IRS 2014 Updates

IRS

Columbus Area Tax Administrators

Dennis Bell, Senior Tax Specialist

January 22, 2014

Individual Taxpayer Identification Number

- IRS issues ITINs to individuals required to have a U.S. taxpayer identification number and are not eligible to obtain an SSN
- Effective Jan 1, 2013, the IRS implemented new
  procedures affecting
  - Application process
  - Acceptance Agent Program

ITIN Program Changes Application Process

Changes impacting individuals:

- Applying directly to the IRS, only original identification documentation or copies certified by the issuing agency accepted

- Other avenues available for verification of key documents

- ITINs issued for a five-year period rather than indefinite

ITIN Program Changes Acceptance Agent Program

Changes impacting Certifying Acceptance Agents:

- CAAs allowed to use Form W-7 COA (Form 14194) certifying ITIN application documents reviewed / verified
- Attach original or certified documents to COA
- New / stronger due diligence requirements
  - CAAs must be covered under Circular 230
  - Complete forensic training by 12/31/13

Identity Theft

- Stopping identity theft and refund fraud is a top priority for the IRS
- Efforts expanded in 2013
  - Fraud prevention
  - Early detection
  - Victim assistance

Identity Theft – Fraud Prevention

- Increased identity theft screening filters
- Increased number of identity theft investigations
- Nationwide enforcement sweeps

Identity Theft – Early Detection

Two identity theft programs expanded in 2013:

- Taxpayer Protection Program Law
- Enforcement Assistance Program

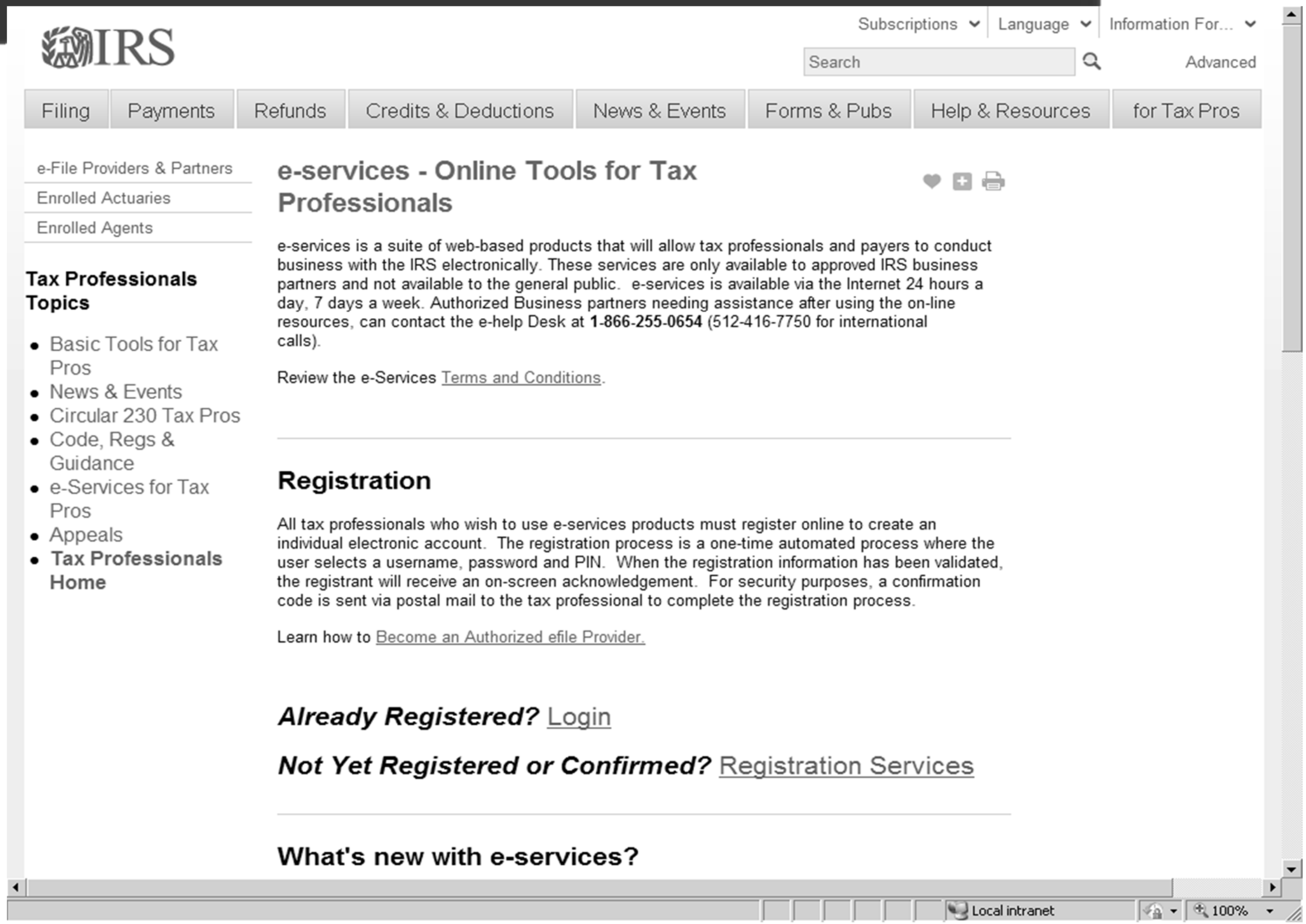
Identity Theft – Victim Assistance

- Identity Protection Personal Identification Numbers expansion
- Victim case resolution
- Expanded service options:
  - Identity Protection Specialized Unit (800.908.4490)
  - Free credit monitoring

If you/client receive a suspicious IRS-related communication

- Report all unsolicited email claiming to be from the IRS to phishing@irs.gov
- Go to IRS.gov, scroll to the bottom of the homepage and click on 'Report Phishing'

Online Tools and Services



Subscriptions | Language | Information For...

IRS

Search | Advanced

Filing | Payments | Refunds | Credits & Deductions | News & Events | Forms & Pubs | Help & Resources | for Tax Pros

e-File Providers & Partners
Enrolled Actuaries
Enrolled Agents

Tax Professionals Topics

- Basic Tools for Tax Pros
- News & Events
- Circular 230 Tax Pros
- Code, Regs & Guidance
- e-Services for Tax Pros
- Appeals
- **Tax Professionals Home**

e-services - Online Tools for Tax Professionals

e-services is a suite of web-based products that will allow tax professionals and payers to conduct business with the IRS electronically. These services are only available to approved IRS business partners and not available to the general public. e-services is available via the Internet 24 hours a day, 7 days a week. Authorized Business partners needing assistance after using the on-line resources, can contact the e-help Desk at **1-866-255-0654** (512-416-7750 for international calls).

Review the e-Services Terms and Conditions.

Registration

All tax professionals who wish to use e-services products must register online to create an individual electronic account. The registration process is a one-time automated process where the user selects a username, password and PIN. When the registration information has been validated, the registrant will receive an on-screen acknowledgement. For security purposes, a confirmation code is sent via postal mail to the tax professional to complete the registration process.

Learn how to Become an Authorized efile Provider.

Already Registered? Login

Not Yet Registered or Confirmed? Registration Services

What's new with e-services?

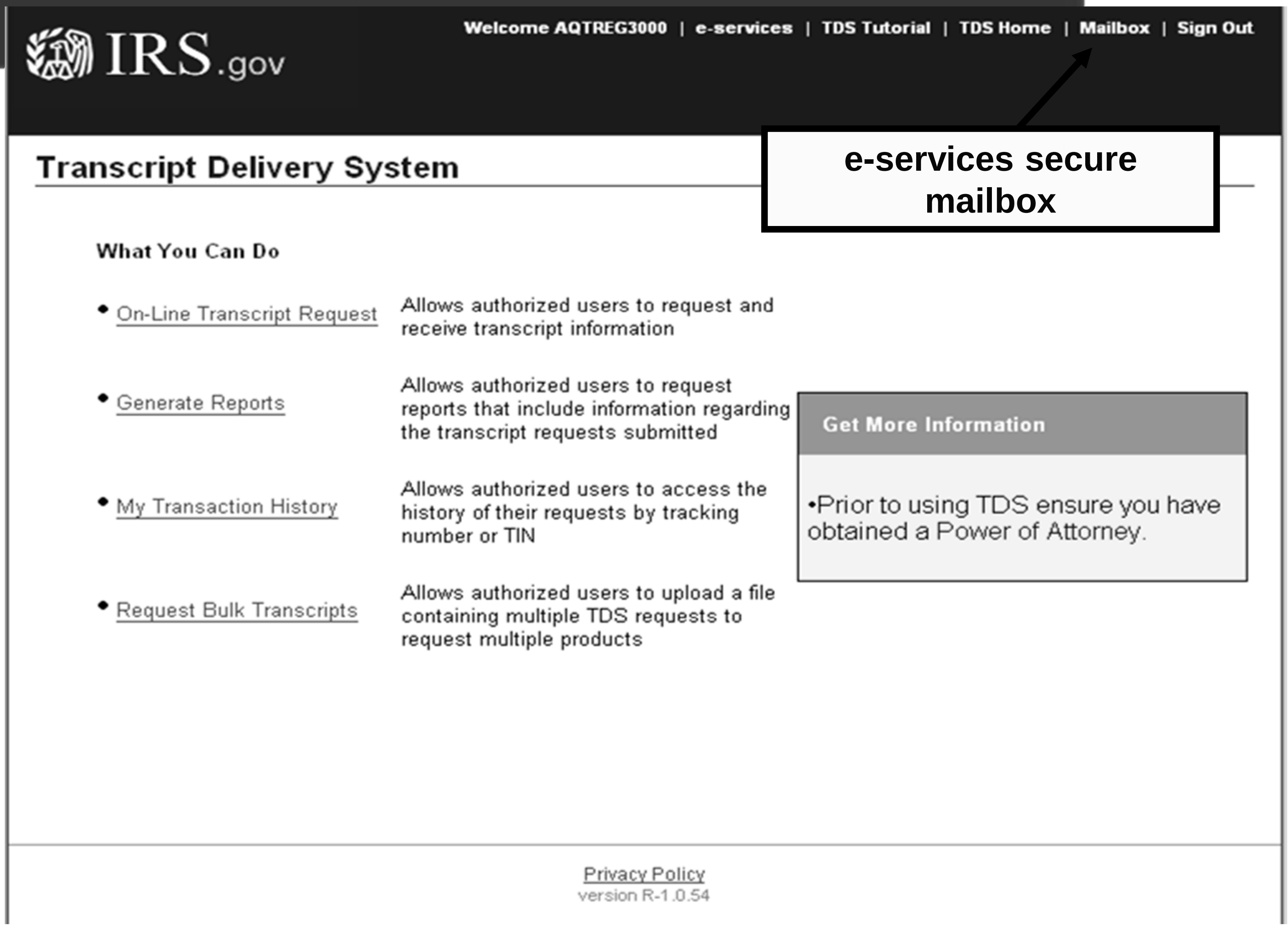
Local intranet | 100%

E-Services

Disclosure Authorization and Electronic Account Resolution

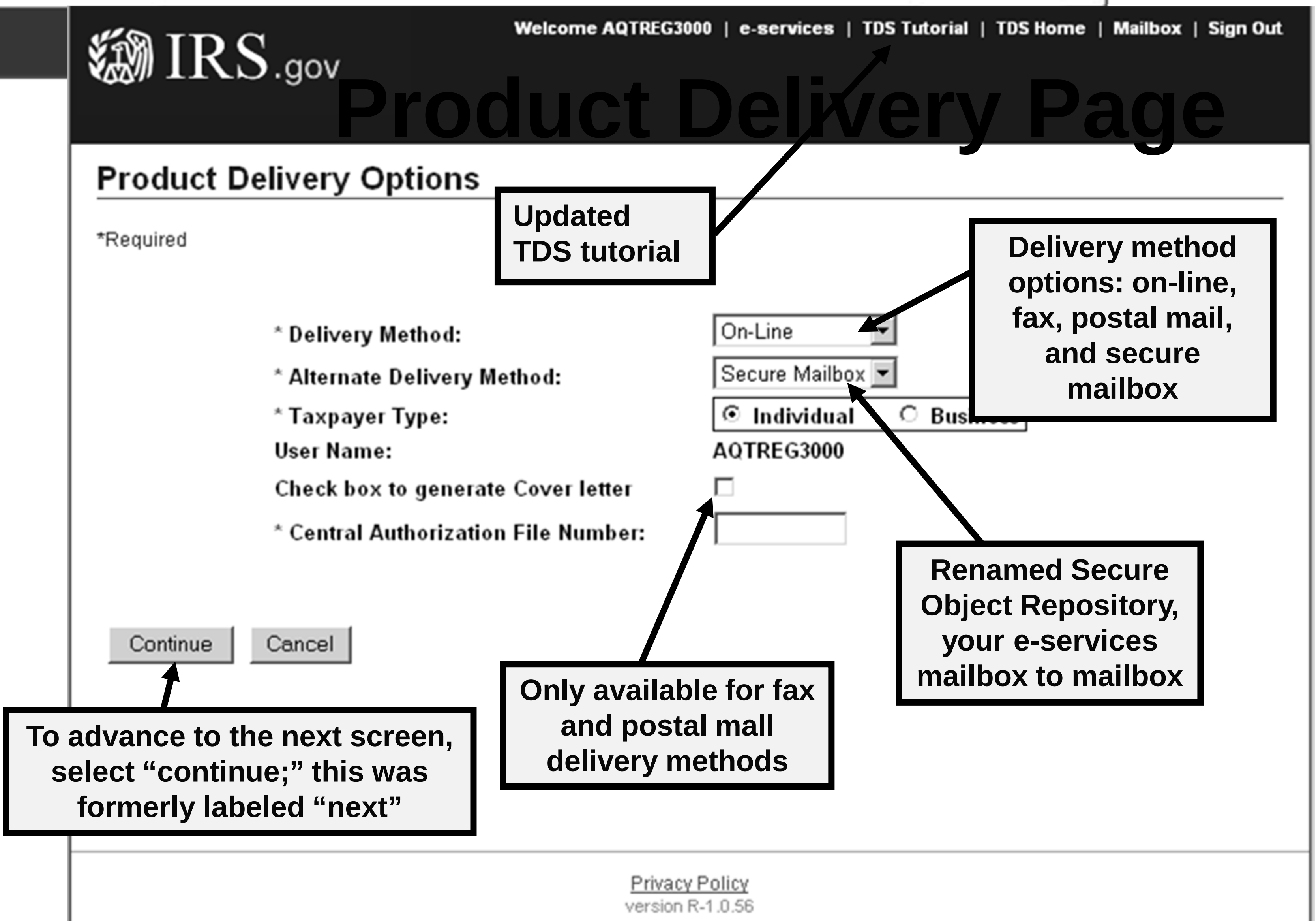
- Retired on Sept 2, 2013
- Former DA users, mail / fax completed Form 2848 or Form 8821 to IRS
- Former EAR users, call Practitioner Priority Service® to resolve account-related issues

Transcript Delivery System



Transcript Delivery System

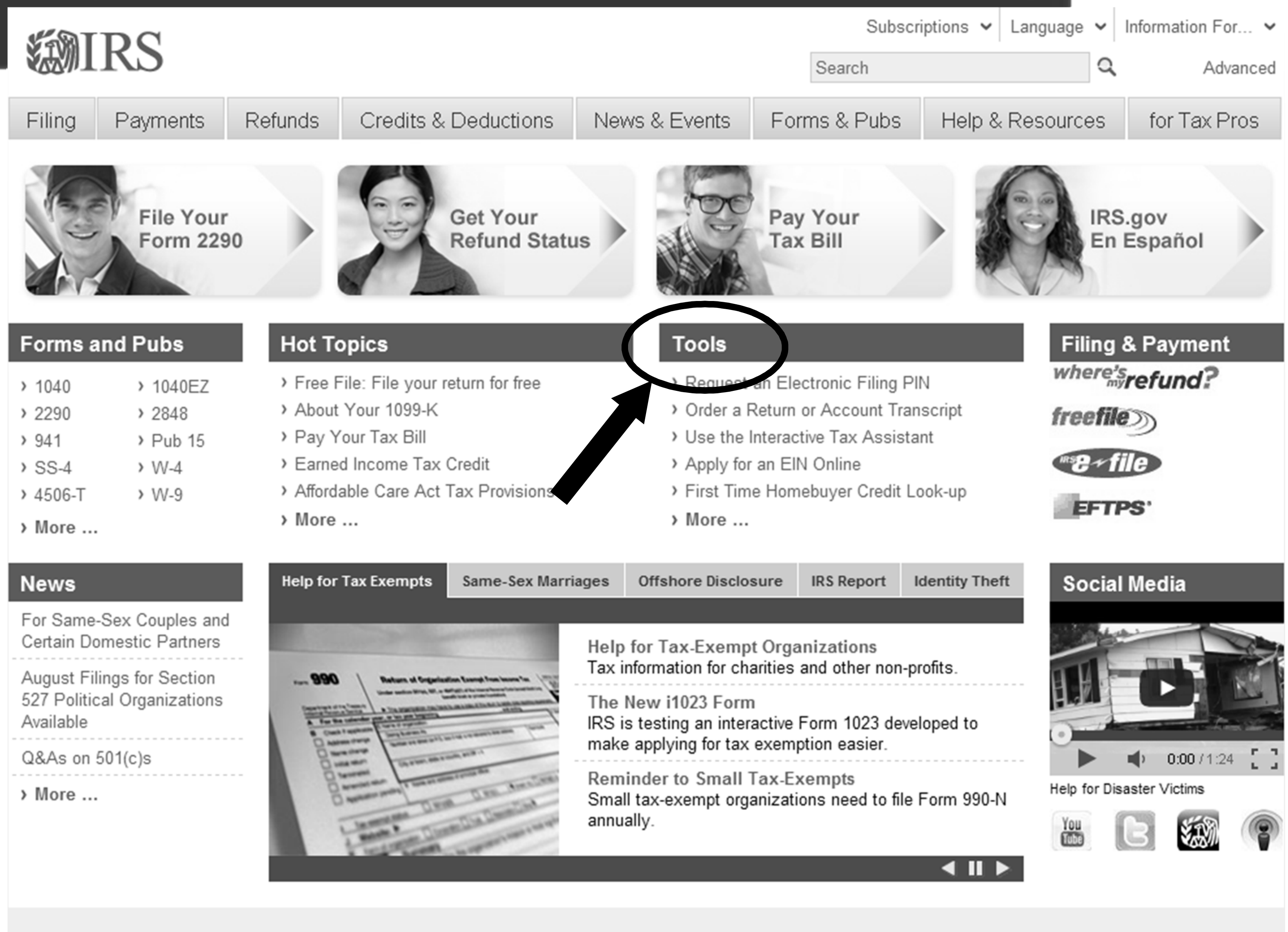
Product Delivery Page



Additional E-Services

- TIN matching
- Income Verification Express Services
- Preparer Tax Identification Number application

Online Tools & Resources



Online Tools and Resources

Popular online tools used by tax professionals:

- Affordable Care Act tax provisions
- Information reporting center
- Tax Trails / Interactive Tax Assistant
- First-Time Homebuyer Credit
- Exempt organizations
- Calculators
  - Income tax withholding
  - Sales tax deduction

Online Tools and Resources

Popular online tools used by tax professionals:

- Where’s My Amended Return?
- Online Transcript Orders
- Online Payment Agreement
- Offer in Compromise Pre-Qualifier Tool
- Online Employer Identification Number
- Foreign issues
- Electronic subscriptions services

Where’s My Amended Return?

Where's My Amended Return?

Planned Outage: December 21, 2013

This service will be unavailable beginning approximately 7:00 a.m. ET on Saturday, December 21, 2013 until approximately 7:00 a.m. ET on Sunday, December 22, 2013 due to system maintenance. We apologize for any inconvenience.

En Español

Our tool is available Monday through Friday, but unavailable Saturday 9:00 pm Eastern Standard Time to Sunday, 6:00 pm Eastern Standard Time. Although we may have received the 1040X you filed it will not show up on our system during the time the application is unavailable.

“Where’s My Amended Return?” tool provides the status of Form 1040X Amended Tax Return for the current year and up to three prior years.

As a result of the significant increase in the number of amended returns filed this year. The IRS has extended the normal 8 to 12 weeks processing time to 16 weeks. We apologize for any inconvenience this may cause. It can take up to 3 weeks from the date you mailed it to show up in our system. **Please Note:** You will not be able to access certain amended returns using this application.

IRS telephone assistors will not be able to provide additional information while your amended return moves through processing.

There is no need to call our toll-free number unless “Where’s My Amended Return?” specifically indicates that you should call

Where’s My Amended Return?

IRS

¿Dónde está mi declaración enmendada? | Exit

Where's My Amended Return

All fields are required.

Social Security Number (SSN) or Individual Tax ID Number (ITIN)

\- -

Date of Birth

Day Month Year

ZIP or Postal Code

CONTINUE

IRS Privacy Policy | Privacy Notice

Order A Transcript

Order a Transcript

Planned Outage: December 21, 2013

This service will be unavailable beginning approximately 7:00 a.m. ET on Saturday, December 21, 2013 until approximately 7:00 a.m. ET on Sunday, December 22, 2013 due to system maintenance. We apologize for any inconvenience.

En Español

You can now order your tax return or account transcript online. Your transcript will be mailed to you within 5 to 10 calendar days.

1 Choose your transcript...

- Tax Return Transcript provides most line items from your original return.
- Tax Account Transcript provides basic info, including marital status, type of return filed, AGI, taxable income, and later adjustments, if any.

2 Gather your information...

- Social Security Number (or your IRS individual taxpayer identification number);
- Date of birth;
- Street address; and
- Zip Code or Postal Code.

3 Go get your transcript!

- Go to Order a Transcript, or
- Call 1-800-908-9946

Online Payment Agreement

IRS

Subscriptions | Language | Information For...

Search | Advanced

Filing | Payments | Refunds | Credits & Deductions | News & Events | Forms & Pubs | Help & Resources | for Tax Pros

- Employees
- Self-Employed
- International Taxpayers
- Military
- Parents
- Seniors & Retirees
- Students

Payments Topics

- Electronic Federal Tax Payment System (EFTPS)
- Debit or Credit Card
- Check or Money Order
- Understand Your IRS Notice
- Alternative Payment Plans & Hardship Information
- Collection Process
- U.S. Residency Certification Fees
- Online Payment Agreement Application
- Foreign Electronic

Online Payment Agreement Application

Planned Outage: December 7, 2013

This service will be unavailable beginning approximately 7:00 a.m. ET on Saturday, December 7, 2013 until approximately 7:00 a.m. ET on Sunday, December 8, 2013 due to system maintenance. We apologize for any inconvenience.

You can avoid unnecessary penalties and interest by paying your taxes in full and on time. This application will allow you or your authorized representative (Power of Attorney) to apply for an installment agreement if you cannot pay your taxes in full. Learn more about the Online Payment Agreement Application.

1 Determine your eligibility...

- You owe $50,000 or less in combined tax, penalties and interest.
- You have filed all required tax returns.

2 Gather your information...

- Social Security number or Individual Tax ID number;
- Date of birth;

3 Submit your application!

- Apply for a payment agreement.
- Receive immediate notification of approval.

Offer in Compromise Pre-Qualifier Tool

- **Launch date: January 30, 2013**
- **Self determine: Qualify for an OIC?**

How Does It Work?

Answer a series of questions:

- Currently in bankruptcy?
- Current with filing?
- Where do you live?
- Number of dependents?
- Household income and expenses?
- Value of assets?

Qualify - Yes

Directed to:

- Complete Form 656
- Submit the application

Qualified- No

Directed to alternatives:

- OIC Booklet -exceptional circumstances
- Installment Agreement
- Make a payment page

Scenario: TP Qualified

- Husband and wife with dependent child
- Suffolk County, NY 11738
- Tax Liability - $12,500
- Most recent tax year owed 2011

Status

Offer In Compromise Pre-Qualifier

Status | Basic Info | Assets | Income | Expenses | Proposal

Use this tool to see if you may be eligible for an offer in compromise. Enter your financial and tax filing status to calculate a preliminary offer amount. We make our final decision based on your completed OIC application and our associated investigation. This tool should only be used as a guide. Although it may show you can full pay your liability, you may still file an offer in compromise and discuss your individual financial situation with the IRS.

If you reside in a U.S. Territory, foreign country, or are military personnel using an APO or FPO address the OIC Pre-Qualifier is not applicable for your situation. Please proceed to the application in the Offer in Compromise Booklet.

Are you in an open bankruptcy proceeding?

- ( ) Yes
- (•) No

Have you filed all required federal tax returns?

- (•) Yes
- ( ) No

Have you made all required estimated tax payments?

- ( ) Yes
- ( ) No
- (•) N/A

If you are self-employed and have employees, have you submitted all required federal tax deposits?

- ( ) Yes
- ( ) No
- (•) N/A

Basic Information

Offer In Compromise Pre-Qualifier

Status | **Basic Info** | Assets | Income | Expenses | Proposal

Enter information about your location, household and tax debt.

ZIP or postal code
11738

State
New York

County
Suffolk County

Total members of household
3

Total members of household 65 years or older
0

Total IRS tax debt (whole dollars)
$12,500

What is the most recent tax year you are requesting to compromise?
(For example, if you owe 1040 taxes for 2007, 2008 and 2009, enter 2009)
2011

Proposal

Offer In Compromise Pre-Qualifier

Status | Basic Info | Assets | Income | Expenses | Proposal

Based on the following information you entered:

Tax debt:	**$12,500**
Total available equity:	**$2,335**
Monthly income:	**$5,520**
Typical month's expenses:	**$4,390**
Total remaining income:	**$0**

Select Your Option

You may be eligible for an offer in compromise if you submit one of the following offers.

Option 1:	Pay **$2,335** within five months
Option 2:	Pay **$2,335** over a 6-24 month period

These are your estimated payment options. Enter one of these options in your official Offer in Compromise.

Prepare Your Offer in Compromise

Review the OIC Booklet, complete the required forms (Form 656 / Form 433-A) and submit an offer for consideration that is consistent with your ability to pay. The amount offered must be more than zero. We make our final decision based on your completed paperwork and our associated investigation.

Consider Exceptional Circumstances

If you believe you have exceptional circumstances that would justify repayment of an amount less than the offer amount shown above, file an OIC so we have a full description of your circumstances. We make our final decision based on your completed paperwork and our associated investigation. Once completed, you can discuss your situation with us.

Monthly Expenses

Offer In Compromise Pre-Qualifier

Status | Basic Info | Assets | Income | Expenses | Proposal

Based on the following information you entered:

Tax debt:	**$12,500**
Total available equity:	**$2,335**
Monthly income:	**$5,520**
Typical month's expenses:	**$4,390**

Expense Type	Your Entry	Allowable
Food, clothing and miscellaneous	---	$1,234
Rent or mortgage and utilities	$1,450	$1,450
Vehicle 1 loan or lease payment	$399	$399
Vehicle 2 loan or lease payment	$210	$210
Vehicle operating costs (gas, repairs, etc.)	$544	$544
Public transportation costs	$0	$0
Out-of-pocket medical expenses	---	$180
Health Insurance Premiums	$370	$370
Federal, state and local taxes	$1,050	$1,050
Court-ordered payments (child support, alimony)	$367	$367
Child/dependent care costs	$0	$0
Life insurance premiums	$0	$0

Total remaining income: **$0**

Practitioner Priority Service

Available to all practitioners with valid third party authorizations; services include:

- Locating and applying payments
- Resolving taxpayer account problems
- Explaining IRS communications
- Providing procedural guidance
- Providing transcripts of taxpayer accounts
- Provide Forms 1099 and W-2 information
- Securing taxpayer income verification

IRS Campus Operations

- Electronic filing
  - 118.8 million Individual returns electronically filed in calendar year 2012
  - 140.5 million projected for CY2020
- Centralized Campus Operations
  - Improve efficiency
  - Increase consistency

Issue Management Resolution System

- Provides mechanism for raising concerns
  – IRS policies, practices and procedures
  – Systemic problems
- Facilitates issue identification, resolution and feedback

Questions