

August 17, 2011
Practitioner Liaison Meeting
Philadelphia, Pennsylvania
9:30 – 12:30 P.M.

Attendees: IRS Representatives and Name & Title of Major Organizational Representatives

- Narina Bchtkian, Senior Stakeholder Liaison, IRS
 - William Mealy, Senior Stakeholder Liaison, IRS
 - Richard Furlong, Senior Stakeholder Liaison, IRS
 - Steve Utrata, TCO Manager, Examination, IRS
 - James Smith, Group manager, Collection, IRS
 - Jason Kuratnick, Counsel, IRS
 - Ron Wiener, Pennsylvania Bar Association
 - Marv Huttman, PSPA
 - Phyllis Horn Epstein, Pennsylvania Bar Association
 - Jean Rigney, Pennsylvania ASWA
 - Sean Brennan, Pennsylvania NATP
 - Damian Gaspari, PICPA
 - Vince DiAntonio, AAA-CPA
 - Mary Ann Jesse, PSEA
 - Ed Caine, ncCPAp
-

Meeting Summary

Guest Speaker 1 – Filomena Mealy

Filomena discussed the purpose of the IRS Issue Management Resolution System (IMRS) and the steps that are followed in attempting to obtain a remedy, relief or resolution. She explained that IMRS is a structured process citing issues raised by the committee and those recently closed off of the National IMRS database based using a sixteen page handout. She reminded all that IMRS looks at significant systemic, procedural and/or policy changes. If a problem or issue is deemed not to be appropriate for IMRS, as is often the case for an isolated incident or individual taxpayer client matter, then Stakeholder Liaison will determine the best direction for the practitioner to go for a resolution, such as contacting Practitioner Priority Service, Taxpayer Advocate, or utilizing the Practitioner Phone Directory to contact a Territory Manager. If the issue meets the criteria noted in the handout and is approved by Management then an IMRS Analyst is assigned to conduct further research and is responsible for contacting the appropriate Program Owner to obtain a resolution. IMRS Analysts can only recommend a change to the Program Owner, they do not have the authority to force or bind the Program Owner. Often times additional information or research is needed to determine the best remedy, demand or population impacted etc. In these instances, Narina may need to come back to a committee member to obtain additional information to help either the IMRS Analyst or Program Analyst pinpoint the break in the process, as well as who is ultimately responsible for the fix. Filomena indicated that she realizes that many practitioners may not be concerned as to the internal nuts and bolts, or who needs to make the correction because we're all one IRS and that it should be transparent. However, it has been her experience that committee members often get upset if additional information is requested because they don't understand the process and fear that providing TINS may result in a negative consequence to the client, when in reality it is IMRS intent to try to recommend a fix from that point on and

not go back and rectify. It is for this reason, on those rare occasions sample notices or TINS are needed, we ask that practitioners still respond to the notices or Examination function to resolve the individual client matter. Another reason, we ask that you still go through normal channels to resolve the client matter is because often times a fix may require revising a notice, computer program, or IRM etc. and this can take months to years depending on the facts and circumstances.

She pointed out that IMRS is one of thirteen IRS suggestion teams, but is probably the only one that offers a written response that once approved by the Program Owner and Communications will be posted on irs.gov for taxpayers and practitioners across the country to review in the form of a monthly overview report that consists of newly elevated issues and responses or solutions to closed issue. In addition, a Hot Issues Report is also available on irs.gov that covers the most current concerns impacting practitioners. She then explained how IMRS, Communications, Chief Counsel and other functions form temporary teams to respond to various new hot topics dealing with policy or new tax law, such as the Fresh Start Initiative, Return Preparer Initiative, or Affordable Health Care. Currently, there are over twelve open Collector Issues and once the question is answered by the team it is often will appear as a Frequently Asked Questions (FAQs) on irs.gov. She closed by thanking the committee for their patience and the issues that they have previously elevated, because often if the concern has been identified in Pennsylvania and has gone through the IMRS process offering a response, then chances are it will help other practitioners across the country because they can review the reports on irs.gov and know what action is being taken by the Service, or what action they should take to alleviate the clients burden. Bottom line it is a win-win program in the end with many benefits, you just need to be willing to be patience and agreeable to providing additional information if you are first in the country to identify the problem as we track and recommend a solution.

Expanded Practitioner Liaison Meeting

Narina reviewed information regarding the Expanded PLM which is scheduled to be held on October 18, 2011. The meeting will be from 9:00 - 3:00. She solicited the group for Committee members to plan the meeting. Marv Hutmann and Sean Brennan volunteered to be on this committee. The expanded PLM will be at the:

Radisson Hotel Harrisburg
1150 Camp Hill By Pass
Camp Hill, PA 17011

They scheduled a telephone call to plan the meeting for August 23, 2011 at 3:00. Narina then asked the group to solicit for members of their organization who would be interested in attending the expanded PLM.

New PLM Member, ncCPAp

Narina introduced Ed Cain and the organization that he represents, **ncCPAp** (National Conference of CPA Practitioners). Ed is the president of the Delaware Valley Chapter. They are a new organization in this area and are looking forward to participating in the PLM.

Issues & Status

Marv – Form 2848 – Check box for revocation on Form 2848.

Response – Narina checked with IRS publishing and she received the following response;

Thank you for your comment suggesting we add check boxes to Form 2848 as an easier method of allowing taxpayers to revoke and representatives to withdraw from a previously executed power of attorney. The current process, as you previously stated, is to use a copy of the original Form 2848 with current dates and signatures from the taxpayer if revoking or representative if withdrawing. The taxpayer or representative can also revoke or withdraw from an existing power of attorney by submitting a statement to the IRS indicating their request to revoke or withdraw if a copy of the original power of attorney is not available. We request that they include information on this statement that is similar to the information that appears on Form 2848 such as the representative's/taxpayer's name, the taxpayer identification number (TIN), address of the taxpayer or representative, and the tax matter, years, or periods. This information is necessary to ensure that these requests are processed properly.

We have carefully considered your suggestion, but we are not adopting it for the following reasons. The addition of check boxes on Form 2848 would not eliminate the current requirements for signatures of the taxpayer/representatives and dates of revocation/withdrawal, among others, when revoking or withdrawing from a previously executed power of attorney. Also, we are in the process of revising the Instructions for Form 2848 to clarify the process for revoking or withdrawing from an existing power of attorney, but we cannot make additional changes to the form at this time.

The following paragraph is from page 2 of the form 2848 instructions:

If you want to revoke an existing power of attorney and do not want to name a new representative, or if a representative wants to withdraw from representation, send a copy of the executed power of attorney to the IRS, using the Where To File Tax Return Chart on page 1. The copy of the power of attorney must have a current signature and date of the taxpayer if the taxpayer is revoking, or the representative if the representative is withdrawing under the original signature on line 9. Write "REVOKE" across the top of Form 2848. If you do not have a copy of the power of attorney you want to revoke or withdraw, send a statement to IRS. The statement of revocation or withdrawal must indicate that the authority of the power of attorney is revoked, list the tax matters and periods, and must be signed and dated by the taxpayer or representative. If the taxpayer is revoking, list the name and address of each

recognized representative whose authority is revoked. When the taxpayer is completely revoking authority, form should state "remove all years/periods" instead

of listing the specific tax matter, years, or periods. If the representative is withdrawing, list the name, TIN, and address (if known) of the taxpayer.

Status – Closed

Phyllis – When there are two representatives listed and only one is receiving IRS notices.

RESPONSE – Narina researched the 2848 form and it indicates on line 7 a - *If you also want the second representative listed to receive a copy of notices and communications, check this box.* **Status – Closed**

SEAN – Received a disk with client list per FOIA request. Instruction indicated to draw a line through the clients the firm is currently representing. Who does he respond to? The Disclosure office or the CAF unit?

Response- This issue was a previous IMRA issue and Filomena provided this response from IMRS.

Practitioners may use an approved listing to request withdrawal for multiple clients. According to IRM 21.3.7.11.3, a listing of clients and respective TINs with a cover sheet requesting withdrawal by a third party is acceptable only if the representative provides a signed and dated written statement requesting withdrawal from representation on the noted clients and the representative clearly identifies the clients requiring withdrawal. An approved listing of all clients on the CAF can only be obtained from the IRS pursuant to a FOIA request:

<http://www.irs.gov/foia/article/0,,id=148215,00.html>. This is referred to as a CAF 77 listing. On the CAF 77 listing, practitioners should line through those clients for which they want to retain authority and fax or send the listing to the CAF function for processing. If a practitioner is retiring or going out of business and needs to withdraw from representing all of his clients, he can submit a written statement to the CAF function with his signature and date requesting retirement of his CAF number. This does not require the CAF 77 listing.

Status - Open

Marv-EFTPS – raised an issue why should a deposit made on April 14th automatically, unless manually changed, go to the 2nd quarter when it was made within the first quarter & why is there not a means to correct a misdirected payment?

Response -IMRS Local Issue 1164 – EFTPS automatic default causes 940 or 941 payments to be posted to wrong quarter
Issue: The EFTPS default changed as of January 1, 2011, to the first quarter 2011 for 941 payments and December 2011 for 940 payments. With the new EFTPS requirements, the vast majority of new users are making payments in January 2011 for the fourth quarter 2010. One must be vigilant to change the new defaults or the payments are applied to the wrong quarter/year.

Response: The IRS is aware of this problem and is going to modify the system to remove the default quarter feature. We hope to have the change in place soon. In

the meantime, users should be cautious when scheduling payments and change the

quarter to the accurate one, if needed, to ensure their payments are applied to the correct tax period since the default changes at the beginning of each quarter. We will follow-up to see what changes are made to EFTPS screens as described.

Status – Open - Narina will continue to monitor for updates

Ed/Marv – Quickbooks Issue – Needs clarification –

Response – Narina shared information from irs.gov on electronic books and records; SB/SE Headliner# 303 and FAQ's for Electronic Accounting Software Records Request and Submissions during Small Business/Self Employed Examinations.

Status – Closed

Ron – TAP Representatives at PLM meeting –

Response - Narina will invite the TAP member from Pennsylvania who is assigned to work on Correspondence Examinations to the Expanded PLM in October.

Status – Closed

Ron – Suggested a possible E-mail alert, similar to subscription services, when a new document is posted to the IMRS home page on irs.gov.

Response – At this point in time the IMRS staff was unable to provide a response to this issue but will research and respond in future.

Status – Open

Jean – EFTPS Problem with 990 payments – Need to use FY ending not Tax Year ending. Jean needs provide specific examples so that Narina can begin to research the issue.

Status - Open

Sean – Sch D's with many transactions –

Response - Modernized E- File should resolve problem by allowing for scanned information. Rich also mentioned that there are changes coming for reporting Capital gains this year. There will be a new Form 8949 this year.

Status – Open

Sean – Corrected 1099's from Brokerage Houses after tax return has already been E-Filed.

Response – The procedures allow for corrected 1099's and any changes would require legislative action.

Status – Closed

Damian - Document matching issue with K-1's. Father and Son with same name but different TIN's. The Father is receiving underreporter notice for K-1 that was reported by the son. Specific information requested so that Narina can begin researching the issue.

Status – Open

2nd Issue- S-Corp filed paper extensions (Form7004) and E-Filed S-Corp return. They are now receiving late filing notices. Paper 7004's were not timely processed. Specific information requested so that Narina can begin to research the issue.

Status – Open

Roundtable & Comments

Bill – Reminded attendees that the 2011 Offshore Voluntary Disclosure Initiative will expire soon. This initiative is for holders of undisclosed Foreign Accounts. Due to the recent Hurricane, the due date for this initiative has been extended to September 9, 2011.

Ed – Mentioned that he would be attending the National Public Liaison meeting in Washington D.C on September 21, 2011.

Marv – Stated that it appears that Intent to Levy notices are going out quickly. Jim confirmed that these notices have been accelerated.

Next Scheduled Meeting

**Expanded PLM
Harrisburg, PA
October 18, 2011
9:00 P.M. – 3:00 P.M.**