IRS NPL MEETING

June 15, 2017

**Welcome & Roll Call** –Mel Hardy, Director, NPL; Brianne Wilner, Chief NPL Business Stakeholder Relationship Manager and Martha Tobias, Senior Tax Analyst NPL Business Stakeholder Relationship Management

**PTIN Update** – Carol Campbell, Director, Return Preparer Office

no real PTIN update at this time, but things will be coming out shortly. IRS still trying to figure out how to address the whole PTIN situation. There is no impact on EFIN, solely on PTIN.

There has been no decision as to where the funds would come from IF the IRS has to refund PTINs. The case challenged the IRS ability to issue PTIN, require fee for PTIN as well as the amount of the fee. Court determined that IRS has authority to issue PTIN, but no authority to regulate preparers, there is no authority to charge for PTIN. Court was not specific as to which charges were not permitted – user fee/vendor fee. IRS still working to decide next step.

Preparers should continue to user their existing PTIN. New users are currently in limbo as to what to use and how to file. IRS is aware of the impact of PTINs and they are working on both short and long-term solutions to this situation.

Currently, no new PTINs are being issued.

RTRP refunds were paid from appropriations. No word on where possible PTIN refunds would be paid. Preparers still have obligation to track their personal CPE credits. This is due to PTIN system being down and tracking was part of that system.

**Open Discussion with NPL** – Mel Hardy, Director, NPL;

Need to revisit Form 8867 and how the changes to the form are now being handled.

Discussion about notices dealing with lack of answering health insurance coverage on tax return.

Any additional requirements for the upcoming filing season?

**941s and Schedule R** – Judy Davis, Project Manager, Exam Operations

Used to allocate for clients that aggregate employers (3504 agent). File 2678 to become an aggregate filer. This turns off the filing requirements of the individual employers. This form will be required for CPEO’s when they file 941 & 940. There are certain types of wages that CPEOs are liable for and certain types that the employer is still liable for.

This form adds Column G. this includes space for qualified small biz research activity.

If the agent/CPEO has filed the necessary Form 2678 with IRS, individual employers would be able to verify the wages, etc. by line item for their business. The info is available only by phone, not through e-Services.

**Legislative Affairs Updates** – Lenny Oursler, National Director, Office of Legislative Affairs

Still not sure if a tax bill will be enacted for this current year. Same for Health reform.

For health care, Senate is working on a few areas, called in IRS for comments. Vote is expected by July 4. If it doesn’t pass, they will move on to other areas.

The debt limit still looms out there between July and September. Omnibus resolutions are possible, but hasn’t happened yet. Appropriations are still unknown.

From President budget, approx. $238M cut. Not sure what will come out of Congress. Threat of shutdown is real.

IRS reorganization was discussed by Ways & Means. It is still in early stages, but Oversight is working on it. Not envisioning passing both House and Senate before end of the year. Much more likely for NEXT year.

There are several hearings involving the Commissioner at this time.

IRS is still pushing for Streamlined Critical Pay Authority.

A new Commissioner will help to lower the temperature between Congress and IRS. A nominee is well in the process of getting named. It is not one of the names/people been mentioned. Unless someone is named, Commissioner Koskenin is gone 11/12/17.

**Tax professional Account Prototype Demonstration** – Joshua Jessar & Nadia Bazarov, OLS Product Management

will be interviewing some attendees at Nationwide Tax Forums.

Authentication methods are still paramount. It will be using a version of the NIST verifications that exist with other logins.

Current setup is for individual preparer working on individual clients. Not set for multiple preparers or business filers.

Once into account, IRS needs to associate TP data with preparer. POA is anticipated to be offered in this site. Initially, there will be a link to this with CAF. Tax Pro will have the ability to look up authorizations on this site.

Once authorized and authenticated, what info will be available?

* Updates for when things happen, such as POA approval to TP and CPA
  + This includes due dates on notices
  + Records for when communicating with IRS on clients
* Allow for digital communications and secure communications. Similar to secure email and chat. Looking at keeping one IRS person involved
* Tax data to solve problems
* Import existing clients
* Withdraw authorization
* Working issues through communications
  + See actual letters/correspondence
  + Reply and request 90-day period through system
  + IRS can respond directly
* Payment history
* Filing history
* Set up installment agreements for clients

**CLOSING**

Next meeting is July 20, 2017

Appeals is the focus of the meeting. Want to hear from stakeholder community. Commissioner will open meeting.

TAX PRO SECURITY SUMMIT

* Security Information Card update – will be available at the Nationwide Tax Forums
* Overall update – Terry Lemons
  + 177 tax pro data breaches
  + Word NOT reaching smaller practitioners
  + ETAC working on getting the word out
  + 10-week plan for summer
    - Centrally around news release/social media each week
    - Center around “don’t take the bait”
    - Hit various topics
      * Spearphishing
      * Ransomware
      * Remote phishing
      * Business email compromise
      * Data security plan
      * Protect PTIN/EFIN
    - Starting with first week of tax forum
    - Press conference in Dallas to start that forum with Commissioner (07/25)
    - Carry through to September
    - Can be tweeted/retweeted
* Choosing Your IT Professional – Mark Kahler
  + Need to target the most unsophisticated preparer
  + NIST has cyber framework with 5 key components
    - Identify
    - Detect
    - Protect
    - Recover
    - Respond
  + Training events
    - Tax forums
    - How to make sure you’re not a victim
    - FTC approached for program for practitioners
    - First webinar – 07/17
  + Cloud storage
    - Stored in US or IRS violation
    - Managed or unmanaged?
    - Enterprise or individual?
  + TP - set up e-Services account before someone else does