

2012 Meeting Minutes SBSE Decreasing Non-Filers

- November 20, 2012
- October 16, 2012
- September 18, 2012
- August 21, 2012
- July 17, 2012
- June 19, 2012
- May 15, 2012
- April 26 – 27, 2012
- February 21, 2012
- January 17, 2012

Taxpayer Advocacy Panel (TAP) SBSE Decreasing Non-Filers Monthly Conference Call November 20, 2012

Committee Members Present

• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member
• Young, Marilyn	Nashville, TN	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Matthews, Theresa	Denton, NC	Member

Designated Federal Officer

• Susan Jimerson	Seattle, WA	TAP West Manager
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TAP Staff

• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Maine, Kymberly	Seattle, WA	Secretary

Program Owners/Systemic Advocacy

• Menefee, Tonjua	Lanham, MD	Senior Tax Analyst
• deSousa, Brian	Washington, DC	Senior Tax Analyst

Guests

- | | | |
|---------------------|-------------|---------------------|
| • Tiffany Todaro | Oakland, CA | Acting TAP Director |
| • McPhail, Jennifer | Atlanta, GA | Program Manager |
| • Gilmore, Lisa | Atlanta, GA | Senior Tax Analyst |

Welcome/Opening

Rich Bilancia welcomed everyone to the meeting.

Minutes Approval

The October minutes were approved as submitted.

Chair Report

Bilancia said he was very pleased with our project referral. It's the best he has seen this year. The new and returning members will be able to meet at the face-to-face meetings the first week of December this year. This was a year of challenges due to budget

cutbacks, staff movement, etc. We will work together to do the best we can with our limited resources. Many of you have voiced your frustration and we will work to make it better.

The Joint Committee is conducting a member satisfaction survey. It is broken into returning members, new members and retiring members. Please complete the survey and be honest.

He also encouraged everyone to consider leadership positions for the upcoming year.

DFO Report

Donna Wess said normally when a TAS office is closed due to a disaster, we wait a day or two to see what happens, but with Hurricane SANDY, we started immediately. Four offices were affected. The Baltimore Service Center lost their phones and couldn't contact taxpayers. Springfield, NJ, Manhattan, and Brooklyn were also closed so TAS started shifting work right away; first the hardship cases, then the systemic cases. Offices across the country pitched in and took over the cases to keep them on target.

December Face-to-Face Meetings

Susan Jimerson said the face-to-face meeting will take place in three locations. The Notices and Correspondence Project Committee and the Tax Forms and Publications Project Committee will be meeting in Jacksonville, FL. The Toll-Free Project Committee and the Taxpayer Assistance Center Improvements Project Committee will meet in Plantation, FL. The Taxpayer Communications Project Committee will meet in Oakland, CA. This committee will be split into two groups for budgetary purposes only since it is such a large committee.

Kymberly Maine requested the travel preferences from the members she will be supporting. She is verifying the information and will ensure the arrangements are

completed. TAP West is responsible for the Taxpayer Communications Project Committee and the Notices and Correspondence Project Committee.

Bilancia asked Tiffany Todaro to ensure all the analysts contact their project committee members to ensure they are aware of their committee assignment. Jimerson said the committee assignments were just determined so everyone will be notified this week.

Bilancia heard the meetings could possibly be cancelled. Is this true? Jimerson responded we are running into a problem with the \$20,000 limit and we are really counting pennies. If you do not have to stay over any of the nights, please let us know. Cancelling the meeting would be an absolute last result. We must be conservative.

Ben Tuchi added one gets the feeling that we (the TAP) are an afterthought. He said he understands the concern of spending practices. His concern is the way so many things happen at last minute. TAP is made up of volunteers. We rearrange our schedules and it's distressing to know the meeting could be cancelled at the last minute.

Bilancia said he will work with Todaro to ensure the meetings happen as planned. Todaro emphasized all systems are a go right now. We may have to move folks to different committees to meet the funding restrictions if we do not get approval from the National Taxpayer Advocate for any amount(s) over \$20,000.

TAP Director

Todaro thanked the retiring members: Theresa Matthews, Marilyn Young, Frank Alvarado, Francis Johnson, and Carolyn Kalchthaler for all their hard work. The Committee came up with great recommendations. She also thanked Donna Wess for a terrific job. Bilancia added that Lucy Colby did a great job as the vice-chair as well. She is not retiring but is going to an alternate member status due to a move.

Office Report

Jimerson thanked the retiring members. This was a very productive committee and she enjoyed interacting and working with everyone. You will all be missed. She also thanked everyone for helping her learn the TAP way of doing things. She added her thanks to Donna Wess for the great work and direction during the Committee's face-to-face meeting in Milwaukee in April. It was a very successful meeting.

Bilancia reminded everyone to think about leadership positions. He thanked Donna Wess, Program Owners Tonjua Menefee and Nadine Marsh, the TAP staff, the subject matter experts, and other non-TAP staff for a wonderful year.

Patti Robb expressed thanks to each and every Committee members for all the hard work and the best referral EVER.



**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Monthly Conference Call
October 16, 2012**

Committee Members Present

• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member
• Young, Marilyn	Nashville, TN	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Bilancia, Richard	Loveland, CO	Chair
• Kalchthaler, Carolyn	Plano, TX	Member
• Matthews, Theresa	Denton, NC	Member

Designated Federal Officer

• Susan Jimerson	Seattle, WA	TAP West Manager
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TAP Staff

• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Maine, Kymberly	Seattle, WA	Secretary

Program Owners/Systemic Advocacy

• Menefee, Tonjua	Lanham, MD	Senior Tax Analyst
• Marsh, Nadine	Washington, DC	Tax Analyst
• Ward, Renea		SB/SE Director of Non-Filer Program

Welcome/Opening

Lucy Colby welcomed everyone to the call. She will be acting chair today as Rich Bilancia could not be on the call.

Quorum was met.

Approve September Minutes

The September minutes were approved as submitted by consensus.

Chair Report

Colby said the SB/Se Decreasing Non-Filers Committee recommendation was reviewed by the Joint Committee during their September conference call and approved for elevation to the Internal Revenue Service (IRS) after some minor additions and



changes. She thanked Ben Tuchi for presenting the recommendation to the Joint Committee.

Project Recommendation

Patti Robb said Database Analyst Russ Pool completed the cover letter for the recommendation. It needs TAP Chair Eboni Moss' signature and then will be sent to the IRS for consideration and that should happen by the end of the week.

Outreach

Robb encouraged everyone to make sure they capture all the outreach completed and send her the report. They are compiled and the numbers are captured in the annual report each year.

Office Report

Susan Jimerson thanked everyone for all their hard work in completing the recommendation. She added Tuchi did a great job in presenting it to the Joint Committee.

TAP identified five potential projects and is waiting for final approval from the IRS. The projects are Toll Free, Taxpayer Assistance Centers (TAC), Tax Forms and Publications (TF&P), Notices/Correspondence, and Communications (which will be split into two subcommittees). Once we get the final approval from the IRS, we will be asking members to choose which project they want to work; hopefully that will happen in early November.

The new member selection list went to National Taxpayer Advocate Nina Olson for approval. Once it is approved, it will go to the Commissioner and then finally to Treasury for approval.

The face-to-face meetings/training and orientation are scheduled for the week of December 3. The project committees meetings will meet in three different cities (two committees in each city); Oakland, CA; Jacksonville, FL; and Ft. Lauderdale, FL. One project committee will meet at the beginning of the week from Noon on Monday to the end of the day on Tuesday. The other project committee will meet all day Thursday and until Noon on Friday. Both project committees will attend the training and orientation sessions together on Wednesday.

Tiffany Todaro will continue as acting TAP Director until the end of December. Shawn Collins is now the permanent Executive Assistant to the Executive Director Systemic Advocacy Rena Girinakis. The TAP Director position was recently announced as a temporary position but will now be re-announced as a permanent position.

Action item: Robb will send an email to all Committee members stressing the importance of attending the November conference call. Todaro will be joining us on the call.



Closing

Meeting adjourned.

Next Meeting: Tuesday, November 20, 2012 1 p.m. ET, Noon CT, 11 a.m. MT, 10 a.m. PT

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Monthly Conference Call
September 18, 2012**

Committee Members Present

• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Bilancia, Richard	Loveland, CO	Chair
• Kalchthaler, Carolyn	Plano, TX	Member
• Matthews, Theresa	Denton, NC	Member
• Young, Marilyn	Nashville, TN	Member

TAP Staff

• Shepard, Tim	Seattle, WA	Acting TAP West Manager
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Program Analyst
• Maine, Kymberly	Seattle, WA	Secretary

Program Owners/Systemic Advocacy

• Menefee, Tonjua	Lanham, MD	Senior Tax Analyst
• Warren, Joe	St. Paul, MN	Portfolio Network

Welcome/Opening

Lucy Colby welcomed everyone to the call. Rich Bilancia could not be on the call. Quorum was not met so no final decisions can be made today.

Approve Prior Month's Minutes

The August minutes will be approved by consensus via email.

Chair Report

No report from the Chair.

Designated Federal Officer (DFO) Report

No report from the DFO.

Public Comment

None

TAP Recommendation

Colby said Patti Robb sent the final version of the Committee recommendation to the Joint Committee. They will review it during their next conference call which is Wednesday, September 26, at 2 p.m. ET, 1 p.m. CT, Noon MT, 11 a.m. PT.

Action item: Robb will send out the Joint Committee dial-in information in case you want to call in to listen.

Outreach

Jonathan Wolfsohn said he contacted his Local Taxpayer Advocate and they invited him to join them at several Outreach events.

Office Report

Robb announced Rich Bilancia, Susan Jimerson, and several others were meeting in Florida this week to work on developing training modules for the annual meeting. The tentative dates of the meeting are the first week of December. Third year members and alternates do not attend the meeting.

Closing

Meeting adjourned.

Next Meeting: Tuesday, October 16, 2012, 1 p.m. ET, Noon CT, 11 a.m. MT, 10 a.m. PT

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Monthly Conference Call
August 21, 2012**

Committee Members Present

• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Johnson, Frances	Washington, DC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Young, Marilyn	Nashville, TN	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Gross, Robert	Montpelier, VT	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Matthews, Theresa	Denton, NC	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member

Designated Federal Officer

• Wess, Donna	Memphis, TN	Local Taxpayer Advocate
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TAP Staff

• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Program Analyst
• Pang, Nina	Seattle, WA	Program Analyst

Program Owners/Systemic Advocacy

• de Sousa, Brian	Washington, DC	Senior Tax Analyst
• Marsh, Nadine	Washington, DC	Tax Analyst

Guests

• Lee, J. Rodgers	Evans City, PA	Joint Committee Quality Review
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Welcome/Opening

Richard Bilancia welcomed everyone to the call and reviewed the agenda. Joint Committee Quality Review subcommittee member J. Roger Lees joined the call to go over his comments to the Committee's recommendation.

Roll was taken and quorum was not met so we cannot make any final decisions today. Patti Robb noted we can go through the recommendation but the changes will be accepted via email consensus.

Approve Prior Month's Minutes

No changes suggested for the July minutes. The minutes will be approved by consensus via email.

Chair Report

The Joint Committee met for a day and a half in Indianapolis, Indiana. They conducted their normal business and also had a number of project committee recommendations to review. The Screening Committee made changes as to how they are going to categorize issues. More information will be coming out.

There was a discussion about identifying next year's project committee proposals. The prior project proposals came primarily from the Internal Revenue Service (IRS) but now the TAP has an opportunity to submit project proposals for 2013. The proposals will get official approval during the Joint Committee call Wednesday, August 22, before being sent to the IRS.

The most significant discussion was about the face-to-face meetings and the virtual annual meeting. We discussed viable options to improve the opportunity for new panel members to understand their role in TAP, as well as have opportunities to participate without having to wait to attend a project committee face-to-face meeting held in the middle of each year. There was unanimous frustration in not having a face-to-face annual meeting but that is due to the budget. The reason has more to do with a Treasury Department policy which dictates no group gathering could have a single expenditure cost greater than \$20,000. The face-to-face annual meeting cost at least five times that amount.

We already know there will be a meeting using technology similar to Skype. This will allow panel members to meet in different cities and simultaneously participate in TAP workshops, training, and discussions.

Designated Federal Officer (DFO) Report

Donna Wess said perhaps some of the panel members have heard clients say their experience with another preparer didn't turn out well. An unscrupulous preparer does the taxpayer's return and gives them a copy; when the taxpayer leaves, the preparer makes changes to the return to increase the refund then files the return. The taxpayer thinks their refund is four thousand dollars, but the preparer files a return for a refund of eight thousand dollars and then pockets the difference. This is called Preparer Fraud.

The taxpayer is not aware of any of this until they are audited and the IRS asks for the money back.

TAS went to the IRS and stated the taxpayers went to these preparers in good faith and the Service needs to take on some responsibility for getting the right tax assessed and not throwing the taxpayer into a balance due situation for funds they never received.

We know of another instance where a taxpayer filed with an unscrupulous preparer one year and went somewhere else the following year. That first preparer used the prior year's return as a basis to file another return for the taxpayer. The taxpayer found out

when they tried to file their own return. Cases like this are handled as identity theft but it is part of the same coin of unscrupulous preparers. Wess said her office has issued three Taxpayer Assistance Orders (TAO) to the IRS to make those taxpayers whole.

Ben Tuchi said taxpayers in general tend to be cowed by the simple fact of having to file a tax return. They are frightened by it so they avoid it and seek refuge in the arms of the preparers. They have no technical expertise in the matter so cannot even review what the preparer has done. There has to be some method to allow the taxpayer to seek redress. And that redress doesn't come from the IRS saying to the taxpayer, sorry my friend you were responsible for choosing this preparer and therefore you have to live with it. It is imperative for the IRS to assist, even if it doesn't want to take responsibility.

TAP Recommendation

The Committee went over the draft recommendation with J. Roger Lees who provided comments and suggested changes as a member of the Joint Committee Quality Review Subcommittee.

Outreach

Robb encouraged everyone to submit their outreach and hourly reports to her.

Office Report

Annie Gold moved to Houston, Texas, but will continue as the Milwaukee TAP Secretary.

Lucy Colby moved to Massachusetts but will remain a panel member for Virginia until the end of the year. Since there are two active members in Massachusetts, Colby will go on their alternate list.

Meeting Adjourned

Next Meeting: Tuesday, September 18, 2012 1 p.m. ET, Noon CT, 11 a.m. MT, 10 a.m. PT

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Monthly Conference Call
July 17, 2012**

Committee Members Present

• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Matthews, Theresa	Denton, NC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member
• Young, Marilyn	Nashville, TN	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Kalchthaler, Carolyn	Plano, TX	Member

Designated Federal Officer

• Wess, Donna	Memphis, TN	Local Taxpayer Advocate
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TAP Staff

• Jimerson, Susan	Seattle, WA	TAP Manager
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Program Analyst
• Gold, Annie	Milwaukee, WI	Secretary

Guests/Program Owners

• de Sousa, Brian	Washington, DC	Senior Tax Analyst
• Gilmore, Lisa	Atlanta, GA	Senior Tax Analyst
• Haskell, Susan	Lowell, MA	Tax Analyst
• Marsh, Nadine	Washington, DC	Tax Analyst
• McPhail, Jennifer	Atlanta, GA	Program Manager
• Tonjua Menefee	Lanham, MD	Senior Tax Analyst
• Warren, Joe	St Paul, MN	Portfolio Network
• Ward, Renea	SB/SE Director of Non-Filer Program	

Welcome/Opening (Bilancia)

Richard Bilancia welcomed everyone to the call and reviewed the agenda.

Approve Prior Month's Minutes

- The May minutes were approved by consensus as submitted.

- The June minutes were approved by consensus as submitted.

Chair Report

The Joint Committee will be meeting face-to-face July 19 – 20 in Indianapolis, Indiana. Several project committee recommendations are ready for review.

The Joint Committee is in the planning stages for the virtual training sessions in December. If you have any suggestions for sessions, please forward them to Bilancia.

Designated Federal Officer Report

Donna Wess said identity theft (ID) continues to be one of highest case receipt areas in the Taxpayer Advocate Service (TAS). The emphasis is on how to get these types of cases completed and how to keep the taxpayers from being victims. It is a long process to resolve these types of cases. The Information Reporting Program (IRP) System is a monumental breakthrough in resolving duplicate cases when there is ID theft involved. We are making progress in the area of ID theft.

We are also seeing a lot of fraud involving the preloaded debit cards since they these types of cards are easy to obtain.

Preparer fraud is also showing up as an issue. This is where a taxpayer has a return prepared and gets a copy of that return with a specific refund amount. In the meantime, the preparer submits the return with totally different numbers that inflate the amount of the refund. The preparer keeps the difference and the taxpayer receives the amount indicated on their copy of the return. The taxpayer becomes aware he/she is a victim of preparer fraud only after an IRS audit. The good news is we are issuing a number of taxpayer assistance orders to the IRS to make the taxpayer whole when it is clear that they were a victim of preparer fraud.

Bilancia said he will bring this topic up during the Joint Committee meeting. TAP should get involved think about devoting a project committee to this issue.

Bilancia also brought up the issue of fraud involving child care credits for dependents. Wess responded the IRS is working on this issue. They now have the ability to lock a social security number in the IRS system. They are looking more closely at returns to ensure they make sense and to avoid ID theft as well.

Final Draft of Report Recommendation

Jennifer McPhail thanked everyone for their participation and hard work on the Committee recommendation. She said it spoke to the volume of work done.

She explained the Automated Substitute for Return (ASFR) and the Substitute for Return (SFR) program. She also noted that the Committee seems to have deviated from the original focus.

Bilancia said they felt the original focus would have required the members to have an in – depth knowledge of withholding compliance and internal programs which we did not have.

McPhail suggested adding a disclaimer to the recommendation – this was the original scope but this is why we went in a different direction. Lucy Colby offered to draft the disclaimer and would share with the full Committee for comments and final approval within one week. If you have any suggestions, please forward them to Colby for inclusion.

The Committee came to consensus to approve the recommendation as written noting the addition of the disclaimer paragraph.

Outreach

Please ensure you send your time and outreach report spreadsheet to Patti Robb. All outreaches are captured for inclusion in the annual report.

Bob Gross said he attended the Vermont Practitioner Liaison meeting on June 21. There was a discussion on the Report Of Foreign Bank & Financial Accounts (FBAR) and filing requirement of United States citizens living abroad, tax information for self-employed individuals, and how news articles generate interest in tax topics and can help increase compliance. There were also a number of questions related to Employer Identification Numbers (EIN) and single member Limited Liability Companies (LLC). Gross sent a copy of the notes to Robb.

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Office Report

Susan Jimerson said the Joint Committee meeting will be on Thursday and Friday this week (July 19 – 20). One topic will be a discussion about using a system that will allow members to see, hear and respond to a presenter during the virtual training in December. It would closely resemble Skype. We want to make the virtual training a better product for the new members and the entire organization as a whole.

The interview process is complete and our preliminary selections sent forward for review and approval. TAP is looking for 22 new members and 51 alternates.

Bilancia said he feels we need to find a better way to bridge the transition from alternate to member.

Closing

Meeting adjourned.

Next Meeting: Tuesday, August 21, 2012, 1pm ET, Noon CT, 11 a.m. MT, 10 a.m. PT

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Monthly Conference Call
June 19, 2012**

Committee Members Present

• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Matthews, Theresa	Denton, NC	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Tuchi, Ben	Tucson, AZ	Member
• Young, Marilyn	Nashville, TN	Member

TAP Staff

• Wess, Donna	Memphis, TN	Designated Federal Official
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Maine, Kymberly	Seattle, WA	Secretary

Guests/Program Owners

• Chambers-Brown, Barbara	Lanham, MD	Technical Advisor
• de Sousa, Brian	Washington, DC	Senior Tax Analyst
• Gilmore, Lisa	Atlanta, GA	Senior Tax Analyst
• Haskell, Susan	Lowell, MA	Tax Analyst
• Marsh, Nadine	Washington, DC	Tax Analyst
• McPhail, Jennifer	Atlanta, GA	Program Manager
• Pohl, Wesley	Oakland, CA	Tax Policy Analyst
• Sandstrom, Barbara	Holtsville, NY	Senior Tax Analyst

Welcome/Opening (Bilancia)

Richard Bilancia welcomed everyone to the call.

Chair Report

One important thing that came out of the Joint Committee call was specific instructions on how to submit recommendations. As a result, we need to combine both subcommittee reports into one complete report. Bilancia said he will compile the report and send it to the full committee for approval before it goes through the quality review process and then to the Joint Committee for final approval.

The Joint Committee also decided they will not review each new issue individually each month as it is too time consuming. They will leave that to the screening committee.

Subcommittee Reports

- **New Outreach Efforts** Jonathan Wolfsohn said he has not received any comments or updates from anyone. Bilancia will speak to Ben Tuchi and ask for the final copy.
- **Identify New Data Sources**
Lucy Colby said she received some feedback with small changes to the subcommittee recommendation. She will make the changes and forward the report to Bilancia. She also indicated part "O" or her report targets low income filers and is not sure if a cost benefit will be there. As these are low income, it may not be the best place for the Internal Revenue Service (IRS) to spend their resources.

Outreach

Robb encouraged everyone to get their outreach report and hourly spreadsheet turned in to her.

April Minutes Approval

The April minutes were approved as submitted by consensus.

Miscellaneous

Bilancia thanked everyone for their input. He will streamline both subcommittee reports into one final recommendation. Colby offered to give the final report one last edit before it goes forward.

Meeting Adjourned

Next Meeting

Tuesday, July 17, 2012, 1pm ET, Noon CT, 11 am MT, 10 am PT



**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Monthly Conference Call
May 15, 2012**

Committee Members Present

• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member
• Young, Marilyn	Nashville, TN	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Matthews, Theresa	Denton, NC	Member

TAP Staff

• Wess, Donna	Memphis, TN	Designated Federal Official
• Jimerson, Susan	Seattle/Milwaukee	TAP Manager
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Program Analyst
• Gold, Annie	Milwaukee, WI	Secretary

Guests/Program Owners

• Marsh, Nadine	Washington, DC	Tax Analyst
• Warren, Joe	St. Paul, MN	Portfolio Network
• de Sousa, Brian	Washington, DC	Senior Tax Analyst

Welcome/Opening (Bilancia)

Richard Bilancia welcomed everyone to the meeting.

Chair Report

Bilancia said there is a new focus on the identity theft of young children. This is becoming wide – spread in so many different ways. Nadine March added the Internal Revenue Service (IRS) is looking at ways to freeze a child account until they come of age.

Minutes Approval

Patti Robb said the minutes distributed for this call are not the final version. Once they are complete they will be sent out. Robb will post them on TAPSpace for everyone to review prior to our next meeting.

Bilancia commented on the notes from the face-to-face meeting seemed very thorough and complete. We accomplished a lot during the face-to-face meeting. He thanked everyone for all the hard work. There will be a lot of paperwork to go through for the next couple of months.

Subcommittee Report

Identify New Data Sources:

(Ben Tuchi, lead, Theresa Matthews, Jonathan Wolfsohn)

Ben Tuchi said the subcommittee is making progress. There should be a draft report distributed to everyone very soon. The report should be a maximum of eight pages. The subcommittee received a lot of information were able to cutout the less improper things.

New Outreach Efforts:

(Lucy Colby, lead, Frances Johnson, Carolyn Kalchthaler, Bob Gross, Frank Alvarado, Marilyn Young)

Lucy Colby said the subcommittee has been looking into some of the proposals. We have a call scheduled for the end of this week. With consensus of the subcommittee there will be a total of 12 to 14 pages possible. Everyone has worked very hard on this draft. We are hoping for more information why individuals do not file. We are also looking at how many years the IRS is able to provide wage and income information to taxpayers. We did find even if the information is removed from the system there is a way to retrieve it if the return is unfiled. And there is no charge to the taxpayer to get the information. Colby said they would like to know what outreach has taken place to reach a non-filer. We do not have a clear picture of what IRS does.

The IRS used to have Nonfiler Days on Saturdays where the taxpayer could come and ask all the questions and get returns filed. There actually was not a lot of taxpayer participation.

Bilancia said the draft reports will be sent out and comments are due back by June 18. Everyone is encouraged to read them critically; be polite and do a thorough review. Make your comments clear and as non-confrontational as possible when sending them back to the subcommittee.

He asked each subcommittee lead to be active in helping get the final draft completed. If there are any problems let Bilancia know. He will combine the two documents into one recommendation and will be submitted for Committee final approval at the July 17 meeting. Once approved, it will go to the Joint Committee for approval for elevation to the IRS. Are there any questions and/or concerns?

Office Updates (Robb)

Robb encouraged everyone to get their outreach and time reporting spreadsheet turned in.

Closing

Meeting Adjourned.

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Face-to-Face Meeting
Milwaukee, WI
April 26 – 27, 2012**

Committee Members Present

• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Matthews, Theresa	Denton, NC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member

Members Absent

• Alvarado, Frank	East Haven, CT	Member
• Young, Marilyn	Nashville, TN	Member

Designated Federal Officer

• Wess, Donna	Memphis, TN	Local Taxpayer Advocate
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TAP Staff

• Jimerson, Susan	Seattle, WA	TAP Manager
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Analyst
• Gold, Annie	Milwaukee, WI	Secretary

Program Owners/SME

• Gilmore, Lisa	Atlanta, GA	Senior Tax Analyst
• Sanders-Walsh, Carolyn	Tampa, FL	
• De Sousa, Brian		Systemic Advocacy Analyst

Visitors

• Johnson, Barbara	Milwaukee, WI	Local Taxpayer Advocate
• Delzer, Mary Ann	Milwaukee, WI	Taxpayer Advocate Group Manager

Acronyms:

ACS	Automated Collection System
ASFR	Automated Substitute for Return
BMF	Business Master File
ID	Identity
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRP	Information Reporting Program
IRS	Internal Revenue Service
LB&I	Large Business & International
LTA	Local Taxpayer Advocate
PCB	Processing Control Batches
SB/SE	Small Business/Self Employed
SSA	Social Security Administration
TAC	Taxpayer Assistance Center
TAGM	Taxpayer Advocate Group Manager
TAP	Taxpayer Advocacy Panel
TDI	Tax Delinquency Investigation
TIGTA	Treasury Inspector General for Tax Administration
W&I	Wage & Investment

Thursday, April 26, 2012

Introductions

Attendees

Barbara Johnson Wisconsin Local Taxpayer Advocate (LTA) talked about the current issues worked in the Milwaukee Taxpayer Advocate Service (TAS) office. Taxpayer Advocate Group Manager (TAGM) Mary Ann Delzer elaborated on Johnson's comments.

Joint Committee Update

TAP West Manager Susan Jimerson said TAP has a new acting Director starting May 6, 2012. Tiffany Todoro, Oakland, California, LTA, will be acting TAP Director for 90 days. Louis Morizio is the acting Director until May 6.

Recruitment ends on Friday, April 27. We currently have 341 final applications and 480 applications are still in process. The managers will be meeting the week of May 7 to review and rank the applications.

The TAP Chair asked that you continue working on outreach efforts and keep bringing in issues. Also, please test the small business health calculator if you haven't already done so. They need your input.

This Project Committee is the first face-to-face TAP meeting this year so everyone else is preparing for theirs.

The Screening Committee reviewed 33 issues this month. Twenty-one of them were e-file issues and assigned to the Taxpayer Burden Reduction Project Committee for possible work. We are currently looking to establish procedures to contact the issue submitter to let them know the status of their issue.

Senior Program Analyst Susan Gilbert is the owner of the Taxpayer Assistance Center (TAC) survey. She has received over 651 surveys to date. All the surveys will be consolidated by the week of May 7.

The next Joint Committee conference call is Wednesday, May 23 at 1 p.m. CT. Their face-to-face meeting will be in Indianapolis, July 18 – 20, 2012.

Designated Federal Officer Report

Donna Wess said this has been a banner year for fraud and particularly identity (ID) theft as far as case work. A lot of the ID theft cases are geographically located. It is less risky and more profitable for some people to file a fraudulent return than it is to sell drugs. The Internal Revenue Service (IRS) is trying to get ready for the future flood of fraud cases that will be coming. Once a return makes it into the IRS system, it is expensive and takes a lot of time to finally resolve. The IRS is trying to identify red flags before the return gets into the system. In some cases, the IRS is contacting the taxpayer when they notice something is different from prior years' filing. Because the fraud is so pervasive, we ask the taxpayer to call us back; however, we need to ensure we have assistants to answer the phones. The

assistors have special training to help them notice the red flags. If they decide the return is fraudulent, they will void the return. The account gets marked and the following year the taxpayer may have to go through the pin process. There is a huge amount of fraud right now. The IRS currently has 30,000 fraud/ID theft cases. If the refund has already been issued, it takes a great deal of work to make the injured taxpayer's account whole again.

The IRS is transitioning to a new system soon and needs to make sure it is comprehensive. All the IRS systems have to talk between themselves – old and new. It is a tremendous endeavor going on right now.

We are seeing abuse of the refundable credits as well. If you go to IRS.gov you will see information on all of these issues.

A lot of refunds issued are on pre-loaded credit cards, and there is no way to identify the actual person using the card. The IRS needs to set up checks and balances to be able to track who is using the cards.

We have the frequent filers as well as non-filers. The non-filers may eventually find that they are victims of ID theft. A lot of this can be stopped if we can get the Social Security Administration (SSA) information sooner rather than later.

Another part of the problem is people in prisons sharing their personal information. Last year we stopped about 200,000 of these fraudulent returns. We usually look at returns of taxpayers who have been incarcerated for over one year.

Some non-filers are not required to file. The IRS is looking at a way to flag them as not required to file so it will lock their account.

Bilancia challenged the members to get involved in the legislative issues on a personal level. We need to get to our legislators to let them know about these issues. The system is broken; those same legislators are responsible for the cumbersome IRS code. The IRS is now handling social programs. National Taxpayer Advocate Nina Olson has the ability to recommend legislative changes directly. You will need to go through your congressman since TAP is not to address legislative issues. Or you can email Nina Olson directly.

Wess added anytime the IRS administers a refundable credit, the opportunity for fraud is there. There was a tremendous amount of fraud in the First Time Home Buyers Credit. Why did this program come to the IRS to administer?

Travel Issues

Bilancia said many panel members are feeling slighted because there was no face-to-face annual meeting. They are spending the time and feeling frustration about the way things are not getting done in TAP. Ben Tuchi talked about how he criss-crossed five time zones to get to this meeting. He is upset appalled at the travel process. His ticket was very expensive and the travel was time consuming. Why should federal workers have to put up with the expense and the complexity of travel? The IRS chooses to justify the rules rather than fight this battle. He asked the staff to tackle this issue. He also offered to be the

repository for all travel comments; we need to tackle the bureaucracy. He already filed formal complaints with the Inspector General and Treasury Inspector General for Tax Administration (TIGTA). He added it is a waste of time to write to your legislator, but it is not a waste to call as it is far more effective.

Bilancia added a lot of members are retired. We all bring a wealth of talent and valuable time and it is wrong to ask members to travel all day to get to a meeting. Our time is worth something too. We are volunteering to be contributors and he sees significant value in what we are doing. Members are enthused at the beginning, but if they are treated as clerks and have low priority travel plans – it ends the enthusiasm.

Decreasing Non-Fileers Focus

Carolyn Sanders-Walsh worked with the TAP last fall. Program Owner Tonjua Menefee asked her to ensure everyone knows they are not the TAS. They are Small Business/Self Employed (SBSE). The tax gap is a big issue we are tackling.

Bilancia reviewed the project focus. He added we want to address this from a value to the taxpayer, not a burden. We want to make sure everyone is doing the right thing to avoid additional burden to taxpayers. Lisa Gilmore and Carolyn Sanders-Walsh are here to help answer our questions as we work on this project.

Direction from Committee Chair

Bilancia announced we will be using Microsoft Word for the project write-up. The Committee will:

- Collectively review the individual subcommittee's progress and finalize a list of recommendations
- Prepare detailed write-ups of each specific recommendation as part of larger report, and
- The separate reports will be combined into a single report that will be sent to the Joint Committee. They will need to approve the report before we officially submit it to the IRS.

However, with the Program Owner working with us, in reality they will be seeing the document throughout the whole process.

The subcommittees will write up their individual recommendations and the rest of the committee can review and make comments. Bilancia said the subcommittee should complete a rough draft by the end of May or first of June.

ACTION: Subcommittee should submit their draft recommendation(s) to the full Committee by May 30 or June 1.

Bilancia gave some direction regarding how to improve research using Google. When doing a search avoid the first few responses as they are ads (note they are in a box in a slightly different colored background).



Site: IRS.gov nonfilers: Put in the word "site" and add the site you want to search and then the topic. For example: Site: nytime.com nonfilers (this only searches for any pages that have your phrase in it.)

Friday, April 27, 2012

The IMF/BMF subcommittee disbanded so the members will be joining one of the other subcommittees. Gross and Kalchthaler joined the New Outreach Efforts subcommittee. Marilyn Young will be on the Identify New Data Sources subcommittee.

Statistic collecting cannot start until after the end of the filing season. Also, there is an early inventory and late inventory if the taxpayer filed an extension.

Ultimately, we want to decrease the unknown non-filers. IMF has two categories; known filers and unknown filers. The known filers have filed before and generally have third-party documents (W-2s, 1099s, etc). We know they exist and think they should be filing. The unknown filers would probably be the first time filers, cash basis taxpayers, etc. New sources of data could give us information to help identify the unknown filers.

We cannot improve the process if we know very little about it.

Outreach might help get more of these taxpayers to file. The IRS also has a withholding compliance program where we actually contact employers and ask them to withhold more money from certain taxpayer's paychecks. This program is used for filers and non-filers as well.

We are now past using the master file and are now utilizing IDRS. It is a totally different system. Notices go out to SB/SE and W&I.

ACTION: Lisa Gilmore will send out statistics.

Refund hold program – system will review prior filings. If a prior year return has not been filed, the refund will be held until the return is received. If there ends up being a balance due, we have the authority to offset the amount due with the refund. We put the assessment on the books and use the refund to pay the amount due.

New Data Sources Report

Subcommittee Members: Ben Tuchi, lead, Jonathan Wolfsohn, Terri Matthews

Tuchi reported their purpose is to make suggestions and dissect for practicality of ways IRS may explore new sources. We initially identified 31 different sources and ultimately pared them down to about 16. Our approach was to isolate the appropriate source and then divided them up. We began with a specific title and objective; what we want the IRS to do and what are the components that would cause the area of focus to be useful. For example; Large cash transactions are not necessarily used to identify nonfilers. Add countries to US Tax Treaties; Cayman Islands. Bermuda, etc. These are countries that would typically get a lot of U.S. money. Matthews is constructing elements of some of the sources. The list will be refined by the rest of the subcommittee and shared with full committee.

ACTION: Bilancia will draft a detailed list of due dates for the May conference call.

New Outreach Efforts

Subcommittee members: Lucy Colby, lead, Frances Johnson, Carolyn Kalchthaler, Bob Gross

Our main goal is to reach folks who would like to be compliant but don't know how. The IRS website has good information on reasons to file, how to file, and resources for assistance. However, this information is difficult to find – it is somewhat hidden and you have to dig to find it. It should be prominent and posted right on the home page. The CP 59 process should be followed by Letter 26 (ACS 493) which lists all years where returns are missing. The CP 518 is the final notice. The Letter 26 is only sent out once a taxpayer is in the ACS system already. The above letter should include more information to provide assistance.

The IRS could create a friendly postcard for pick up or mailing so an IRS envelope does not have to be opened. Many people are frightened when they get mail from the IRS. The postcard could be placed in libraries, post offices, etc. as a handout.

The taxpayer should be able to call the IRS to get past year's personal information.
What types of programs currently exist in school programs?

ACTION: Send Area 4 issue on financial literacy. DONE

ACTION: Find out how much money / time/ resources are spent on ASFR reconsiderations. Maybe these funds should be used on the front end.

The subcommittee members felt the IRS should push the Understanding Taxes program. Carolyn Sanders-Walsh said it is a W&I program. However, SB/SE also has a downloadable program. The W&I program is geared more toward younger people, while the SB/SE program is more for adults.

ACTION: What types of programs currently exist regarding in-school programs? Is there anyone who follows up on this?

ACTION: Can IRS do some cost benefit analysis to determine whether preventative outreach would be more effective than after the fact?

Closing

Bilancia extended his personal appreciation for all the hard work done the past two days.

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers
Conference Call
February 21, 2012**

Committee Members Present

• Alvarado, Frank	East Haven, CT	Member
• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Gross, Robert	Montpelier, VT	Member
• Johnson, Frances	Washington, DC	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Matthews, Theresa	Denton, NC	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member

Members Absent

• Young, Marilyn	Nashville, TN	Member
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TAP Staff

• Collins, Shawn	Washington, DC	TAP Director
• Rivera, Linda	Washington, DC	Acting TAP Manager/DFO
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Analyst
• Gold, Annie	Milwaukee, WI	Secretary

Program Owners/SME

• Chambers-Brown, Barbara	Lanham, MD	Technical Advisor
• Gilmore, Lisa	Atlanta, GA	Senior Tax Analyst
• Haskell, Susan	Lowell, MA	Tax Analyst
• Johnson, Karen	Brookhaven, NY	Tax Policy Analyst
• Marsh, Nadine	Washington, DC	Tax Analyst
• McPhail, Jennifer	Atlanta, GA	Program Manager
• Pohl, Wesley	Oakland, CA	Tax Policy Analyst
• Sandstrom, Barbara	Holtsville, NY	Senior Tax Analyst

Advocacy Assignments

• DeSousa, Brian	Washington, DC	Senior Tax Analyst
• Warren, Joe	St. Paul, MN	Local Taxpayer Advocate

Visitors

• Sacarello, Ralph	Dallas, TX	Prior Panel Member
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Acronyms

Individual Master File (**IMF**)

Business Master File (**BMF**)

Case Creation Nonfiler Identification Process (**CCNIP**)

Automated Collection System (**ACS**)

Substitute For Return (**SFR**)

Inventory Delivery System (**IDF**)

Treasury Inspector General for Tax Administration (**TIGTA**)

Welcome/Opening (Bilancia)

Rich Bilancia welcomed everyone.

Approve January Minutes

The minutes were approved as submitted.

A new time for the conference calls was determined; effective April through November. The calls will be at 1 pm ET, Noon CT, 11 am MT, 10 am PT on the third Tuesday of each month starting in April and running through November. The call in April will be a prep meeting as we have the face-to-face meeting scheduled for April 25, 26, and 27. Remember travel to the meeting will be April 25; meet all day on April 26, meeting until Noon and then travel home the same day on April 27.

ACTION: Robb will send a reminder about the new time for the upcoming conference calls.

Bilancia asked that everyone review the notes and determine which subcommittee they would prefer. He suggested three subcommittees:

- Expand IMF/BMF efforts
- Identify new sources of useful data
- New outreach efforts – not the general ones TAP does each month. These are for the IRS to decrease nonfilers

Each subcommittee will have a chair and co-chair. The subcommittee will be expected to meet to discuss their initiatives and the chair will be expected to report on what was accomplished each month.

Tracking Volunteer Time

Linda Rivera said there are three reasons to track volunteer time:

1. Presidential award – this award is based on the number of volunteer hours
2. The volunteer hours will be totaled and included in the TAP annual report
3. It will help in recruitment efforts to know how many hours the members are expected to volunteer.

Also included in the spreadsheet on another tab is the outreach tracking sheet. The hours added to the Outreach Report tab will carry over to the Hours Report tab. Note some of the boxes have drop-down menus to assist in the completion. The hours should be submitted to Robb on a monthly basis. All hours without a specific category should be listed under other.

Mentoring Program

Mentor

Marilyn Young

Roy Block

Rich Bilancia

Carolyn Kalchthaler

Mentee

Lucy Colby

Bob Gross

Ben Tuchi

Jonathan Wolfsohn

If anyone feels they need a mentor, let Robb know and she will identify someone to help them. It is being left up to the mentor/mentee to set up their schedule.

PowerPoint Presentation

Jennifer McPhail will spend the rest of this meeting going through the remainder of the PowerPoint Presentation. We are in a reduced budget mode and anything this committee can do to move the IMF/BMF to automated efforts will make it more doable for the agency as the money has to be there to support physical staff actually have to go through any additional processes.

Bilancia said he is looking to balance cost, quality and cycle time with both IMF and BMF. Keep the cost low, keep the quality of recommendations high so we can get to a large number of nonfilers, and make sure it is something that can be done quickly.

McPhail said BMF case creation is to prioritize and collect inventory and get it out into the work stream one way or the other. This might be with a one-time notice that says we are aware that we don't have a return for you – it does not necessarily mean there is a requirement, but if there is, then you need to get that return to us. It's a way of saying these are the highest priority and we're going to move them into a first and second notice and push them out to the field or push them to the automated collection system (ACS) stream. There are a lot of different ways to go depending on what has been prioritized. This is also a way for us to balance how much work we are going to apply for treatment of a SFR 6020(b), how much are we going to apply to a return delinquency, an ACS field versus campus; all these different things are taken into consideration when they are going through the selection of the inventory and what work stream it's going to go to. IMF case creation uses IMF CCNIP and BMF uses BMF CCNIP. (Case Creation Nonfiler Identification Process).

All case creation is done in enterprise collection and it is bringing consistency, as well as maximizing our resources. The enterprise collection analysts assess BMF CCNIP and select based on specific tax forms which are hierarchal in nature based on primary codes. They have to almost be psychic in determining how it's going to impact the campus, how is it going to impact the field (inventories) so they know what they can and cannot

accomplish. To even get to this point we have to rely on other systems that feed into this process or will follow this process.

On the BMF side we take the weekly volumes and coordinate with all of our nonfiler applications and treatments. We project weekly volumes in return delinquency, automated collections systems, the Inventory Delivery System (IDF), collections field functions, 6020(b), toll free, and also work with the Notice Gatekeeper to ensure each function has the necessary resources so we do not hit capacity out in the field or in the campuses.

Balance due work has to take priority over everything. If you have a balance due notice and you have a return delinquency notice, the response on that balance due notice, because it is already assessed, takes priority because the taxpayer will be paying interest on that assessed amount. Technically, a delinquency notice does not affect the taxpayer at this point.

Weekly volumes are adjusted according to what is happening in the field and what is happening in the campus.

We use business rules for BMF – Wes Pohl will supply the rules. First we look to see if there is a high probability that a return is likely due. The opposite side is if it goes through all these rules and it looks like a return is not due, we do not work the case. There has to be likelihood a return would probably be due.

ACTION: Wes Pohl will send the rules used for BMF.

A BMF selection code is assigned to identify the type of third party data secured for a business entity to prioritize the inventory. The Codes are: A; B; or X. Code B is a low priority. We send notices but we are not going to actively pursue it. It's more of an inexpensive nudge because it's automated. There is no return but we think you might need to file one. Code A means it will get a first notice, and ten weeks later it will get a final notice. Then it will move into the treatment stream that's appropriate for that case. If it gets a Code X, it means it's a Form 941, *Employer's Quarterly Federal Tax Return*, case and that means the previously filed return exceeded \$5,000. That type of return with a previous filing pattern will get one notice and will accelerate and be assigned to the collection field for collection. A lot of this work is based on previous a filing pattern and looking at third party data. If there are previous returns (modules) that haven't been filed, it will attach to that and they will all be worked at the same time.

The employee working the case will be able to pull up the history and see the whole entity, not just one module. They have to look at the entire case and deal with it all.

IMF is done in a way that we make two major selections a year and are thinking about doing three a year. We go through all the same steps to select the inventory we are going to test and this is our first selection. Then at the end of January we make our final selection that will be for the remainder of the fiscal year.

However in BMF, this is done on a weekly basis. There is scoring and rescoring and prioritizing and reprioritizing and some of this is because of the nature of BMF nonfilers. They have quarterly returns and every month there could be a different ending reporting period based on when their fiscal year ends. So it's a little more complicated on the BMF side since it changes weekly. Some of the industries are seasonal as well.

BMF CCNIP was base lined in fiscal year 2010. TIGTA looked at it to see what was working and what wasn't working. They identified a lot of things to make it more efficient but it's important to note it is still in the infancy stage. There are some things that are still developmental and there are things we need to look at closer.

IMF Return Delinquency

Once the case is created, we issue at least one notice to the taxpayer. Most of them get two notices but if the taxpayer is in the collection process the case will get associated to wherever it is in the process. Once we send out the notices we expect a response. The response can be a phone call to our accounts management area, or they can write and say they filed, are not liable to file, or there is no tax due. We update the account accordingly. If the taxpayer does not respond, the case can go to enforced collection, or it may go through the automated return process where we issue a return for the taxpayer. A few of these cases make it to a revenue officer but is not usually a high priority for them.

BMF Return Delinquency Program

Modules are selected based on downstream processing (for example Automated Collection System (ACS), Collection Field function (CFf), 6020(b)m etc,) and inventory needs.

BMF Selection Codes were developed to prioritize BMF delinquency modules which were identified as having a potential for a tax return being due. A BMF Selection code is assigned to identify the type of third-party data secured for a business entity. BMF CCNIP Selection Code(s) assigned are derived from data secured in the following sequential order:

- Delinquent tax year
- One year prior
- Year subsequent to the delinquent period.

Return Delinquency Notices

After modules are created, a CP 259 notice is generated to the taxpayer requesting the delinquent return(s). Each module created receives at least one notice, CP 259 (RD 1st Notice). Subsequently, if the account is not resolved within ten weeks, a final notice (CP 518) is issued on cases meeting TDI potential.

Lower priority modules identified as Primary Code B (PC-B) only receive the CP 259 (RD first Notice). If module is not resolved after ten weeks, it is suppressed from Masterfile. We won't pursue it after the first notice because we determined it is a low priority, but it does stay on the Masterfile for 2 years.

Most responses fall within one of the categories:

- Taxpayer is liable to file
- Taxpayer previously filed
- Taxpayer is not liable to file (had no employees, business not operational, out of business or filed under a different TIN).
- Taxpayer response was insufficient which warrants taxpayer contact.

If you have any questions, please send them to your analyst, Patti Robb. They will be forwarded to McPhail and she will get the answers.

Withholding Compliance

One of our treatments this is pre-assessment dollars – it looks for not just nonfilers but balance due taxpayers that are under-withheld. It is a way for IRS to reach out before it becomes a repetitive problem. The taxpayer and the employer get a letter (this program talks to the employer of that person) and says you have this person who is under-withheld and we need you to lock him in at a higher rate. This helps them to cure the problem before another year puts them in that same position where they owe taxes and don't want to file because it can get overwhelming at that point. This helps them to use withholding the way it was intended.

Then there is the intentional taxpayer – they set their withholding at zero and have no intention to file.

There are:

- Intentional
- Non intentional
- Balance due nonfiler
- Overwhelmed

We do not look at any taxpayer who is under the poverty level of \$27,500 a year. For fiscal year 2012, due to the economy, we are not looking at taxpayers whose income is under \$50,000.

We have not identified a link between the withholding compliance program and securing returns.

6020(b) is our SFR program. Once again, please send your questions to us. We will get back to you with answers.

If a taxpayer still does not respond to our 30- or 60-day letters, we will file a return for them with the information we have. There are only so many things we can do for them. We don't know if there is a mortgage or what their deductions might be. We cannot fill that information in for the taxpayer – they have to tell us. So we hope if we do a SFR, the taxpayer will contact us to let us know what they want us to reconsider.

You can get taxpayers all the way to this point – most of the taxpayers who are overwhelmed or reluctant due to other reasons and seldom get to this point.

Refund Hold Programs

This is at the end of the process and going backwards. Maybe they owed a few years ago and decided not to file again. When they have a refund due, they file again. The IRS will hold this refund until the delinquent returns are filed. We don't know if there will be a balance due or not. The refund can be moved over to cover that assessment if they owe money.

Bilancia thanked everyone for their input. He said he will be sending out an email to ask for volunteers for the various subcommittees identified. You will have to set up and allow time for a subcommittee call.

Office Report

Linda Rivera announced Susan Jimerson was selected as the new manager for the TAP West offices, Seattle and Milwaukee. She is located in Seattle and will report on February 27.

Outreach

Meeting Adjourned.

**Taxpayer Advocacy Panel (TAP)
SBSE Decreasing Non-Filers Project Committee
Conference Call
January 17, 2012**

Committee Members Present

• Alvarado, Frank	East Haven, CT	Member
• Bilancia, Richard	Loveland, CO	Chair
• Colby, Lucy	Arlington, VA	Vice-Chair
• Johnson, Frances	Washington, DC	Member
• Kalchthaler, Carolyn	Plano, TX	Member
• Tuchi, Ben	Tucson, AZ	Member
• Wolfsohn, Jonathan	East Rockaway, NY	Member
• Young, Marilyn	Nashville, TN	Member

Members Absent

• Gross, Robert	Montpelier, VT	Member
• Matthews, Theresa	Denton, NC	Member

Designated Federal Official

• Wess, Donna	Memphis, TN	Designated Federal Official
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TAP Staff

• Collins, Shawn	Washington, DC	TAP Director
• Robb, Patti	Milwaukee, WI	Primary Program Analyst
• Smiley, Ellen	Milwaukee, WI	Program Analyst
• Gabriel, Lisa	Milwaukee, WI	Analyst
• Gold, Annie	Milwaukee, WI	Secretary

Program Owners/SME

• Tonjua Menefee	Lanham, MD	Senior Tax Analyst
• Barbara Chambers-Brown	Lanham, MD	Technical Advisor
• Brianne Wilner	Lanham, MD	Stakeholder Liaison
• Jennifer McPhail	Atlanta, GA	Program Manager
• Lisa Gilmore	Atlanta, GA	Senior Tax Analyst

Welcome/Opening (Bilancia)

Richard Bilancia opened the meeting and introduced the Program Owners. An overview of the project was presented by Lisa Gilmore and Jennifer McPhail. The original issue that was sent out as a preread and it provided an overview on individual and business non-filers.

McPhail explained non-filer programs, especially the substitute for non-filer program, allow us to reach taxpayers who don't file for several reasons:

1. No particular reason not to file;
2. They simply have forgotten to file;
3. They don't know they should file, or
4. Something has come up like they need specific paper work or don't know what forms they need.

Those are the absent minded taxpayers. The other segments we are trying to reach out to are the ones who are reluctant to file. They don't want to be found nor have us assist them. These are not hardship people. There are some people who know they need to file but they are in an economic down turn and they know there is going to be a balance due, so they just put it off. Those are the people we are trying to reach. The Internal Revenue Service (IRS) has a lot of initiatives to help get them through this period. The Substitute for Return Program (SFR) is directed at those reluctant taxpayers. They are not the type to voluntarily come in or tell us where they are located. The SFR Program allows us to go through the process with documents and information. We know they worked and we know they had a certain amount of income and we use that information to determine the amount of tax. Unfortunately, we are not able to determine the number of deductions or exemptions they may be entitled to. We can however, go by the last return they filed. Their assessments end up inflated. This is the cost of trying to reach out to these taxpayers.

Some taxpayers just need assistance and we can give it to them by helping them file. We have been looking at a lot of options. We are trying to select cases using better information and better profiles so that we are reaching the right taxpayers. Using the Withholding Compliance Program we can locked the taxpayer into a certain withholding so that when it is time to file they won't put themselves into a balance due situation.

All of our non-filer programs and the strategies that go with them are in separate boxes if you will. We have what we call 6020B, a name for the SFR Program on our Business Master File side. The Withholding Compliance Program reaches another segment, the Substitute Automated Substitute for Return reaches another, and finally there is the Return Delinquency Program. A case goes through the long process of taking the payer documents, conducting the analysis, and then scoring these cases for Systemic to review.

We have a Refund Hold Program. This program puts a freeze on a refund and stops the funds from going out. There are still cases where the delinquent balances keep adding up but that is because we are unable to locate the taxpayers. If the taxpayer gets into the mode of non-filing, the tax can just build up. We need a strategy that will get to taxpayers faster and reduce the number of non-filers. Once we get them into the filing mode, they generally file the next year.

The tax gap in a nut shell is the difference between what is owed and what is actually paid, and that amount is significant. Assessments are placed on the books that have not been accounted for. The balance due may be larger than it needs to be due to lack of taxpayer communication. There needs to be some type of education, marketing or outreach on behalf of the IRS. We have an enormous amount of legislation out there that covers non-filers and this can take you in a lot of different directions.

We also have feeler programs such as the 'Are You There' Program where we send out an inquiry to the taxpayer asking for a response.

Bilancia added one of the biggest challenges this committee has going forward is terminology and definitions and getting up to speed on these programs. What kind of information would be available to be shared with the committee? McPhail responded there is a PowerPoint presentation available. It explains what a non-filer is. We will walk you through it and explain the program. That will give you the best and fastest education including the terminology that comes with non-filers.

We would like to schedule an additional call with this committee. We will email the PowerPoint presentation to everyone prior to the call. Please plan an hour for the call. We will spend the hour going step-by-step and answer any questions you may have. Donna Wess said we need to have an understanding of where we need to focus and where the problems lay.

McPhail responded the payer documents go into the Information Return Document Matching data base. The command codes tell us we are dealing with a Form 1099 or a Form W-2. Gilmore added they do not have a way to determining how many are a Form 1099 or a Form W-2, *Wage and Tax Statement*. Understanding who it is applied to would be helpful. This may be a recommendation for the project committee to come up with.

Bilancia asked that the PowerPoint presentation be sent to Patti Robb to be posted on TAPSpace. Menefee asked if disclosure would be an issue with the presentation. Robb pointed out TAPSpace is not open to the public only to TAP staff, committee members and Systemic Advocacy employees. McPhail advised the committee members not to post the information to personal websites unless they get prior approval.

The committee came to consensus to have the call on Tuesday, January 31, at Noon ET, 11 am CT, 10 am MT, 9 am PT.

Robb said she will ensure the presentation gets posted to TAPSpace no later than Friday, January 20. Everyone should review the information prior to the meeting. Send your questions to Robb and she will consolidate them into one document and send it out prior to the call.

Minutes Approved

The December administrative minutes were approved with minor changes.

Face-to-Face Meeting

Robb sent out the choice of dates for the face-to-face meeting to everyone and responses were received. The meeting will be in Washington, DC, April 25 – 27. April 25 will be a travel day; we will meet all day on the 26; half a day on the 27; and then travel home that same afternoon. The meeting is scheduled to last for a day and a half.

Chair Report

No report this month.

Outreach

Bilancia asked that everyone remember the importance of Outreach.

Frank Alvarado said they are gearing up for the Earned Income Tax Credit (EITC) Awareness Day in Connecticut. The Volunteer Income Tax Assistance (VITA) is getting ready for kick off and we will be doing some TAP Outreach there.

Lucy Colby has reached out to the Washington, DC Local Taxpayer Advocate (LTA) but no response yet or on the EITC Day Awareness.

Ben Tuchi said he found TAP is almost unknown out there. Bilancia stated we are confused with the Taxpayer Advocate Service (TAS). This is another reason we need to continue to do outreach.

Colby asked about the business cards for members. Shawn Collins said members will be receiving business cards. They will have your name, your email address, and the TAP toll-free number on them.

Office Updates (Robb)

Linda Rivera is still the Acting Manager for Seattle and Milwaukee offices. The permanent manager should be selected by the middle or end of February.

Meeting Adjourned.