying small partnership and each partner fully reports his share of the partnership's income, deductions, and credits. However, the IRS is imposing late-filing penalties on qualifying small partnerships without regards for Rev. Proc. 84-35.

Goal Statement:

To prevent assessment of late-filing penalties for qualifying small partnerships when all partners have reported their shares of partnership activity on their individual income tax returns.

Proposed Solution:

Include a check box on Form 1065, *U.S. Return of Partnership Income*, to indicate all partners have fully reported partnership activity on their income tax returns in accordance with Rev. Proc. 84-35. Specifically, change Form 1065 as follows:

- Re-title box "J" to box "K"
- New Box J would read; "Does partnership meet the requirements of Rev Proc 84-35? See instructions". Yes or no answer (Check Box).
- Instructions for new box J would read: "For late filed returns only: For purposes of meeting the requirements of Rev Proc 84-35, a qualifying small partnership must have 10 or fewer partners; each partner must be an estate or a natural person (other than a nonresident alien); each partner must have reported his share of the partnership activity on the partner's individual income tax return; and each partnership item must be the same as partner's share of every other item".

Benefits and Barriers, Including impacts of the Proposed Change:

Barrier: Those costs of modifying Form 1065 to include a check box.



Benefits: Reduce Internal Revenue Service (IRS) personnel costs for reviewing requests for abatement; implementing already existing Rev Proc 84-35 to streamline process. The cost savings to the IRS for each correspondence is \$24.94.

Summary and Conclusion:

The check box will preclude IRS notices being sent. The IRS is not harmed because partners have already reported partnership income on their individual income tax returns.

DECISIONS: Consensus to elevate with proposed changes

Area 4-4945-Tax Law Access-Rita Taylor presented the issue

Statement of Issue:

A tax practitioner expressed concern that he was not able to readily find Treasury Regulations on the IRS website, specifically up to date figures for rates that are adjusted midyear, such as standard meal allowances for day care providers. While the practitioner's issue was the location of a specific rate, the general issue is direct access to tax law from irs.gov.

Goal Statement:

Facilitate access to tax law from irs.gov

Proposed Solution:

Make the link **Tax Law** a permanent addition to the IRS homepage, and include on the page accessed links to:

The US code <http://uscode.house.gov/search/criteria.shtml>

The Regulations www.gpoaccess.gov/cfr/index.html

and additional appropriate links that the IRS or other sources may make available.

Benefits and Barriers, Including impacts of the Proposed Change:

Including the tax change link permanently on the home page is a relatively simple webpage update that could be part of routine page management.

Benefits are to increase access to information and decrease taxpayer/practitioner frustration.

Summary and Conclusion:

While the tax practitioner was in error in seeking information in the regulations, all taxpayers should have access to the law as written.

Similar problems may be avoided by making the link **Tax Law** a permanent addition to the IRS homepage.

DECISIONS: Consensus to elevate

Area 5-5368-Security of Taxpayer Information on Form 8879- Tom Walker presented the issue.

Statement of Issue:

Volunteer tax practitioners working with the Tax Council for the Elderly (TCE) and the Volunteer Income Tax Association (VITA) have requested a better method to satisfy Internal Revenue Service (IRS) data submission requirement and to assure the remitter that the material has been received by the IRS.

Goal Statement:

Provide an optional system for volunteer tax practitioners who wish for assurance that the Forms 8879, *IRS e-file Signature Authorization*, and related data have been timely received by the IRS.

Proposed Solution:

Offer volunteer tax practitioners for programs such TCE and VITA the option of using one of the following methods to submit Forms 8879 to the IRS:



- Submitting the IRS internal Form 3210, *Document Transmittal*, along with the Forms 8879. Form 3210 acts as a receipt for items sent to the IRS. The form includes fields to list the quantity and type of documents sent, along with the name and address of the originator. No other detail needs to be provided. Once received by the proper department within the IRS, a countersigned copy will be sent to the originator's address of choice as proof of receipt; or
- Sending an email to the Stakeholder Partnership, Education, and Communication (SPEC) coordinator confirming the shipment of Forms 8879. The SPEC coordinator would reply with confirmation that the shipment was received

Benefits and Barriers:

Benefits: IRS employees are already familiar with both the Form 3210 (as it is required to be used to accompany all IRS document transmittals) and traditional email communications. Volunteer tax practitioners will be acting in the best interest of the taxpayers they serve by requiring an IRS acknowledgement of receipt of the Forms 8879 and backup documents. It also provides peace of mind to the volunteers which helps assure future participation by the volunteers (which is indirectly beneficial to the IRS's volunteer programs).

Barriers: Volunteer tax practitioners who desire confirmation of delivery of the Forms 8879 will need to fill out the Form 3210 when sending Forms 8879 and back up documents or send an email indicating the shipment of these items. IRS personnel will be required to sign the Form 3210 and return a copy to the address specified by the sender or utilize email to send a confirmation. If volunteers utilize the hardcopy Form 3210, there will be nominal cost for printing of the Forms 3210 and mailing the counter-signed copy back to the volunteers.

Summary and Conclusion:

Volunteer tax practitioners are very important to society as they prepare and e-file over 2.75 million tax returns per year. All efforts should be made to make sure they are willing and able to continue to perform this valuable service. Offering volunteer the option of sending in the Form 3210 with the Forms 8879 or utilizing an email to provide notice of shipment will provide the volunteers assurance that the data was received by the IRS.

DECISIONS: Consensus to elevate

Area 6-5320 -Minimize Social Security Number (SSN) on IRS Correspondence-Harlan Barnett presented the issue.

Statement of Issue:

Pre-printed SSN's on Internal Revenue Service (IRS) forms and correspondence could subject taxpayers to identify theft. The IRS is now addressing this issue in a methodical manner but has not adequately informed the public of the excellent plans in process.

Goal Statement:

Inform taxpayers of the policy and procedural changes the IRS is enacting to redact and/or eliminate the use of a taxpayer's full SSN on both internal and external forms, thereby reducing the taxpayer's risk of identity theft.

Proposed Solution:

Create a comprehensive communication strategy to inform taxpayers about the IRS' numerous efforts to safeguard identity theft such as these:

- The Office of Management and Budget (OMB) memorandum 07-16-2007 to "Eliminate Unnecessary Use" of SSN's and "Explore Alternatives" which was submitted to Treasury in February 2009.
- Analysis of "internal use" forms identified 13 employee related forms containing mitigation opportunities to eliminate or reduce the SSN use:
 - Six of these have completed their mitigation plan
 - Seven of these have communicated plans to mitigate



- Eliminate Unnecessary Use: Within 120 days of the 7.16.2007 memo agencies were directed to establish a plan to eliminate the unnecessary collection and use of SSN's within 18 months.
- Explore Alternatives: Agencies were also directed to participate in government-wide efforts to explore alternatives to SSN use as a personal Identifier for Federal Employees and in Federal Programs, (e.g. surveys, data call, etc.). One example of an economical effort would be to communicate IRS's plans in the rotating new window on the irs.gov home page.

Benefits and Barriers, Including Impacts of the Proposed Changes:

This well planned effort needs to be broadcast to taxpayers and will greatly enhance their feeling and confidence that the IRS is truly making changes that will increase their identity security. This represents an opportunity for the IRS to really showcase its extensive template for an urgently needed and wanted change.

Barriers include the costs of allocating the resources to implement this comprehensive communications effort. The sub-committee feels that cost would be out-weighed by the good will and appreciation from the taxpayers once they are informed of these IRS identity protection efforts.

DECISIONS: Consensus to elevate with proposed changes

Area 7-4639-Downloading Forms 1099 and 1096

Sabby Jonathan presented issue.

Statement of Issues:

Forms 1099 and 1096 (Annual Summary and Transmittal of U Information Returns) are cumbersome to use, time consuming and costly to file for both the small business owner and the Internal Revenue Service (IRS).

Goal Statement:

Provide the small business owner and the IRS a user-friendly way of filing and using Forms 1099 and 1096 that saves time, money, improves IRS performance, and reduces information reporting burdens on the public.

Proposed Solutions:

Use web-based technologies instead of Optical Character Recognition (OCR) technology to file forms 1099 and 1096 with the IRS.

For example the Social Security Administration (SSA) website allows the small business person to prepare and file Forms W-2 Wage and Tax Statement, on-line without having to go through an agent and without having to order and prepare forms for OCR reading. These same on-line forms can be printed and issued to the recipient for filing their taxes. A similar technology can be used to file the Forms 1099 and 1096.

Benefits and Barriers, Including Impacts of the Proposed Change:

Using web-based technology to simplify filing Forms 1099 and 1096 will benefit IRS and the small business owner. The primary benefits to IRS are increased accuracy, fewer staff hours to correct erroneous data entries, fewer staff hours to process Forms 1099 ad 1096, eliminate costs to produce the multi-layered OCR forms, and better compliance with the paperwork reduction act. For the taxpaying public the benefit is a more user friendly product that saves time and money. Rather than chasing down the multi-layered forms, completing the forms, and mailing the forms into the IR, the taxpaying business owner can complete the filing on-line and print a copy of the Form 1099 that the recipient taxpayers can use to file their taxes.

One of the barriers is obtaining the web-based technology. The SSA is willing to help overcome this barrier. The SSA is currently using web-based technology and is willing to share. In its annual report SSA stated that its efforts in E-government results in overall improvement not just to SSA services, but also to government-wide services.



Summary and Conclusion:

The technology is available to make filing of Forms 1099 less onerous for the taxpaying public and improve the accuracy of the needed information for IRS. A primary example is the method used by SSA for filing W-2 forms online, and SSA is willing to share. IRS has the opportunity to cut costs, increase accuracy, better comply with the paperwork reduction act, and better serve the taxpaying public. The taxpaying public has the opportunity to have a user friendly product that saves time and money.

DECISIONS: Consensus to elevate

Area 7-5225-Reporting 1099-G Information on Form 1040

Richard Waterman presented issue.

Statement of Issue:

The IRS needs to provide instructions on how to report certain joint state income tax refunds on individual Form 1040 U.S. Individual Income Tax Return.

Goal Statement:

Provide guidance on reporting prior year state income tax refunds

Proposed Solutions:

Create proper guidance on instructions including:

- Form 1040 line 10-**Taxable Refunds, Credits, or Offsets of State and Local Income Taxes)**
- Publications 525-**Taxable and Nontaxable Income**
- Instructions for Form 1099-G-**Certain Government Payments.**

Benefits and Barriers, Including Impacts of the Proposed Change:

The impact on the IR should be minimal in that we are proposing to modify existing publications and instructions.

Summary and Conclusion:

Many states are now requiring joint filing of state tax returns for same-sex couples. There is currently inadequate documentation from the IRS on how the resulting tax refund should be allocated to the two individual federal tax returns. We are requesting existing documentation be updated to include guidance on how to handle this situation.

DECISIONS: Consensus to elevate with recommended changes

Quality Review

Several meetings have taken place regarding Quality Review (QR). The QR team was given the authority to check the document for technical accuracy. If the Joint Committee wants to change that guideline it needs to be done within the Joint Committee. There is a thought that while the process is being analyzed, quality review may be suspended so that it can be reestablished for next year. If this is done the areas would have to scan all of the issues for spelling and grammar before they can be sent up to the Joint Committee for elevation.

DECISIONS: QR will continue the way that it is through next month and re-evaluate at the process at the Chair Training In December.

Annual Meeting Update

Nina Olson, the National Taxpayer Advocate has given her approval of the content of the agenda.

Davidson stated that member input has been wrapped up at this point and the staff is responsible for the rest of the agenda.



Mentors

Davidson conveyed an email message from Judi Nicholas asking that all current Chairs talk to their current members to see who would make a commitment to make contact with a new member, as a mentor, for the annual meeting. This is strictly voluntary.

Area/Issue Committee Activities

Kimberly Brown will be responsible for collecting the money for the TAP Shirts.

Davidson asked Brown to send the information to Berkey to post on TAPSpace.

Davidson thanked Jonathan and his issue process committee on working diligently on issues that came back from the TIGTA audit.

Public Input

Closing

Davidson thanked members for attending the meeting and apologized for going long on the meeting.

Meeting Adjourned

Next Meeting: November 25, 2009



Taxpayer Advocacy Panel (TAP) Joint Committee Teleconference Minutes Wednesday, September 23, 2009

Designated Federal Official

Shawn F. Collins - Acting TAP Director

Members Present

Ken Wright - TAP Vice Chair
Linda Gambardella - Chair, Area 1
Kimberly Brown - Chair, Area 2
Dale Cooper - Chair, Area 3
Stan Wernz - Chair, Area 4
Kay Bell - Chair, Area 5
Dean Conder - Chair, Area 6
Sabby Jonathan - Chair, Area 7
Eileen Birge - Chair, EITC
Tommy Thompson - Chair, Taxpayer Assistance Centers (TAC)
Richard Waterman - Chair, Forms & Publications
Chuck Tice - Chair, Notices
MJ Lee - Chair, Small Business/Self Employed (SB/SE)
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
Mark Paris - Chair, Communications Committee
Al Rodriguez - Chair, Multi-Lingual Initiative
Erica Webber - Area 2 Member
Justin Axelrod - Area 2 Member
Sandy Finestone - Area 7 Vice Chair
Tom Walker - SBSE Vice Chair
John Kim - Vice Chair VITA
Susan DaCorte - Vice Chair, Communications Committee
Kelly Wingard - Vice Chair, Forms and Publications
Ernest Miller - Vice Chair, Notices

Staff Present

Shelby McKenzie - Note Taker
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Judi Nicholas - TAP Manager
Susan Gilbert Senior - Program Analyst
Steve Berkey Senior - Program Analyst
Mary Ann Delzer - Database Analyst
Audrey Y. Jenkins - Program Analyst
Marianne Ayala - Program Analyst
Sallie Chavez - Program Analyst

Welcome/Announcements/Review Agenda

Kenneth Wright indicated he would be chairing the meeting because the Joint Committee Chair was in travel status and would not be able to attend. He then welcomed everyone to the Joint Committee (JC) meeting.

Roll Call

Quorum was met.

National Office Report (Shawn Collins)

Shawn Collins welcomed everyone to the meeting and thanked everyone for their participation at the August Joint Committee Face-to-Face Meeting.



TAP Chair Report

Charles Davidson was not available to give report.

Review and Approve August Minutes

Susan Gilbert advised the minutes will be reviewed at the October meeting.

Annual Meeting Update

Gilbert gave an update on the status of the annual meeting. A conference call is scheduled for September 29th when workshops will be finalized and added to the agenda. TAP received an offer of the use of a website to assist participants in registering for the workshops they wish to take at the annual meeting.

Recruitment Update

Steve Berkey gave an update reporting the recommendations for selections have been approved by the NTA, Nina E. Olson, including 15 new members from this years applicants and ten applicants from the previous years approved alternate list.. We are currently waiting for the approval memo from Counsel, once received the package will then be forwarded to the IRS Commissioner and onto Treasury. The hope is to have this sent out by the end of next week.

Area Issues Recommendations for Review

Area 1-5189-Amended Returns-Processing-Linda Gambardella presented the issue.

Statement of Issues: IRS delays the processing of amended returns which causes serious problems for some clients who subsequently receive liens on their properties and do not receive refunds for other tax years. Additionally, when calling collections to obtain current information regarding the amended return they state the return is still being worked on, when in fact it is sitting on a shelf and not processed.

Goal Statement: Recommend to IRS to timely process amended tax returns in a timelier manner, and provide accurate information to the taxpayer or representative.

Proposed Solution: 1) E-file prior period amended tax returns, 2) Processing of manually submitted tax returns should be no longer than 120 days, and 3) Provide accurate information to the taxpayer or representative when calling collections.

Benefits and Barriers, Including Impacts of the Proposed Change: There are many benefits to this proposal; timely customer service, reduction in taxpayer burden, increase in customer satisfaction, clearing go lingering taxpayer problems and the IRS's credibility would be improved. Most importantly, implementation of the recommendation would increase the likelihood that tax controversies will be resolved equitably, accurately, and timely.

One of the barriers could be lack of staffing to process the amount of amended returns received.

Another barrier may be that each return has to be treated individually especially if it is selected for audit which could greatly extend the time for processing, for example, possible fraud.

Summary and Conclusion: Too many tax returns are not being processed in a timely fashion which may cause a loss in refunds or higher tax liabilities including penalties and interest due to the time it takes to complete and amended tax return. Additionally, IRS liens clients' properties and withdraws cash from the clients' bank account.

DECISIONS: Consensus to elevate with proposed changes

Area 2-5506-Extended filing date of Form 1041 by Trusts-Erica Webber presented the issue.

Statement of Issues: Trusts holding partnership interests frequently do not receive Schedule K-1 forms from the partnerships until the end of the extended due date for filing their trust returns Form 1041. Consequently, the returns they file, and the Schedule K-1 forms they mail to their beneficiaries, are incomplete and must subsequently be amended and corrected.

Goal Statement: To insure that trusts receive their Schedule K-1 forms from partnerships prior to the extended due date for filing their trust returns.

Proposed Solution: Revise the Temporary Regulation to increase the automatic extension period for filing returns by trusts from 5 to 5 ½ months.



Benefits and Barriers: Barriers: None can be identified. Benefits: Trusts and their beneficiaries will be relieved of the burden of having to file amended returns and corrected Schedule K-1 forms. It will also eliminate the confusion which results when taxpayers receive corrected forms. And it will eliminate the need for the IRS to process amended returns and corrected Schedule K-1 forms and to unnecessarily contact taxpayers when there appears to be a mismatching of this information. The bottom line is a reduction in time and expense expended by all parties.

Summary and Conclusion: By changing the Temporary Regulations to extend the automatic extension period for trusts by ½ month, trusts and their beneficiaries will be able to file complete and accurate returns by the extended due date. This will avoid the burden they face of having to prepare and file amended returns and corrected Schedule K-1 forms. It will also avoid the expenditure of time and resources by the IRS in processing these amended and corrected forms.

DECISIONS: Consensus to elevate

Area 5-5709-Automatic Six Month Extension for Exempt Organizations-Kenneth Wright presented the issue.

Statement of Issue: Exempt organizations filing Form 8868, *Application for Extension of Time to File an Exempt Organization Return*, are granted an automatic three-month extension of time to file. An additional three-month extension is available only if the organization files an additional request, stating in detail why it needs the extension.

Goal Statement: The IRS should permit exempt organizations filing Form 8868 to obtain an automatic six-month extension of time to file.

Proposed Solution: The IRS should issue regulations allowing exempt organizations to obtain an automatic six-month extension of time to file instead of being granted an automatic three-month extension and having to request a second three-month extension. Until such regulations can be finalized, the IRS should issue a revenue procedure or other appropriate interim guidance implementing such change.

Benefits and Barriers: Benefits of implanting this issue will be to eliminate the cost to taxpayers and the IRS for processing requests for additional extensions to file returns for exempt organizations. When the IRS adopted the previous recommendation by the Taxpayer Advocacy Panel that automatic six-month extensions be given to other organizations, the IRS estimated it would save more than 9 million man-hours. Although the savings here would be less, they would still be significant. Barriers would be the cost of implementing the change, which would be one-time and should be minimal relative to the annual savings.

Summary and Conclusion: The IRS should permit exempt organizations filing Form 8868 to obtain automatic six-month extensions instead of automatic three-month extensions.

DECISIONS: Consensus to elevate

Area 5-5803-Covered Employment of Children and Spouses-Kenneth Wright presented the issue.

Statement of Issue: On January 1, 2009, the IRS began requiring entities that are disregarded from their owners for tax purposes (disregarded entities) to be treated as corporations for employment tax purposes. This will adversely affect taxpayers who, as One-member Limited Liability Companies (LLCs) filing income tax returns as sole proprietors, will now be required to treat their employee children under 18 as covered employees subject to Social Security, Medicare, and Federal Unemployment taxes and their employee spouses as subject to Federal Unemployment tax (collectively "employment taxes").

Goal Statement: The IRS should permit one-member disregarded entities to continue to be treated as disregarded for purposes of the exception from covered employment of children under 18 and of spouses.

Proposed Solution: The IRS should amend its regulations to permit one-member disregarded entities to determine whether, as disregarded entities, children under 18 would be treated as employed by a sole proprietor parent or a spouse by a sole proprietor spouse. If such treatment would result in the child or spouse being exempt from employment taxes if the proprietor parent or spouse were not operating through a disregarded entity, the exemption should still be available. Such disregarded entities could still report as corporations, but would be able to exclude wages paid to family members as covered wages. Until regulations can be amended, the IRS should modify the



instructions in its various publications dealing with employment taxes (such as Publication 15, *Circular E, Employer's Tax Guide*) and should issue other appropriate interim guidance.

Benefits and Barriers, Including Impacts of the Proposed Changes: Benefits of implementing this issue will be to permit small family businesses to continue to be eligible for the family member exception to employment taxes. Particularly in this present economy, it is difficult to justify a policy that would create a tax liability solely because of an administrative change by the IRS and not as a result of a tax choice by the taxpayer.

Barriers would be the cost to the RS of implementing the change, which should not be significant. Any purported loss of employment tax revenue should be ignored, as the change by the IRS has created the revenue, which could be easily avoided by taxpayers ceasing to use one member LLCs as a business form, a change which would have no income tax consequences.

Summary and Conclusion: The IRS should amend Treasury regulation section 301.7701-2(c)(2)(iv)(B) to permit on member LLCs that are disregarded entities to qualify for the family member exception to employment taxes.

DECISIONS: Consensus to elevate

Area 6-5280-Letter 525 Revisions-Eileen Birge presented issue.

Statement of Issues: Letter 525, *General 30 Day Letter (Rev. 9/2008)*, contains misleading wording regarding proposed examination adjustments.

Goal Statement: To Improve the clarity of Letter 525.

Proposed Solutions: Strike the current "checkbox" paragraphs in Letter 525 and replace them with the following text:

- **The proposed amount of your refund is \$[xxx].** We will issue this amount to you if you don't owe other taxes and don't have other legal obligations that we are required to collect. We'll send your refund, which may include interest due to you, within 8 weeks after we receive the examination report you've signed.
- **The proposed amount you may owe is \$[xxx].** This amount may include tax, penalties, and estimated interest due. If you agree with this proposal, you should pay the total amount now because the law allows us to charge additional interest and certain penalties until you pay the amount you owe in full. If you can't pay the full amount now, please contact us now so we can discuss payment arrangements.

Benefits and Barriers, Including Impacts of the Proposed Change:

Benefits:

- Increased customer satisfaction as the taxpayer will not be misled into thinking that the IRS has made a final assessment.
- Decreased calls to the IRS auditors and customer service lines.

Barriers:

- Minor cost of letter revisions in the IRS computers
- Staff time for legal and policy review.

Summary and Conclusion: The misleading wording of the current Letter 525 could both confuse and annoy taxpayers—leading to customer dissatisfaction. The proposed wording changes to Letter 525 will both clarify the letter's intended meaning and keep taxpayers informed of their rights.

DECISIONS: Consensus to elevate

Area 7-4661-IRS Website Feedback-MJ Lee presented issue.

Statement of Issue: The IRS.gov has a webpage for submitting feedback about the website to the "IRS Website Help Desk." But after filling out the form, users receive a generic, unsatisfying automated email and no other follow-up. This may lead users to assume that nothing has come of



their feedback.

Goal Statement: To provide users with germane feedback on their submissions to the IRS Website Help Desk so that users are satisfied their input was acknowledged and that errors will be corrected or improvements made.

Proposed Solutions: The IRS Website Help Desk should forward legitimate concerns to appropriate IRS departments and have those departments acknowledge submissions with some indication of authority (e.g., known problem, accepted, rejected, or cannot be implemented). At a minimum, users could be sent an appropriate email that thanks them for trying to improve IRS.gov. In addition, the website feedback mechanism should be upgraded so that it automatically captures the URL of the unsatisfactory page.

Benefits and Barriers, Including Impacts of the Proposed Change: A responsive supporting process behind the IRS feedback page would impact the IRS and taxpayers in these ways:

- Increase user confidence in IRS.gov
- IRS developers would better understand where users have problems finding the information they need.
- Users would be encouraged, rather than discouraged, to submit user interface suggestions.
- Encouraging website feedback would gain the IRS free quality review by users.
- Quick notification of major website issues. For example, recently the website had a problem where <http://www.IRS.gov> was working, but <http://IRS.gov> was not. There was no good place to report the problem.

A barrier to this proposal is the IRS cost to fix this process.

Summary and Conclusion: For many taxpayers, IRS.gov has become the primary interface to the IRS. When IRS.gov does not respond in a meaningful way, the taxpayer loses confidence in the agency's ability to understand and resolve customer problems. Improving the feedback process would increase efficiency as well as taxpayer satisfaction. If the IRS does not have the resources to be responsive, it would remove the feedback mechanism from the website. The worst solution would be to leave the process as is.

DECISIONS: Consensus to elevate

Area 7-5544-Incorrect Version of Publication 1 on IRS Website- Sabby Jonathan presented issue.

Statement of Issue: The IRS has two different versions of Publication 1, Your Rights as a Taxpayer, on the IRS Website. The HTML version is dated 12/1998 while the PDF version is dated 5/2005.

Goal Statement: Provide the most current and accurate information to taxpayers on the IRS website.

Proposed Solution: Replace the outdated Publication 1 on the IRS website with the most current information.

Benefits and Barriers, Including Impacts of the Proposed Change: The IRS will need to devote resources to converting the Publication 1 into HTML format. However, the taxpayer will greatly benefit by having the most current and accurate information regarding their rights as a taxpayer.

Summary and Conclusion: Both the IRS and the taxpayer benefits from having the most current and accurate information on the IRS website. Replacing the old HTML version of Publication 1 will ensure that taxpayers have the most accurate information about their rights as a taxpayer.

DECISIONS: Consensus for Area 7 to elevate via Systemic Advocacy Management System (SAMS)

Meeting with Commissioner Shulman

Jonathan stated that the meeting with the Commissioner was a success, as well as the meeting with the program owners and Nina Olson. He also urged everyone to read the Annual Report if they have not had the chance to do so.

Dean Conder reported the results of the meeting with the program owners, SBSE and W&I. He also explained why the decision was made to not have TAP participate in the survey with W&I.



TAP opted out of this survey primarily because TAP involvement was only to be administrative, with no input from TAP on the content of the survey.

Transfer of Issue 5xx-4640-Use of Online 8109-B, to the TAC Committee

Roy Block gave background as to why the issue is being discussed again. The TAC committee's review determined the issue would not be appropriate to include in their TAC report this year. Area 5 requests the issue be elevated directly to the IRS.

DECISIONS: Consensus to elevate

Berkey reminded everyone of the "meet the candidates" call scheduled for Wednesday, September 30, 2009, at 2:00 p.m. Eastern Time. Campaign statements and bios will be posted on TAPSpace. Berkey will be sending out a mass email confirming the meeting.

Closing

Wright thanked members for attending the meeting.

Meeting Adjourned Next Meeting: October 28, 2009



Taxpayer Advocacy Panel (TAP) Joint Committee Face-To-Face Meeting Minutes August 20-22, 2009

[Thursday, August 20, 2009](#)

[Friday, August 21, 2009](#)

Designated Federal Official

Shawn F. Collins Acting TAP Director

Members Present

Charles Davidson TAP Chair
Ken Wright TAP Vice Chair
Linda Gambardella Chair, Area 1
Kimberly Brown Chair, Area 2
Dale Cooper Chair, Area 3
Stephen Vanderver Vice Chair, Area 4
Dean Conder Chair, Area 6
Eileen Birge Chair, EITC
Tommy Thompson Chair, Taxpayer Assistance Centers (TAC)
Richard Waterman Chair, Forms & Publications
Chuck Tice Chair, Notices
MJ Lee Chair, Small Business/Self Employed (SB/SE)
Laura Criel Chair, Volunteer Income Tax Assistance (VITA)
Sabby Jonathan Chair, Area 7
Kay Bell Chair, Area 5
Mark Paris Chair, Communications Committee

Staff Present

Shelby McKenzie Note Taker
Anita Fields Note Taker
Roy Block TAP Manager
Nancy Ferree TAP Manager
Judi Nicholas TAP Manager
Louis Morizio TAP Manager
Susan Gilbert Senior Program Analyst
Steve Berkey Senior Program Analyst
Mary Ann Delzer Database Analyst

Public

Bernard Coston, Acting Executive Director Case Advocacy

Thursday, August 20, 2009

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting and reviewed agenda with everyone.

Roll Call

Quorum was met.

National Office Report (Shawn Collins)

Shawn Collins welcomed and thanked everyone for attending the meeting and for the time that they a lot for TAP.



TAP Chair Report

Davidson advised the Chair report is on TAPSpace, the 2008 TAP Annual Report is complete and ready for distribution. Copies have been sent to the Commissioner and National Taxpayer Advocate. A date has been requested for the Commissioner meeting. All Face-to-Face meetings are completed for the year, but EITC has been requested to have a second Face-to-Face that will be funded by the program owner. VITA has been working on the training materials and finishing that up. TAP has participated in the Orlando and Las Vegas Tax Forums and will be participating in the New York Tax Forum next week, August 25-27, 2009 and will be attending the Dallas Forum, September 8-10, 2009.

Review and Approve July Minutes

Final draft posted on TAPSpace, *consensus to approve minutes.*

New Member Orientation

Judi Nicholas discussed the expectation and goals of the agenda for the new orientation class for the Annual Meeting. In September there will be conference calls open to the members who came on last December. The goal is to have the agenda finalized by end of September. Nicholas and the Staff do not see orientation as a discrete stand alone event, they see it as a part of the new member's journey in becoming a TAP Member. They believe that the journey begins with the pre-annual meeting conference calls so they will be making recommendations to the staff about the agenda for those calls. The agenda used in the past may continue to be used. The goal is improvement each year in the new members feeling comfortable with working issues, their committees and their roles as panel members. The foundation will be laid for the new members; a new member workshop and travel workshop will be incorporated into the agenda. Staff will go over the member handbook with new members and point out important sections and useful tips on how to use the member handbook.

"Where do you fit?" Acronyms will be used to help new members get acquainted with TAP.

Dale Cooper asked what the plan is for outgoing chairs during orientation. *Response: It hasn't been discussed yet, but we will know by the end of September.*

Dean Conder discussed the passing the torch and letting the new members know of some "do's and don't s" for the panel.

Nicholas discussed the TAP tools and resources, and how the handbook can be used, staff support, irs.org and IRS support, TAPSpace and its use.

Eileen Birge suggested that new members have their log-in and password for TAP Space prior to the annual meeting. She thinks this will be very helpful. *Response: the process is lengthy but the goal will be to facilitate that process before the annual meeting if possible.*

Steve Berkey added that the staff is trying to have a internet café or something similar for new members to be able to log into TAP Space and familiarize themselves during the meeting. This would not be part of the orientation.

Nicholas recommended paring the members up with new members in their area. Also, discuss the AT&T calling cards, outreach workshop, and a Travel workshop with Louis and Otis. The foundation will be made in the pre-meeting conference calls.

Rich Waterman suggested that mentoring should be more formalized. He felt that it really helps new members. *Response: in the past the staff managed it and made it happened, the staff asked the Area Chairs to set this up.*

Ken Wright advised that he set up a mentoring program for his area, and advised unless there is a staff member that will oversee that and make sure that there is contact, it is whatever the pair makes of it.



Nicholas said there is an option to facilitate a buddy meeting to prepare the new member for the annual meeting, another thought is Nicholas does not feel that it is appropriate for her as a staff member to go to the panel members and tell them that they need to contact the new member.

Kimberly Brown shared Area 2 has a mentoring program and they work out the program by state and feels that it works very well.

Sabby Jonathan suggested a breakout for new members to attend regarding elevated/emerging issues, where they learn how to work an issue from beginning to end and then see what happens next when it goes through Quality Review and then on to Joint Committee. Jonathan felt that this would have been the most valuable training that he would have had as a new member. *Response: there is a bullet under "Where do you fit?" with an exercise for the new members to go through.*

Ken Wright feels that there should be a focus integrating the new members with existing members at the annual meeting. Mentoring program should be secondary and integration should be a bigger focus. *Response: Committee meetings are scheduled to be 5 hours long. There are opportunities through out the meeting for some of this to be reinforced in a variety of ways whether it is through workshops or area and issue committee meetings and plenary sessions.*

Berkey suggested for the panel to keep in mind that this year there is a much smaller group of new members; last year there was a group of about 40, as of right now there are 77 returning members and 24 new members for 2010. So there will be a more intimate session and better discussions, so that should help the process as well.

MJ Lee asked the question as to whether it would be better to have a call informing the new members on the travel guidelines. *Response: Nicholas advised there are conference calls that the new members attend before they travel; however, the workshop will go more into depth on the travel procedures and processes with scenarios to give better understanding.*

Collins advised that travel requirements change and we feel that it is important to update you and having a workshop is the best way to do it. This way everyone gets the information/message at the same time.

Conder has a member in Area 6 that did a great presentation at an outreach event and wanted to know if it would be possible for the member to present at the annual meeting. *Response: Nicholas has already spoken to this member about his willingness to present at the annual meeting and there were also some comments about involving TAP members to help deliver some of the information during the annual meeting.*

Birge wanted to know if the new members will have a copy of the annual report before attending the annual meeting. *Response: The report will be provided before hand.*

Louis Morizio addressed Jonathan's issue regarding the workshop on working issue and elevation, his thought is to make this a mandatory workshop for the new members.

In closing the discussion, Nicholas said that everything would be more solidified by late September and the delivery methods will be identified at that time.

Davidson encouraged the Area Chairs to have dinners with the new members as a way to welcome them to TAP and make contact with the new members early on so that they feel welcome.

Nicholas stated the new members will be announced to the members once they are finalized.



Davidson thanked Nicholas and commended the team for their good work.

Elections Sub-Committee Report and Recommendation

Kay Bell discussed the elections process. The subcommittee recommended holding separate elections for Chair and Vice Chair in the event they don't get elected for Chair; they have the opportunity to run for Vice Chair. They also recommended having a 'meet the candidates' teleconference in addition to the bios on TAP Space. In the event of a tie there will be a run-off.

The question was asked why hold the election if you are going to have the staff decide who will be the Chair in the event of a tie. Why not just have the staff select the Chair. *Response: That was one of the arguments regarding the flip of a coin as well, it was felt that the TAP staff works with the people that are running and might know who would be more suitable for the position.*

Birge advised that when this was brought up last year there was a suggestion that why not just make the Vice Chair the number two candidate, and in the case of the tie flip a coin and whoever won the coin toss would be the Chair and the other would be the Vice Chair. *Response: Some people are only interested in running for Chair and some are only interested in running for Vice Chair. Whereas some are interested in either position, and did not want to force someone into a position that they did not want.*

Nicholas stated there are people that just want to be Vice Chair, if there is only one election then there is a possibility of cutting out someone that wants to run for Vice Chair. Did the committee ever discuss giving staff a greater role in the selection process? *Response: No not really, it was felt that the nominating committee/members would talk with staff. It was also felt that people were not running or self-nominating then they would take their personal knowledge and talk with staff and ask for help with the people running for Chair.*

Brown shared the reason for the teleconference is so that anyone can get on to do a question period so that even if you are not from the same area as the candidate you will have the opportunity to get to know the candidate.

Nicholas loves the idea of the conference call campaign because it gives the members the opportunity to hear from the candidate and ask them questions as opposed to the member trying to gain the sense of what someone has to bring to the table by reading it off of a piece of paper. Her hope is that people will take advantage of that opportunity.

The consensus is to have the teleconference and continue the process as it is currently, only holding one election. The only change is that in the event of a tie the outgoing TAP Chair will choose the candidate

Annual Conference Committee Report

Susan Gilbert went over the structure and topics of the Agenda for the Annual Meeting.

- Proposed Workshops—the workshops proposed are: From Taxpayer Issue through elevation to IRS parts 1 & 2, Overview of IRS TAS/LTA, Outreach 2, Emerging IRS Issues, and TAP Space
- Instructors-Did not discuss
- Agenda -Gilbert discussed the agenda for the Annual Meeting. Orientation will begin Monday from 8:00 a.m. to 3:30 p.m., Area and Issue Committee has a five hour slot on Tuesday, the Opening Plenary: TAP Director and 2009 and 2010 TAP Chairs, W&I, SBSE, National Taxpayer Advocate (NTA) and the IRS Commissioner will take up the first half of the first day.



Jonathan asked if it would be possible to start at 8:30 because for the west coast people 8:00 a.m. is actually 5:00 a.m. for them. *Response: It is possible, however if we start at 8:30 then we will have to go until about 6 p.m.*

Laura Criel shared her concern that Monday is a travel day and people will be too tired to participate in a social hour.

Collins advised the Social hour is Tuesday evening, but will double check and have Susan update the committee.

Gilbert advised that the time limit for W&I and SBSE has been cut, it was also discussed that the executives from W & I and SBSE mention in their speeches some success stories of how TAP helped improve their business units.

Collins will ask the Executives to discuss some of the things that TAP has done for Business Units. Collins and Berkey will work on a slide presentation to send to the Executives with talking points for their presentation at the Annual Meeting. Collins advised that she will make the request to have the Executives tailor their messages toward the TAP Program. However, she can not guarantee that they will accept the request.

Mary Ann Delzer stated that we do have some responsibility to hear what their program is about as well, because we are partnering with them.

Jonathan said that point is well taken but it is a two-way street, they spend their time as TAP members trying to help improve the IRS and would like to hear back from the IRS on suggestions taken. It would be good for returning members to hear that and good for new members to see that the panel has an effect on the IRS.

Birge was in a similar situation and handled it by sending a slide of the recommended topics so that the speaker would be able to drop their responses into the slide to make it easier for them.

Wright thinks that when it comes to the new members a lot of them have no tax experience and when the Executives come in and talk about their agenda they have no idea how it relates to TAP. If we have someone that is going to be that way, maybe we should not invite them? Is that politically possible? *Response: No*

Collins liked Birge's idea of including in the slide things that their program has already done with TAP. Collins and Berkey will have a discussion about that.

Berkey wanted to clarify what the committee wants from the Executives; acknowledgement for what TAP did for W&I and SBSE the prior year. *Response: to recognize the elevated issues or anything that TAP did that the IRS did pay attention to and implement which caused a change within the IRS, also give one or two examples.*

Dean Conder reiterated that the Commissioner's slogan is for the IRS to walk in the taxpayer shoes, and he feels that TAP is the resource for that.

Brown feels that some of the information that was given is extremely helpful, this coming from someone that doesn't have any tax background at all, and feels that some of this information should not be taken away. Knowing how things happen and why they happen played a big role for her in her issue committee. She feels that it needs to be looked at from both sides of the table and doesn't feel that it should be deterred from at that annual meeting.



Richard Waterman feels that the Panel should submit questions in advance for the Executives to discuss. *Response: Berkey feels that coming up with two or three questions for W&I, SBSE or the Commissioner isn't a bad idea.*

Criel stated that a ground rule should be set that questions will deal with a specific proposal that we may have and that the questions should be related to the presentation.

Conder you have to be very careful in standing up and asking an inappropriate question and feels that the questions need to be prescreened.

Wright feels that this is not an appropriate time to ask questions and we should go back to Collins asking them to mention what TAP has done for their organization.

Gilbert stated Tuesday afternoon Areas 1, 3,5 and 7 have five hours to meet and the rest of that time there will be workshops for Areas 2,4 and 6. We have some ideas on open sessions, TAPSpace, may have a choice of workshops that members can choose from so that they have a say of what workshops they want to go to. Wednesday Area 2, 4 and 6 have their five hours they have three in the morning and then two in the afternoon. The issue committees start, meeting from about 2:40 -5:40.

Jonathan raised the question as to whether or not staff would consider changing the area workshops from 12:30-5:30 to 12:30-5:00 in order for people to have a chance to make phone calls and take care of work related issues. *Response: Gilbert will look into it.*

Berkey says the schedule gets tough because of the time allotted for the area and issue committees to have sufficient time together. A couple of years ago they had a free period where the members had the option to attend a workshop or not so that they could free up some time to take care of other things. This is something that could be considered again.

Gilbert advised that the staff will try to accommodate the members by working in free time for the members to be able to check emails and voice messages from their regular jobs.

Cooper asked at what point in time is the outgoing Chairs duties considered done; when we finish the issue or area meeting per say? *Response: Nicholas shared the practice in the past and the only reason that it might be different will depend on what is done with workshops and who we use as instructors. Berkey stated that was a concern some of the non-returning Chairs expressed last year, that they may not need to be there until Thursday morning if they are an issue committee Chair.. Non-returning Area Chairs may be able to leave on Tuesday if the area committee meets on Tuesday and the Non-returning Issue Chairs may be able to come in on Thursday, if they so choose.*

MJ Lee asked about time for photos of the committee. *Response: photos will be taken during the Area and Issue Committee meetings.*

Proposed Workshops

Jonathan and Wright re-iterated that a workshop of working issues from cradle to grave is given to new members; Members feel that this will be beneficial to new members so that they get a feel of what the process is like.

Laura Criel feels that this will make the process easier.

Nicholas stated the instructors need to submit their lesson plan so that the staff can manage the topics being discussed at the annual meeting.

Ken Wright feels that the issues should be more concise for the members that do not have a tax background.



Stephen Vanderver feels if the new member has an issue and they don't have a tax background they have a lot of resources to help them with the issue.

Bell feels that this is something that in the future should be pointed out in the Orientation better than in a workshop.

Cooper made the point that they are going to touch on that and do some tax law and make it relevant; Nina Olson puts out a list about 20 issues on her plate so if we are going to do something like that, then maybe we should focus on that and pull the basic tax law relevant to those topics since she sees as a problem and current issues.

Jonathan agrees with Cooper.

Mark Paris suggests that a list of the most commonly used terms be given to the panel members so that they can get familiar with the terminology that is used.

Linda Gambardella stated the Outreach class is a very good class for the new members and other members that do not know how to do an Outreach. In Area 1 most of the members are first year members and this workshop will be very beneficial.

Berkey requested clarification on the need for C&L to do the mock interview because two thirds of the committee will have already had it. *Response: Outreach II is a great idea.*

Nicholas suggests having two workshops, one recommended for new members and one recommended for returning members; Outreach I and Outreach II; Taking Outreach to the next level.

Issue Process Sub-Committee

Jonathan discussed the issues process sub-committee. He reported some ideas that the subcommittee have on how to proceed with this new subcommittee. The recommendations are listed below:

- Develop a form and procedure for accurate reporting by the IRS regarding the status and disposition of elevated issues, all the way through to implementation.
- Require formal and detailed explanation for IRS when issues are either rejected or not implemented.
- Require the IRS to designate a TAP liaison to facilitate communication between TAP and the IRS regarding elevated issues, i.e. their status, explanation regarding rejection, re-submission, and discussion during consideration.
- Develop and implement a continuous perpetual status report or grid of all issues that have been elevated to the IRS, easily accessible by all TAP members.
- Develop better communication between Area, so as to identify issues being worked by each Area and avoid duplication, or facilitate joint projects.
- Develop a standardized grid or Excel spreadsheet for each Area to monitor and track all of its active issues.
- Implement a mid-year meeting with Nina Olson (or the current TAS Director) to informally review TAP's collective sense of broad issues and trends.

Vanderver what kind of leverage do they have in giving this to the IRS. *Response: Congress has mandated TAP.*

Wright asked if Patty Wagner just does work with Forms and Publications Committee. *Response: Nancy Ferree, No, she is actually the liaison for TAP.*



Jonathan understands that but he doesn't think that TAP wide there is a single IRS based on who's job it is to interact with TAP when they want to know where's an issue, what's the status or has it been accepted.

Collins advised that Mary Ann Delzer has an interaction with Patty Wagner and she follows up on the status of the issues that have been elevated. Maybe this is something that we can improve on but this has already been implemented.

Delzer stated that she has a spreadsheet of the issues and their status and the information is also posted on TAPSpace.

Berkey stated that the team has come up with some great recommendations and it is interesting that members are picking up the same things that Patty Wagner is telling us. We recently received a draft report from the TIGTA review and they are pointing out some of the same things to us in terms that we to have a better way to accurately report on the status of the recommendations. So there are things in place to address everything except #7, which Collins will have to discuss with Nina Olson. A template will be given to get a better formal response from the IRS of the elevated recommendations. Collins wants to implement a quarterly review for when they respond back to us and when the area committee reviews that response and puts a closing label on it. Need to look at how TAP classified the closing and meet with the IRS saying this is how we are closing this out and are you in agreement on this, to improve that whole process.

Rich Waterman would like a sub-committee to follow up on the process of this.

Gambardella asked about a database that the members could have so that they could research issues as well.

Mary Ann Delzer advised that they could research on TAPSpace all issues that have been elevated since 2003 and the responses. Members will not have access to active issues due to the conversion to SAMS II. If the active issue report that is currently given can be improved, she needs to know so that she can make it look however they want it.

Louis Morizio feels that it is extremely important that we identify a liaison in SB/SE as well. *Response: Nicholas and Collins advised there is a liaison Phyllis Grimes and Tonya Menafee, however; SB/SE wants them to contact Patty Wagner. Members must contact Mary Ann Delzer so that she can contact Patty Wagner for responses on the status of an issue.*

Conder what are they as area chairs going to report. He also feels the report needs to be formatted a little more so that it can be reported that he has three sub-committees here's the issues that they were working on; we have one issue that was accepted by the JC so now we can move on to the IRS this sub-committee also has an issue they are working on and the JC rejected it now this is their active issue. *Response: Delzer advised all of the work is going on SAMS II and the feedback is needed as the new reports are developed. For January she and Louis need to know what they want the reports to look like and for now they can put the reports in Excel or whatever they want.*

The suggestion of the committee is that there is a standard report that all areas use. So that if another Chair wants to look at a report from another area all of the reports look the same.

Jonathan suggests that maybe there be a workshop for the Chairs and Vice Chairs to learn what their responsibilities are and what they should be reporting.

Berkey advised that staff will be revising the way the reports are sent out to the members. The staff will be more involved and there will be more consistency.

Birge feels that it will be better to focus on the issues on the list that can be taken care of at this time,



at the same time not taking an eye off of the process of the things that are of concern. The attention should be on items 1,2, and 3; how do they make sure what they are recommending gets implemented and if it is not implemented is there something wrong with the recommendation or is it resistance from the IRS, they don't have enough information to say whether they need to push on this issue or not.

Jonathan the IRS has the right to reject but the committee needs to know that they are going through the process of evaluating the issue and then they want to hear from them particularly if they've rejected something they want to hear why. Hopefully to do a better job in the future.

Berkey looking at the mission of the team to identify ways to improve the success rate, another issue the staff is struggling with and hopefully the team can help with. Some of the responses received from the IRS are along the lines of "We like your recommendation and we're going to consider this the next time we revise that publication", which may be two or three years off. We are struggling with how you would determine if that is a success or not, is that accepted or is that partial? *Response: There are three categories, either they accept or they reject and the in between is either of the two, in a response like that, his suggestion is to pin them down and ask when can I expect to hear back from you and if we have standardized, reporting this stays on that grid and there's a date that says we are going to hear back from them on a specific date.. Berkey shared that we probably need another category, something like closed under IRS consideration.*

Morzio feels that the follow update implementation needs be on all of the issues, because sometimes the IRS may agree with the panel but they still don't know if the issue has been implemented. That needs to be standard no matter what the category.

Wright would like to know if there is a way that former members can find out the status of the issues they were involved with while on the TAP. *Response: the TAP Annual Report can give you that information. If the submitter gives their name then they will try to follow-up with them on the outcome.*

Davidson feels that this was a good preliminary discussion and feels that the committee should still work on this. He would also like to have the staff to get involved in this as well; Suggesting that Louis be the manager and Mary Ann be the analyst for this committee with the approval of Shawn Collins.

Area Committee Reports

(Highlights, success stories, Outreach, etc.)

Area 1-Linda Gambardella reported there are five issues that are being elevated. Outreach is resulting in new issues coming to the panel and have had some good magazine articles, and news paper write-ups. Julie Jason just had something published that was very beneficial for TAP. Area 1 is getting a lot of contact from the public.

Area 2-Kimberly Brown reported there are 13 issues that have been brought up, with four in the parking lot. Bob Mcquistion met with 23 tax preparers; Donald Thomas met with 253 taxpayers. Brown stated that Area 2 has a problem with the closing status of issues. Connie Sharpe has been doing a lot of Outreach in the Baltimore Area.

Area 3-Dale Cooper reported there are working four active issues. Also attended the Orlando Tax Forum with 19 issues raised, Axelrod does a lot of outreach and developed the Facebook page. Area 3 has 5 members on JC and will be losing all 5 of them because they are in their 3rd year.

Area 4-Steve Vanderver reported that the Face-to-Face was very productive with four issues discussed and worked. Also did a Quality Review session.



Area 5-Kay Bell reported that they have four issues being looked at by JC. One issue sent back from IRS. One member moved out of the area and the new replacement has jumped right in and has been working on issues. Another new member is taking on another topic that could be of interest to all of the members. There has been good outreach and gave members other ways to utilize outreach. Bell has been talking to members about leadership opportunities because she will be leaving. Several panel members have volunteered to attend Dallas Tax Forum.

Area 6- Dean Conder reported that Area 6 has tremendous success with media outreach along with meeting with Congressional Delegations. Conder shared that Harlan Barnett is an expert in outreach. Area 6 will have an issue before the Joint Committee tomorrow and another one for next month.

Area 7-Sabby Jonathan gave Kudos to staff for the application process and reported that Area 7 has been blessed with 13 task oriented members. Regarding Outreach, TAP members have been on TV, newspapers (recurring weekly column during tax season), radio and magazines, email blast, ubiquitous one-on-one experiences. Area 7 has looked at approximately 80 issues this year and has elevated approximately seven. They have settled into a process with working issues: there are three task forces where they initially triage issues to come up with the issues they want to work: they receive a monthly report from the Chair of the task force and then hold their feet to the fire.

Davidson advised that tomorrow they will hear about the issues and just a reminder there will be an area and issue committee meeting to discuss any problems that they may have.

TAC Survey Discussion

Collins shared that in February TAP was approached about assisting with the TAC surveys. It has been decided that TAP will not participate in the surveys; it is felt that this is not a good use of the TAP members' time. Collins had discussions with Althea Fulton and kept the door open so that TAP can still be involved in projects yet to come, Nina Olson does support a survey where TAP will be involved in the whole process.

Bernie Coston gave historical background as it relates to the original survey that TAC used and was created by TAP. It was created with the assistance of TAS and W&I research. It was embedded all the way through and then administered across the country in different venues as taxpayers walked out of the TAC centers. The key to the survey was regardless of whether the taxpayer did or did not get service, the survey was administered to them by a separate entity being TAP.

Jonathan thanked Collins for looking out for the panel members and keeping them from doing the survey.

Davidson had a brief discussion about outreach; there will be a Tax Forum in New York next week and TAP will be able to attend the Dallas Tax Forum also. Berkey pointed out in the Annual Report from last year the number of events TAP did for the entire year was 1,701 outreach events with an estimated total audience of 3,170,026. Through July this year, the total outreach events is 1,377 and an estimated total audience of 6,478,971.

Delzer stated that she ran the report through July 31, 2009, but they had a hardware problem on the server the week before attending Symposium, so the analysts are behind in their inputting. There are really more than this, the numbers are actually better!

Davidson stated that is phenomenal and we are reaching more people and could be the reason why Area 7 had been dry in their issues for a while because people were out there talking to taxpayers. Continue to encourage members to do outreach.

Coston advised that recently TAS held its annual training Symposium and one concern is TAP employee visibility. As a result, Nina made a point at any venue made available to her, that TAP



employees be allowed to stand up and do their own outreach. So they were doing internal outreach as it related to the success of the TAP program this year as well as she also talked about the success of TAP that she saw over the course of the year. Shawn has probably discussed with you the status of the TIGTA audit; where we are as far as getting to the point where we will have the report sent to us in the very near future. We always take the audits in two ways; one of course with some critique of the program and we can use that as a way to build the program. TAP is not unique in these audits, as other programs are being audited as well. Shawn has done a fantastic job as the acting director and the members have been doing a great job. The Annual Report was very impressive and shows vast improvement, the outreach is impressive and they should keep up the good work. The program is moving in a good direction.

Davidson asked for volunteers to participate in a committee to plan the agenda for Chair training in December. Jonathan volunteered to chair this committee with Vanderver, Gambardella and Wright on the committee. Ellen Smiley is going to be the analyst that supports the committee.

Closing

Davidson thanked members for attending

Meeting Adjourned at 4:30 p.m.

Friday, August 21, 2009 start time 8:00 a.m.

Quests

Kelly Wingard (*via telephone*) Area 4
Rebecca Johnson Taskforce Lead

Quality Review Sub-Committee Report

Kelly Wingard stated that the Quality Review Sub-Committee is in desperate need for reviewers. There are approximately 20 issues coming in within a month and the committee will try to get the reviews done within a week. However, with everyone's regular job and other TAP commitments, they are down to about three or four fairly active reviewers. Wingard said that most of the reviewers are from Area 2 and Area 4 and the need is for reviewers from the other Areas. Most of the issues have been coming from those two areas so unfortunately, they are reviewing their own issues. However, the problem with that is you don't have a pair of fresh eyes looking at the issue. That being said the issue is not being reviewed the way it needs to be so the committee would like to have three reviewers for each issue.

Birge wanted to know what the benefit of having three reviewers is. *Response: Three reviewers came up because earlier in the season there were not very many issues so she was able to assign the issues to everyone, there were six reviewers at that time, and not all six were able to review the issues at once so they figured if they had the time they would get it in. They were operating on that principle.*

There is no obligation for the committees to follow the suggestions that are made by the Quality Review committee. They are trying to show their point of view of how they interpret the merit of the issue.

Wright pointed out that one of the decisions that was made regarding quality review is that they should not get involved with the substantive aspect of the issue, but that should be grammatical. It seems to him that perhaps they are doing more than what they are supposed to be doing.

Bell shared perhaps if there is something missing from the issue, then quality review should send it back to the area committee that submitted the issue letting them know there is something missing that needs to be corrected before it can be sent up to the IRS. *Response: Wingard stated that is*



basically what she did; she only looked up the statue because she needed to find out what the end of the quote is.

Nicholas pointed out Wingard stated that she stumbled upon the error she did not set out to find that particular error.

Davidson stated the Joint Committee's commitment to the Quality Review Team to get enough members to allow them to get the job done timely. A valid point was made that if there is too much editing during the quality review process on the merit, then issues will continue to be delayed. The other issue is to define the scope of the Quality Review Sub-Committee. Davidson stated that this will take place offline. In terms of getting support for the committee it was stated that there has been some response for reviewers from what committee/area. *Response: Dean gave her three from area 6.*

Jonathan submitted Lee Battershell from Area 7 to work on the QR Committee, Gambardella submitted Jerry Stepner from Area 1

Delzer stated quality review gets off track because the areas aren't looking at all the components that should be in the recommendation. The areas need to use the check list before sending issues forward to make sure they have covered everything.

Wingard asked that when looking for recruits to be on the quality review committee; please make sure they have the time to devote to the committee.

Davidson asked Wingard to go over the quality checklist and the part the Area Chairs should be working on. *Response: Quality review originates within the three committees, quality review is the review that the committee has done by following the checklist. When writing an issue there should be a minimum of two documents in front of you. One being the JC Committee Issue Referral Form Request, and the Joint Committee Issue Referral Form Guide, both of these forms can be found on TAPSpace. There is also a form called the Quality Review process that can be found on TAPSpace as well. To make sure the process goes easier; make sure the issue has been internally reviewed before it is submitted to quality review.*

Collins stated that the staff, Chair and Vice Chair will schedule a call with Wingard and report the feedback to the committee.

Tax Practitioner Regulation Briefing

Rebecca Johnson thanked the committee for the opportunity to come and then gave a briefing on the proposed Tax Preparer regulations. She discussed that the Internal Revenue Service has developed a task force to determine the standards of conduct for the tax return preparer community and to increase taxpayer compliance. "Why?" There has been a lot of concern and issue about the return preparer community. What do we know about it? Are we being consistent in our ethics and conduct standards? Are the taxpayers protected when they go to a preparer and are they really getting what they asking for. Are they being treated fairly and is it an accurate return when it is done. We have seen it from TIGTA, heard about it from GAO and had legislation proposed several times. The National Taxpayer Advocate has spoken about this many times and is very passionate about it. Commissioner Shulman in his 2009 -2013 strategic plans specifically talk about this type of effort; leveraging the practitioner community through compliance to improve the standards conduct and ethical for the practitioner community.

Jonathan asked when the term "preparer/practitioner" is used, where do licensed preparers like the CPAs fall into that term. *Response: Right now still deciding on the exact scope. What they are saying is there is a lot of issues about do we do registration? If we do registration, do we testing and some type of testing and certification. If we do testing and certification are people going to be grandfathered, such as CPAs, attorneys, enrolled agents, or is everybody going to have to test. That is*



on the table as we speak and they are looking at the pro's and the con's, what have been best practices elsewhere. Looking and the various states that have been enacted, California and Oregon, looking at what TIGTA and GAO has suggested. No decision has been made at this point. They have looked at the all of the responses from organizations like AICPA, ABA, NSA, and NATP. All of them have previously written responses to propose legislation and they have looked at those responses and the whole attempt at this effort is to do this based on research and data driven. It is not just what's best for IRS perspective. But listening to the external world as well and then trying to balance and create a product and recommendations that will have an impact because you have to have measurable impact. And that is looking at the compliance piece and the conduct of the preparer community.

Tice asked are you also talking about the fly-by-night mom and pop organizations that open up once a year then you can never find them again. *Response: One of the things that they know a good bit about is trying to find out or even specify the number of preparers that are out there. It has become a weekly fuzzy figure. Johnson believed that part of what was being asked had a lot to do with the software industry in some way shape or form. The answers are all being examined as part of this effort. You can't just look at the preparer, there are software packages out there that are in and among somebody doing that. There are ways perhaps for them to be looking at and leveraging the software industry to make it so that they can actually identify or be able to determine the little mom and pop companies that were asked about.*

Wright stated it is extremely important to consider things like Tax Cut and Turbo Tax being a preparer, because he has represented clients that have self-prepared using those packages and thought they were following instructions and now they are dealing with deficiencies. Is there any consideration of establishing standards for them? *Response: The idea behind this, again they are still in options and she doesn't want anybody walking out saying here's where it's going, because they are not there yet. They are looking at the scope first and as part of the discussion on scope; software, industry software packages things like that are being discussed as part of the scope. As far as, "what does preparer mean?" Is a key question in that same definition do they also look at some of the refund settlement products that are out there? So you now have a very large scope and if you know this Commissioner has introduced this in early June and he is committed to having this recommendation to Treasury and the White House by the end of this calendar year.*

Vanderver stated the software itself is technically accurate, but if the persons that is using the software is intentionally or unintentionally answering the questions wrong they are going to come up with an incorrectly prepared tax return. *Response: They have concerns there and some of the concerns is that some of the software's have different defaults and some of those defaults may lead you to. From the services side of the house they have done a lot of research about what they typically call the preparer, the CPA, the EA event he un-enrolled, they know a lot about that. They don't have as much research on the software and the software industry so they are spending a lot of time early on in this project doing more research, developing some tests. The key to success with this is not to just put a bunch of recommendations on the table but that you've got to be able to measure success at the end of the day. That was a very valid point.*

Criel shared as the VITA Committee Chair, that the volunteer programs have a vested interest and she noticed Johnson didn't say anything about these preparers. *Response: Again this part of the scope, they are still defining the scope. They were having a conversation this morning just about the volunteer, what are the current criteria, what are the current processes, what are the current rules per say for the volunteers and should anything that they are doing should be incorporated in our out of what are the pro's and con's and they why's behind it. This is still a very lively part of the conversation. What they are looking at with VITA is VITA has been having some really interesting advancement in ways of testing and the tearing of their tests. So what they are trying to do, if testing is an answer, do they use a model similar to VITA's or do they do something more similar to the State of Oregon or do they need testing at all. But, they are looking to VITA and one of their team leads is from the SPEC organization, so they are trying to pick the brains of what really worked and what really hasn't worked elsewhere.*



Jonathan shared that there is a deep rooted mistrust of the motivation that the IRS has among CPAs. Commissioner Shulman came out and it seems that he has decided what his goals are and what he has in mind. There is a rich history of the IRS trying to turn preparers into ad hoc IRS agents. There is a rich history of the IRS trying to recruit preparers, including specifically CPAs to really conduct audits on their clients before a Tax Attorney summit such as this. They are in trouble for example if they don't use certain documentation or ask their client if they have it. In the CPA community their role is to advocate for their client. As Steve mentioned the IRS often takes an interpretation in a different direction. That's all it is there is no more or less value than his or someone else's interpretation. So when Johnson talks about the preparer community, CPAs are already regulated, they have a license from the State which self regulates, enrolled agents are already licensed, there is already an oversight so when you talk about taking measures with the preparer community a lot of them are feeling that it is not accurate and so what are they really trying to do here. The answer that they as preparers try to come up with is that they tried to turn them into auditors so now they are hitting them with prepare penalties that they can post arbitrarily and somewhat randomly if they don't like what they are saying. Really it is viewed as another attempt to get them to do the IRS' work for them. Especially when you use terms like compliance, well who is going to define compliance. Jonathan stated that his clients are complaint with the tax law in the way he interprets it and when there is an audit he usually wins but there is often a difference of opinion. So when you say proper compliance who's going to define that. Is the IRS going to define that or are they going to define that? *Response: Johnson stated that she has heard that concern before and she understands the concern. She also knows the similar discussions that have come up a couple of years ago when they started increasing some of the amounts and expanding them. The potential recommendations actually do focus on a couple of different areas; service and outreach for preparers, education and training, what it looks like, public education "what does the public need to know and how we get it out to the public?" Do they think that they have a problem with some un-enrolled preparers? Does the public know that when the return is prepared by someone that that person has to sign and put their number on the return. Some of the public do, but a lot of the public does not. They don't understand what the consequences could mean to them later on down the line. So there is a whole gambit of things that they are considering and she understands that balance between what your role is as a preparer to your customer or to your client and to the service. They are factoring or weighing that in as they are thinking things through.*

Waterman is there anyone on the panel from the other side of the fence doing an analysis on how much this is going to cost the taxpayer. *Response: Johnson stated a lot has been done already about if this is done, how much will that cost and how does that fall. They have also been looking at some of the State models to see what they've actually seen rather than just hypothetically. As they go through this effort one of the key objectives is before they present anything, even as a strong option, they will be doing a costing exercise, as to what does this actually cost. How many resources? What does that mean to the service and what does it mean to the taxpayer how does it trickle down. Say for example if there is a registration fee, do they anticipate that fee is going to be passed off to the taxpayer. Most likely, yes. What does that equate to so you have to balance, all of that has to be factored in as part of this effort?*

Block stated the software companies are impressive; an issue was recently raised through Area 5 where the companies deliberately altered the software to create additional refunds for a specific group of taxpayers. The companies made their decision based on a particular court case that has been since revealed. IRS continues to send notices to this group of taxpayers who are subjected to the data entry of the person who is preparing the return and the software is incorrect. Second, the software company played this gambit where if TaxWise, at Universal Tax, as an example, during the course of a tax season they will update their software product sometimes as many as thirty times and there is no indication of how you handle the tax return that has already been prepared with the errors. Part of that falls on Congress' shoulders because they have made last minute changes and they know that's a domino effect. Anyone in the tax business understands that January is refund time, they are looking at 1040 EZ and 1040 A forms and there really is limited tax law so the companies just dump a product on the market; only to issue multiple revisions until February and then they update the software for recent changes to Schedule A. This creates problems, so when it is looked at who is a practitioner or



not, you have to consider the software companies because they are the drivers, they are the ones that develop the product and create all of the returns that are going through.

Wright added that one of his clients got a deficiency for 2006 that self-filed with Turbo Tax and in order to determine if he can get penalties abated he has to know why they made a particular choice. You can not get to the underlying forms that they have used now. All you can get is the 2006 return. He doesn't know what happened to make them make the choice, if the client had had a paid return preparer he would be able to go back and trace the issue. These are serious issues and as more people self-file you will have to be able to regulate that issue. *Response: Johnson feels that this is an excellent point and one of the things that they've notice as they look through the data is they tend to see especially with the generationals, millenniums and the gen-xers are definitely doing the software off the shelf themselves. So just following that logically that will continue to increase especially as more of them get out there and start working because that is what they know what they are used to. Especially if they know they can do it themselves, they can figure out the computer its technology. The points made about the software are very valid, because you will see more and more people that will continue to do what they've always done if they don't have a problem.*

Criel feels that you can not forget in regulating that there are a lot of people who are low income that go to an un-licensed, un-regulated preparer to have a very simple return done. They have two problems; the first being they don't know that they can do it themselves and two they also have no way of knowing whether or not that person has any competency. There has to be a way for low income people to be able to identify if the person is certified to do taxes. *Response: Johnson stated they are trying to come up with a balance a lot of different things. However, whatever recommendations they come up with will not make everybody happy. The thought is they are working towards those objectives and really trying to gain a balance. Take for instance if they went with registration; registration just being you have to get a number. So the IRS can at least track what they've got they can get some research in. If the person is going to prepare a return for money they have to have a number. If they did that and then posted the registered preparers on the website, are there any concerns that the panel may have.*

Conder feels that the solution is the identity of who is preparing the return; if you make people identify themselves as who is preparing the return then half the problem is solved. *Response: Johnson stated that at least they know what they are dealing with and then based upon the system they can go forward.*

Jonathan feels it is important for the task force to identify the problem. If there is really a concern about the lack of compliance then where does that fall. His guess is that it may be with the non-licensed, non-qualified preparer community and with a small minority of software programs. The problem is the non-licensed, non-qualified, non-educated preparer and those software companies he would consider limiting the solution. Instead just go to where the problem is in terms of what Johnson suggested, registering preparers, making them take a test, of course exempted those that are already qualified through other licenses. Look at the actual problems and deal with the abusers rather than making the law abiding preparer community pay the price. *Response: Johnson stated they still have various degrees of compliance in those areas as well. Not every CPA does it exactly right, the new Director of Office of Professional Responsibility is fond of saying that she is an attorney, but just because she has taken the law exam doesn't mean she is ready to prepare a tax return. It's just not necessarily the case.*

Tice brought up the fact that workers for H&R Block and other businesses of that nature operate under one licensed person and feels that everyone that works for them needs to be licensed. *Response: Johnson stated that part of the registration idea, if they went down that path, everybody who is preparing a return has to be registered.*

Birge stated one thing to be careful about when coming up with the solutions is that they are separating misfeasance and malfeasance. Misfeasances are errors, where the people are not trying to



cheat the IRS but they are not filling out the paperwork right and assume that most of the errors by software companies are just misfeasance. She doesn't feel that you will get malfeasance by administering a test, people will want to confer with their clients and defraud the IRS and they can be of any level preparer. She feels the only way to catch that is by keeping track of the preparers.

Response: Johnson stated she started out on the collection side of the house and they always talked about there are people that will pay, then you have people who can't pay and then you always have the people who won't pay. The thought was that there is a different way to work with each type of person. The will pays you talk with them and figure out a way for installments. The can't pays you talk with them and explain about what they can do to prevent future liabilities. Then you get to the won't pays, you can educate them but there is a different intent and with those enforcement was the only way that you can deal with that particular category. You don't do enforcement with the will pays and the folks that can't afford to pay. But there is a segment that you have to deal with enforcement. Education works for a lot and outreach works for a lot it has to be focused there first but there has to be an enforcement piece for those who are not willing to follow.

Gambardella feels that if there were more regulations on the software companies. The unethical preparers that don't sign their names who are preparing tax returns that are unethical will go away because of the sanctions that would be placed on the software companies. *Response: Johnson wanted everyone to understand that the software companies are being considered as part of the preparer community.*

Wright asked that Johnson advise the Commissioner to improve the quality of the education at the IRS. A lot of them have had experience with examiners who are just totally inaccurate in the law. It is one thing to say that they who prepare returns have to be well enough versed so that they can do the return, but the continuing education that they examiners get today is appalling. Wright also stated that he sees time and again agents that just have no understanding of what they are doing. What happens is the agents' response to something they do not understand or do not want to deal with is a 90 day letter. If you want compliance you have to have a taxpayer who expects to be treated fairly by the system. *Response: Johnson advised that there was a massive hire this year bringing on between 7,000 and 8,000, mostly Revenue Agents. The exam world is revamping their training, because there is recognition that maybe the training isn't where it needs to be. Johnson also feels it is important that as they are revamping the training there is a need for some deeper evaluation tools of the training. Normally in the service there is a lot of level 1 type training, where they send out an evaluation of what did you think of the class, did you get the pens and the papers, did the class make sense, was the atmosphere conducive. They don't do as much of what is considered the level 3 evaluation, which would be 6 months down the road; saying did this actually have value to you, what did you take away from it, going to the supervisor asking did this training prepare this person. It is rare that the Service does this type of training. The process is timely and cumbersome but the benefit of the training will be visible. They are trying to make sure the Revenue Agents get the training they need.*

Jonathan embellished on Wright's point and Johnson's comments, stating that over 70% of the IRS' audits are correspondence audits. He just recently had a correspondence audit with one of his clients and everything was sent in to the IRS. A 90 day letter was received regarding an expense. The agent advised that they didn't understand how the utility expense was so high. He had to explain the law to the individual and feels that agent was undertrained about the law. This is not an isolated event; they are running in to this problem with a lot of the correspondence audits, which are about 70% or over and the agents that appear to be untrained about the law. If the IRS expects compliance within the preparer community there also needs to be compliance within the IRS.

Conder stated that he poled his area for what the citizens expect from the IRS and find out the way to forward that information. *Response: Johnson stated that the public comments need to be in by August 31, 2009. Recommendations must be in to the Commissioner by mid-November in order for it to hit Treasury and the White House over the holidays and be there by the end of the calendar year.*



Conder asked does the input go to Johnson or should it be sent directly to the Commissioner. *Response: Johnson stated that it can be done a number of different ways; she asks that written comments be sent to her.*

Collins what would be the best format to forward TAP recommendations. *Response: Johnson stated to send them to her or send to the Commissioner with a cc to her at Rebecca.M.Johnson2@irs.gov.*

Collins stated that TAP will just send the recommendations to her. *Response: Johnson just wants to make sure that people know that the comment is from TAP.*

Area Issues Recommendations for Review

I—Issue 5134—Lack of Availability of Deposit Coupons for Payroll Taxes

Statement of Issue: Occasionally, some small business owners have been unable to make their payroll deposits due to a lack of easy access to deposit coupons. This is a cause of great frustration to the business owner trying to meet his obligation. The inability to make the deposit also has the effect of causing the business owner to be assessed trust tax penalties for late deposits. **Goal Statement:** we believe it is in the taxpayers', agencies' and the public's best interest to facilitate trust tax deposits, thereby increasing IRS collection of these taxes while easing taxpayer burden making of such payments.

Proposed Solution: Each IRS office, no matter how large or small or what the location, should have deposit coupons available in order to remove the barrier to the taxpayers' ability to make timely payments and reduce taxpayer burden.

Summary and conclusion: Some business owners have had trouble making payroll tax deposits. Deposit coupons are not readily available or easily accessible. Wait time for coupons causes undue hardship upon the taxpayer/trustee. Penalties and interest are often assessed in these cases then the IRS spends time and money collecting these funds. Whatever the difficulty is we cannot and should not turn away a customer attempting to make a payment to the IRS simply because he does not have access to his computer password and cannot locate a coupon. The IRS should have supplies of coupons readily available at the Taxpayer Assistance Centers.

DECISION: This issue was tied in with Issue 4640—Use of Online Form 8109-B

Area 1/5—Issue 4640—Use of Online Form 8109-B – Roy Block presented for Area 1 and Area 5 the issue dealing with deposit coupons. The committee feels that the coupons should be made more readily available. Form 8109-B and deposit coupons have been rolled into one issue. They are used primarily by business owners.

Block also stated that the research found out that even when taxpayers write and request coupons, the requests are not being filled. This is causing penalties and interests being assessed.

Statement of Issue: Form 8109-B, Federal Tax Deposit Coupon, is used by certain entities to pay income, employment, and other taxes. Although available on the IRS website, the IARS currently does not allow taxpayers to use this form when printed from their personal computer because it is designed as a machine readable form.

Goal Statement: To allow taxpayers who do not have pre-printed Form 8109-B coupons the ability to make payments on a timely basis when the existing options are not reasonably available, thus avoiding late payment of the taxpayer's tax obligation.

Proposed Solution: We propose allowing taxpayers who find themselves without the pre-printed machine readable Forms 8109 and 8109-B on or about the due date of their tax payments to print the Form 8109-B from their personal computer.

DECISIONS: Consensus to elevate with proposed changes.

Issue Committee Reports

TAC Committee—Tommy Thompson reported their assignment was to make payment process recommendations back to the TAC. There were five specific categories: length time to make payment,



look at the process to have automatic receipts, and look at the process of missed payments. The strategy developed customized questions so that when the committee members went out to the TAC's they were consistent.

VITA Committee—Laura Criel reported that they have two subcommittees within VITA

2nd sub-committees were tasked with improving the quality of returns.

3rd we were charged with assisting the program owners while evaluating the training aspect of VITA. The sub-committee is involved in writing, reviewing and testing the training materials.

Conder asked would it be viable for the VITA committee to write a position paper to the Joint Committee to be included with the report to the Commissioner. *Response: Laura stated as of now the VITA committee does not have a formal opinion.*

EITC Committee—Eileen Birge reported that they have been working really hard to come up with ways to address the needs of experienced and novice practitioners. There is a second face-to-face meeting scheduled for the end of September. They are focusing on non-profits. The committee completed surveys and reported preliminary results during their first face-to-face in April.

Multilingual Initiative (MLI) Committee—Louis Morizio explained how it came into existence. The committee split into two different subcommittees because they work with two different offices. They looked at two different publications thus far. Brown reported that the DVDs now have English subtitles so that if someone who is looking at a Korean DVD they can still have someone help out that doesn't speak the language.

SBSE—MJ Lee reported there are two different projects the committee is working on. The first one is Cancellation of Debt and this subcommittee is trying to determine how to better distribute information. The second is to figure out how to get more small businesses to e-file the 940 and 941.

VITA- Laura Criel reported the issue committee was divided into three sub-committees studying quantitative measures of the various activities that SPEC partners have in each site and improvement in the quality of the returns.

EITC –Eileen Birge encapsulated the second Face-to-Face into a brief report. They are working to improve the relationship between EITC and its partners.

MJ Lee -,SB/SE has a new program owner this year and in April IRS published Pub 4685, Cancellation of Debt.

Forms and Pubs-Richard Waterman- Donald Thomas is a new member of their team and has been doing a wonderful job. They are working on publications 564 and 525, Patty Wagner's group gives them a form to fill out and comment on items.

Notices-Chuck Tice, Have had a very fruitful year. In January EITC asked them to review a letter. Face-to-Face meeting was in in July. SAMS representatives came in and presented to them. Stakeholders have been terrific and staff has been very magnificent. Sub-Committee to look at the correspondence letter sent out from the IRS for DAT scoring. The CP161 done last year has about 14 different enclosures and looked to save postage on this package. The committee made the recommendation to do away with half of them, saving the government a lot of money. Received two letters and emails of appreciation for the things they have done.



Recruiting

Steve Berkey reported that TAP has 77 returning members. We recruited in 39 states and received, 901 applications that were ranked in May, with interviews conducted in June. We have 24 vacancies to fill; 14 from the new applicants and 10 from current alternates. applications. Hopefully by the end of August the list will be forwarded to Treasury and the Commissioner. Demographics 2009 gender 60-40 split, 2010

Louis and Roy are looking at enhancing the interview questions.

Conder suggests that Treasury give some type of certificate for the members to show their employers so that they will be more cooperative with them devoting some of their time to TAP.

Mark Paris feels that questions 5 &6 should be looked at

Davidson-gave the Communications back the responsibilities for the Annual Report Process. He will be asking members to help with that as well. He expects a written report from the chairs at the Annual meeting.

Area 1—Issue 5135—Online Account Ledger for Estimated Tax Payments—Gambardella report the issues as the IRS does not provide taxpayers who make quarterly estimated tax payments with any receipt or statement of the amounts credited to their accounts. While such notification by mail raises identity theft issues, providing information via a secure website minimizes the risk.

Goal Statement: To enable taxpayers to access information showing the amounts paid in quarterly estimated tax payments by viewing an account ledger showing the taxpayer's payment history on an IRS website.

Proposed Solution: Allow taxpayers and practitioners to access information online about estimated tax payments made by the taxpayer.

Summary and Conclusion: The committee recommend that the IRS examine the feasibility of providing taxpayers with annual statements of quarterly estimated tax payments made during the tax year by means of a secure website.

DECISION: The Joint Committee agreed by consensus not to elevate Issue 5135 because a similar issue was elevated and responded to by the IRS. Area 2 was not happy with the response and Brown is going to take the option of writing a rebuttal to the IRS.

Area 1—Issue 5189—E-filing Amended Returns—Gambardella reports the issue as delayed processing of form 1040X, Amended U.S. Individual Income Tax Return, can cause serious problems for taxpayers, especially those who may be subject to IRS liens based on liabilities assessed on their un-amended returns. E-filing speeds processing of tax returns, yet this option is not available for Form 1040X.

Goal Statement: To encourage timely processing of amended returns.

Proposed Solution: Adapt current e-file technology to accept amended returns and require paper Forms 1040X be processed with 120 days.

Summary and Conclusion: Allowing amended returns to be e-filed will reduce taxpayer burden and increase compliance, therefore we recommend that the option of e-filing be extended to amended returns.

DECISION: The Joint Committee agreed by consensus not to elevate at this time. They recommended that Gambardella take back to Area 1 and re-work the issue.

Area 1—Issue 5399—Yellowbook.com/Inaccurate Contact Information—Gambardella reports that yellowbook.com website does not have up-to-date IRS telephone numbers and office locations. Phone numbers listed are not current IRS numbers or are disconnected. No IRS website information is listed.

Goal Statement: To provide the taxpayer access to accurate IRS location and phone number contacts locally and nationally through internet search options.

Proposed Solution: Ensure updated IRS telephone numbers and office locations are timely distributed to Yellowbook.com and other sources.



Summary and Conclusion: By the IRS regularly providing timely updated information to sources like yellowbook.com, the IRS will be able to assist more taxpayers in a timely manner, and increase customer satisfaction by reducing taxpayer burden.

DECISION: The Joint Committee agreed by consensus not to elevate to the IRS.

Area 1—Issue 5529—Toll-free Line Vocal Response Option—Gambardella reports that the IRS too-free taxpayer assistance line presently requires callers to press buttons in order to respond to automated routing requests. This imposes a burden on taxpayers who are using cell phones and other phones where keypads are located on the handset, as well as to elderly and physically challenged callers.

Goal Statement: To facilitate a caller's ability to interact with the automated IRS telephone system by providing a vocal response option.

Proposed Solution: Provide a vocal response option on all IRS 800 telephone lines to allow callers to state a response as an alternative to pressing numbers on a telephone keypad.

Summary and Conclusion: The IRS should implement this readily available vocal response technology to make it easier for taxpayers to navigate through the telephone automated response menus so that taxpayers may obtain the services they seek without undue burden.

DECISION: The Joint Committee agreed by consensus to elevate to the IRS.

Area 2—Issue 4729—Online Tax Help for Caregivers—Kimberly Brown reports the IRS website does not provide direct access to tax information essential to elderly taxpayers and their caregivers.

Goal Statement: To provide caregivers and those receiving care with a simple method of obtaining tax information specific to their needs.

Proposed Solution: We propose development of a user-friendly section on the IRS website dedicated to answering "Frequently Asked Questions" common to elderly taxpayer and their caregivers.

Summary and Conclusion: Adding caregivers' tax questions and responses to the website will help the IRS meet its overall goal of providing assistance to taxpayers. It will help millions of taxpayers thrust into caregiver situations to obtain a better understanding of unfamiliar tax issues

DECISION: The Joint Committee agreed by consensus to elevate to the IRS

Area 2—Issue 4806—Expatriate Issues—IRS Website User Friendly—Kimberly Brown reports that taxpayers living abroad, including those in the military and non-resident aliens have difficult time obtaining information from the IRS website.

Goal Statement: To make it easier for (1) taxpayers living abroad and (2) non-resident aliens living in the United States about to depart, to obtain the tax information they need from the IRS website.

Proposed Solution: The IRS website should be made more user-friendly by adding road maps, charts and other useful tools to enable taxpayers living abroad and non-resident aliens to obtain ready answers to the questions they have about their tax obligations and any tax benefits to which they may be entitled.

Summary and Conclusion: By enabling taxpayers living or moving abroad to obtain ready answers to their questions from the IRS website, more accurate returns will be filed. This will reduce the burden these taxpayers now face in satisfying their tax obligations and conserve resources of the IRS by eliminating the time and cost which results when incorrect returns are filed. This initiative is of critical importance now that the U.S. Government is reducing the tax assistance formerly available in IRS offices, consulates and embassies outside the United States.

DECISION: The Joint Committee agreed by consensus to elevate to the IRS

Area 2—Issue 5359—IRS Correspondence Reply Envelopes—Kimberly Brown reports the IRS frequently requests that taxpayers reply to correspondence by using IRS-supplied envelopes bearing a legend on the reverse side which discloses that the contents contain the taxpayer's social security number and other personal information.

Goal Statement: To reduce the possibility that these envelopes can be used to obtain a taxpayer's personal information.

Proposed Solution: Relocate legend to the side flap of the envelope.

Summary and Conclusion: Relocating the legend will reduce the likelihood that IRS-supplied



envelopes can be use to obtain a taxpayer's personal information.

DECISION: The Joint Committee agreed by consensus to elevate to the IRS

Area 2—Issue 5455—Third Party Designee Extension—Kimberly Brown reports that taxpayers may designate a third party to discuss the taxpayer's return with the IRS via "checkbox authority" on the taxpayer's return. Under current IRS policy, the third party's authority automatically terminates one year from the due date for filing the taxpayer's return, regardless of any extensions. However, return questions frequently arise after this date causing, taxpayers the burden of having to take additional steps to grant the third party a new authorization.

Goal Statement: To eliminate the burden placed on taxpayers to reauthorize third-party designees.

Summary and Conclusion: Elimination of the automatic expiration component of checkbox authority for third-party designees will permit more timely resolutions of questions relating to tax returns and will relieve taxpayers of the unnecessary burden of having to go through the confusing and time-consuming process of granting new authority to the designees.

DECISION: The committee voted not to elevate this issue but to address it in the TAP Annual Report, and ask Nina Olson, National Taxpayer Advocate (NTA) to address this issue.

Follow-up needed.

Area 5—Issue 4651—Disregarded Entity Information Reporting—Wright reports that the IRS requires disregarded entities to be treated as separate entities for reporting of employment and certain excise taxes but as disregarded entities for filing information reports for reportable payments.

Goal Statement: The IRS will modify its rules to require disregarded entities to be treated as separate entities for filing information reports.

Proposed Solution: The IRS should amend Treasury Regulation sections 301.7701-1(c)(2)(iv) and (v) to require that disregarded entities be treated as entities separate from their owners for purposes of filing information reports. Until such time as the regulations can be amended, the IRS should issue interim guidance in the form of a revenue procedure or notice stating the sole owners of such disregarded entities will not be subject to penalties for failure to file required information returns if such returns are filed under the name and employer identification number (EIN) of the disregarded entity.

Summary and Conclusion: The IRS should make the reporting of reportable payments consistent with employment tax reporting by disregarded entities.

DECISION: The Joint Committee agreed by consensus to elevate to the IRS.

Area 5—Issue 4653—Limited Liability Company and Rental Income—Wright reports that the IRS requires small limited liability companies (LLCs) holding only rental real estate to file partnership returns.

Goal Statement: The IRS will issue guidance permitting certain small rental real estate LLCs to elect not to be treated as partnerships.

Proposed Solution: Amend the regulations under Internal Revenue Code (IRC) section 761 to permit certain small rental real estate LLCs to elect out of the partnership provisions of IRC subchapter K in the same manner as a qualified joint venture election (i.e. stop filing Form 1065, U.S. Return of Partnership Income, and begin reporting on Form 1040, U.S. Individual Income Tax Return), except that the proportionate share of items of income and expense should be reported on Form 1040, Schedule E, Supplemental Income and Loss, rather than on Form 1040, Schedule C, Profit or Loss from Business (Sole Proprietorship).

At a minimum, an exemption from IRC subchapter K provisions should extend to any partnership LLC consisting solely of a husband and wife who file a joint return. It is further recommended that the exemption apply to the following: Partnership LLCs with 10 or fewer members, each of whom is an individual; and LLCs in which all allocations are in proportion to members' interests (without the requirement that each member's individual return reporting his or her share of items from the LLC be timely filed).



Until the regulations can be amended, the IRS should issue interim guidance in the form of a revenue procedure or notice stating such LLCs will not be required to file partnership returns and will not be assessed late-filing penalties for failure to file partnership returns.

Summary and Conclusion: The IRS should permit certain small rental real estate LLCs to elect out of subchapter K in order to simplify tax reporting for such LLCs.

DECISION: The Joint Committee agreed by consensus to elevate to the IRS.

Area 5—Issue 5368—Security of Taxpayer Information on Form 8879—Wright reported that volunteer tax practitioners working with the Tax Council for the Elderly (TCE) and the Volunteer Income Tax Association (VITA) have requested a better method to satisfy the IRS data submission requirements and to assure the remitter that the material has been received by the IRS.

Goal Statement: To provide a system so that volunteer tax practitioners are assured that the Forms 8879, IRS e-file Signature Authorization, and related data have been timely received by the IRS.

Proposed Solution: Offer volunteer practitioners for programs such as TCE and VITA the option of submitting the IRS internal Form 3210, Document Transmittal, along with the Forms 8879. Form 3210 acts as a receipt for items sent to the IRS. The form includes fields to list the quantity and type of documents sent, along with the name and address of the originator. No other detail needs to be provided. Once received by the proper department within the IRS, a counter-signed copy will be sent to the originator's address of choice as proof of receipt.

An alternative solution is to provide all TCE and VITA sites with a scanner to electronically transmit the Form 8879, and a shredder to dispose of this document, after the transmittal, as it contains sensitive taxpayer information. This would require that the scanner and shredder be picked up after the tax season from all of the temporary locations.

It is most likely more cost effective to use the described procedure for the Form 3210.

Summary and Conclusion: Volunteer tax practitioners are very important to society as they prepare and e-file over 2.75 million tax returns per year. All efforts should be made to make sure they are willing and able to continue to perform this valuable service. Sending in the Form 3210 with Forms 8879 will provide the volunteers assurance that the data was received by the IRS.

DECISION: The Joint Committee agreed by consensus to refer this issue to the VITA Issue Committee.

Area 6—Issue 4395—Expanding Definition Of Immediate Family—Dean Conder reports the IRS needs to address the issue regarding which family members can represent a taxpayer in front of the IRS, the regulations and the Internal Revenue Manual (IRM) define immediate family as "spouse, child, parent, brother or sister of the individual." According to the Census Bureau, 2.4 million grandparents are currently raising their grandchildren. In turn, these grandchildren eventually become their grandparents' caretakers. In light of these facts, the IRS definition of immediate family seems outdated.

Goal Statement: To expand the definition of immediate family to include grandparents and grandchildren for representation purposes.

Proposed Solution:

- Amend Regulations 26 C.F.R. Sec 601.502 (b) (5) (ii) and 31 C.F.R. Sec. 10.7(c)(1)(i) to include a definition of immediate family that contains "grandparent" and "grandchildren."
- Amend IRM 1.25.1.2.2(a), Limited Practice Based on Relationship to the Taxpayer, to include "grandparent" and "grandchild" in the definition of immediate family along with the existing named members of the family (spouse, child, parent, brother or sister of the individual).

Summary and Conclusion: By implementing these proposals, the IRS will recognize the value of these special relationships, and provide consistent interpretation of the Internal Revenue Manual and regulations.

DECISION: The Joint Committee agreed by consensus to elevate to the IRS



Area 7—Issue 4680—1099-Misc Correction Procedure—Charles Davidson reports that taxpayers do not have a procedure to inform the IRS of an error or discrepancy on a Form 1099-MISC-Miscellaneous Income.

Goal Statement: Provide a clear process for taxpayers to report errors or discrepancies on Form 1099-MISC.

Proposed Solution: Adapt Form 4852, Substitute for Form W-2, Wage and Tax Statement, or Form 1099-R, Distribution From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., or create a similar form to allow taxpayers to explain a difference between amounts reported on Form 1099-MISC and their tax return.

Summary and Conclusion: Both the taxpayer and the IRS will benefit from a process for reporting errors and discrepancies in Form 1099-MISC. The benefits of implementing this process are judged to far exceed the cost or allocation of resources necessary and would provide a superior taxpayer service.

DECISION: The Joint Committee agreed by consensus elevate to the IRS

Communications Committee Report/Member Surveys

Mark Paris reported the Face-to-Face was a success and the Communications Committee is currently working in three phases/categories.

E-TAP Communications Subcommittee

- Virtual Town Hall/Tax Forums because we have 7 Area committees but only have 3 town halls.
- Mission Statement Development
- Outreach and social media (e.g., Facebook, Flickr, iPod, My Space, YouTube)
- Web site links (e.g., Congressional and Professional Associations).

External Communications Subcommittee

- Call 1800 Call TAP
- Area Committees & Communications Committee
- ImproveIRS.org
- Marketing Materials (e.g., Current & New)
- Quarterly Newsletter
- Success Stories
- TAP Rap
- Tradeshow Cooperatives

Internal Communications Subcommittee

- Member Handbook
- Member Surveys
- Quarterly Newsletter
- Strategic Plan
- TAP/TAS Partnering
- TAPSpace

Strategic Planning

Davidson and Delzer discussed strategic planning for what direction TAP is going in. They discussed the strengths and weaknesses/opportunities and threats are:



Strengths: reach a lot of people, diversity of backgrounds, commitment level of members, nationwide, ability to reach people in remote areas, knowledge base of members, knowledge base of staff, staff support, and ability to communicate with the IRS.

Weaknesses: commitment to members, remote/too thin geographically disperse, need more staff, size—too many members, budget restrictions, lack of authority/not enough power to make changes within the IRS, lack of accountability of members, rogue member—off message, time commitments, coordinate outreach opportunities, travel outreach budget, IRS details, passing the torch to rotating panel members and lack of awareness/recognition within the IRS.

Threats: better partnerships, lack of awareness with the public, budget, congress, Treasury/no charter, public perception—we are IRS, need applicants in specific areas and so many messages ours gets lost to the public

Opportunity: emerging issues “hot button”, better use of technology, and Program Owners valuing TAP and giving more responsibilities and use the knowledge of rotating TAP members.

Area Committee

Challenges: Area 7 tracking issue, non-active members for two or more meetings, dealing with over-aggressive members.

Best Practices: Place meeting rules on agenda, spreadsheet to track issues/status, adopt Area 2 format, Area Chair see letters that go out to Taxpayer regarding issues, incorporate procedures for handling non-active members with Chair training. Foster team relationships, invite retiring members to join January’s call to pass on to new members.

Mentoring: Area 2 assigns mentor before Annual Meeting. Area 3 assign if desired/match up at Annual Meeting.

DECISION: Consensus; Mentoring opportunity be offered in each area. Establish basic guidelines/expectations for mentors

Dinners: Consensus; Area dinners optional

Leadership: Talk to new members early about leadership and talk to members about leadership.

Chair Training: Consensus: continue to be on Friday after Annual, shorten to 8:00 a.m. -12:00 p.m. (emphasizes to use TAP Staff)
Chair mentoring.

Issue Committee

Problems/Challenges: Lack of participation (lack of authority to deal with it), Quorum (making non-active members inactive), Expand contract, Coordination between Issue and Area Committees, set expectations at the annual meeting, examine the conference call schedule, solicit other TAP Committees and Responses, Staff details.

Best Practices: Clear direction from program owners, program owners on the calls, Chair needs to keep telephone conference on track, respect the time and be sure it’s used efficiently, getting pre-reads out timely.



Annual Meeting Agenda: Introductions, Program Owner presentation, prior year report/accomplishments.

- What the expectations are for the current year (discussed by new Chair)

Elect Chair and Vice Chair (conducted in the middle of meeting)

- Nominations to take place before break

Send pre-reads for Annual Meeting, sub-committees fixed or not, ground rules (communication, emails be sent to everyone), definition of consensus, schedule calls and Face-to-Face (email reminder to bring calendar/schedule), projects must be complete before the end of the year, sub-committee breakouts and report outs, quorum.

Annual Report: Format from Mark Paris, Issue Committee Chairs will review format from 2008 Report, Alphabetical listing of Committee Members, list all accomplishments and success stories.

Measurement: Completion of projects/out put, program Owner's assessment, staff assessment (in terms of process), specify (one best practice, one need to improve) and no measurement of success or failure of one individual.

Mentoring: Former Chairs mentoring, Informal schedule, and recently retired members (mentor informally)

Leadership: Identify and encourage, bring up in meetings, the difference between encouraging and politicking.

Dinner: Consensus; Issue Committee dinner is Important, social setting (check with hotel for a room), some members work during that time, plan in advance, should not be mandatory.

Closing

Davidson thanked members for attending

Meeting Adjourned

Next Meeting: Wednesday, September 23, 2009



**Taxpayer Advocacy Panel (TAP)
Joint Committee Teleconference Minutes
Wednesday, July 22, 2009
3 P.M. ET**

Designated Federal Official

Shawn F. Collins - Acting TAP Director

Members Present

Charles Davidson - TAP Chair
Ken Wright - Vice Chair, TAP
Linda Gambardella - Chair, Area 1
Dale Cooper - Chair, Area 3
Stephen Vanderver - Vice Chair, Area 4
Craig Capehart - Vice Chair, Area 5
Dean Conder - Chair, Area 6
Susan DaCorte - Vice Chair, Communications
Eileen Birge - Chair, EITC
Tommy Thompson - Chair, Taxpayer Assistance Centers (TAC)
Richard Waterman - Chair, Forms & Publications
Chuck Tice - Chair, Notices
MJ Lee - Chair, Small Business/Self Employed (SB/SE)
Tom Walker - Vice Chair, SB/SE
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
Herb Bohrer - Vice Chair, Area 6
Dan Fretheim - Member, Area 5
Sandy Finestone - Vice Chair, Area 7
Kelly Wingard - Vice Chair, Forms & Publications

Staff Present

Shelby McKenzie - Note Taker
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Judi Nicholas - TAP Manager
Louis Morizio - TAP Manager
Susan Gilbert - Senior Program Analyst
Dave Coffman - Program Analyst
Mary Ann Delzer - Database Analyst
Ellen Smiley - Program Analyst
Patricia Robb - Program Analyst

Guest

Tom Beers - TAS Research and Analysis Director
Althea Fulton - W & I
Rita Taylor - Area 4
Anne Khan - Area 4
Mary Jo Werner - Area 4

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting.

Roll Call

Quorum was met.



National Office Report (Susan Gilbert for Shawn Collins)

Shawn Collins advised of her meeting with National Taxpayer Advocate Nina Olson and stated that the meeting with the Commissioner will not take place as scheduled, but it is possible he may join the Joint Committee Face-to-Face in August. (Later it was learned the Commissioner would be sending Rebecca Johnson to participate on his behalf.)

TAP Chair Report

Review and Approve June Minutes

Final draft was posted on TAPSpace. The spelling of Nina Olson's name needs to be corrected once changed, minutes approved.

The TAC Customer Expectations Survey

Althea Fulton, Wage & Investment (W&I) Research and Analysis analyst gave an overview of what the expectation was of the TAP members. Fulton stated this survey would give taxpayers' perspective on the method of services, wait time and services provided. TAP members would make contact, invite participation and finally return the completed surveys to W&I research.

W&I Research expects assistance from the TAP members at all 14 TAC sites which will be administered over two days and requests one TAP member and one W&I person at each site. If possible, more members may be needed in the more populated areas. W&I wants to secure 1600 total completed surveys.

The survey is still in Office of Management and Budget (OMB) and expected approval by mid-August. TAP members and staff will participate in a conference call to explain expectations and provide suggested scripts.

After the surveys have been conducted, there will be no further involvement from TAP. It was suggested TAP members be included in the pre-test which would allow them more involvement in the process and also avail them an opportunity to make some changes to the language of the survey.

Shawn Collins raised the question regarding TAP participation in the Survey. Collins had a discussion with the NTA and one of her concerns was the use of the volunteers; the way they are being used just to collect data and forward it to the W&I research staff. In the past, members were utilized more and had input to the questions that were going to be asked. Will TAP have any other involvement other than giving out surveys to participants as they walk in? Also, what are your thoughts on how they will be involved in this process?

Fulton advised they will share the survey with TAP to see if the panel has any feedback for the survey. They may use the members to take the survey to give feedback on the survey as well.

Collins noted another part of your statement said you had approval from the Taxpayer Advocate office on the survey that you have already sent forward to OMB. What part of Taxpayer Advocate Service did you utilize for that approval?

Fulton apologized and clarified that she received feedback from Mark Hutchens, Operations Research Analyst, and Carol Dille Hatch, Program Analyst. She received good feedback from them that resulted in some of the changes that were made to the survey.

Tom Beers, Director, Research and Analysis, felt that Collins touched on the principle issue and if TAP hasn't seen the survey, they would want to see it before participating in the administration. The



ultimate issue for TAP is whether this particular product represents their issues and concerns about IRS customer service.

Collins asked the panel how they felt about their role and involvement in the process of the survey.

Fulton advised that they can increase the role of the members with pre-testing the survey as well and their assistance would be appreciated.

Charles Davidson said if the dates for administering the survey and the survey sites have already been selected, his concern is the availability of the members to be able to participate in certain locations on those specific days. With that in mind, TAP may not be able to fulfill any kind of an obligation or guarantee a particular number of members to participate.

Collins would like for the specific dates to be provided to TAP so the panel can take a look at them and ensure someone will be available to be there.

ACTION ITEM: Fulton will work with Nancy Ferree to provide the dates and actual sites that are included in the sample.

Judi Nicholas wanted clarification, TAP will help administer the survey but once the survey is complete they will not have any further involvement?

Fulton answered at this point no, but they can entertain additional involvement from TAP at the analysis portion of the survey.

Louis Morizio feels this is something they should seriously consider because the panel members are definitely people who volunteer their opinions and have some good ideas.

Laura Criel pointed out some of the dates mentioned will have to involve new members coming on the panel. If a commitment is made there needs to be an understanding that some states may be losing a member and the new member may not be available to commit to participate in administering the survey.

Dean Conder stated that it is hard to answer the question of JC supporting the TAP participation without first seeing the survey. Once they have had the opportunity to see the survey, they can provide a more educated opinion. To follow-up with Nicholas's point, it would be a good idea for the TAC committee to be involved in the analysis of the data.

Beers stated it would be really helpful if the raw data could be shared with TAP in the event they wanted to explore some issues W&I elected not to explore.

ACTION ITEM: Fulton will be sending the survey instruments along with the site and date information to Ferree and Susan Gilbert by Thursday, July 23, 2009.

Area Issues Recommendations for Review

- 4XX-5493 - TAX LAW UPDATES – Rita Taylor, Area 4, explained issue Request is to make link Tax Changes a permanent addition to the IRS homepage. The Committee requests the year-by-year changes have only one link so all of the information is altogether. **Consensus to elevate.**
- 4XX-5366 – BANKRUPT TAXPAYER REFUND NOTIFICATION - Anne Khan, Area 4, explained the issue. The IRS should notify bankrupt taxpayers when their refund has been processed so the taxpayer can contact their bankruptcy attorney to resolve the position of the refund. Taxpayers who are in bankruptcy do not receive their tax refund once their return is

processed, as the refund is part of their assets and the bankruptcy court and the attorneys are the ones that deal with this position. There is no way for the taxpayer to know the refund has been processed other than calling the toll-free number. Solution: Committee suggests a notice be sent out and if the bankrupt taxpayer calls they should be told they should be getting a notice once the process is complete. Benefit: This will result in fewer calls on the toll-free line and lower costs, taxpayers will save time and the cash will be available via bankruptcy sooner. The barrier being the IRS will have to print and mail notices.

Dean Conder asked how the IRS knows a particular taxpayer is in bankruptcy.

Kahn responded the IRS is informed when a taxpayer is in bankruptcy.

Discussion about the trustee – what their role is. Dale Cooper suggested changing trustee to delegated authority. Ellen Smiley will make changes and send forward.

Consensus to elevate with proposed changes.

- 4XX-5434 – CHECK BOX FOR FORM 1065 – Mary Jo Werner, Area 4, explained the issue. Revenue Procedure 84-35 which provides an exception from late filing penalties for partnership returns if the partnership is a qualifying small partnership and each partner fully reports his share of the partnership income, deductions and credits. The IRS has been sending out late filing penalties on qualifying small partnerships without regard to this Revenue Procedure. Goal is to prevent the assessment of late filing penalties on the qualifying small partnerships when all of the partners have reported their share of the partnership activity on their individual tax return. Solution: include a check box on Form 1065, US Return of Partnership Income. to indicate partners have fully reported the partner activity on their income tax return in accordance with the Revenue Procedure 84-35.

Benefits: Reduce cost of Internal Revenue Service (IRS) personnel in reviewing requests for abatement; implementing already existing Revenue Procedure 84-35 to streamline process. The IRS is not harmed because the partners have already reported the partnership income. There is a revenue procedure in place that already removes the penalty for being assessed and partnerships that are of a more complicated nature have to go through the process of filing an extension. If they file late they are going to incur late filing penalties unless there is a reasonable cause.

Cooper said this issue was addressed already. It was signed by Curtis Wilson. Checking a box will put the burden on the partnership that all partners filed a return. Werner said this would only be used by 10 or fewer partners. Revenue Procedure 84-35 proposes a way to get around this and addresses this issue. Smiley said this recommendation is to avoid the IRS sending a notice. Werner added whoever is preparing this form will check with all the partners before checking the box.

ACTION ITEM: Dale offered to send information out regarding his input. Ken Wright suggested making a few changes as well as a secondary option. "Include explanation for check box" This issue will be modified and presented to the JC in August.

- 4XX-5443 – FORM 5227 RELEASE DATE – Steve Vanderver, Area 4, said last year the date continued to be changed as far as getting the latest instruction out on Form 5227, Split-Interest Trust Information Return. This creates a domino effect because it is a step that has to be done before a lot of other things can be done. When there are no changes in the law the new forms should be out in time for software vendors to make their changes and get them out to the public for timely reporting. Roy Block advised they received correspondence from a specific taxpayer asking they address this issue because the firm they're associated with prepares more than 5,000 returns so they are elevating the issue based on taxpayer input. There was discussion whether this issue should go to the IRS or the Forms and Pubs Issue Committee.

Consensus to send to Forms and Pubs for consideration. If they decline it will be brought to the JC for elevation.



Area/Issue Committee Activities

(e.g., outreach, special events, member recognition, and committee accomplishments)

Closing

Davidson thanked members for attending

Meeting Adjourned

Next Meeting: Face-to-Face, Atlanta, GA, August 20-22, 2009



**Taxpayer Advocacy Panel (TAP)
Joint Committee Teleconference Minutes
Wednesday, June 24, 2009
3 P.M. ET**

Designated Federal Official

Susan Gilbert - Senior Program Analyst

Members Present

Charles Davidson - TAP Chair
Linda Gambardella - Chair, Area 1
Kim Brown - Chair, Area 2
Jose Martinez - Vice Chair, Area 2
Dale Cooper - Chair, Area 3
Stan Wernz - Chair, Area 4
Stephen Vanderver - Vice Chair, Area 4
Kay Bell - Chair, Area 5
Craig Capehart - Vice Chair, Area 5
Dean Conder - Chair, Area 6
Sandy Finestone - Vice Chair, Area 7
Mark Paris - Chair, Communications
Susan DaCorte - Vice Chair, Communications
Eileen Birge - Chair, EITC
Tommy Thompson Chair, Taxpayer Assistance Centers (TAC)
Richard Waterman Chair, Forms & Publications
Chuck Tice Chair, Notices
Ernest Miller - Vice Chair, Notices
MJ Lee - Chair, Small Business/Self Employed (SB/SE)
Tom Walker - Vice Chair, SB/SE
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
John Kim - Vice Chair, VITA

Members Absent

Ken Wright - Vice Chair, TAP
John Leggett - Vice Chair, Area 1
Lou Kapugi - Vice Chair, Area 3
Herb Bohrer - Vice Chair, Area 6
Sabby Jonathan - Chair, Area 7
Jo Villarreal - Vice Chair, Earned Income Tax Credit (EITC)
Kelly Wingard - Vice Chair, Forms & Publications
Al Rodriguez - Chair, Multilingual Initiative (MLI)
Joan Gustafson - Vice Chair, MLI

Staff Present

Lisa Gabriel - Note Taker
Shelby Jenkins - Secretary
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Steve Berkey - Senior Program Analyst
Audrey Jenkins - Program Analyst
Sally Chavez - Program Analyst
Janice Spinks - Program Analyst

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting.



Roll Call

Quorum was met.

National Office Report (Susan Gilbert for Shawn Collins)

Nina Olson will return July 1, 2009 and Shawn Collins will be requesting a meeting with her and Commissioner Shulman the week of July 27th to present the Annual Report. She will also try to schedule meetings with Small Business/Self Employed and Wage & Investment Directors.

Interviews for new TAP Panel members will be completed by June 30, 2009, at that time or sooner managers will get their list of people to Collins.

TAP Chair Report

The report was posted to TAPSpace. The Annual Report is in its final stages. We have verified all the information, all the numbers and the facts we have to put forward. The revisions are being sent to IRS media relations and they will put it in the proper formatting and it will be off to the printers and as stated before it will be presented to Olson and Shulman in July. We are currently attending three tax forums and may have the ability to attend the one in Dallas based on budget.

Review and Approve May Minutes

Final draft was posted on TAPSpace. There were no further changes, minutes approved.

Action Items from May meeting call:

- Development of sub-committees
 - **Committee to head the election process – Kay Bell – lead-Steve Berkey will compose an email asking for two more members to assist.**

Kay Bell stated that they do not have any extra team members. She and Stan Wernz are working together on this and would like to have more people. Bell did send out a preliminary report, but could send out information on this again. If interested contact Bell directly. Bell is asking for Chairs to mention this in their Area Meetings and note that they are looking for 3rd year members.

- **Committee to develop four to five topics for meeting with IRS Commissioner in mid to late July. Linda Gambardella, Sabby Jonathan, Dean Conder & Ken Wright volunteered – Shawn Collins will meet with staff to determine manager and analyst to assist team.**

Charles Davidson stated that they have Dave Coffman supporting them and a target date is in place and we are moving forward with notices coming out soon.

- Issue Process Committee – Sabby Jonathan, Rich Waterman, Laura Criel, Linda Gambardella and Stan Wernz volunteered – Rich Waterman will pull some stats together.

Rich Waterman noted this was done and information was sent out to the subgroup.

Chair/Vice Chair Election Subcommittee Survey Results

Bell remarked she is not going to go over the report as everyone should have a copy, but basically the subcommittee asked about the "tie issue" for Chair which led to the process. At this point everyone is rather happy with the process, and the change to do the election before the Annual Meeting was liked by most. The methodology is still okay, such as if you win by one you still win. A win is a win. If there is a tie this is something we do need to work out. One way is a run off which is a more democratic process and it is also a time consuming process. It was discussed to go one of two ways. 1. Have TAP Staff select or 2. Have a coin toss. Another discussion took place regarding if a person didn't make chair could they campaign for vice chair. No decision was made on this point. Stan Wernz received



some comments that last year there was campaigning that went on. Candidates were supposed to be limited to posting their bio and an individual statement on TAPSpace. Wernz pointed out the election is based on integrity and he wondered if there is a mechanism that can be deployed to even the playing field?

One Panel Member stated that having everyone put out their statements are helpful because not everyone one knows everyone. Bell added this may be a process of clarification on what is allowed and what is not allowed, but she did think it was important to have in preliminary report. The subcommittee will look at this more closely and discuss any recommendations.

Area Issues Recommendations for Review

No issues to review on this call, but eight are currently in Quality Review.

Outreach Reports

List of TAP Active Issues

Davidson having looked at the Outreach reports this morning noted that Panel Members are doing many one on one outreaches. This month alone the Panel Members have done 237 Outreaches. Davidson did include in this months chair report some success stories.

Area/Issue Committee Activities

(e.g., outreach, special events, member recognition, and committee accomplishments)

Wernz noted that Area 4 had their face to face and the Milwaukee Staff did a lot of homework for it. The meeting was very effective for the development of issues.

Eileen Birge from EITC was very happy with their face to face meeting. The program owner Linda Paul was so impressed by the outcome that she would like to have another face to face and is paying for it, because of all the great ideas that came from it. We are hoping to host this face to face in late September and will wrap up the reports by then as well.

Laura Criel from VITA stated that they are concentrating on training material and are recruiting program owners into the training. Their committee has been recruiting people who are not on the committee to help with reviews and beta testing. Panel Members are looking at TaxWise. Almost every committee member is active on one of the teams the IRS has pulled together to produce VITA material for next filing season. The committee has been complimented by the IRS on their work.

Tommy Thompson noted that last week was the TAC face to face. We received our assignments from the Field Assistance and one of our focuses was the payment process. This was extensive as we are dealing with wait time, Q-matic, 809 payment recording booklet and Courier services. Starting in January all Committee members visited at least two TACs and made some observations. At the face to face we came up with five recommendations and if the ideas are adopted this will affect thousands of taxpayers.

Dale Cooper stated they had their Area 3 face to face and the youngest panel member of TAP has been setting up a local tax clinic. Cooper and Sabby Jonathan are working on third party authorization.

Linda Gambardella commented that Area 1 face to face brought in new issues and they also had some guest speakers. The committee broke into groups and began working some new issues.

2009 Annual Meeting

- Team Meeting 6/16/2009



There is a subcommittee working on the Annual Meeting and they met for the second time in June. A request for workshop ideas was posted to TAPSpace and several ideas were submitted. A report of primary issue categories and their secondary issues was pulled from the database. This information could be helpful with ideas for workshop topics. The agenda was also discussed and a decision was made that each committee will be given five hours to work during the meeting.

The Joint Committee face to face meeting is being held in Atlanta, GA from August 20-22, 2009. Davidson noted that we need to start working on the Agenda and like to finalize it by the next teleconference. He is asking for panel members to email him any ideas.

Shelby Jenkins reminded panel members to get their travel information worksheet back to her.

Dean Conder suggested that Committee Chairs ask their panel members what they would like to see be addressed at the Joint Committee Meeting.

No members of the public were present for the meeting.

Closing

Davidson thanked the members and staff for attending.

Meeting Adjourned

Next Meeting: Wednesday, July 22, 2009



**Taxpayer Advocacy Panel (TAP)
Joint Committee Teleconference Minutes
Wednesday, May 27, 2009
3 P.M. to 4 P.M. ET**

Designated Federal Official

Shawn Collins, Acting TAP Director

Members Present

Charles Davidson - TAP Chair
Ken Wright - TAP Vice Chair
Linda Gambardella - Chair, Area 1
Kim Brown - Chair, Area 2
Jose Martinez - Vice Chair, Area 2
Stan Wernz - Chair, Area 4
Kay Bell - Chair, Area 5
Dean Conder - Chair, Area 6
Sabby Jonathan - Chair, Area 7
Tommy Thompson - Chair, Taxpayer Assistance Centers (TAC)
Chuck Tice - Chair, Notices
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
Eileen Birge - Chair, Earned Income Tax Credit (EITC)
Rich Waterman - Chair, Forms and Publications
MJ Lee - Chair, Small Business/Self Employed (SB/SE)
Susan DaCorte - Vice Chair, Communications

Members Absent

Jo Villarreal - Vice Chair, Earned Income Tax Credit (EITC)
Al Rodriguez - Chair, Multilingual Initiative (MLI)
Joan Gustafson - Vice Chair, MLI
John Kim - Vice Chair, VITA
Dale Cooper - Chair, Area 3
Ernest Miller - Vice Chair, Notices
Tom Walker - Vice Chair, SB/SE
Mark Paris - Chair, Communications
Craig Capehart - Vice Chair, Area 5
Kelly Wingard - Vice Chair, Forms and Publications
Sandy Finestone - Vice Chair, Area 7
Herb Bohrer - Vice Chair, Area 6
Milissa Bensen - Vice Chair, Taxpayer Assistance Centers (TAC)
Tom Walker - Vice Chair, Small Business/Self Employed (SB/SE)
John Leggett - Vice Chair, Area 1

Staff Present

Susan Gilbert - Senior Program Analyst
Shelby Jenkins - Note Taker
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Judi Nicholas - TAP Manager
Steve Berkey - Senior Program Analyst
Mary Ann Delzer - Database Analyst
Otis Simpson - Budget Analyst
Audrey Jenkins - Program Analyst
Patti Robb - Program Analyst



Sallie Chavez - Program Analyst
Marianne Ayala - Program Analyst

Guest

Althea Fulton - Social Scientist, R&A, W&I

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting. Gave overview of meeting and then turned meeting over to Shawn Collins

Roll Call

Quorum was met.

National Office Report

Shawn Collins welcomed everyone, advised that the week of May 11 the staff completed the ranking of the 901 applications and will now start the interview phase. Cutoff scores have been determined and scheduling of applicants to be interviewed has commenced and interviews should be completed by the end of June.

TAP Chair Report

Davidson put out a solicitation asking members to assist with the interviews as they have done so in the past. He went on to thank members for their continued support in this effort. Davidson also discussed the great work coming out of the Face 2 Face meeting and talked about the great success of the outreach efforts to date. Davidson encouraged everyone to keep up the good work.

TAP held its final Town Hall meeting in Albany, NY on Tuesday, April 28, 2009. A detailed report can be located on TAPSpace.

Review and Approve March Minutes

The minutes were approved by consensus.

TAP Chair/Vice Chair Elections

Steve Berkey discussed this is the time of year the Committee Chair should begin the appointment of a committee to head the election process. The committee will have the responsibility of reviewing the current process and make recommendations for changes. Last year, Joe Shields headed this committee.

Davidson suggested run off procedures should be considered this year in the event of a tie. Once the procedures have been identified they will need to present and clarify the procedures for implementation. Davidson asked for nominations and/or volunteers to include at least one non-returning member to head this committee. Kay Bell volunteered to take the lead with the assistance of Stan Wernz. Berkey will compose an email asking for two more members to assist on this committee.

Area Recommendations for Review

2XX-5080 Access to IRS Payment Transcripts

Marianne Ayala informed the reasoning behind this issue is for Taxpayers to have access to transcripts. They want an automated telephone system. Sabby Jonathan commented that this is a great issue and is very hopeful that the IRS will implement this recommendation.

Ken Wright acknowledged this will be a great help for the elderly clients. He was going to suggest this and was told the IRS was already in the process of rolling out access to taxpayers. Wright would like to know when that will be taking place.



Mary Ann Delzer advised this was supposed to have rolled out this summer but was held up on mandates for the new internet security. No additional information on the status of rollout.

CONSENSUS TO ELEVATE TO IRS.

Commissioner Meeting

Davidson advised upon completion of the TAP Annual report selected TAP members, TAP Director and the National Taxpayer Advocate will be meeting with Commissioner Shulman to present the report and make recommendations. During this meeting, the Commissioner will also provide feedback and discuss issues he would like the committee to review in the future.

Davidson would like to form a committee to come up with four or five topics they would like to discuss when they meet with the Commissioner. The meeting will be scheduled for mid to late July timeframe.. Linda Gambardella, Sabby Jonathan, Dean Conder and Ken Wright all volunteered to complete this task.

Shawn Collins will meet with the TAP staff to determine which manager and analyst will provide assistance to this committee.

2008 TAP Annual Report Status

Berkey advised the report, with a fresh, new look, is in the final stages of reviewing. Berkey also advised that the information being reported in the report is in the process of being verified for accuracy. Once complete the graphic design and graphics for the report will be developed. The report should be published the end of June.

Outreach Reports

Mary Ann Delzer provides three Outreach reports a month and advised that they are posted on TAPSpace; the members find these reports helpful which keeps open lines of communication on what other members as well as Areas are doing.

Area/Issue Committee Activities

(e.g., outreach, special events, member recognition, and committee accomplishments)

608-4406 Audit-Scheduling the Appointment

Area 6 has accepted the response received from the IRS and the full response will be published in the Annual Report.

608-4406 Audit-Scheduling the Appointment

Area 6 has accepted the response received from the IRS and the full response will be published in the Annual Report.

Conder also feels that as the JC they should be more open and not allow there feelings as to what they think the IRS will accept or not deter them from sending it forward. TAP is a very valuable asset.

Sabby Jonathan said Area 7 feels a little deflated because of these non specific issues. We would like someone to go back to Jan 2008 to follow-up and list what has been done ♦ anything other than acceptance and implementation and that there should be a follow-up conference to receive an explanation as to why the recommendation was rejected.



Wernz advised that back in February Roy Block put together a list of the elevated issues and the responses from the IRS. He also advised the IRS rejected some issues that Area 4 has submitted and they pushed back and the IRS made the change.

Berkey gave a breakdown of the status of the recommendations sent in 2008:
25 Recommendations elevated
10 Closed accepted
2 Partially accept
9 Rejected
4 Referred directly to SAMS
Staff puts the appropriate closing status into the database as the committee decides.

Sabby thinks Joint Committee should be updated regularly on elevated issues. "Accepted without implementation" has little meaning. That is not our mission. Our job is to help the IRS improve customer service.

Stan Wernz asked who would follow up to see if the issue was actually implemented. Eileen Birge said they has also encountered a similar situation and asked the analyst to follow-up.

Rich Waterman suggests that there be a sub-committee (Issue Process Committee) to improve the process of recommendations going to and coming back from the IRS. Sabby Jonathan, Rich Waterman, Laura Criel, Linda Gambardella and Stan Wernz will be the members of this committee; Sabby Jonathan will be the Chair. Jonathan needs a list of the volunteers email address so that he can schedule the conference call. If there are any thoughts they should be sent to Sabby Jonathan.

Laura Criel suggested having the Chairs take this to the Area and Issue Committees to see what issues they would like forwarded to the committee. Berkey suggested checking TAPSpace. Waterman will put some statistics together.

Mary Ann Delzer stated whether the IRS implements their recommendations or not, all need to be reminded, it is not reflective of the quality of the issue. They are a huge success because they dialog with the IRS. Collins agreed and said if the IRS did not value their opinion they would not be coming to them for suggestions.

Roy Block advised they received correspondence from IRS that they were implementing an issue for closing corporations. The panel suggested the IRS choose two specific campuses to process these documents. The IRS agreed and is forwarding this information to Counsel to review. The IRS has agreed to this and will start the process to implement the instructions.

Conder stated to remember this is the federal government and the wheels go round slowly. It may take a while to implement our recommendations and we may not be around by the time they do.

Update 2009 Annual Meeting

- Annual Meeting debrief

Susan Gilbert gave a brief update of the committee that has been established to work on items for the Annual Meeting. The committee's first meeting was May 5 and the staff, consisting of Shawn, Steve, Otis, Judi and herself met on May 19 to develop an Action plan. A Social Committee has also been developed and they are paying a lot of attention to the feedback from last year's Annual meeting. Linda Gambardella noted that one thing that came out is that members want more time with the issue committees.



Eileen Birge stated that she read all of the comments and the committee will be looking into putting those suggestions into effect.

Laura Criel – asked about existing issue chairs. Will we be included early on? The new chairs will be elected at the annual meeting. Criel, an outgoing chair, stated she would prefer to be productive opposed to sitting idle for four days.

Judi Nicholas stated this had not been discussed but will include as a topic at the next planning meeting.

JC Face-to-Face-August 20-22, 2009 (two full days)

Davidson advised of the meeting being two days. Travel in the morning on Thursday then meet Thursday afternoon, a full day on Friday and a half day on Saturday. Some members will be traveling on Wednesday (West Coast).

Stan Wernz will have a problem with Saturday and will make arrangements with his Vice Chair, Steve Vanderver to attend.

Success Stories

Linda Gambardella advised the April Town Hall was a success and it turned out to be a very good event. The National Taxpayer Advocate (NTA) spoke and had a question and answer session. Sharon Grange and Shawn Collins were there. One issue discussed during the town hall was regarding the role of un-enrolled agents.

Susan DaCorte asked the members please send in their completed surveys. If you are unable to submit the survey or if you prefer not to take the survey please advise Patti Robb via email. This is a blind survey only Patti Robb will know who responds. However, she will send a list of names to the Communications Committee to contact those that did not respond.

Gambardella advised that it is a blind survey and she doesn't know who in her area has not sent the survey back.

Patti Robb advised there are still a few surveys missing.

Delzer advised all members to check TAPSpace for new documentation that is being posted because there are new issues in the pipelines and they will have new things to do at the next meeting.

Public Input

No comments.

Closing

Davidson thanked everyone for their participation.

Meeting Adjourned

Next Meeting: Wednesday, June 24, 2009



**Taxpayer Advocacy Panel (TAP)
Joint Committee Teleconference Minutes
Wednesday, April 22, 2009
3 P.M. to 4 P.M. ET**

Designated Federal Official

Shawn Collins, Acting TAP Director

Members Present

Charles Davidson - TAP Chair
Ken Wright - TAP Vice Chair
Linda Gambardella - Chair, Area 1
Kim Brown Chair, - Area 2
Jose Martinez - Vice Chair, Area 2
Dale Cooper - Chair, Area 3
Stan Wernz - Chair, Area 4
Kay Bell - Chair, Area 5
Dean Conder - Chair, Area 6
Sabby Jonathan - Chair, Area 7
Tommy Thompson - Chair, Taxpayer Assistance Centers (TAC)
Chuck Tice - Chair, Notices
Ernest Miller - Vice Chair, Notices
Tom Walker - Vice Chair, SB/SE
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
Eileen Birge - Chair, Earned Income Tax Credit (EITC)
David Kahn - Panel Member
Mark Paris - Chair, Communications
Susan DaCorte - Vice Chair, Communications
Craig Capehart - Vice Chair, Area 5

Members Absent

Jo Villarreal - Vice Chair, Earned Income Tax Credit (EITC)
Al Rodriguez - Chair Chair, Multilingual Initiative (MLI)
Joan Gustafson - Vice Chair, MLI
MJ Lee - Chair Small Business/Self Employed (SB/SE)
Susan DaCorte - Vice Chair, Communications
John Kim - Vice Chair, VITA
Paul Shoemaker, Panel Member, Area 5

Staff Present

Susan Gilbert - Senior Program Analyst
Shelby Jenkins - Note Taker
Mary Ann Delzer - Database Analyst
Louis Morizio - TAP Manager
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Steve Berkey - Senior Program Analyst
Donna Powers - Program Analyst
Audrey Jenkins - Program Analyst
Lisa Gabriel - Secretary
Ellen Smiley - Program Analyst
Patti Robb - Program Analyst
Sallie Chavez - Program Analyst



Guest

Althea Fulton - Social Scientist, R&A, W&I

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting. Gave overview of meeting and then turned meeting over to Shawn Collins

Roll Call

Quorum was met.

National Office Report

Shawn Collins welcomed everyone, and gave thanks to all of the volunteers for their hard work in recognition of Volunteer Recognition Week.

Collins advised that recruitment ends 4/30/2009 and gave an update on the final and draft applications received thus far. Collins advised Wayne Whitehead is working on the draft 2008 Annual Report and it is hoped to be published on time. Layout for publication should occur the first week in May.

Collins talked about the success of the Town Hall meetings in both Arkansas and Oklahoma, with the final town hall meeting being held April 28, 2009 in Albany, NY. This town hall is being sponsored by the Albany Law School Low Income Taxpayer Clinic (LITC). We are looking forward to great results.

TAP Chair Report

Davidson noted that we need additional applicants in certain locations and we will be sending out information to push for recruitment in those areas. TAP would love to push recruitment in North Dakota, Vermont and Nebraska.

Davidson noted that TAP members are doing well on Outreach and also pointed out there have been a total of 589 outreaches reaching 5,739 people on average. Davidson acknowledged this success and would like for all members to keep the push so that the word can get out about what TAP does.

The Panel has received a couple of responses from the IRS; the Notice Committee has been asked to do a short turn around on their projects. Davidson congratulated them for always staying on top of things and meeting the deadlines that are set for them.

April and May - the face-to-face meetings are starting and we are looking for issues to start coming out of these committee meetings.

Review and Approve March Minutes

The minutes were approved by consensus.

Action Items from March call:

- 3XX-4930 necessary changes will be made to the issue then it will be sent forward
The agreed changes were made and the issue has been elevated
- 5XX-4480 modifications will be made to include prior referral and revised Pub 1346
The agreed changes were made and the issue has been elevated.

The TAC Customer Expectation Survey

Althea Fulton thanked the JC for allowing her to speak at the meeting. Fulton gave a brief project overview of the TAC Customer Expectation Survey. Fulton noted that TAC has done previous surveys



and have gotten great information out of them. The survey will be administered at TAC sites. TAP will assist in collecting data from taxpayers.

The TAC Survey will be coordinated with field assistance staff. Fulton will provide the exact dates soon. The survey will be administered at a specific TAC during the administration period and are requesting a TAP member be present to assist with the survey. Spreadsheets will be provided to solicit taxpayers to sign up and participate in the survey. W&I resource team envisions one panel member working per office site. However, if members would like to work as a team it is acceptable, but no more than three members on a team. Fulton will provide a draft copy for members that would like to read it.

TAP will have 4 key things to do:

1. Make contact with taxpayer when they enter
2. Hand paper survey agreeing to participate
3. Ask them to collect as they exit
4. Ask that TAP forward results of the research

The draft survey has been completed and once approved will be disseminated. There may be another revision if the Directors do not approve it as is.

Survey must be approved by OMB. Fulton hopes to have this complete by mid June.

Ken Wright participated in 2007 Survey and advised it was unsatisfactory. The TAC really didn't know what to do with him. Wright feels that this needs to be coordinated a little better. Wright would like to participate in the Survey next year even though he will no longer be a panel member and asked would the survey be provided in other languages this year.

Fulton thanked him for pointing out the problems and also advised they will be working with the multi-lingual office to have the survey done in other languages and will be able to provide an answer by the end of May.

Tommy Thompson asked that Fulton talk a little more about how the survey will differ from the 2007 Survey.

Fulton - the survey will cover similar information but the goal is to get a gut reaction of what taxpayer expectations are. Fulton advised they are trying to expand on what they got from the 2007 Survey. Fulton stated her office wanted to look again this year to see if there are some new expectations.

Judi Nicholas -- the big thing that was surveyed for was the customer's experience, if they didn't get what they were expecting, that is what is being expanded on this year.

Thompson -- may want to expand on the number of TACs where the survey was done this year. Fulton advised that they want a good representation of all segments of the communities and will push to have the survey out by the end of June.

Dean Conder noticed that the survey will take place in Denver during one of the busiest months which is June and would like TAC to consider extending the survey to the end of June.

Charles thanked Althea for joining call today.



Area Recommendations for Review

4XX-4210 Theft Suspension of Return Processing

This issue comes from Area 4. Stan Wernz noted that this issue involves people that are not required to file a tax return and their SSN being used by other people. The request is to have these SSN locked out by the taxpayer's request so that no one would be able to fraudulently use their SSN, and so would be rejected.

Eileen Birge stated she thought it was a really important recommendation.

Wright asked a question regarding page 2, What does the cost of processing and entering a TC 971 501 mean? And how does the IRS know this is coming from the taxpayer?

Wernz - the IRS could ask for identifying information only the taxpayer would know. There would also need to be a way to unblock the SSN.

Roy Block stated the information was provided to the internal stakeholder.

Laura Criel - will this be an annual filing?

Wernz stated no, the person will have to file another form to unblock the SSN.

Wright- very good proposal. Move to adopt.

Conder - mainly focuses on those not required to file a return. How about those that do need to file and want to utilize this system?

Criel asked what would the consequences be if there is reported income on the person during the time the form was filed?

Block advised the intent of the form is strictly an internal process and has nothing to do with the process of mortgages or things of that nature.

No objections to elevating this issue.

CONSENSUS TO ELEVATE TO IRS.

5XX-4545 Customer Service Improvements

This issue comes from Area 7. David Kahn explained this issue relates to an interaction that a practitioner had with the IRS practitioner hotline. The practitioner asked to speak to a manager and the employee became irate and hung up the phone. The practitioner then went to the IRS website to find information on how to inform a manager of what was going on and was unsuccessful in doing so. It was concluded that the practitioner was correct in that there is no way to move forward for the complaint to be acknowledged by the IRS. They are proposing that a user friendly system for filing complaints be developed through existing TIGTA procedures.

Wright - there is one issue here recalled in a meeting that the employee ID number is virtually impossible to track. What good does this do?



Shawn advised that the IRS has new ID cards with new ID numbers and should alleviate the problem of identifying service employees.

Sabby Jonathan shares concern and that's why the proposed solution is so broad.

Modifications will be made to include prior referral and revised Publication 1346.

No objections to elevating this issue.

CONSENSUS TO ELEVATE TO IRS.

Returning Member Survey/New Member Survey/Letter to Representatives

Roy Block advised the Communication committee has completed the Returning Member Survey and would like to post it on TAPSpace and request approval of the Joint Committee. The New Member Surveys are being conducted. Also, the Communications Committee is working on the promotion of the link to be included on the legislative website. The Committee thinks this link will enhance the opportunities of getting an assortment of issues to work.

Wernz asked for clarification on the term "operating division." Judi Nicholas advised that it was in terms of IRS not TAP. Ken Wright pointed out the name of the survey.

No objection to posting Returned Member Survey after clarification has been made and no objection to posting New Member Survey

Laura Criel feels that the letter to Representatives is a good letter but would like to have a sentence in the letter stating what is really going to be asked of the Representative.

Steve Berkey wants to make C&L aware of the letter before it goes out to the members.

No objection to sending out the letter once the changes have been made.

Area/Issue Committee Activities

(e.g., outreach, special events, member recognition, and committee accomplishments)

Kimberly Brown-Area 2- had a panel member go out and talk to Women's Committee in Baltimore and it was a success and was a two (2) day event.

Dale Cooper - Moses Shiloh and Homer Sewell resigned.

Kay Bell-- gave special recognition to Zack and Norma and the great job they did at the Oklahoma Town Hall

Wernz - discussed handling of issues that turn out to be legislative in nature. There is a procedure to forward to NTA office. Sabby said they respond formally to taxpayers who submit these issues. Dale does that too. They send a letter that tells them what TAP does and other avenues they can use to address their issues.

Linda Gambardella-Area 1- will be attending the Town Hall in Albany, NY along with other panel members and TAP Staff.



Chuck Tice -Feedback received from TAC Notices Committee and stated that they liked what they are doing and will keep using them.

Update 2009 Annual Meeting

- Annual Meeting debrief

Berkey advised the sub team met Monday, April 20, 2009 to discuss the debrief of last years annual meeting they reviewed feedback and identified areas where to improve The next meeting will be Tuesday, May 5, 2009.

Davidson advised this will be a bigger discussion item on the May 27, call.

Public Input

No comments.

Closing

Davidson thanked everyone for their participation and apologized for the meeting running late.

Meeting Adjourned

Next Meeting: Wednesday, May 27, 2009



Taxpayer Advocacy Panel (TAP) Joint Committee Teleconference Minutes
Wednesday, March 25, 2009
3 pm to 4 pm ET

Designated Federal Official

Shawn Collins Acting TAP Director

Members Present

Charles Davidson - TAP Chair
Ken Wright - TAP Vice Chair
Linda Gambardella - Chair, Area 1
Kim Brown - Chair, Area 2
Jose Martinez - Vice Chair, Area 2
Dale Cooper - Chair, Area 3
Stan Wernz - Chair, Area 4
Kay Bell - Chair, Area 5
Herb Bohrer - Vice Chair, Area 6
Sabby Jonathan - Chair, Area 7
Susan DaCorte - Vice Chair, Communications
Tommy Thompson - Chair, Taxpayer Assistance Centers (TAC)
Richard Waterman - Chair, Forms & Publications
Chuck Tice - Chair, Notices
Ernest Miller - Vice Chair, Notices
MJ Lee - Chair, Small Business/Self Employed (SB/SE)
Tom Walker - Vice Chair, SB/SE
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
John Kim - Vice Chair, VITA
Eileen Birge - Chair, Earned Income Tax Credit (EITC)
Paul Shoemaker - Panel Member, Area 5

Members Absent

Craig Capehart - Vice Chair, Area 5
Dean Conder - Chair, Area 6
Mark Paris - Chair, Communications
Jo Villarreal - Vice Chair, Earned Income Tax Credit (EITC)
Al Rodriguez - Chair, Multilingual Initiative (MLI)
Joan Gustafson - Vice Chair, MLI

Staff Present

Susan Gilbert - Senior Program Analyst
Shelby Jenkins - Note Taker
Mary Ann Delzer - Database Analyst
Louis Morizio - TAP Manager
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Steve Berkey - Senior Program Analyst
Otis Simpson - Budget Analyst
Donna Powers - Program Analyst
Audrey Jenkins - Program Analyst
Lisa Gabriel - Secretary

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting.



Roll Call

Quorum was met.

National Office Report

Shawn Collins welcomed everyone, and gave an update on dates for the National Taxpayer Advocate (NTA) pod cast for the recruitment period. The NTA will be doing a recruitment pod cast in Oklahoma City, OK, and it will be added to the TAP tool kit. She also gave an update on a press release that went out yesterday and said we were inundated with applications.

The Internal Revenue Service (IRS) will no longer be using private debt collectors; they have generated notices that will be sent out to taxpayers, alerting them that their account will be returned to the Internal Revenue Service for collection... TAP and the Low Income Tax Clinic (LITC) group have been asked to review those letters before they become final. Nancy Ferree is heading the team to review the notices and will have comments to Systemic Advocacy by close of business Friday, March 27, 2009.

The letter of intent for the TAP annual meeting has been signed. The annual meeting will be held December 14–18, 2009, in downtown D.C. at the Capital Hilton. Collins thinks everyone will be pleased with the location, facilities and amenities provided to TAP.

Collins announced four new members in the TAP program. Area 5 welcomes Ken Donnelly; Area 3 welcomes Susan Slack and Charles Armstrong; and Area 2 welcomes Donald Thomas.

TAP Chair Report

Davidson noted that outreach is going strong and is amazed at the things TAP is achieving in this area. Sabby Jonathan, Area 7, did an interview for a local radio station and the broadcast reached 1.5 million people. Keep doing the outreach! Davidson encouraged every to concentrate on the one-to-one contacts also, because those bring up good issues too.

Davidson attended an IRS Oversight Board meeting on February 17, 2009 which TAP is invited to annually. In the past TAP has been able to provide input prior to the meeting, however this year there was a format change. The meeting focused on internal issues such as IRS Employee Engagement and addressing Risk Management. Davidson still attended the meeting and was able to speak with the Chairman and tell him about TAP. However TAP isn't really offering input like in the past, but this was still a good contact.

A Town Hall took place February 12, 2009, in Little Rock, AR. There were about 50 people in attendance. The next Town Hall is taking place in Oklahoma City, OK, on Thursday, March 26, 2009.

There are lots of issues being worked in the various committees and there are a couple on the agenda today for consideration. Next meeting we will have three or four to review.

We had a project from Area 3 on estimated tax packages. This was referred to SAMS and IRS agreed to take care of this until a process can be developed.

Good work in all the Issue Committees. Congratulations to the Notices Committee as they cleared their first list of Notices.

A request went out to provide assistance to new members as they are learning their responsibilities as TAP members.



Review and Approve February Minutes

Three changes were made to the February minutes. The minutes were approved by consensus.

Action Items from February call:

- An Addition of the data about the number of fraud referrals received by the IRS was to be added to issue 6XX-4358, Form 3949A, Reporting Fraud and then elevated to IRS.

CONSENSUS TO ELEVATE

- Susan Gilbert will complete the Earned Income Tax Clinic (EITC) Awareness Day analysis.

Gilbert added a narrative to TAPSpace regarding EITC Awareness Day analysis. She also advised of the five members that organized their own EITC awareness event.

FYI - Changes to the Quality Review (QR) Process

Mary Ann Delzer sent out the draft QR process to JC members and highlighted a few changes. Items 3, 5, and 6 were reviewed.

Dale Cooper had an issue that came back with two comments; Cooper felt the comments were nebulous. He felt that the thought should have been finished instead of sending it out with incomplete thoughts. Delzer will double check the submissions before sending the response back out.

MJ Lee asked in paragraph 3, "Why is the JC doing reviews on documents that have not been through the Quality Review yet?" Davidson responded he wanted to leave the process as it is just in case members of the JC wanted to have the opportunity to provide input to the QR process but it is not a requirement.

Laura Criel asked if there was anything that was going to be done differently than in the QR process.

Davidson noted when an issue comes back from QR the comments are simply suggestions. You do not have to incorporate them. They are an objective, sort of third-eye review. The QR subcommittee is only offering input to clarify the issue. You can do whatever you want with the feedback.

Jonathan had a question on the process. Once the suggestions from QR go back to the area chair, the chair picks through the suggestions and puts together a final revised document. Delzer read from the hand out that was sent as a pre-read on the QR process.

Davidson said the QR process works and each committee decides how they want to handle the comments. The committee can work it or the area chair can work it. It is the area chair that submits it to the JC. Also once it goes to the JC; it does not have to go back through the QR process again.

Area Recommendations for Review

- **3XX-4930, Taxpayer Phone Contact Tracking and Follow-up,**

This issue comes from Area 3. Cooper noted that when a taxpayer or practitioner makes contact with the IRS, it seems the person at the IRS being contacted doesn't have updated information in front of them which results in the caller having to tell their situation over and over again with each call made to the IRS. We want to have consistency on information with the IRS. The information provided should pass through the other departments. Our suggestion is to develop a system that could do that, so the



taxpayer or practitioner doesn't have to repeat the situations. This would benefit the Taxpayer Advocate Service (TAS) as far as work load and simplified procedures for tracking the work load.

Ken Wright suggested providing up-to-date statistics as it may be more meaningful. He also questioned whether the IRS is capable of actually implementing this sort of system? Wright thinks this should be elevated. Roy Block stated all front line employees have access to computers and thinks this could be do-able.

Wright suggested changes to the document and including the citing of statistics

Cooper indicated that the interpretation is that the IRS employee says they will note the statement or conversation in that account. Maybe that isn't done or perhaps the information isn't transferred. He will rephrase that sentence to make it clear for all to understand.

Jonathan is glad to see this issue before the JC and would like to see it elevated as Area 7 is working a similar issue.

No objections to elevating this issue. Cooper will make the necessary changes and forward the issue to Delzer.

CONSENSUS TO ELEVATE TO IRS.

- **5XX-4480, Name Control and SSN/ITIN Mismatch on E-filed Returns**

This issue comes from Area 5. Paul Shoemaker advised that this issue was addressed once before and gave a different direction as to how the issue is approached.

Wernz suggested there should be an acknowledgement in the document that this issue was previously submitted to the IRS before. The Milwaukee staff did some background research and found this was worked before and the members wanted this to be moved forward again. The prior write up had a goal statement but did not have direction, and we have given a very direct solution to mitigate this problem.

Shoemaker will take the document back to the committee to revise. Cooper said IRS was specific that they were revising Publication 1346, Electronic Return File Specifications and Record Layouts for Individual Tax Returns, CD-ROM Version.

Criel said that this problem was raised through Volunteer Income Tax Assistance (VITA), and tried to work with Social Security Administration (SSA) in regards to last names and name control with the various ways of the name being spelled. SSA was concerned about having a system using the first four letters of the last name and last four digits of the Social Security Number (SSN). The concern is the security and identity of the taxpayer.

Cooper indicated you first need to address the Publication 1346. If this a revised copy, you need to address that before moving this forward. He feels this is a significant issue to bring to the IRS.

Roy Block, Tom Walker, and Kay Bell would like to have a consensus on this today to include the changes.

Modifications will be made to include prior referral and revised Publication 1346.

CONSENSUS ELEVATE TO IRS with modifications.

NTA response Z08-5047, Cancellation of Debt

Wright indicated the letter he wrote regarding his position to Publication 4681, Cancelled Debts,



Foreclosures, Repossessions, and Abandonments (for individuals), was correct and was pleased to see that actions will be taken. Consider this a success for TAP.

Update August Face-to-Face Meeting Site

Collins noted the JC face-to-face will be in Atlanta, GA, August 20-22, 2009, at the Renaissance Atlanta Hotel. Meeting space will be in the hotel and a continental breakfast will be provided.

Area/Issue Committee Activities

(e.g., outreach, special events, member recognition, and committee accomplishments)

Block stated the Communications Committee is getting ready to launch a marketing campaign so that taxpayers will be able to access the improveirs.org website to make suggestions.

Chuck Tice stated the Notices Issue Committee made a contribution with three separate reports and eliminated inserts that went out with notices. The IRS ran a test by not including inserts for one month and found there were no requests for the inserts. This will save the IRS thousands of dollars every year.

Wright suggested including this in success stories as well as including the change made to the Schedule C.

Update 2009 Annual Meeting

- Location
- Dinners

The general feedback received from members was having three nights of dinners is a little excessive; suggestions were made that a working lunch would be acceptable.

Ferree noted she made the dinner arrangements for all four of her committees and would like to see the Chairs take on the responsibility.

Wernz said he did not find it difficult to do once he had the restaurant information. As far as whether three dinners are too many is a committee choice, but he thought it was good for the area and issue committees.

Louis Morizio feels that TAP should allow each committee to make the decision as to whether or not to have a dinner.

Jonathan doesn't disagree, but area dinners do serve a constructive purpose.

Linda Gambardella prefers the dinners over lunch because the dinners serve a purpose in getting to know other panel members.

Collins agrees it should be the committee Chair making the arrangements once the staff provides the area restaurant information if the committee chooses to have this.

The outgoing committee Chair will be hosting the dinner



Consensus dinners will no longer be required. The committee Chairs have the option to plan the dinners.

Public Input

No comments.

Closing

Davidson thanked everyone for their participation and advised everyone to continue to work with the managers and secretaries in their respective area.

Meeting Adjourned

Next Meeting: Wednesday, April 22, 2009



**Taxpayer Advocacy Panel (TAP)
Joint Committee Teleconference Minutes
Wednesday, February 25, 2009
3 p.m. to 4 P.M. ET**

Designated Federal Official

Judi Nicholas, TAP Manager

Members Present

Charles Davidson - TAP Chair
Ken Wright TAP - Vice Chair
Linda Gambardella - Chair, Area 1
Kim Brown Chair, - Area 2
Jose Martinez - Vice Chair, Area 2
Dale Cooper - Chair, Area 3
Stan Wernz - Chair, Area 4
Kay Bell - Chair, Area 5
Craig Capehart - Vice Chair, Area 5
Dean Conder - Chair, Area 6
Herb Bohrer - Vice Chair, Area 6
Sabby Jonathan - Chair, Area 7
Mark Paris - Chair, Communications
Susan DaCorte - Vice Chair, Communications
Jo Villarreal - Vice Chair, Earned Income Tax Credit (EITC)
Tommy Thompson - Chair, Taxpayer Assistance Centers (TAC)
Richard Waterman - Chair, Forms & Publications
Al Rodriguez - Chair Chair, Multilingual Initiative (MLI)
Joan Gustafson - Vice Chair, MLI
Chuck Tice - Chair, Notices
Ernest Miller - Vice Chair, Notices
MJ Lee - Chair Small Business/Self Employed (SB/SE)
Tom Walker - Vice Chair, SB/SE
Laura Criel - Chair, Volunteer Income Tax Assistance (VITA)
John Kim - Vice Chair, VITA

Members Absent

Eileen Birge - Chair, Earned Income Tax Credit (EITC)

Staff Present

Susan Gilbert - Senior Program Analyst
Shelby Jenkins - Note Taker
Mary Ann Delzer - Database Analyst
Louis Morizio - TAP Manager
Roy Block - TAP Manager
Nancy Ferree - TAP Manager
Steve Berkey - Senior Program Analyst
Sallie Chavez - Program Analyst
Otis Simpson - Budget Analyst
Donna Powers - Program Analyst
Anita Fields - Secretary
Marianne Ayala - Program Analyst
Patti Robb - Program Analyst

Welcome/Announcements/Review Agenda

Charles Davidson welcomed everyone to the Joint Committee (JC) meeting.



Roll Call

Quorum was met.

National Office Report

Judi Nicholas, acting for TAP Director Shawn Collins, gave an update on dates for the Annual Meeting. The meeting will be December 14-18, 2009. The hotel that TAP is working with offers morning and afternoon breaks as well as a social hour and is in a very good area downtown.

Nicholas talked about the success of the Little Rock Town Hall meeting. Nina Olson, National Taxpayer Advocate (NTA), and Collins were both pleased with the turnout at meeting. There were about 45 participants and Olson interacted with the group until about 8:30 pm. This was the first of three meetings with the remaining two Town Halls to be held in the following states:

- Oklahoma City, OK, March 26, 2009
- Albany, New York, April 28, 2009.

TAP Chair Report (Oversight Board meeting included)

Charles Davidson said TAP is off to a good start and EITC day was very successful. All of the committees have lots to work on and the JC will have a couple issues to review at the March meeting.

Review and Approve November and January Minutes

November minutes – approved as submitted.

January minutes (administrative) – approved as submitted.

Action Items from January call:

- Dale Cooper will have Justin Axelrod send the site to Steve Berkey to post on TAPSpace.
- Sallie Chavez will establish a way to capture comments on site.
- Shelby Jenkins will do a cost analysis for the August Face-to-Face meeting and report on a site
- Berkey will schedule an Annual meeting de-briefing to discuss evaluations. Berkey will post evaluation materials in the TAPSpace folder, Annual Meeting December 2008.

Cooper asked Berkey to talk about the TAP Facebook site created by panel member Axelrod. Berkey said he spoke to Axelrod. The site looks great. He also said he ran it by Karen Kraushaar, Senior Program Analyst, Communications and Liaison, and it was approved. TAP has a green light to add to the TAS Tax-Toolkit. Berkey thinks all the annual meeting materials have been posted. If members want anything more posted, please send it to him. It would make sense to identify the 2009 team now so they can participate on the de-brief call for 2008. Berkey asked for a volunteer to lead this committee. MJ Lee said Berkey was the prior leader and members gave their input to him during the meetings. Berkey noted TAP staff is looking for member input as they prepare for the 2009 meeting. The staff will lead the group. Panel Members Linda Gambardella and John Kim volunteered to take part in the reviewing of materials. Berkey will be in contact with prior members and new volunteers. It was discussed that Eileen Birge was a prior member and Kelly Wingard volunteered for 2009. Group size should be minimal; the goal is to keep it to a small group. Meeting date still to be determined, once established members will be contacted.

States for Recruitment

Berkey advised that it is less than a month away from the start of recruitment. Last week the managers went out to the current 69 alternates to see if they were still interested. Of our current members, 22 are scheduled to retire; therefore TAP will recruit in 38 states this year; 19 for alternates and 19 for members. The staff will send information to the potential applicants who previously contacted us expressing an interest. TAP will not be recruiting in the following states: Alabama,



Colorado, Iowa, Louisiana, Maine, Mississippi, New York, Rhode Island, South Carolina, Utah, Washington, and Wisconsin.

TAP staff is currently working on the publicity for recruitment and need members to help get the word out. Recruiting cards will be in the field offices soon and members will be getting them shortly after that.

The vendor will be opening the application up for testing to any members interested in helping. Berkey expects to send the application link to members as early as next week. Please let Berkey know of any glitches so they can be fixed before the application is available to the public.

Ken Wright forwarded several names of people who are interested in becoming panel members to the Area 5 Manager. He asked that an email be sent to them advising them the recruitment period will begin soon.

If members know of anyone interested in applying, send the names to the area manager

Judi Nicholas reiterated the offices would be receiving 750 recruitment cards within the next few days and then 500 more at a later date. Once the cards are received they will be sent out to the panel members.

Area Recommendations for Review 6XX-4358, Form 3949A, Reporting Fraud

Dean Conder said this issue was presented to the JC last September but it was sent back to Area 6 for more work. It was reworked to recommend Form 3949A be fill able and submitted online. This is the form to report fraud. This issue came from practitioners who are seasonal preparers. People would come in to have returns prepared and when the client got to children and spouse information, some walked out of the interview because it was obvious they weren't legitimate. Currently the form must be filled out in adobe, printed, and mailed in. The committee proposes an electronic submission.

Ken Wright asked if there was any data as to how many fraud referrals were made each year. Laura Criel stated that the referrals during the filing season were substantial – Nicholas said analyst Coffman talked to a subject matter expert and was told it was about 600 per day. Wright thought that information should be included in the recommendation. Sabby Jonathan asked if these referrals were frivolous – retaliatory in nature. Criel said the legitimate would outweigh the frivolous. Criminal Investigation is trained to determine which is which.

Consensus to elevate issue with the addition of the data about the number of fraud referrals received by the IRS.

Issues for Consideration

- Area 5, "Where's my Refund"

Kay Bell spoke about an issue elevated by Area 5 regarding the "Where is my refund" interactive application. Block received information from taxpayers that according to a timetable on IRS.gov, their refund was supposed to be deposited but it was not received. It turned out the dates on the website were off by one week. Block entered the issue on Systemic Advocacy Management System (SAMS). There was an immediate intervention and the correct table was posted to the website.

Update August Face-to-Face Meeting Site

Judi Nicholas announced the face-to-face meeting will be in Atlanta, GA, August 20-22, 2009.

Susan Gilbert will start working on the arrangements for the meeting room.



Area/Issue Committee Activities

(e.g., outreach, special events, committee accomplishments)

Charles "Chuck" Tice gave his feedback on the Little Rock Town Hall and said he really enjoyed participating and would love to do more. Tice did two television interviews as well as three radio interviews. It was great! He suggested utilizing your IRS media contact.

Linda Gambardella cautioned everyone to be careful and tighten-up the security on their computers when adding Facebook.

Sabby Jonathan, Area 7, said David Khan did a television interview. Another member did a radio interview that reached a potential 1.5 million people. Area 7 went through their parking lot issues and did a triage to prioritize them.

Gambardella, Area 1, advised they had an article printed and several members have gone to different organizations to solicit members. There will be an issue elevated to the JC in March.

Bell, Area 5, said committee members did a number of outreaches and has an issue coming to the JC in March.

Jo Villarreal, EITC, said the committee has several subcommittees. They are looking to enhance the EITC website. We will go out to areas to collect and spread the answers to the survey questions.

MJ Lee, SBSE, said one subcommittee will investigate why taxpayers using Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, and Form 941, Employer's Quarterly Federal Tax Return, are submitting them manually rather than electronically. She asked practitioners to take the three survey questions to their contacts to get their thoughts. The survey is on TAPSpace under SBSE committee then drill down to surveys – current year.

TAP Manager Roy Block said both forms can be filed electronically but taxpayers must go through a vendor and cannot do it directly. Practitioners have access to the forms but have to purchase software to send it directly to the IRS. Gambardella added the software she uses is not actually 100 percent reliable. They end up doing them by hand to ensure there are no errors. Villarreal added Texas State unemployment allows people to do it online at no cost for the practitioner. Some states do this but it cannot be done at the federal level.

John Kim, VITA, said the subcommittees are looking at quantitative measures to determine success at VITA sites. They are looking at measuring accuracy at VITA and Tax Counseling for the Elderly sites. They will be using the results of the current filing season so they have not really gotten going yet.

Richard Waterman, Forms and Publications, said they are very busy right now.

Gilbert gave an update of the EITC Outreach events. There was an increase in participation in the EITC Day events this year. The preliminary numbers are twenty-one members went to twenty-three events in twenty-two states.

Public Input

No comments.

Closing

Davidson thanked everyone for their participation and advised everyone to continue to work with the managers and secretaries in their respective area.



Meeting Adjourned
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