

IRS/ Long Island Tax Practitioners' Liaison Committee Meeting
Thursday, May 18, 2017
9:00 am -12:00 Noon
Meeting Minutes

Attendees:

- Eric Betz, IRS, Group Manager, Field Examination
- Gary Bove, IRS, Group Manager, Field Collections
- Mwisa Chisunka, New York State Dept. of Taxation & Finance
- Lara Chwat, Esq. Nassau County Bar Association
- Jerri A. Cirino, Suffolk County Bar Association *(via teleconference)*
- Yvonne Cort, Nassau County Bar Association
- Harold Finkelstein, Esq. Nassau County Bar Association
- Noelle Geiger, Esq. NYS Bar Association
- Karen Giunta, CPA, National Conference of CPA Practitioners – Nassau/Suffolk Chapter
- Robert Goldfarb, CPA, LI Tax Symposium - National Conference of CPA Practitioners – Nassau/Suffolk Chapter
- Seymour Goldberg, Esq. – NYSSCPA - Suffolk County Bar Association
- Linda Henson, IRS, Senior Stakeholder Liaison NY-Field –Meeting Facilitator
- Robert Lusthaus, Esq. NYSSCPA - Nassau Chapter
- Carol Markman, CPA, National Conference of CPA Practitioners – Nassau/Suffolk Chapter
- Victoria A. McGinn, EA, CPA – NYS Society of Enrolled Agents – Nassau/Suffolk Chapter
- Diane Moffet, Esq.
- James P. O'Connor, Esq. Suffolk County Bar Association *(via teleconference)*
- Olanike Olegbade, Esq. *(via teleconference)*
- Melaney Partner, IRS Acting, NY Area Manager – Stakeholder Liaison
- Anthony Roberto, IRS, Special Agent, Criminal Investigations
- Carol Roble, CPA, National Conference of CPA Practitioners – Nassau/Suffolk Chapter
- Leanne Ruf, IRS, Communications Director, Return Preparer's Office
- Ruth A. Sattig-Betz, CPA, NYSSCPA – Nassau Chapter
- Karen Tenenbaum, Esq. National Conference of CPA Practitioners – Nassau/Suffolk Chapter
- Sallie Mullins Thompson CPA – Vice Chair, 2017 Taxpayer Advocacy Panel (TAP)
- Lisa Vitale, Lead Taxpayer Advocate, Brookhaven Campus
- Alan E. Weiner, Esq. AAA-CPA
- Jennifer Ann Wynne, Esq. Nassau County Bar Association – *(via teleconference)*

Meeting Summary

Linda Henson, Senior Stakeholder Liaison (Meeting Facilitator) opened the meeting & thanked both the IRS representatives and the practitioners for their participation. Linda led the committee in a discussion of how the IRS is attempting to measure the value and widespread impact of Practitioner Liaison Meetings and the information shared by representatives of the various IRS business units. Linda reminded the Committee members that there is an implied expectation that each attending practitioner ensure that the information received in these meetings be disseminated to their respective affiliated organizations via newsletters, chapter meeting updates, social media resources and e-mail blasts. Linda asked that each represented organization submit examples of the mediums used to share information. Linda and the Committee members thanked **Bob Goldfarb** for his exemplary service as Practitioner Chair during his tenure May 2015 through May 2017. The Committee welcomed **Yvonne Cort** as the new Practitioner Chair.

Melaney Partner, Acting Manager – Stakeholder Liaison - New York Area thanked the practitioners for joining the meeting and for their on-going partnering efforts with the IRS. Melaney shared information regarding recent Future State initiatives including the realignment of Stakeholder Liaison from the Small Business/Self Employed Operating (SB/SE) Division to Communications & Liaison (C&L) which reports directly to the Commissioner. You can reach Melaney at telephone # 202-317-8662 or via Cell at 615-347-8145.

Linda discussed the following updates via PowerPoint slide



5-18-17 PLM
PowerPoint.pdf

- [IRS Seeks Nominations for the Information Reporting Program Advisory Committee \(IRPAC\)](#) through May 21, 2017.
- [IRS Seeks Nominations for the Internal Revenue Service Advisory Council \(IRSAC\)](#) through June 16, 2017
- Registration is now open for the 2017 IRS Nationwide Tax Forums! Register here - [Nationwide Tax Forums Website](#).
- Linda discussed current [Webinars for Tax Practitioners](#) and archived webinars available through the [IRS Video Portal](#)
- Linda discussed Hurricane Preparedness Week (May 7-13) and the need for locally established Disaster Relief Agreements with tax practitioner organizations. When the President designates an area to receive federal disaster assistance, FEMA opens local disaster recovery centers where individuals and businesses may register for disaster aid. IRS assigns employees and tax practitioner partners to staff these local centers to provide tax assistance to taxpayers. For a listing of confirmed [Agreements to Assist Disaster Victims](#) in effect with National Tax Organizations please see: [Disaster Relief Resource Center for Tax Professionals](#)
- As part of the Future State initiative, the IRS continues to improve and expand taxpayer services by adding new features to the [tax account](#) tool. With this latest version, taxpayers can access the [Get Transcript](#) tool from their tax account to view, print or download tax records. Taxpayers who owe taxes or civil penalties can now view the balance and payment history for these types of taxes. It's safe, secure and also available through the [IRS.gov/payments](#) page. With this tool, taxpayers can pay from their bank account with [IRS Direct Pay](#) or with a [debit or credit card](#). If they need more time to pay, they can apply for an [online payment agreement](#). Before accessing their tax account, taxpayers must authenticate their identity through a two-step authentication [Secure Access](#) process, which means taxpayers who are returning users must use their credentials (username and password) and request a new security code (sent via text) each time they log in. See more at the [online demo](#).
- [Practitioner Data Compromise](#) include the loss of any taxpayer return information as defined by IRS regulations and may be used to file fraudulent tax returns or commit other crimes using the taxpayers' names and social security numbers. Should you experience a data compromise – whether by cybercriminals, theft or accident – there are certain basic steps you should take immediately.
 - **Step 1: Contact the IRS and law enforcement:** Report client data theft to the IRS *immediately* through your local IRS stakeholder liaison. Liaisons will notify IRS Criminal Investigation and others within the agency on your behalf. Also contact your local office of the [Federal Bureau of Investigation](#), the [Secret Service](#) and file a report with your local police.
 - **Step 2: Contact states in which you prepare state returns:** - [State Tax Agencies](#), and [State Attorneys General](#)
 - **Step 3: Contact experts:** consider contacting a security expert to determine the cause and scope of the breach, to stop the breach and to prevent further breaches from occurring.
 - **Step 4: Contact clients and other services:** Federal Trade Commission provides advice as well as templates that assist in notification of your client. Clients should complete IRS Form 14039, Identity Theft Affidavit, only if:
 - ✓ Their e-filed return is rejected because of a duplicate Social Security number
 - ✓ They receive a notice/letter from the IRS asking them to file the form

Click on [Data Theft Information for Tax Professionals](#) for further information.

- Finally, Linda reminded the Committee to stay abreast of the most current information & resources for tax professionals through IRS' e-news for tax professionals and the Tax Professionals tab on the updated <http://www.irs.gov/for-Tax-Pros>

The best method to contact Linda is via email Monday-Thursday, 7:00 AM-5:30 PM Linda.Henson@irs.gov

Robert Goldfarb, *Outgoing Practitioner Chair* welcomed and thanked the IRS and the Committee members for participating in the meeting and for their support and cooperation during his tenure as Practitioner Chair. Bob then shared that on May 11, 2017, Bob and several members of the NCCPAP National Tax Committee met with Paul S. Teller, PhD, Special Assistant to the President in the East Wing of the White House to discuss various tax reform issues affecting our clientele as well as the general public. Mr. Teller was extremely generous with his time and clearly demonstrated a sincere interest in the various inequities in the tax law that we brought to his attention. While they were unable to meet the President, they did engage with several of the President's Military Aides – KUDOS to NCCPAP!

Yvonne Cort, *Incoming Practitioner Chair* thanked the Committee members for receiving her as the new Chair; Yvonne then expressed excitement at working with the IRS and Committee members during her 2017-2019 tenure.

Mwisa Chisunka discussed New York State Dept. of Taxation & Finance updates via the following PowerPoint slides. New York State Practitioner Hotline is 518-457-5451.



New York State Tax
Law Updates.pptx

Mwisa invited the Committee members to attend the Second Annual Tax Summit scheduled for June 2, 2017 at the Empire State Plaza Convention Center in Albany, NY. The Summit will include informative panel discussions and presentations on tax issues and department processes, guidelines, and procedures. Participation is limited to 225 guests; please [register](#) early to secure your place. Mwisa can be reached at mwisa.chisunka@tax.ny.gov

Eric Betz – Field Examination discussed the following:

- FY-17 Exam Program focuses including Abusive Transactions and Technical Issues; Flow Thru Returns; Offshore Tax Evasion; National Research Program (NRP); Preparer Visits and Examinations; Identity Theft; Fast Track Settlement Program and General Audit Information. Exam is presently conducting randomly selected National Research Program audits of tax year 2015 1040s. Revenue agents have no discretion to revise the number of items questioned on these line-by-line examinations. NRP audits take precedence over other returns previously selected for audit. Current year; large tax cases can take 6-8 months to complete.
- Revenue Agents (R/A) are required to initiate contact on newly assigned cases within 30-days. Reasonable extensions may be granted on a case-by-case basis at the discretion of the Revenue Agents; representative are asked to comply with the 30-day time deadline by securing all information & documents pertaining to their client's case prior to contact by compliance personnel. e-fax options may be used to submit requested documentation
- Taxpayers and representatives should request full contact information (name, e-fax, desk & cell phone number) of the assigned Revenue Agent during the initial contact; contact information of the R/A's group manager should also be secured at that time.

Eric Betz can be reached at 516-576-7281

Gary Bove - Field Collections discussed the following:

- **Offer in Compromise** Update
 - The proposed increase in the OIC user fee has suspended - the current OIC user fee will remain \$186 until further notice.
 - Offer in Compromise applications received on or after March 27, 2017, will be returned without consideration, if taxpayers have not filed all required tax returns. The application fee will be returned and any required initial payment submitted with the OIC will be applied to outstanding tax debt. This new policy does not apply to current year tax returns if there is a valid extension on file.
 - **Payment Plans, Installment Agreements** - User fees for payment plans /installment agreements changed. effective Jan. 1, 2017,
 - An ongoing concern has been the increase in impersonation scams and the added difficulty those scams have created for compliance employees working in the field. Many taxpayers have encountered individuals impersonating IRS officials – in person, over the telephone and via email. If an IRS representative visits you, he or she will always provide two forms of official credentials called a pocket commission and a **HSPD-12** card. HSPD-12 is a government-wide standard for secure and reliable forms of identification for Federal employees and contractors. You have the right to see these credentials. To understand how and when the IRS contacts taxpayers and determine if it is truly the IRS see: [How to know it's really the IRS calling or knocking on your door](#).
 - Gary encourages tax practitioners to utilize "e-fax" options to submit documentation to Field personnel.
- Gary Bove can be reached at (516) 576-7344

Anthony Roberto – Criminal Investigations - A criminal investigation in which IRS-CI has investigative authority and the subject is believed to be committing a tax or other financial crime while using the internet as an essential means to commit the crime, remain anonymous, elude law enforcement and/or to conceal financial transactions, ownership of assets, or other evidence. There are Cyber Crimes Coordinators within each Field Office in addition to numerous support staff.

- IRS-CI Cyber Priorities:
 - Tax Administration –filing false tax returns, Fraud and Financial Cybercrimes –Financial Theft, Cyber Extortion, Phishing Scams
 - Cyberterrorism – Terrorism Financing – Cyber-warfare, Theft/altering classified data,
 - Data intrusion/exfiltration/ Phishing as it effects the integrity of the US tax system
 - Bank account takeovers
 - Business email compromise, virtual currency money launderers and exchangers to facilitate M/L
 - Tax Evasion through the use of virtual currency/embezzlement/ Terrorist financing
 - Selling/buying of PII on the internet
 - 450 records = \$350
 - 2200 records = \$4,000
 - Evasion, concealment and Money Laundering utilizing virtual currency through the deep/dark web
 - Surface Web – social media sites, popular search engines
 - Deep Web – private databases, password protected sites
 - Dark Web – only accessible via special software, hidden, anonymous
 - IRS CI is still actively pursuing large Identity Theft investigations across the country.
 - Business Email Compromise – phishing emails sent to payroll departments appearing to be from company - CEOs asking for all employee W-2s
 - Many CPA firms are being hacked.
 - Bank employees involved
 - Check cashing businesses
 - Postal employees involved
 - Investigative Techniques –
 - Confidential Informants and Undercover Operations, Decoy Checks
- . For further information, visit [Identity Protection: Prevention, Detection and Victim Assistance](#)

Lisa Vitale - Taxpayer Advocate Services - The Taxpayer Advocate Service (TAS) is *your voice at the IRS*. TAS ensures taxpayers are treated fairly, and know and understand their rights. Chris urges practitioners to familiarize themselves with the TAS website at <https://www.irs.gov/advocate>.

Lisa discussed:

- **Private Debt Collection (PCA)**, the new program, authorized under a federal law enacted by Congress, which enables designated contractors to collect outstanding inactive tax receivables, on the government's behalf. Lisa highlighted that:
- National Taxpayer Advocate Nina Olsen expressed concerns over the IRS PDC initiative in her 2016 Annual Report to Congress **Most Serious Problem: Private Debt Collection (PDC)**.
- Open TAS cases are not assigned to PCA and any case in PCA will be recalled back to the IRS.
- *Publication 4518-What You Can Expect When the IRS Assigns Your Account to a Private Collection Agency*.
- TAS is compiling a list of Long Island practitioners to assist veterans from local Veteran Clinics with preparation of delinquent tax returns and other legal services on a pro-bono, rotational basis. Please contact Chris with your interest and availability.

Local Taxpayer Advocate Chris Morell can be reached at (631) 654-6687 or Christopher.R.Morell@irs.gov. You can also call TAS toll-free at 1-877-777-4778.

Leann Ruf, Return Preparer Office – Leann shared the following:

- PTIN renewal season went smoothly; over 708,000 active PTIN holders currently for 2017. Online renewal is still available.
- RPO encourages non-credentialed return preparers to consider participating in the Annual Filing Season Program or becoming an Enrolled Agent. Info on both is available at irs.gov/taxpros.
- New tools are available for preparing for the Special Enrollment Exam. For example, new sample test questions recently posted. Go to [Enrolled Agent Program](#) or prometric.com/see to review.
- Two recent changes to PTIN process:
 - ✓ removal of question regarding whether you prepare Form 1040 series returns.
 - ✓ addition of question regarding whether a professional credential is active.
- Data thieves are increasingly targeting tax return preparers. Make sure you safeguard client data. Visit irs.gov/taxpros and click on [Protect Your Clients; Protect Yourself](#) for more info.
- Consider taking a CE course related to safeguarding client data. These do qualify for IRS credit in the federal tax category.

Sallie Mullins Thompson - The **Taxpayer Advocacy Panel**, initially named the *Citizen Advocacy Panel (CAP)*, was established by the Federal Advisory Committee Act (FACA) in 1998. TAP is independent of the IRS and can influence the IRS via its leverage as a Federal Advisory Committee. The Office of the National Taxpayer Advocate (NTA) funds/supports TAP. The group has members from all 50 states, DC, and Puerto Rico; it is composed of about 75 citizen volunteers appointed by the US Dept. of Treasury for three-year terms with an expectation to give 200-300 hours of service annually. TAP's goal is to help the IRS operate efficiently; be responsive to taxpayer needs and offer effective programs that enhance voluntary compliance with the US tax laws and regulations. TAP members listen to taxpayer; identify systemic issues and make recommendations to improve IRS service and taxpayer satisfaction. If you have a suggestion to improve the IRS, [Contact TAP at our website](#) or at 1-888-912-1227.

Practitioner Issues and Concerns:

Question: Regarding the Secure Access Authentication process for the View Your Account On-Line tool wherein a "readily available mobile phone" is required, will taxpayers under a family plan be deemed ineligible to use this service?

Response: The taxpayer's name must be associated with the mobile phone account.

Roundtable Comments

- Practitioner expressed delight that the wait time and level of efficiency for the Practitioner Priority Help-Line has decreased and improved.
- Practitioner commended IRS for the improvement in Notices with the inclusion of fax numbers.

Next Scheduled Meeting

- This Committee will reconvene for a **Virtual** meeting on **Thursday, October 26, 2017– 9:00 am – 11:00 am**– Linda/Yvonne will provide additional participation information as the date draws closer.
- Meeting topic suggestions should be forwarded to Practitioner Chair, Yvonne Cort ycort@cbmslaw.com no later than **Tuesday, September 5, 2017**