

IRS Issue Management Resolution System – Meeting Notes from 7/7/2022

Upcoming Webinars:

Understanding Form 2290 - Heavy Highway Vehicle Use Tax

This free 120-minute webinar will overview:

- Form 2290 Filing Requirements
 - Form 2290 Due Dates
 - Form 2290 E-Filing Requirements
 - Heavy Highway Vehicle Use Tax: Payment Options
 - Plus, a live Q & A
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Registration: To register for the event, visit the [Internal Revenue Service Webinar Registration](#) website. Questions? Email us at: cl.sl.web.conference.team@irs.gov.
Sponsored By: IRS Stakeholder Liaison

All participants who qualify will receive a Certificate of Completion. Tax Professionals — Earn up to 2 CE Credits. Category: Federal Tax

Closed captioning will be offered.

Date: July 7, 2022

Time: 2 p.m. (ET); 1 p.m. (CT); 12 p.m. (MT); 11 a.m. (Arizona and Pacific); 8 a.m. (Hawaii)

Sale of Partnership Interest: Comprehensive Case Study

This free 90-minute webinar will:

- Review the tax law relating to sale of partnership interest tax issues
 - Gain insight to common sale of partnership interest tax issues by reviewing a comprehensive case study
 - Explain the Service's position with respect to common sale of partnership interest tax issues
 - Plus, a live Q & A
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Registration: To register for the event, visit the [Internal Revenue Service Webinar Registration](#) website. Questions? Email us at: cl.sl.web.conference.team@irs.gov.
Sponsored By: IRS Stakeholder Liaison

Closed captioning will be offered.

All participants who qualify will receive a Certificate of Completion. Tax Professionals — Earn up to 1 CE Credit. Category: Federal Tax.

Date: July 14, 2022

Time: 2 p.m. (ET); 1 p.m. (CT); 12 p.m. (MT); 11 a.m. (PT); 8 a.m. Hawaii

Accessing the IRS: Understanding the Identity Verification Process

This free 75-minute webinar will discuss:

- Improved access to IRS online services
 - What this means for e-Services users
 - IRS's new identity verification and authentication platform
 - Registration overview
 - Key takeaways
 - Plus, a live Q&A
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Registration: To register for the event, visit the [Internal Revenue Service Webinar Registration](#) website. Questions? Email us at: cl.sl.web.conference.team@irs.gov.

Sponsored By: IRS Stakeholder Liaison

All participants who qualify will receive a Certificate of Completion. Tax Professionals — Earn up to 1 CE Credit. Category: Federal Tax.

Closed captioning will be offered.

Date: July 19, 2022

Time: 2 p.m. (ET); 1 p.m. (CT); 12 p.m. (MT); 11 a.m. (Arizona and Pacific); 8 a.m. (Hawaii)

Internal Revenue Service and Federal Trade Commission Presents: Scams, Tax Related Identity Theft and Identity Protection PIN

This free 60-minute webinar is open to all and will cover the following topics:

- Learn about common consumer and tax-related identity theft scams
 - Identify methods for reporting and recovering from Identity Theft
 - Understand how identity thieves trick their victims into providing personally identifiable and financial information
 - Learn about the IRS Identity Protection Personal Identification Number Program
 - Discover how to avoid bad return preparers
 - Hear about resources to protect yourself from identity thieves
 - Plus, a live Q & A
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Registration: To register for the event, visit the [Internal Revenue Service Webinar Registration](#) website.

Questions? Email us at cl.sl.web.conference.team@irs.gov.

Sponsored By: IRS Stakeholder Liaison

CE will not be offered.

Closed captioning will be offered.

Date: July 20, 2022

Time: 2 p.m. (ET); 1 p.m. (CT); 12 p.m. (MT); 11 a.m. (Arizona and Pacific), 8 a.m. (Hawaii)

Understanding Form 1042 - Annual Withholding Tax Return for U.S. Source Income of Foreign Persons

This free 120-minute webinar will cover the following topics:

- Overview of Form 1042
 - Overview of each section of the Form 1042
 - Common Errors on Form 1042
 - Plus, a live Q & A
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Registration: To register for the event, visit the [Internal Revenue Service Webinar Registration](#) website.

Questions? Email us at: cl.sl.web.conference.team@irs.gov.

Sponsored By: IRS Stakeholder Liaison

All participants who qualify will receive a Certificate of Completion. Tax Professionals — Earn up to 2 CE Credits. Category: Federal Tax.

Closed captioning will be offered.

Date: August 4, 2022

Time: 2 p.m. (ET); 1 p.m. (CT); 12 p.m. (MT); 11 a.m. (Arizona and Pacific), 8 a.m. (Hawaii)

The Dirty Dozen represents the worst of the worst tax scams.

[Dirty Dozen | Internal Revenue Service \(irs.gov\)](#)

Tax Tip: [An overview of the IRS's 2022 Dirty Dozen tax scams | Internal Revenue Service](#)

[IRS warns taxpayers of "Dirty Dozen" tax scams for 2022 | Internal Revenue Service](#)

The Internal Revenue Service today began its "Dirty Dozen" list for 2022, which includes potentially abusive arrangements that taxpayers should avoid.

The potentially abusive arrangements in this series focus on four transactions that are wrongfully promoted and will likely attract additional agency compliance efforts in the future. Those four abusive transactions involve charitable remainder annuity trusts, Maltese individual retirement arrangements, foreign captive insurance, and monetized installment sales.

"Taxpayers should stop and think twice before including these questionable arrangements on their tax returns," said IRS Commissioner Chuck Rettig. "Taxpayers are legally responsible for what's on their return, not a promoter making promises and charging high

fees. Taxpayers can help stop these arrangements by relying on reputable tax professionals they know they can trust."

The four potentially abusive transactions on the list are the first four entries in this year's Dirty Dozen series. In coming days, the IRS will focus on eight additional scams, with some focused on the average taxpayer and others focused on more complex arrangements that promoters market to higher-income individuals.

"A key job of the IRS is to identify emerging threats to compliance and inform the public so taxpayers are not victimized, and tax practitioners can provide their clients the best advice possible," Rettig said.

"The IRS views the four transactions listed here as potentially abusive, and they are very much on our enforcement radar screen."

The IRS reminds taxpayers to watch out for and avoid advertised schemes, many of which are now promoted online, that promise tax savings that are too good to be true and will likely cause taxpayers to legally compromise themselves.

Taxpayers, tax professionals and financial institutions must be especially vigilant and watch out for all sorts of scams from simple emails and calls to highly questionable but enticing online advertisements.

The first four on the "Dirty Dozen" list are described in more details as follows:

Use of Charitable Remainder Annuity Trust (CRAT) to Eliminate Taxable Gain. In this transaction, appreciated property is transferred to a CRAT. Taxpayers improperly claim the transfer of the appreciated assets to the CRAT in and of itself gives those assets a step-up in basis to fair market value as if they had been sold to the trust. The CRAT then sells the property but does not recognize gain due to the claimed step-up in basis. The CRAT then uses the proceeds to purchase a single premium immediate annuity (SPIA). The beneficiary reports, as income, only a small portion of the annuity received from the SPIA. Through a misapplication of the law relating to CRATs, the beneficiary treats the remaining payment as an excluded portion representing a return of investment for which no tax is due. Taxpayers seek to achieve this inaccurate result by misapplying the rules under sections 72 and 664.

Maltese (or Other Foreign) Pension Arrangements Misusing Treaty. In these transactions, U.S. citizens or U.S. residents attempt to avoid U.S. tax by making contributions to certain foreign individual retirement arrangements in Malta (or possibly other foreign countries). In these transactions, the individual typically lacks a local connection, and local law allows contributions in a form other than cash or does not limit the amount of contributions by reference to income earned from employment or self-employment activities. By improperly asserting the foreign arrangement is a "pension fund" for U.S. tax treaty purposes, the U.S. taxpayer misconstrues the relevant treaty to improperly claim an exemption from U.S. income tax on earnings in, and distributions from, the foreign arrangement.

Puerto Rican and Other Foreign Captive Insurance. In these transactions, U.S. owners of closely held entities participate in a purported insurance arrangement with a Puerto Rican or other foreign corporation with cell arrangements or segregated asset plans in which the U.S.

owner has a financial interest. The U.S. based individual or entity claims deductions for the cost of "insurance coverage" provided by a fronting carrier, which reinsures the "coverage" with the foreign corporation. The characteristics of the purported insurance arrangements typically will include one or more of the following: implausible risks covered, non-arm's-length pricing, and lack of business purpose for entering into the arrangement.

Monetized Installment Sales. These transactions involve the inappropriate use of the installment sale rules under section 453 by a seller who, in the year of a sale of property, effectively receives the sales proceeds through purported loans. In a typical transaction, the seller enters into a contract to sell appreciated property to a buyer for cash and then purports to sell the same property to an intermediary in return for an installment note. The intermediary then purports to sell the property to the buyer and receives the cash purchase price. Through a series of related steps, the seller receives an amount equivalent to the sales price, less various transactional fees, in the form of a purported loan that is nonrecourse and unsecured.

Taxpayers who have engaged in any of these transactions or who are contemplating engaging in them should carefully review the underlying legal requirements and consult independent, competent advisors before claiming any purported tax benefits. Taxpayers who have already claimed the purported tax benefits of one of these four transactions on a tax return should consider taking corrective steps, such as filing an amended return and seeking independent advice. Where appropriate, the IRS will challenge the purported tax benefits from the transactions on this list, and the IRS may assert accuracy-related penalties ranging from 20% to 40%, or a civil fraud penalty of 75% of any underpayment of tax.

While this list is not an exclusive list of transactions the IRS is scrutinizing, it represents some of the more common trends and transactions that may peak during filing season as returns are prepared and filed. Taxpayers and practitioners should always be wary of participating in transactions that seem "too good to be true."

The IRS remains committed to having a strong, visible, robust tax enforcement presence to support voluntary compliance. To combat the evolving variety of these potentially abusive transactions, the IRS created the Office of Promoter Investigations (OPI) to coordinate Servicewide enforcement activities and focus on participants and the promoters of abusive tax avoidance transactions. The IRS has a variety of means to find potentially abusive transactions, including examinations, promoter investigations, whistleblower claims, data analytics and reviewing marketing materials.

[IRS continues with Dirty Dozen this week, urging taxpayers to continue watching out for pandemic-related scams including theft of benefits and bogus social media posts | Internal Revenue Service](#)

The Internal Revenue Service today kicked off the week with the 5th item on its 2022 annual Dirty Dozen scams warning list, with a sad reminder that criminals still use the COVID-19 pandemic to steal people's money and identity with bogus emails, social media posts and unexpected phone calls, among other things.

These scams can take a variety of forms, including using unemployment information and fake job offers to steal money and information from people. All of these efforts can lead to

sensitive personal information being stolen, with scammers using this to try filing a fraudulent tax return as well as harming victims in other ways.

"Scammers continue using the pandemic as a device to scare or confuse potential victims into handing over their hard-earned money or personal information," said IRS Commissioner Chuck Rettig. "I urge everyone to be leery of suspicious calls, texts and emails promising benefits that don't exist."

The IRS has compiled the annual Dirty Dozen list for more than 20 years as a way of alerting taxpayers and the tax professional community about scams and schemes. The list is not a legal document or a literal listing of agency enforcement priorities. It is designed to raise awareness among a variety of audiences that may not always be aware of developments involving tax administration.

"Caution and awareness are our best lines of defense against these criminals," Rettig added. "Everyone should verify information on a trusted government website, such as IRS.gov."

A common scam the IRS continues to see during this period involves using crises that affect all or most people in the nation, such as the COVID-19 pandemic. Some of the scams for which people should continue to be on the lookout include:

Economic Impact Payment and tax refund scams: Identity thieves who try to use Economic Impact Payments (EIPs), also known as stimulus payments, are a continuing threat to individuals. Similar to tax refund scams, taxpayers should watch out for these tell-tale signs of a scam:

Any text messages, random incoming phone calls or emails inquiring about bank account information, requesting recipients to click a link or verify data should be considered suspicious and deleted without opening. This includes not just stimulus payments, but tax refunds and other common issues.

Remember, the IRS won't initiate contact by phone, email, text or social media asking for Social Security numbers or other personal or financial information related to Economic Impact Payments. Also be alert to mailbox theft. Routinely check your mail and report suspected mail losses to postal inspectors.

Reminder: The IRS has issued all Economic Impact Payments. Most eligible people already received their stimulus payments. People who are missing a stimulus payment or got less than the full amount may be eligible to claim a [Recovery Rebate Credit](#) on their 2020 or 2021 federal tax return. Taxpayers should remember that the IRS website, IRS.gov, is the agency's official website for information on payments, refunds and other tax information.

Unemployment fraud leading to inaccurate taxpayer 1099-Gs: Because of the pandemic, many taxpayers lost their jobs and received unemployment compensation from their state. However, scammers also took advantage of the pandemic by filing fraudulent claims for unemployment compensation using stolen personal information of individuals who had not filed claims. Payments made on these fraudulent claims went to the identity thieves.

Taxpayers should also be on the lookout for a [Form 1099-G](#) reporting unemployment compensation they didn't receive. For people in this situation, the IRS urges them to contact their appropriate state agency for a corrected form. If a corrected form cannot be obtained so that a taxpayer can file a timely tax return, taxpayers should complete their return claiming only the unemployment compensation and other income they actually received. See [Identity Theft and Unemployment Benefits](#) for tax details and [DOL.gov/fraud](#) for state-by-state reporting information.

Fake employment offers posted on social media: There have been many reports of fake job postings on social media. The pandemic created many newly unemployed people eager to seek new employment. These fake posts entice their victims to provide their personal financial information. This creates added tax risk for people because this information in turn can be used to file a fraudulent tax return for a fraudulent refund or used in some other criminal endeavor.

Fake charities that steal your money: Bogus charities are always a problem. They tend to be a bigger threat when there is a national crisis like the pandemic.

Taxpayers who give money or goods to a charity may be able to claim a deduction on their federal tax return. Taxpayers must donate to a qualified charity to get a deduction. To check the status of a charity, use the [IRS Tax Exempt Organization Search tool](#).

Here are some tips to remember about fake charity scams:

- Individuals should never let any caller pressure them. A legitimate charity will be happy to get a donation at any time, so there's no rush. Donors are encouraged to take time to do the research.
- Potential donors should ask the fundraiser for the charity's exact name, web address and mailing address, so it can be confirmed later. Some dishonest telemarketers use names that sound like large well-known charities to confuse people.
- Be careful how a donation is paid. Donors should not work with charities that ask them to pay by giving numbers from a gift card or by wiring money. That's how scammers ask people to pay. It's safest to pay by credit card or check — and only after having done some research on the charity.

For more information about avoiding fake charities, visit the [Federal Trade Commission website](#).

[Dirty Dozen: IRS urges anyone having trouble paying their taxes to avoid anyone claiming they can settle tax debt for pennies on the dollar, known as OIC mills | Internal Revenue Service](#)

As the 6th item on the 2022 "Dirty Dozen" scams warning list, the Internal Revenue Service today cautioned taxpayers with pending tax bills to contact the IRS directly and not go to unscrupulous tax companies that use local advertising and falsely claiming they can resolve unpaid taxes for pennies on the dollar.

"No one can get a better deal for taxpayers, than they can usually get for themselves by working directly with the IRS to resolve their tax issues," said IRS Commissioner Chuck Rettig. "Taxpayers can check online for their best deal, as well as calling a specialized

collection line where they can get fast service by using voice and chat bots or opting to speak with a live phone assistor."

Offer in Compromise (OIC) "mills" make outlandish claims usually in local advertising regarding how they can settle a person's tax debt for pennies on the dollar. The reality usually is that taxpayers pay the OIC mill a fee to get the same deal they could have gotten on their own by working directly with the IRS.

The IRS has compiled the annual Dirty Dozen list for more than 20 years as a way of alerting taxpayers and the tax professional community about scams and schemes. The list is not a legal document or a literal listing of agency enforcement priorities. It is designed to raise awareness among a variety of audiences that may not always be aware of developments involving tax administration.

OIC mills are a problem all year long but tend to be more visible right after the filing season is over and taxpayers are trying to resolve their tax issues perhaps after receiving a balance due notice in the mail.

For those who feel they need help, there are many reputable tax professionals available, and there are important tools that can help people find the right practitioner for their needs. IRS.gov is a good place to start scoping out what to do.

These "mills" contort the IRS program into something it's not — misleading people with no chance of meeting the requirements while charging excessive fees, often thousands of dollars.

An "offer," or OIC, is an agreement between a taxpayer and the IRS that resolves the taxpayer's tax debt. The IRS has the authority to settle, or "compromise," federal tax liabilities by accepting less than full payment under certain circumstances. However, some promoters are inappropriately advising indebted taxpayers to file an OIC application with the IRS, even though the promoters know the person won't qualify. This costs honest taxpayers money and time.

Before taxpayers start investing time to do the paperwork necessary to submit an offer, they'll want to check out the IRS's [Offer in Compromise Pre-Qualifier Tool](#) to make sure they're eligible to file one. (Note: even though individuals and businesses can submit an offer, the tool is currently only available to individuals.)

The IRS also created an OIC video playlist that leads taxpayers through a series of steps and forms to help them calculate an appropriate offer based on their assets, income, expenses and future earning potential. Find these helpful, easy to navigate videos at irsvideos.gov/oic.

The IRS reminds taxpayers that under the First Time Penalty Abatement policy, taxpayers can go directly to the IRS for administrative relief from a penalty that would otherwise be added to their tax debt.

OIC mills are one example of unscrupulous tax preparers. Taxpayers should be wary of unscrupulous "ghost" preparers and aggressive promises of manufacturing a bigger refund.

Ghost preparers: Although most tax preparers are ethical and trustworthy, taxpayers should be wary of preparers who won't sign the tax returns they prepare, often referred to as ghost preparers. For e-filed returns, the "ghost" will prepare the return, but refuse to digitally sign as the paid preparer.

By law, anyone who is paid to prepare, or assists in preparing federal tax returns, must have a valid Preparer Tax Identification Number (PTIN). Paid preparers must sign and include their PTIN on the return.

Inflated refunds: Not signing a return is a red flag that the paid preparer may be looking to make a quick profit by promising a big refund or charging fees based on the size of the refund.

Unscrupulous tax return preparers may also:

- Require payment in cash only and will not provide a receipt.
- Invent income to qualify their clients for tax credits.
- Claim fake deductions to boost the size of the refund.
- Direct refunds into their bank account, not the taxpayer's account.

Choose wisely. The [Choosing a Tax Professional page](#) on IRS.gov has information about tax preparer credentials and qualifications. The [IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) can help identify many preparers by type of credential or qualification.

Taxpayers are legally responsible for what's on their tax return even if it is prepared by someone else.

[Dirty Dozen: Scammers use every trick in their communication arsenal to steal your identity, personal financial information, money and more | Internal Revenue Service \(irs.gov\)](#)

Suspicious communications in all its forms designed to either trick, surprise or scare someone into responding before thinking is No. 7 on the 2022 "Dirty Dozen" scams warning list, the Internal Revenue Service announced today, warning everyone to be on the lookout for bogus calls, texts, emails and posts online to gain trust or steal.

Criminals have used these methods for years and they persist because these tricks work enough times to keep the scammers at it. Victims are tricked into providing sensitive personal financial information, money or other information. This can be used to file false tax returns and tap into financial accounts, among other schemes.

"If you are surprised or scared by a call or text, it's likely a scam so proceed with extreme caution," said IRS Commissioner Chuck Rettig. "I urge everyone to verify a suspicious email or other communication independently of the message in question."

The IRS has compiled the annual Dirty Dozen list for more than 20 years as a way of alerting taxpayers and the tax professional community about scams and schemes. The list is not a legal document or a literal listing of agency enforcement priorities. It is designed to raise awareness among a variety of audiences that may not always be aware of developments involving tax administration.

As part of the Security Summit effort with the states and the nation's tax industry, the IRS has made great strides in preventing and reducing tax-related identity theft. But it remains a serious threat to taxpayers and tax professionals who don't adequately protect Social Security numbers (SSN) and other personal information.

For example, criminals can quickly file a fake tax return using a stolen SSN in the hope that it has not already appeared on another filed return. People frequently don't know they are a victim of identity theft until they are notified by the IRS of a possible issue with their tax return or their return is rejected because the SSN appears on a return already filed.

Here are some common scams the IRS continues to see. Taxpayers should take extra caution with these schemes, which continue to evolve and change:

Text message scams: These scams are sent to taxpayers' smartphones and can reference things like COVID-19 and/or "stimulus payments." These messages often contain bogus links claiming to be IRS websites or other online tools. Other than IRS Secure Access, the IRS does not use text messages to discuss personal tax issues, such as those involving bills or refunds. The IRS also will not send taxpayers messages via social media platforms.

If a taxpayer receives an unsolicited SMS/text that appears to be from either the IRS or a program closely linked to the IRS, the taxpayer should take a screenshot of the text message and include the screenshot in an email to phishing@irs.gov with the following information:

- Date, time and time zone they received the text message
- Phone number that received the text message
- The IRS reminds everyone NOT to click links or open attachments in unsolicited, suspicious or unexpected text messages whether from the IRS, state tax agencies or others in the tax community.

Email phishing scams: The IRS does not initiate contact with taxpayers by email to request personal or financial information. The IRS initiates most contacts through regular mail. If a taxpayer receives an unsolicited fraudulent email that appears to be from either the IRS or a program closely linked to the IRS, report it by sending the email as an attachment to phishing@irs.gov. The [Report Phishing and Online Scams page](#) at IRS.gov provides complete details.

Phone scams: The IRS does not leave pre-recorded, urgent or threatening messages. In many variations of the phone scam, victims are told if they do not call back, a warrant will be issued for their arrest. Other verbal threats include law-enforcement agency intervention, deportation or revocation of licenses.

Criminals can fake or "spoof" caller ID numbers to appear to be anywhere in the country, including from an IRS office. This prevents taxpayers from being able to verify the caller's true number. Fraudsters also have spoofed local sheriff's offices, state departments of motor vehicles, federal agencies and others, to convince taxpayers the call is legitimate.

The IRS (and its authorized private collection agencies) will never:

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer. The IRS does not use these methods for tax payments.
- Threaten to immediately bring in local police or other law-enforcement groups to have the taxpayer arrested for not paying.
- Demand that taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed.
- Ask for credit or debit card numbers over the phone.

Generally, the IRS will first mail a bill to any taxpayer who owes taxes. All tax payments should only be made payable to the U.S. Treasury and checks should never be made payable to third parties. For anyone who doesn't owe taxes and has no reason to think they do: Do not give out any information. Hang up immediately. For more information, see [IRS warning: Scammers work year-round; stay vigilant.](#)

[Dirty Dozen: IRS, Security Summit reiterate recent warning to tax professionals and other businesses of dangerous spear phishing attacks | Internal Revenue Service](#)

The Internal Revenue Service today announced that spear phishing is the 8th item on the 2022 "Dirty Dozen" scams warning list and a serious problem because it can be tailored to attack and steal the computer system credentials of any small business with a client data base, such as tax professionals' firms.

"Tax professionals generally relax a little after filing season and many take a well-deserved vacation but don't let your IT defenses down," said IRS Commissioner Chuck Rettig. "Spear phishing remains one of the biggest threats to the tax industry and other client-based enterprises."

Spear phishing is an email scam that attempts to steal a tax professional's software preparation credentials. These thieves try to steal client data and tax preparers' identities in an attempt to file fraudulent tax returns for refunds. Spear phishing can be tailored to attack any type of business or organization, so everyone needs to be on the lookout and not rush to act when a strange email comes in.

The IRS has compiled the annual "Dirty Dozen" list for more than 20 years as a way of alerting taxpayers and the tax professional community about scams and schemes. The list is not a legal document or a literal listing of agency enforcement priorities. It is designed to raise awareness among a variety of audiences that may not always be aware of developments involving tax administration.

"Dirty Dozen" scams tend to be most prevalent during the filing season but criminals are busy all year long.

The IRS, state tax agencies and the nation's tax community – working together as the Security Summit – continue to see an increase in this scheme attacking the tax professional community.

The latest phishing email uses the IRS logo and a variety of subject lines such as "Action Required: Your account has now been put on hold." The IRS has observed similar bogus

emails that claim to be from a "tax preparation application provider." One such variation offers an "unusual activity report" and a solution link for the recipient to restore their account.

Emails claiming "Your account has been put on hold" are scams. The scam email will send users to a website that shows the logos of several popular tax software preparation providers. Clicking on one of these logos will prompt a request for tax preparer account credentials.

The IRS warns tax pros not to respond or take any of the steps outlined in the email. Similar emails include malicious links or attachments that are set up to steal information or to download malware onto the tax professional's computer.

In this case, if recipients enter their credentials into the pop-up window, thieves can use this information to file fraudulent returns by using credentials that were provided by the tax professional. For more information, see [Latest spear phishing scams target tax professionals](#).

You can also find the prior year information on the IRS Dirty Dozen at [IRS.gov/DirtyDozen](https://www.irs.gov/DirtyDozen).
[Dirty Dozen | Internal Revenue Service \(irs.gov\)](#)

State Updates:

Colorado – Amber Egbert

- Colorado is in the process of updating returns for legislation that passed. We do still intend to provide a practitioner training in the fall with more information about what legislation passed in Colorado and what the changes mean for filing. I hope to have more information to share about that training offering in the coming months.

Illinois – Maribeth Oliver

- IL is starting to issue rebate checks

Iowa – Kurt Konek

- Jan, 28th, 2022 – Order 2022-02 extends due date for filing composite tax return for short years for pass-through entities.

Minnesota – Mark Krause

- There is a new [Tax Due Dates webpage](#) on our website that aggregates all due dates from all tax types. Please provide your feedback if you check it out using the link at the top of the webpage.

Missouri – No updates

Montana – No updates

Nebraska – No updates

North Dakota – No updates

Wisconsin – No updates

Questions from Chat

Question: Mileage rate, do the rates apply to electric vehicles?

Answer: Yes – the standard mileage rates apply to electric vehicles. Full details on the increase can be found here: [IRS increases mileage rate for remainder of 2022 | Internal Revenue Service](#)

Question: Is finger printing required for CPAs and PTIN holders?

Answer: Beginning September 25, 2022, the IRS will implement a new electronic fingerprinting process for e-file applicants. Individuals will be required to use the IRS authorized vendor for fingerprinting. Each new Principal and Responsible Official listed on a new e-file application or added to an existing application needing fingerprints, must schedule an appointment with the IRS authorized vendor.

The IRS will provide additional information about the new fingerprinting process on September 25, 2022. Please continue to check the [Become an Authorized e-file Provider](#) webpage for the most up-to-date information.

According to below link on IRS.gov on Step #2: <https://www.irs.gov/e-file-providers/become-an-authorized-e-file-provider>, a CPA has to provide information to IRS but not fingerprints. This information has been provided when CPAs ask this question on the new Electronic Fingerprint Process

Question: What is the current status of automated liens?

Answer: Most Collection enforcement programs (including the systemic and automated lien and levy programs, and automated levy programs such as the Federal Payment Levy Program and the State Income Tax Levy Program) are currently paused. Field Collection revenue officers are assigned specific taxpayer cases and are operating with their normal authorities. [IRS Operations During COVID-19: Mission-critical functions continue | Internal Revenue Service](#)

Question: Some notices are being sent with changes and no explanation for form 1120. Then when we try to get in touch with IRS, we get the standard message we cannot take calls at this time (lines all full). Suggestions on how to get through, and second, why aren't explanations included when changes are made to overpayments?

Answer: Use the [Taxpayer Roadmap](#) to learn more about your client's notice, including an explanation and what response is needed.

Question: There are a lot of changes to field officers and contact information is no longer valid. Is there a contact book for Revenue Officers, Appeals Officers, Settlement Officers?

Answer: Unfortunately, there is no external directory available for field collection or appeals personnel. The employee or department to contact will be listed on the latest notice received. If that employee is no longer with the IRS or you are having a hard time getting in touch with them, you can contact your local IRS Stakeholder Liaison to try to reach that employee or their manager. We can look up an employee by their employee number or name. We will then let the employee or their manager know that you are trying to get in touch with them.

Question: Do you happen to know the backlog now for processing 2021 Forms 1040 hard copies which are mailed in?

Answer: Tax returns are opened and processed in the order received. The IRS is opening mail within normal timeframes and all paper and electronic individual returns received prior to December 2021 have been processed if the return had no errors or did not require further review. Also, if the return requires special handling (like responding back to an IRS letter), it can take as long as 360 days. See “Victims of Identity Theft who Sent a Form 14039 or Form 14039-B, Identity Theft Affidavit” at: [IRS Operations During COVID-19: Mission-critical functions continue | Internal Revenue Service](#)

Question: What is holding up e-filed 1040 refunds? For example, a return filed 4/8/2022?

Answer: Tax returns are opened and processed in the order received. As the return is processed, whether it was filed electronically or on paper, it may be delayed because it has a mistake including errors concerning the Recovery Rebate Credit and the Child Tax Credit, is missing information, or there is suspected identity theft or fraud. If we can fix it without contacting you, we will. If we need more information or need you to verify that it was you who sent the tax return, we will write you a letter. The resolution of these issues could take 90 to 120 days. In most instances, no further action is needed but you may check [Where’s My Refund?](#) or you can view your [Online Account](#).

Question: Is there official guidance for taxpayers that are receiving CP14s showing a balance is owed even though they filed timely and paid in full.

Answer: Not at this time. Stakeholder Liaison has elevated this issue as numerous inquiries have been received.

Question: If a 2021 Form 1040 is filed now by hard copy, how long do you think it will take to get processed. And a refund issued?

Answer: The IRS understands the importance of timely processing of tax returns and refund issuance. We have processed all error free returns received prior to December 2021 and continue to work the returns that need to be manually reviewed due to errors. We are continuing to reroute tax returns and taxpayer correspondence from locations that are behind to locations where more staff is available, and we are taking other actions to minimize any delays. Tax returns are opened and processed in the order received. Also, if the return requires special handling (like responding back to an IRS letter), it can take as long as 360 days (see [IRS Operations During COVID-19: Mission-critical functions continue](#)).

Question: What are the stages for manual filing? Why can't the system show that a return is in process when you check for a refund -- especially when it was filed several months ago?

Answer: A paper return must be entered manually into the system before we have any information. We don't know that we have it until it's in process. Refer to the IRS Operations During COVID page for current backlog inventory levels.

Question: How long should it take for a manually filed return via Certified Mail just before mid March with no special circumstances?

Answer: The IRS is opening mail within normal timeframes and all paper and electronic individual returns received prior to December 2021 have been processed if the return had no errors or did not require further review.

IRS representatives can research the status of your return only if:

- It's been more than 21 days since you received your e-file acceptance notification,
- It's been more than 6 months since you mailed your paper return, or
- The [Where's My Refund?](#) tool says we can provide more information to you over the phone.

[Tax Season Refund Frequently Asked Questions | Internal Revenue Service \(irs.gov\)](#)

Question: We filed an administrative appeal in July 2021 covering two tax years. The IRS system only processed the appeal under one tax year and is now trying to collect on the other year. What can we do in this situation?

Answer: Please contact the Taxpayer Advocate Office for assistance by faxing a [Form 911](#) to your [Local Taxpayer Advocate office](#).

Question: When decedent's tax returns have to be filed by paper due to court-appointed personal representative, is there any way to speed up processing for receipt of refunds? Estates are being held open into second fiscal years due to late refunds rather than closing in one fiscal year, which would be more cost-efficient.

Answer: The IRS understands the importance of timely processing of tax returns and refund issuance. We have processed all error free returns received prior to December 2021 and continue to work the returns that need to be manually reviewed due to errors. We are continuing to reroute tax returns and taxpayer correspondence from locations that are behind to locations where more staff is available, and we are taking other actions to minimize any delays. Tax returns are opened and processed in the order received. If this is causing a financial hardship, you can contact Taxpayer Advocate to see if this would qualify for an expedited refund.

Question: Was there an answer regarding 2020 returns that were e-filed (2/15/2021) and now they show up on the account transcript as not filed? They also responded to the ID verify (5/2021). The 911 is for hardship and of course not qualifying as hardship. How do I proceed?

Answer: Please contact the Taxpayer Advocate Office and submit Form 911. Section 7, box (5) may apply to this situation: (5) The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem.

Next First Thursday Meeting – Thursday August 4, 2022