

First Thursday Minutes

August 6, 2020

Attendees:

Tax Professionals

Barbara Steponkus
Brad Decker
Carmen Van Der Leest
Debbie Jessee
Diane Saeger
Dmitriy Polyakov
Donna Tuke
Heather Johnson
Jacob Borash
James Hockenberry
Jessica Gatzke
JoAnn Schoen
Jodee Paape
Jodi Eckhout
Judith Lashinski
Kelly Golish
Kelly Jaskowiak
Kendra Privratsky
Kevin Hayes
Kit Wong
Kristy Mather
Margaret Schiller
Melody Larson
Michael Martin
Portia Vogt
Renee Mayden
Ron Berman
Ruth Ann Michnay
Ruth Graff
Sara Schemmel
Shania Murphy

(Tax Pros, continued)

Steff Haring
Susan Dukes
Todd Koch
Tracy Danzer
Velma Bjorgum
Vivian Shockley

Stakeholder Liaisons

Alan Gregerson
Doug Blade
Karen Brehmer
Kathleen Fox

Area 6 Manager

Kristen Hoiby

Departments of Revenue

MN	Mark Krause, Halla Elrashidi, and Allyson Casseday
IA	Kurt Konek
ND	Liliya Montgomery
WI	Nate Weber
NE	Fran Krejci
MO	Kim Gorman

Webinars

August 13, 2020: Understanding the e-Services Transcript Delivery System

Time: 1:00 p.m. (ET), 12:00 p.m. (CT), 11:00 a.m. (MDT), 10:00 a.m. (MST), 10:00 a.m. (PT), 7:00 a.m. (Hawaii)

Register here: <https://www.webcaster4.com/Webcast/Page/1148/36244>

Please check [Webinars for Tax Practitioners](#) for new webinars.

Discussion items

Karen shared this message: [IRS statement on interest payments](#). If your client gets a refund that's larger than expected, it might be due to interest paid on the refund. The IRS is paying interest on refunds issued more than 45 days after April 15, so it could be a large number of taxpayers. The taxpayer will get a letter telling them they got interest, and a 1099-INT if it's more than \$10.

Alan shared: [Form 1099-NEC, Nonemployee Compensation](#) is new for 2020. It was separated out from Form 1099-MISC because the 1099 for NEC is due on January 31st. The instructions for Form 1099-NEC and Form 1099-MISC are combined.

Alan shared information about backup withholding: [How to report nonemployee compensation and backup withholding](#). IRS.gov has a lot more information on [Backup Withholding](#).

Kathleen alerted us that the [IRS is sending letters to those experiencing a delay with advance payment of employer credits](#). Taxpayers may receive Letter 6312 or 6313.

Kathleen asked for your help in making sure that everyone who is entitled to EIP gets it, especially people who have low income or no income. We are asking you to use your personal contacts to share this message, and we have tools to help you on this page: [Economic Impact Payments: Partner and Promotional Materials](#). See "Reaching People Who Are Eligible for a Payment and Don't Normally File a Tax Return". If you volunteer for, or donate money to, a food shelf or homeless agency, would you be willing to call or email someone there to tell them about EIP? Thank you!

Doug provided an update on the [People First Initiative: Taxpayers need to resume payments by July 15](#). If people stopped making payments from April 1 to July 15, they need to resume payments.

Doug also shared information on [Working Virtually: Protecting Tax Data at Home and at Work](#).

This is a 6 part series and we've released 3 messages so far.

- Part 1: [Protect tax data at home and at work with the "Security Six"](#)
- Part 2: [Use multi-factor authentication to protect accounts](#)
- Part 3: [Use a virtual private network to secure remote locations](#)

Data thefts are up for 2020. This could be because more people are working from home and they may not have enough security protocols in place.

The group was asked if they are interested in a webinar by Brian Wozniak, a Stakeholder Liaison who specializes in data thefts. The group expressed an interest in this type of webinar. We'll see what we can do!

In the meantime, the IRS has a webinar on the [IRS Video Portal](#):

- [Tax Security 2.0: A Tax Pro's Security Checklist](#)
- This webinar will Outline the "Security Six" basic protections, discuss how to create a written data security plan, recognize the signs of client data theft, and include the testimony of 2 tax professionals who were victims of a data breach.

State Departments of Revenue

Minnesota - Mark Krause

Home page: <https://www.revenue.state.mn.us>

2020 draft forms have been released and are on our website.
<https://www.revenue.state.mn.us/draft-forms-and-instructions>

[Register for Our Tax Professional Webinar on 2020 Minnesota Tax Form Updates](#). This is the annual tax pro webinar where we discuss forms changes. September 15th at 9:30 am

We issued guidance on July 28th on amending 2017 & 2018 returns due to conformity if we have not yet adjusted the return for the taxpayer.
<https://content.govdelivery.com/accounts/MNREV/bulletins/297c249>

Iowa – Kurt Konek

Home page: <https://tax.iowa.gov/>

- Protests
 - Working on 2017 and prior
 - Dropped from 179 to 39
 - 2018 and after approximately 600
- Audits
 - Audit team is getting back in the field with appropriate safety protocols
 - Audits closed
 - 2019 = 1466
 - 2020 = 1419
 - Largest \$
 - MTC
 - Motor Vehicle Fuel
 - ReAudit
 - Contract Labor
 - Investigative
- Fraud - 405 fraud cases identified
- Telephone
 - 2019 calls answered in 11 minutes, 2020 under 1 minute
- Forms
 - Updating 2020 forms
- Rules
 - Working on rules overhaul

North Dakota – Liliya Montgomery

ND homepage <https://www.nd.gov/tax/>

For tax pros: <https://www.nd.gov/tax/user/tax-professionals>

Missouri – Kim Gorman

MO homepage <https://dor.mo.gov/>

Nebraska – Fran Krejci

NE homepage <https://revenue.nebraska.gov/>

Wisconsin – Nate Weber

WI homepage <https://www.revenue.wi.gov>

Illinois – Vicki Clark

IL homepage <https://www.illinois.gov>

Kansas

KS homepage <https://www.ksrevenue.org/>

Your issues and questions

e-Services and Transcript Delivery System

We hope you can attend the [webinar on August 13](#).

In the meantime, here are some resources for e-services and “TDS”:

- [Main page for e-Services](#)
- [e-help Desk for Tax Professionals](#) The people who staff the e-Services phone line should be able to help you with problems you may have when you are signing up for e-Services, or problems you experience once you're signed up.
- If not, contact your local SL. We may be able to put you in touch with an e-Services specialist who can help you fix thorny issues that have not been resolved through normal channels. **Keep track of who you talked to at the e-Help desk for e-services, the date you called, and the e-Help tracking number.**
- [Transcript Delivery System \(TDS\)](#)
- [Circular 230 Practitioner e-Services Transcript Delivery System Access](#)

Dmitriy commented that he liked the “old system” where you could submit a 2848 electronically and get access to transcripts right away. All of us are hoping that the IRS creates a new electronic system for POAs. This may happen because of the [Taxpayer First Act](#). Many tax professionals submitted a request for this. We'll keep you posted.

Ruth commented: “Four people in our office have received letter 5880C from IRS advising that they were accepted as Authorized IRS e-file providers. Why is IRS sending this out now? No recent changes were made to their applications. Usually this type of letter would be mailed out in December or January.” Alan will elevate this issue using the IMRS process.

Refund Delays:

Ron asked about taxpayers who mailed in their returns in early March. When will they get their refund?

Steff asked about taxpayers who e-filed in March who have not received their refund. What's the timeline for these returns?

Mark asked if it's a good idea to e-file a return that was paper filed and hasn't been processed yet.

Velma said she had two clients whose returns had ID theft issues. They did not get any letter from the IRS. Velma called PPS and they were able to help her and the clients so that the return could be processed.

Advice offered by SLs:

Anything that was mailed to the IRS will take "quite a while" to get processed. If it normally takes 8 weeks to process a paper tax return, add 3 months to that for the time period that the campuses were shut down, and add some time to that for the time it takes the IRS to go through the backlog of mail. It's impossible to tell when something mailed to the campus will get processed. We apologize for the delay.

Most e-filed returns sail through without a hitch. But some e-filed returns need to be reviewed by a person. It might be:

1. Possible ID theft
2. Wage verification
3. Reviewing credits such as EITC, AOTC, etc.
4. A myriad of other reasons

Any return that needs to be reviewed will take "a while" to get worked. We encourage you to keep checking the [IRS Operations and Services](#) page. It was last updated August 3.

It says "Any tax return which requires review, whether it was filed electronically or on paper, may also take longer because many review processes cannot be done virtually."

Is it a good idea to e-file a return that was paper filed and is waiting to be processed? No. It's likely to cause even more delays when we see a duplicate return. Also, the IRS may treat it as a possible ID Theft tax return.

To call PPS or not to call?

We tell you to be patient and wait for the IRS to process paper returns or e-filed returns that need review. And yet some tax pros have called [PPS](#) and gotten help for their client's returns. So, should you call PPS or not?

SL is looking at a small sample of tax returns that were e-filed to see why they have not been processed yet. So far, we have not found a common theme. We hope to have more to share with you next month.

We hesitate to tell tax pros to call PPS for every client that has not received their refund (if they e-filed). On the other hand, if you call PPS and they are able to help your client, report that back to your local SL and we'll tell you next month what we've learned.

EIP Update

Kit asked what to do about people who have not gotten their EIP, especially when you know they qualify for it.

The IRS sent out 160 million payments. The IRS estimates that we got 98% of them right. But 2% of 160 million is 3.2 million.

Here's some advice for what to do:

It depends if they got Notice 1444 or not. If they did NOT get Notice 1444, then they will get EIP when they file their 2020 return. See [EIP FAQ 27](#) "I think the amount of my Economic Impact Payment is incorrect. What can I do? (updated June 10, 2020)".

If they got Notice 1444, they can do a payment trace. But only if they got Notice 1444. See FAQ 47 and 48 [here](#).

Q47. I received Notice 1444 in the mail saying my payment was issued, but I have not received my Payment. What should I do? (updated June 19, 2020)

Q48. How do I request a Payment Trace on my Economic Impact Payment? (added June 19, 2020)

FYI: The IRS takes "one pass" at EIP. If we used 2018 to determine EIP, we don't issue more money when we process 2019. The answer to [EIP FAQ 27](#) says: "The IRS is not able to correct or issue additional payments at this time and will provide further details on IRS.gov on the action people may need to take in the future."

Carmen asked "When is a good time for people to call the EIP line? I have had a couple clients try and call it and they only got a recording."

Answer: Any time you call the IRS, it's best to call early in the day, late in the week. For Economic Impact Payment questions, call 800-919-9835.

If the assistors are busy talking to other taxpayers, your client won't even get the menu option to speak to a representative. At one point, we heard there were 3,500 assistors getting over 1 million calls per day.

The people who are answering the EIP line don't have access to the IRS computer system where they could look up the taxpayer's account. They are assisting people by using the FAQs on IRS.gov:

- EIP FAQs, i.e. [Economic Impact Payment Information Center](#)
- [Get My Payment Frequently Asked Questions](#)
- Try the [Get My Payment](#) tool. Sometimes this produces helpful results. Sometimes not.

Barbara asked "Have you heard if there will be a look up site for the amounts people received from the EIP?"

Answer: We hope so! The IRS has heard the request of many tax pros who have asked the IRS to create a Lookup Tool for the EIP, just like we did for the stimulus payment in 2008. We will keep you posted.

Online accounts

Carmen asked “Are they looking to change some of the questions to accommodate people who don't have a credit card - home loan - or some of the other documents?”

Answer: No. The IRS had a system in place a few years ago where we verified identity by asking “out of wallet” questions. Hackers penetrated that system. The new system (Secure Access) uses “two factor authentication”. Asking for a loan number, credit card number, etc, is part of that process. The IRS realizes that two factor authentication means that not everyone will be able to create an online account. However, it's necessary to make sure the system is secure.

[View Your Account Information](#)

[Secure Access: How to Register for Certain Online Self-Help Tools](#)

Offers in Compromise

Carmen asked “Is the OIC department back up and running? I have tried calling and just got a recording.”

The generic answer is that the OIC units were suspended just like other units at the campuses. OIC workers were not able to safely work at the campus for three months.

Campus employees are returning to work at the campus. The staffing levels were about 25% in late July. The goal is to have 100% staffing in August. But there's still a backlog of work.

There are two places to look for updates on the OIC units:

1) [IRS Operations and Services](#)

Scroll down to Other IRS operations

Click on the link for: SBSE All-Collection Guidance Memo

July 10, 2020, Memorandum For All Collection Executives

FROM: Frederick W. Schindler

SUBJECT: [Expiration of People First Initiative Suspension of Certain Collection Activities](#)

There's information on OICs on the bottom of page 2 and the top of page 3.

2) [People First Initiative – Providing Relief to Taxpayers](#)

Click on Offer in Compromise: [People First Initiative FAQs: Offer in Compromise](#)

When can 1040X be e-filed?

The [IRS announced in May](#) that you should be able to e-file amended returns “later this summer”. Barbara and Velma heard it should be available by August 17. When there's an official announcement, we'll share it asap!

Next Call

The next call will be on September 3, 2020. We'll send out the WebEx link closer to that date. Meetings are one hour long. Come when you can, leave when you must. Thank you to everyone who attended. We appreciate your time and input.