



2002 Meeting Minutes SB/SE E-File Issue Committee Meetings

- December 12, 2002
 - November 14, 2002
-

SB/SE E-Filing Issue Committee Meeting Minutes

December 12, 2002
3:00 PM EST
Conference Call

TAP ATTENDEES:

- Dick Bobb
- Aimee Brace
- Darlene Bramon
- Mario Burgos, Chair
- Frank Claudman
- Helen Curol
- John Hollingsworth
- Patrick McCombie
- Michelle Nelson
- Howard Perkins
- George Pruchniewski
- Doreen Scott
- Mary Ann Delzer, Designated Federal Official

TAP STAFF:

- Sandy McQuin
- Anne Gruber

PROGRAM OWNER:

- Karen Taylor

ABSENT:

- Maria Hermann-Pariente
- Tim Jarrell, Vice Chair

VISITOR:

- Lisa Neuder, CCH Representative



OPENING

Mario Burgos opened the meeting. He briefly reviewed the agenda and the minutes from the last meeting, which was held on November 14, 2002 via teleconference. There were no changes to either. Doreen Scott motioned to approve the minutes. Howard Perkins seconded the motion. Anne Gruber took the roll call. Mario Burgos asked if there was any public input.

SUBCOMMITTEE FORMATION

Karen Taylor briefly described the three subcommittees that the E-File Committee was forming. Mary Ann Delzer had previously sent each member of the committee a written explanation of the proposed subcommittees with the names of the members who expressed interest in helping.

E-File Marketing to Tax Professionals

This group will try to encourage high-end tax professionals to electronically file. The number one reason they don't electronically file is that their clients don't ask for it or don't want it. So IRS plans a marketing strategy aimed at those taxpayers.

Aimee Brace commented that it was a good idea to go out to consumers. She also mentioned that the rumor needs to be addressed that E-Filing increases a taxpayer's audit potential.

ACTION ITEM: Mary Ann will develop a template to capture the information received when members go out to the public.

Mario Burgos suggested that the subcommittees meet and study their topic in depth.

Dick Bobb asked for successful ways to reach out to tax professionals.

Karen Taylor said that the IRS sponsors 6 forums for practitioners each summer dedicated to E-Filing. IRS has lots of marketing supplies, i.e., give-aways, that TAP members are welcome to distribute.

One suggestion was to contact the Local Taxpayer Advocates (LTA) to meet with practitioners in their area regularly.

"E-File for Dummies"

IRS needs a document that describes in detail what to do and how to get started as an Electronic Return Originator (ERO). If instructions are laid out in a simple step-by-step method, practitioners could be encouraged to become EROs. Darlene Bramon commented that the practitioners she has contacted want more forms to be included in e-filing. Karen Taylor said that the software companies that develop the programs like to work with the forms that are commonly used because they are bigger sellers, which produce more money for them. Individual 1040's are used much more often than the forms used by corporations and non-profit agencies.

E-File on the Website

The IRS web page was redesigned a year ago. E-File information on this site should be easy to find and easy to understand.

Aimee Brace, Michelle Nelson, Dick Bobb, and Mario Burgos have already volunteered to work on the E-File marketing to tax professionals subcommittee. Darlene Bramon also volunteered. Aimee Brace and Darlene Bramon will be co-chairs of this subcommittee.

Maria Hermann, Tim Jarrell, and Frank Claudman had previously volunteered to be on the "E-File for Dummies" subcommittee. Helen Curol and Howard Perkins also volunteered. Frank Claudman agreed to talk Tim Jarrell into being co-chair with him for this subcommittee.



Doreen Scott, Dick Bobb, and Patrick McCombie volunteered to be on the website subcommittee. Doreen Scott agreed to chair this subcommittee.

All three subcommittees will meet in January via teleconference in lieu of the entire Issue Committee meeting.

OUTREACH REPORT

Mario Burgos suggested that each member of the committee tell everyone what he or she has been doing as far as outreach.

Aimee Brace met with her state's LTA and other IRS employees. They were glad to talk to her.

Mario Burgos stated that it would be nice to all have a basic outline to follow for outreach. He suggested a 5-minute, a 15-minute, and a 30-minute presentation.

Dick Bobb has just been appointed to the Panel and has not had a chance to do any outreach.

Darlene Bramon is meeting with the Idaho Society of CPA's, the Idaho State Tax Commission, The Idaho State Board of Accountancy as well as several large individual CPA firms. She will be working with the largest Idaho business organization (IACI) Idaho Association of Commerce and Industry in the coming days.

Mario Burgos is going to meet with his LTA and go to an upcoming quarterly meeting of CPAs and practitioners. He asked why the final date to electronically file is October 15, when a return can be mailed at any time.

ACTION ITEM: He asked Karen Taylor to research this.

Frank Claudman is working with H&R Block employees who are complaining about the amount of forms that can't be E-Filed. He asked for a list of the limitations for E-Filing.

ACTION ITEM: Karen Taylor agreed to send the list to the entire committee.

Helen Curol said that she liked passing out the magnetic rulers with the TAP information. Karen Taylor said that there are lots of marketing tools for E-Filing.

ACTION ITEM: She agreed to send the committee some to use.

Patrick McCombie attended the Federal/State Practitioners Symposium and met many practitioners. He thought it was a good outreach.

Michelle Nelson went to two small groups of practitioners and two CPA firms. She requested a form that everyone could use to report back their activity.

ACTION ITEM: Mary Ann will send her the Speakers' Report Form.

Howard Perkins went to several local groups and requested more materials.

ACTION ITEM: Mary Ann will send him some magnets, notes, and flyers.



George Pruchniewski met with his LTA in Baltimore and attended the Federal/State Practitioners Symposium in Baltimore.

At this point, John Hollingsworth joined the meeting and Howard Perkins left. Mario Burgos apologized for the length of the meeting.

Doreen Scott said she had nothing to report.

OFFICE REPORT

The January meeting for the entire committee has been cancelled. The three subcommittees will each meet separately.

CLOSING

Mario Burgos asked if anyone had any questions or comments. He reminded everyone to complete the assessment form for this meeting. And he wanted to give everyone the

ACTION ITEM: If haven't contacted LTA yet, then do so soon.

The meeting ended at 4:05 PM EST.



SB/SE Payroll Tax Issue Committee Meeting Minutes

DATE:

- November 14, 2002

TIME:

- 3:00 PM EST

LOCATION:

- Conference Call

TAP ATTENDEES:

- Aimee Brace
- Mario Burgos, Chair
- Frank Claudman
- Helen Curol
- Maria Hermann-Pariente
- John Hollingsworth
- Tim Jarrell, Vice Chair
- Patrick McCombie
- Michelle Nelson
- Howard Perkins
- George Pruchniewski
- Doreen Scott

TAP STAFF:

- Mary Ann Delzer, Designated Federal Official
- Sandy McQuin
- Anne Gruber

PROGRAM OWNER:

- Karen Taylor, Chief, Electronic Programs Office
- Michael Chesman, SB/SE Director of Taxpayer Burden
- Margie Kinney, Chief, Special Projects
- Frank Montero, E-Government Program Office

VISITOR:

- Sharon Lassar, a TAP member from Florida

OPENING

Mario Burgos opened the meeting. He briefly reviewed the agenda and the minutes from the last meeting, which was held in Alexandria, Virginia. There were no changes to either. Helen Curol motioned to approve the minutes. Doreen Scott seconded the motion. Anne Gruber took the roll call.



FUTURE MEETING PLANNING

The 2nd Thursday of the month at 3:00 PM EST is agreeable to all. For the face-to-face meeting, dates in May were discussed. Mary Ann did cost estimates for Atlanta, Dallas, and Denver. Members preferred traveling on Friday morning, meeting on Friday afternoon and Saturday, and returning home on Sunday. Several scheduling conflicts occurred with the available May dates, but June 6, 7, 8 seem to work for everyone.

ACTION ITEM: Mary Ann will email everyone to confirm availability and to ask city preference. (Four members expressed interest in Atlanta.)

PROGRAM OWNER REPORT

Karen Taylor introduced Frank Montero to talk about the Free Online Electronic Tax Filing Agreement, a public-private partnership agreement IRS has with the Free File Alliance, LLC, a consortium of several tax software companies providing tax return preparation and electronic filing at no cost to individual taxpayers. Each Alliance member develops its own criteria for taxpayer eligibility to receive their free offer. An Alliance member's free offer must be available to at least 10% of the individual taxpayer population. IRS is partnering with the Free File Alliance and will use irs.gov as a portal to get the taxpayer to the software company's free offer. In the aggregate, the overall requirement for the Free File Alliance is that at least 60% of the taxpaying population (i.e., 78 million taxpayers) be eligible for free tax preparation and electronic filing.

The IRS web page will list the Free File Alliance members and provide links directly to a member's free offer within their respective web site (not their home page which could confuse taxpayers). Each member's web site will have and illustrate third party certification for privacy and security. Some practitioners misunderstand the IRS' intent. The IRS is not providing the free services but rather is promoting and providing access to the Alliance members providing free tax preparation and electronic filing to eligible taxpayers. Research shows that most taxpayers who use a tax Preparer are loyal. With the availability of the Free File Alliance free services, some crossover is expected, but in general, taxpayers who use a tax preparer are likely to stay with that preparer. The primary target audience for these free services is the taxpayer who self-prepares their return and files a paper copy. At this point in time, the free services being offered by the Free File Alliance are for federal filing only. State returns may come later.

Frank could not elaborate on safeguards in place to catch fraud or how the IRS could control the software companies. Mary Ann expressed worry about people who might charge money to electronically file and then use the free service. She wondered if the IRS would monitor the number of returns filed by any one person or location [Note: Existing fraud detection practices apply to all returns coming in to the IRS electronically - including those from the Free File Alliance].

Helen Curol asked if the IRS had to pay for this service. The taxpayer does not pay for the preparation or filing, nor does the IRS. She suggested that IRS offices make sure that they understand what is involved. [Note: Efforts are underway to ensure that internal customer service functions and IRS employees are properly informed of the Free File Alliance opportunities]. John Hollingsworth asked how many software companies were involved. Frank explained that the number is yet to be released, but there is enough variety to accomplish the 60% goal.

George Pruchniewski asked if IRS was going to validate the criteria that the software companies were going to use to get their 10% of the taxpaying population. Frank pointed out that IRS was validating the criteria and that 10% was a minimum for each Alliance member. He also said that the companies had to make a capital investment to join the Alliance.

Sharon Lassar expressed concern about taxpayers' loyalty to preparers and the research that shows this. She wondered if all the research could be shown on the web site. Frank pointed out that much of IRS e-file-related research is available on www.irs.gov.



Mario Burgos asked if the taxpayers who used the free filing would have their names sold to any advertising lists. Frank pointed out that IRC 7216 does not allow tax preparers from disclosing or using any type of tax return information for any purpose other than for tax preparation without the taxpayer's consent. Mario also wondered if the IRS web page would be user-friendly and the user would be readily able to tell if he fits the criteria for a particular company. Frank confirmed that best web page practices would be used and the information would be designed to make a quick determination. The site has a deadline of 12-31-2002. Mario asked if TAP could pre-test the web page and provide input into its design. Frank said that with the deadline so close, it was not possible this time. Maria Hermann offered to check out any web pages in the future.

Although this is a SB/SE committee and the Free File Alliance is only for 1040 taxpayers, Mary Ann explained that she thought it was important background information for this committee.

SUBCOMMITTEES DISCUSSION

Karen Taylor made three suggestions for possible subcommittees.

- The first has to do with tax professionals and how to entice them to use electronic filing. It is a problem to get high-end tax professionals to E-file. Howard Perkins commented that the information must go out to the practitioners.
- **ACTION ITEM:** Mary Ann will send each member the E-file application packet that the IRS sends out. Some members indicated that they already have this information.
- The second subcommittee concerns the web site. E-file information should be easy to find and readily noticeable on the IRS web page.
- The third possible subcommittee could be a sort of "E-file for Dummies" publication. A step-by-step guide that explains what to do is needed. Maria Hermann, Tim Jarrell, and Frank Claudman volunteered to be on this subcommittee.

Michael Chesman suggested working with libraries and give demonstrations there to taxpayers who use those computers. Karen wondered how taxpayers could file electronically from a public library computer and get a notification that the return has been accepted 24 hours later.

ACTION ITEM: Karen will research to find out what happens.

ACTION ITEM: Mary Ann will e-mail the committee members to find out what subcommittee they are interested in working on.

ACTION ITEM: Mary Ann will develop a flyer to be used for mail-in suggestions.

PUBLIC INPUT

Although this was an advertised open meeting, there were no outside participants on the call.

CLOSING

Mario asked if anyone had any questions or comments. George Pruchniewski wanted to thank the management assistants for the fast turn-around in processing the travel vouchers. Mario wanted to assess the conference call, mainly to get ideas to improve the conference call format since many people are not used to meeting this way.

ACTION ITEM: Mario will develop a 4 to 5 question survey that the committee can use on future conference calls to assess the meeting.