

Area 6 - First Thursday Notes

December 2, 2021

Internal Revenue Service – First Thursday Area 6 Stakeholder Liaison Team

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Webinars

Please check [Webinars for Tax Practitioners](#) for upcoming Webinars –

Please check here for previously recorded Webinars: www.irsvideos.gov

ICYMI (in case you missed it)

The Get an IP PIN Tool is down for planned maintenance until January 2022.

Identity Theft case processing timeframes have been extended from the normal 120 days to the current average of 257 days, due to circumstances caused by the pandemic.

IRS Discussion Items

Callback Service added 15 new applications

Customer Callback service provides the option to receive an automated callback, instead of waiting on hold in the queue. This feature saves the caller's place in the queue and when an assistor becomes available, the Callback system automatically calls them back.

Callbacks are offered to randomly selected taxpayers, when estimated wait times are greater than 15 minutes.

The callback system confirms your callback number and callback time before disconnecting and all callbacks originate from a West Virginia phone number, with the area code 304.

Callback hours of operation are from 6:30am to 7:00pm Central Time. The system will not schedule callbacks at the end of or beyond the call site hours.

The IRS has been expanding callback service to more taxpayers each fiscal year and plans to continue expansion, over the next few years.

The Callback feature is currently available on 31 toll-free applications, including Identity Theft and IMF Practitioner Priority Service (PPS).

[Security Summit | Internal Revenue Service \(irs.gov\)](#)

2021 National Tax Security Awareness Week

- The IRS, state tax agencies and the nation's tax industry held the 6th Annual [National Tax Security Awareness Week](#) on November 29–December 3, focusing attention on taxpayers protecting sensitive financial information against identity thieves.

The IRS and Security Summit partners remind tax professionals that federal law requires them to have a written information security plan. In addition to the required information security plan, tax pros also should consider an emergency response plan should they experience a breach and data theft.

- This time-saving step should include contact information for the [IRS Stakeholder Liaisons](#), who are the first point of contact for data theft reporting to the IRS and to the states.
- Review your security measures. IRS [Publication 4557, Safeguarding Taxpayer Data \(.pdf\)](#), provides tax professionals with a starting point for basic steps to protect clients.
- IRS [Publication 5293, Data Security Resource Guide for Tax Professionals \(.pdf\)](#), provides a compilation of data theft information available on IRS.gov, including the reporting processes.
- The [“Taxes-Security-Together” Checklist](#) was created to help tax professionals identify the basic steps they should take. As more tax preparers work from home or remote locations because of COVID-19, these measures are even more critical for securing tax data.

In addition to taking steps to protect your client data we are also seeking assistance to share these important reminders this week with your network, staff and clients.

Follow us on [social media](#) @IRSnews and share #IRS #TaxSecurity messages and information on your preferred platforms.

Additional Resources:

- *Publication 5461, Protect personal and financial information online* [English](#), [Spanish](#), [Chinese](#)
- *Publication 5461-B, Get an Identity Protection PIN* [English](#), [Spanish](#), [Chinese](#)
- *Publication 5461-C, Businesses should put in place safeguards* [English](#), [Spanish](#), [Chinese](#)
- *Publication 5461-D, Tax professionals should review their security protocols* [English](#), [Spanish](#), [Chinese](#)
- *Publication 5461-E, Be aware of scammers who use fake charities to get sensitive information* [English](#), [Spanish](#), [Chinese](#)

Early Termination of the Employee Retention Credit

Some taxpayers that are no longer eligible to claim the employee retention credit for wages paid after September 30, 2021, may have already reduced their employment tax deposits in anticipation of claiming the employee retention credit for the fourth quarter of 2021. These taxpayers should monitor guidance issued by the IRS to learn if they must take any action regarding these amounts.

Balance Due Notices when payments have been made

Stakeholder Liaison continues to receive communications regarding balance due notices being generated long after payments have been made on accounts. This issue is exacerbated by the level of service currently provided on the IRS phone lines. This issue has been elevated and is currently being worked through our IMRS process. Stay tuned...

State Revenue Discussion Items

Minnesota Department of Revenue

- FYI the standard deduction amounts for Minnesota DO NOT match the IRS standard deduction amounts this year for the first time.
- A message about how the Working Family Credit needs to be added to returns that now qualify due to conformity-related adjustments will go out today. In a nutshell, the return needs to be amended by the taxpayer, the adjustment letter should not be appealed. [Here is a link to WFC FAQs that were posted to our website this morning.](#)
- Additional FAQs have been posted about the Pass Thru Entity Tax on our website. Watch for an announcement about upcoming webinars about this tax type starting in January. There will be multiple opportunities for you to attend these webinars.
- Final draft forms have been posted to our website for most tax types.
- Reminder of 12/9/21 tax pro webinar - a reminder email will go out today.

Wisconsin Department of Revenue

The Wisconsin Department of Revenue is offering a new option to help taxpayers protect their identities.

The Wisconsin Identity Protection PIN will be available beginning with 2021 individual income tax returns and homestead credit claims.

A few details about the PIN:

- Seven alpha-numeric characters
- Entered in the signature section of Form 1, Form 1NPR, or Schedule H
- Year-specific
 - Any Wisconsin individual income tax return or homestead credit claim filed during the calendar year will use the same PIN
 - This applies to 2021 returns and forward
 - Taxpayers who sign up for this program will receive a new PIN each year
- Taxpayers can opt out for the following year (for example: taxpayer signs up for a PIN for 2022, then decides to opt out. Opt out will be effective January 1, 2023, and any return filed before that date will still need to have the PIN on it.)

Taxpayers will sign up for the PIN via [My Tax Account](#), our secure online portal.

The functionality to request a PIN will go live in mid-December.

Colorado Department of Revenue

- Colorado is holding a pre-rulemaking stakeholder workgroup regarding net operating loss rules. The workgroup is scheduled for December 7 at 10:00AM (MST). Information about the meeting, including draft rules, can be found at tax.colorado.gov/tax-rules. Interested parties may also contact dor_taxrules@state.co.us for Zoom link and teleconference information.
- Colorado's final forms will be posted at our website (tax.colorado.gov) within the last two weeks of December. Happy holidays, we will see you in the new year!

Questions from the Chat

Are ERC refund claims being processed right now? We are seeing long delays.

Status of Processing Form 941, Employer's Quarterly Federal Tax Return: The IRS is now opening mail within normal timeframes. As of December 1, 2021, we had 3 million unprocessed Forms 941. Tax returns are opened in the order received. If you filed electronically and received an acknowledgement, you do not need to take any further action other than promptly responding to any requests for information. We're working hard to get through the backlog. Please don't file a second tax return or contact the IRS about the status of your return.

As of December 1, 2021, our total inventory of unprocessed Forms 941-X was approximately 412,000 which cannot be processed until the related 941s are processed. While not all these returns involve a COVID credit, the inventory is being worked at two sites (Cincinnati and Ogden) that have trained staff to work possible COVID credits.

What is the Form for a Payment Trace? Form 3911, Taxpayer Statement Regarding Refund

Resource for EIN and Form 941 questions: Business Line: 1-800-829-4933 and 1-800-829-3903.

If you amend a return for 941 ERC credit, and it causes a penalty for entity like a 1120 Corporation? Any guidance. We do not have guidance on this, suggest you respond with a request for abatement due to reasonable cause.

If you are requested to file form 941, 943, or 944 from Campus please provide them. Suggestions made to attach the original filing, with a new form, signed, and send with notice. Also indicate when filed, when paid, with the notice. This was suggested as a best practice when responding to these notices. This was elevated for IRS to add to their letters in the future.

Practitioners are having trouble with Selfie for ID.me. [How to Verify Your Identity for the IRS](#)

If you were unable to complete the identity verification process, you will be routed to verify your identity over a video call with an [ID.me Trusted Referee](#). Wait times may vary. You will need to show your identity documents to an ID.me Trusted Referee along with a selfie (a photo of yourself) to complete your identity verification.

Taxpayers who need help verifying their identity or submitting a support ticket can visit the [ID.me IRS Help Site](#).

- **ID.me Help Desk: 866-775-4363**
- [Submit a Request ID.me](#)

Do you have IVES Contact information?

[Income Verification Express Service | Internal Revenue Service \(irs.gov\)](#)

If the number of returns filed per PTIN are incorrect, what do you do? Returns filed per PTIN are updated weekly. If your numbers are significantly different, call the IRS e-help desk at 866-255-0654.

Practitioners are seeing EIP payments based on advance income, rather than current year. Stakeholder Liaison is researching this issue and gathering information for possible elevation.

Why are Injured Spouse claims taking a long time? The return must first be processed, and then the Injured Spouse claim is worked by an individual. Returns with special handling are taking much longer due to the pandemic.

Next First Thursday Meeting - Thursday January 6, 2022.