**First Thursday Minutes**

**October 1, 2020**

**Attendees**:

**Tax Professionals**

Barbara Steponkus, NATP Wisconsin

Bill Kelly, Fluegel Law Firm

Brad Decker, Illinois

Brad Voght, WI CPA

Carmen Van Der Leest, Wisconsin Judicare Inc.

Carrie Bareis, Liberty Tax in IL, IA, & MO

Carrie Christensen, Ketel Thorstenson, LLP in Rapid City, SD

Catherine Murphy, Missouri Society of Accountants

Connie Sue Stimart, Wisconsin Society of Enrolled Agents

Craig Stier

Dana Weber

Darrel Beadle, Institute of Management Accountants, IL & MO

Debbie Jessee, Martin Tax and Financial Services, Independence, MO

Elizabeth Green, Accountants Association of Iowa

Eric Hansen, Nebraska Society of Independent Accountants

Gail Bates, Lewis, Kisch & Associates, Ltd., MN

Jacob Borash, Minnesota Society of Enrolled Agents

James Hockenberry, Back to Basics Income Tax Seminars

Janet Moch, Farm Credit Services of Mandan ND

Jeff Dvorachek, Hawkins Ash in WI and MN

Jessica Gatzke, WI CPA and Scribner Cohen & Company in Milwaukee WI

Jill Wrensch, Marshfield, WI office of Hawkins Ash CPAs LLP

JoAnn Schoen, Accounting & Tax Associates in MN, also NATP MN

Jodee Paape, Twin Cities Tax Professional Discussion Group

Jodi Eckhout, Woods & Durham, Holdrege, NE

Judy Lashinski, Minnesota Society of Enrolled Agents

Kathy Reiniger, H&R Block in Fargo, ND

Kendra Privratsky, Farm Credit Services of Mandan ND

Kevin Hayes, Chicago KLH Management Co

Kim Gorman, Missouri Department of Revenue

Larry Gillette, Illinois Society of Enrolled Agents

Laura James, Kimberly-Clark Corporation

Laura Merschman - NATP Iowa

Pam Geiger, Farm Credit Services of Mandan ND

Pamela Rethemeyer, Missouri Society of Accountants, St Louis

Pat Calvert, Frankel Zacharia in Omaha, NE

Portia Vogt, NATP Minnesota

Richard Allen, Independent Accountants Association of Illinois

Richard Kollauf, WI CPA

Ronald Berman, WI CPA

Ruth Ann Michnay, Twin Cities Tax Professional Discussion Group, MN

Ruth Graff, ND CPA Society

Sandra Siegel, Illinois Society of Enrolled Agents?

Shania Murphy, Farm Credit Services of Mandan ND

Sheryl Gorman

Steff Haring, H&R Block in Montana

Susan Dukes

Teresa Moore, WY Assoc of Public Accountants from Torrington, WY

Todd Koch, Twin Cities Tax Professional Discussion Group, and MN CPA

Tracy Danzer, NATP Illinois

Vivian Shockley, Martin Tax & Financial Services

**Departments of Revenue**

MN Mark Krause, Halla Elrashidi, Allyson Casseday

IA Kurt Konek

ND Liliya Montgomery

WI Nate Weber

NE Fran Krejci

MO Kim Gorman

**Internal Revenue Service**

Karen Brehmer, SL in Minnesota, Karen.A.Brehmer@irs.gov

Kathleen Fox, SL in Kansas, Kathleen.M.Fox@irs.gov

Kristen Hoiby, Area 6 Manager in Seattle WA

**Welcome**

Karen Brehmer welcomed everyone to the call. She asked everyone to enter in chat the name of the tax professional group you belong to, or the tax firm you work for, or both. Also the state where you work. We have tax pros from 12 states on this call: MN, ND, SD, IA, WI, IL, MO, OK, KS, NE, MT, and WY. If the information listed above for you is incorrect, let your local SL know.

**Webinars**

**Foreign Tax Credit Common Issues – October 22, 2020**

Register here: <https://www.webcaster4.com/Webcast/Page/1148/37845>

**Foreign Tax Credit Creditability Around the Globe – October 29, 2020**

Register here: <https://www.webcaster4.com/Webcast/Page/1148/37849>

Please check [Webinars for Tax Practitioners](https://www.irs.gov/businesses/small-businesses-self-employed/webinars-for-tax-practitioners) for updates

**Recently Posted to the IRS Video Portal** [**www.irsvideos.gov**](http://www.irsvideos.gov)

Topic: **Understanding Third Party Authorizations - Power of Attorney Form 2848**

Aired: Thursday, August 27, 2020

View: [**IRS Video Portal**](https://www.irsvideos.gov/Webinars/UnderstandingThirdPartyAuthorizations-PowerOfAttorneyForm2848)

Topic: **Tax Cuts and Jobs Act Update: Opportunity Zones**

Aired: Thursday, September 3, 2020

View: [**IRS Video Portal**](https://www.irsvideos.gov/Individual/Resources/TaxCutsAndJobsActTCJAUpdateOpportunityZones)

The full transcript is provided as closed captioning and the PowerPoint is posted for downloading under the “Slides PDF” link.

**Discussion items**

* IR-2020-203, September 8, 2020: [IRS to mail special letter to estimated 9 million non-filers, urging them to claim Economic Impact Payment by Oct. 15 at IRS.gov](https://www.irs.gov/newsroom/irs-to-mail-special-letter-to-estimated-9-million-non-filers-urging-them-to-claim-economic-impact-payment-by-oct-15-at-irsgov)
* IR-2020-214, September 17, 2020:  [IRS releases state-by-state breakdown of nearly 9 million non-filers who will be mailed letters about Economic Impact Payments](https://www.irs.gov/newsroom/irs-releases-state-by-state-breakdown-of-nearly-9-million-non-filers-who-will-be-mailed-letters-about-economic-impact-payments)
	+ Zip code data available as well. See separate Excel spreadsheet.
* COVID Tax Tip 2020-128, September 29, 2020:  [Here’s how to get the status of an Economic Impact Payment](https://www.irs.gov/newsroom/heres-how-to-get-the-status-of-an-economic-impact-payment) (Good tips on the Get My Payment tool and the messages you might see.)
* **ANNOUNCED AFTER OUR MEETING:** [**IRS extends Economic Impact Payment deadline to Nov. 21 to help non-filers**](https://www.irs.gov/newsroom/irs-extends-economic-impact-payment-deadline-to-nov-21-to-help-non-filers)

**Small Business Week:**

* IR-2020-218, September 22, 2020:  [IRS highlights online resources during Small Business Week; many resources available in multiple languages](https://www.irs.gov/newsroom/irs-highlights-online-resources-during-small-business-week-many-resources-available-in-multiple-languages)
* IR-2020-221, September 24, 2020: [IRS highlights employer credits for businesses during Small Business Week](https://www.irs.gov/newsroom/irs-highlights-employer-credits-for-businesses-during-small-business-week)
* More info on “Small Business Week” page on IRS.gov <https://www.irs.gov/newsroom/small-business-week>

**Languages**

* IR-2020-204, September 9, 2020: [IRS expands tax help into more languages; Form 1040 offered in Spanish and more services, information available in multiple languages](https://www.irs.gov/newsroom/irs-expands-tax-help-into-more-languages-form-1040-offered-in-spanish-and-more-services-information-available-in-multiple-languages)
* Other languages: <https://www.irs.gov/help/languages>

**Other topics:**

* IR-2020-212, September 16, 2020:  [IRS reminds taxpayers and practitioners of expedited letter ruling procedures](https://www.irs.gov/newsroom/irs-reminds-taxpayers-and-practitioners-of-expedited-letter-ruling-procedures)

**State Departments of Revenue**

**Minnesota - Mark Krause. MN homepage:** [**https://www.revenue.state.mn.us**](https://www.revenue.state.mn.us)

* [We posted the script from the September 15th webinar](https://www.revenue.state.mn.us/sites/default/files/2020-09/Webinar%20Script%20for%20Tax%20Professionals%202020%20FINAL.pdf) to our [Tax Law Changes](https://www.revenue.state.mn.us/tax-law-changes) webpage along with a document that summarizes the forms changes for 2020.

* We will be posting forms instructions in October so keep an eye out on the [draft forms page](https://www.revenue.state.mn.us/draft-forms-and-instructions) for updates. The date the form was last updated is next to the form name.
* Business and Individual tax FAQs are going through the review process and we will be posting soon.

**Iowa – Kurt Konek. IA homepage:** [**https://tax.iowa.gov/**](https://tax.iowa.gov/)

1. Governor’s extended bar closures through 10/5
	1. Bars in Johnson and Story Counties closed another week
		1. No sales or withholding tax due during extended period
2. Important Upcoming Due Dates News Release
	1. <https://tax.iowa.gov/important-upcoming-iowa-department-revenue-tax-deadline-0>
		1. Tax return due dates
		2. 3rd quarter estimates
3. Forms updates
4. Audit update

**Wisconsin – Nate Weber. WI homepage** [**https://www.revenue.wi.gov**](https://www.revenue.wi.gov)

* Draft 2020 tax forms are available: <https://www.revenue.wi.gov/Pages/Form/2020-TaxForms.aspx>
* Sign up for WI Tax Update Seminars this fall (sign up starts next week) <https://www.revenue.wi.gov/Pages/Training/FallTaxUpdates.aspx>
* We Are All In Small Business Grant Program – check back next week for detailed info (online application Oct 19 – Nov 2): <https://www.revenue.wi.gov/pages/home.aspx>
* 2020 individual income tax rates will be reduced for the additional sales tax revenues received from out-of-state retailers and marketplace providers – rates will be determined by November 10. See article in [Wisconsin Tax Bulletin 206](https://www.revenue.wi.gov/WisconsinTaxBulletin/206-07-19-WTB.pdf) titled *Additional Individual and Fiduciary Income Tax Rate Decrease*

**Illinois – Vicki Clark. IL homepage** [**https://www.illinois.gov**](https://www.illinois.gov/)

**Kansas. KS homepage** [**https://www.ksrevenue.org/**](https://www.ksrevenue.org/)

**Missouri – Kim Gorman. MO homepage** <https://dor.mo.gov/>

**Nebraska – Fran Krejci. NE homepage** [**https://revenue.nebraska.gov/**](https://revenue.nebraska.gov/)

**North Dakota – Liliya Montgomery. ND homepage** <https://www.nd.gov/tax/>

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

**Your issues and questions**

**Using Google to find things on IRS.gov**

A tax pro commented: “Google is a good resource. I use it all the time. Practitioners need to keep being reminded to type questions into Google. I have members calling me when the answer is there in Google.”

Search tips: Many times you can find what you need by using the search box on IRS.gov.

Also consider using Google or any search engine to find things on IRS.gov. This is especially useful when you know something is on IRS.gov but you can’t find it using the IRS.gov search box.

For example, use Google to search for things like Notices, Rev Procs (Revenue Procedures), or Revenue Rulings. In Google’s search box, type “IRS Notice 2020-65” to find a link to IRS.gov of the Notice itself, or articles written tax or accounting organizations where they share their explanation of the Notice or Procedure.

Enter the most important key words you can think of. Enter “IRS” first. For example, enter “IRS EIP Deadline” in Google and it will lead to an article on IRS.gov about the extended deadline.

Google also offers “People also ask” right below the first link. That’s very helpful when I have entered terms that are close to what I’m looking for, but not quite what I should have entered. Check out that feature!

**EIP**

Richard Allen asked: A single person e-filed his 2019 return in early April has not received a stimulus payment. He calls the IRS, but they keep saying it’s in process, and they don't know why the EIP has not been sent. The taxpayer had a balance due on the return, and the payment has been processed.

Kathleen reminded us that if even if the tax return payment has been processed, that does not mean the tax return has been processed. The 2019 return could be in-house but held up in processing. There are a number of reasons a return can be delayed in processing. At this point, it’s a good idea to get a 2848 and call [PPS](https://www.irs.gov/tax-professionals/practitioner-priority-service-r) to find out what’s going on with the return. Once the return is processed, the EIP should be issued based on his 2019 return.

**Please note, if the EIP was determined based on his 2018 return, the IRS will not issue more EIP based on the 2019 return.**

See these FAQs:

[Q B9. If the IRS used my 2018 tax return and determined that I am not eligible for a payment, and I later file my 2019 tax return that changes my eligibility, will the IRS issue a payment in 2020 based on the 2019 tax return? (updated September 24, 2020)](https://www.irs.gov/newsroom/economic-impact-payment-information-center-topic-b-requesting-my-economic-impact-payment#collapseCollapsible1601556133325)

A9. No. If the IRS determined that you were ineligible for a payment based on your 2018 tax return prior to your filing a 2019 return, the IRS will not issue you a payment in 2020. If you meet the eligibility requirements based on your tax information in 2020, you may claim a credit in 2021 when you file your 2020 federal income tax return.

[Economic Impact Payment Information Center — Topic F: Payment Issued but Lost, Stolen, Destroyed or Not Received](https://www.irs.gov/newsroom/economic-impact-payment-information-center-topic-f-payment-issued-but-lost-stolen-destroyed-or-not-received)

**EIP Look-Up Tool**

James Hockenberry asked if the IRS is going to have an EIP Look-Up Tool. The IRS created a Look-Up Tool for the stimulus payment in 2008, so tax pros are hoping the IRS will do it again for EIP.

Answer: No word yet. Tax pros have asked for a look up tool, and that suggestion has been made using IMRS.

At this time, the IRS advises taxpayers to save Notice 1444 and give that to their tax professional. Tax pros counter with two things: many people did not get Notice 1444 even though they did get their EIP, and many taxpayers have already thrown away Notice 1444.

We suggest that you make your request to the leaders of your tax professional organization, and ask them to deliver the request to the IRS through their channels. That way, the request reaches the IRS in a variety of ways.

**PPP loans**

Todd Koch said taxpayers need more information on how to treat PPP loans. The IRS has issued [**Notice 2020-32**](https://www.irs.gov/pub/irs-drop/n-20-32.pdf) but it does not answer all the questions they have.

See the SBA website: [**Paycheck Protection Program**](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program)

The SBA issued updated FAQs for PPP loan forgiveness on October 13:

[Frequently Asked Questions about PPP Loan Forgiveness (10-13-2020)](https://www.sba.gov/document/support-frequently-asked-questions-ppp-loan-forgiveness)

Comments made by tax pros regarding the need for clarity on PPP loan forgiveness:

* If forgiveness happens in 2021, do you not deduct expenses in 2021 (the year of forgiveness) or do you not deduct the expenses listed on the forgiveness form (the year of payment) which will be in 2020?
* Most forgiveness on PPP will happen in 2021. SBA has issued no decisions on forgiveness and only 2% of the people have applied for forgiveness so most decisions may happen in 2021.
* There are a lot of clients still waiting to apply for forgiveness in 2021 in hopes they can defer the non-deductibility for another year.
* Yes, we definitely need more info on the forgiveness dilemma.
* We are entering in as A LOAN and we are deducting all 2020 expenses. Then in 2021 we are dealing with forgiveness. Because until a loan forgiveness letter is in hand, it is still a LOAN and the expenses occurred in 2020.
* Most of the tax seminar speakers are saying hold off on PPP forgiveness, and they also tell you how to handle this issue if it goes into 2021.
* I agree. All CPE classes attended have advised WAIT!
* Without a CHANGE IN ACCOUNTING METHOD, we are following the normal accounting method.
* Also, I see lots of amended returns coming the IRS way... hope the IRS is ready!
* SBA is advising banks to advise companies to hold off on applying for forgiveness. SBA guidance will be simplified and changed with the next COVID relief bill.
* As I understand it, the SBA wants forgiveness applications only after the full period for forgiveness is complete so at the end of 8 weeks or 24 weeks. Then they can apply. In our area, banks are holding off to wait and see if the automatic forgiveness for under 150k goes through.

**CARES Acts Grants, Form 1099-G, Form 1099-C**

Connie Sue Stimart asked about taxable grants issued by the states, etc. Here’s some additional information:

**CARES Act grants are taxable. More details to follow about Form 1099-G.**

Under the CARES Act, money was paid to States. The States may have given grants to businesses. Or the States gave the money to Counties, or to various economic development agencies. The money was given to business owners, or possibly to a third party on behalf of the business owner.

Is the grant taxable? Yes. See [**CARES Act Coronavirus Relief Fund frequently asked questions**](https://www.irs.gov/newsroom/cares-act-coronavirus-relief-fund-frequently-asked-questions)**.**

Should [**Form 1099-G**](https://www.irs.gov/forms-pubs/about-form-1099-g)be issued to the business? Probably, but we’re working on clarifying that and issuing guidance to the States, Counties, and economic development organizations.

If Form 1099-G should be issued, who should it be issued to? The business, or the entity that got the money? For example, a business needed money to pay rent. In some cases, the grant money was given to the business owner and they paid it to the landlord.  In other cases, the grant money was paid directly to the landlord on behalf of the business that had past due rent. Who should the 1099-G be issued to? That question is not addressed yet, but we’ve asked for it to be addressed.

**If you have other questions about CARES Act Grants or issuing Form 1099-G for taxable grants, send them to your local SL and we’ll work on providing answers using IMRS.**

**Banks should not issue Form 1099-C for Cancellation of Debt for a PPP Loan that’s forgiven.**

The CARES Act allows qualifying small business owners to receive Paycheck Protection Program (PPP) loans in order to stay in business and pay their employees during the Coronavirus epidemic.

Recipients of these loans are eligible for forgiveness of all – or a portion of these loans – if the loan proceeds are used in accordance with the CARES Act.

[**Announcement 2020-12**](https://www.irs.gov/pub/irs-drop/a-20-12.pdf) notifies lenders who make PPP loans (that are later forgiven under the CARES Act) that they are not required to, and should not file information returns or furnish payee statements to report the forgiveness. (In other words, the bank should not issue Form 1099-C.)

**5071C and CP301**

[Understanding Your 5071C Letter](https://www.irs.gov/individuals/understanding-your-5071c-letter)

[Understanding Your CP301 Notice](https://www.irs.gov/individuals/understanding-your-cp301-notice)

Jodi Eckhout said:

“We had a client receive Letter 5071C stating that a return had been filed using their SSN and the IRS needed to verify their identity before processing the return. In attempting to verify identity, the Identity Verification process didn’t work because the client has no student loan, mortgage, car loan, etc. He has a credit card, but it’s in the name Bill but his legal first name is William. (See [Identity Verification for IRS Letter Recipients](https://www.irs.gov/identity-theft-fraud-scams/identity-verification-for-irs-letter-recipients).)

Since that failed, we followed the process to request a PIN in the mail. The client got CP301. The instructions say to go to [www.irs.gov/onlineservices](http://www.irs.gov/onlineservices) to log in with the user name and password created. We tried this, but it only prompts for the user name, not the password, and it attempts to send you back through the original verification process and there's no place to enter the PIN received via mail. Is there a different website link that will work as explained in CP301? **The steps to take once you receive CP301 are not clear and need to be improved.”**

**Jodi, we will add this issue to IMRS.**

Other tax pros recommended calling the toll-free IRS Identity Verification telephone number shown on Letter 5071C: 800-830-5084. Jodi commented that they did call this phone number, but this taxpayer’s legal first name is William, but his credit card is in the name Bill, and this may be the problem in this particular case.

**IRS webinars / e-News for Tax Professionals**

Kurt Konek asked: Can we sign up for notifications of upcoming webinars?

Answer: The best way to find out about upcoming webinars, and other IRS news, is to sign up for e-News for Tax Professionals. Sign up [here](https://www.irs.gov/e-file-providers/join-e-news-for-tax-professionals). You get an email about once a week with webinars and other news.

The IRS offers many [e-news subscriptions](https://www.irs.gov/newsroom/e-news-subscriptions). There are two others that many tax pros sign up for:

1) [Outreach Connection](https://www.irs.gov/outreach-connection). This one is new and it’s quickly becoming a fan favorite. It has free tax content you can share with your staff, clients, customers or colleagues.

2) [Quick Alerts](https://www.irs.gov/e-file-providers/subscribe-to-quick-alerts). Quick Alerts tell you when the campus is going to stop accepting individual and business returns in the fall, when e-file is down, and more. There are several kinds of Quick Alerts. We suggest “Alerts” and “General IRS e-file Service Center Messages”.

**IRS Video Portal and how to use “Ctrl F”**

Ruth Ann Michnay asked about the IRS Video Portal. She said it would be good to have a way to search by the date the webinar was broadcast.

We will ask for that using IMRS. We’ll keep you posted.

**A workaround for now is:**

* Go to the IRS Video Portal at [www.irsvideos.gov](http://www.irsvideos.gov)
* On the bottom of the home page, you’ll see: “All Presentations, All Webinars, Privacy Policy, and Check System”.
* Click on All Webinars. (Or you could click on All Presentations.)
* Now you’ll see a list of all webinars.
* On your keyboard, click “Ctrl F”
* A box will open up. Put 2020 in the box.
* Now you can see all webinars that were done in 2020, or webinars done before 2020 that were reviewed in 2020 and they are still accurate.

This article explains Ctrl F:

<https://resources.mojomedialabs.com/blog/5-reasons-why-control-f-is-your-best-friend-for-productivity>

This one minute YouTube video explains Ctrl F:

<https://www.youtube.com/watch?v=-OzefVu9Ok4>

How to search for text on an iPhone or iPad:

<https://iphone-tricks.com/tutorial/1364-ctrlf-on-iphone-how-to-find-on-page>

**Surveys about (or from) the IRS**

Pam Rethemeyer asked: A client got an email saying it's from IRS asking her to fill out a survey on how difficult it was to resolve her tax problem. She didn't have a problem. Do you know if these went out from IRS?

Look up IRS Surveys here: [Customer Satisfaction Surveys](https://www.irs.gov/privacy-disclosure/customer-satisfaction-surveys).

These surveys aren’t sent out by the IRS; they’re sent out on behalf of the IRS. Sometimes people get a phone call, or the survey is sent out by mail, or sometimes by email, which can (understandably) make people think it’s a scam. The Survey page shows which IRS Office authorized the survey, what activity we are trying to learn more about, the end date of the survey, what method is being used to distribute the survey, the frequency of the survey, and the vendor.

**Next Call**

**The next call will be on November 5, 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.