

IRS NPL MEETING  
January 16, 2014

**Announcements:**

**Terry Lemons** – good start to year with new commissioner. Lots of questions were raised on the budget, but more top level. The 2014 budget is \$11.29B, about \$1B under FY10, but slightly higher than last year. Have to absorb 1% pay increase, IT, etc. Commissioner concerned about long-term budget trend. 2014 looks to be a tough year for IRS from a budget standpoint. He will share budget with us in future to identify improvements for practitioners. The estimated budget was \$12.8B. The IRS did get additional \$92M for ID theft and taxpayer services.

**2014 Filing Season – Paul Mamo, Director Submissions Processing**

Season set to start on 01/31/14. Last year, there were 3 phases, but all forms are set to be available as of the 31<sup>st</sup> (MeF). Currently, the IRS is working with top transmitters on the 24<sup>th</sup>. The business returns (BMF) opened on the 14<sup>th</sup> (under 100K returns in January). Some activity has already started last weekend. Still some legacy returns. The 94X will be on the platform this year. Most filers will delay until 1<sup>st</sup> quarter 2014 rather than 4<sup>th</sup> quarter 2013. It was asked that any refunds not be released until ALL filers are able to have returns processed. Otherwise, it becomes a marketing tool for those who were able to get refunds earlier. Although it still might happen, no refunds will be funded until the 31<sup>st</sup>.

Last year, there was a backlog of approx. 9M returns. They are figuring that this will not occur this season. Also, they are hoping that the delayed start will result in less processing errors.

The biggest focus is the current filing season, but they are definitely dealing with ACA, as 2015 filing season will have MAJOR changes. New systems will be introduced to deal with ACA. They are working with IT and there is much that goes into Premium Tax Credit. Conversations on ACA will most likely ramp up more after current season gets under way.

Instructions for Forms 8959 & 8960 are still not released or finalized. This could be a problem as the “game has started”. No projection exists on the volume of the 8959 & 8960 forms.

When returns are e-filed (or paper filed), there are certain percentages of errors and unprocessable that exist. The goal is to minimize the errors and turn them around quickly. Some issues, however, delay this.

Outreach Dept. is now included under Submissions Processing. It creates synergy as they work together. They had been in the Return Processing Office.

In looking to 2015, besides ACA, they are working with online services to move toward more online payments and get out of the check business. Having the online process in place will aid in

getting with the times and facilitate taxpayers. They are looking at “Direct Pay” and mobile capabilities to achieve this. They are working closely with fiscal services and treasury.

ID theft remains a big concern (Jodi Patterson’s group).

ITIN is another newer program and has procedural changes. They are still working to strengthen the program.

### **Online Services – Jim Weaver, Director Product Management in Online Services**

GET TRANSCRIPTS – average TP doesn’t know what this is. Ready to be launched!!!! It was launched internally on Monday prior to launch to public. It uses enterprise authentication and out of wallet verification. It is available on website today under order transcript area, but full-blown release will not be made until start of filing season. Login is made through guess or user screens. Go to TOOLS on website and go to transcripts. Enter system either through sign in or sign up. Sign up provides user name and password.

At some point during the 2014 season, the estimated payments will be available on this site. However, this is not available. Jim Weaver will be checking to see when this will become available.

For next year, they are keying on account issues. They are starting with transcripts. Next phase is increased account items and taxpayer digital communications. Also, POA is forthcoming, but no guarantee for 2014. Finally, they are working on more program interfaces. Also, they are working on more payment aspects, including online payments, payment plans, mobile processing. They are working on doing more online. They are estimating a release of March 2014 for online payments and April 2014 for payment apps.

### **CARINE RICE – Wage and Investments**

IRS is kicking off free file on Friday. They are still on track for 01/31.

General communications – still updating [www.irs.gov](http://www.irs.gov) and working with media relations on start of tax season.

5 of 6 phases are up and running.

Regarding refund expectations, only updating dates and removing vague language. Still, IRS issues 9 of 10 refunds in under 21 days. IRS reps can research status AFTER 21 days or if Where’s My Refund says to call IRS. Where’s My Refund is updated daily, so there is no need to check multiple times during the day. It is usually updated at night.

They are updating Pub. 43. They are aware of rogue refund charts and are searching for source to have them removed. Any language used needs to be consistent with IRS publications.

There is a Q&A page on where's my refund. Feel free to contact her with any additions to the Q&A.

On Get Transcripts, it was soft launched. Full launch will be made when they are ready. The goal is to go live by the start of filing season.

They are working on a new pub to layout the various service options available. Looking to release it on [www.irs.gov](http://www.irs.gov) by next week.

IRS is promoting free file and VITA as they feel it is important for TP to know options.

### **Candice Cromling – Practitioner Discussion**

#### **Return Preparer Office Updates – Carol Campbell, Director RPO**

PTIN renewal season is technically over, but you can still renew. Approx. 540K have already renewed PTINs. There are about 50K new preparers, and this number is expected to increase. The system is not built to handle ALL PTIN holders at the same time. As such, the system bogs down when the program opens and at the end of the year. The system needs to be down on the 31<sup>st</sup> to update for the new year, but they work to keep the period as short as possible.

Initially, there were 700K PTIN holders. There is approx. 170K PTINs still to renew. There was approx. 100K increase of early renewals over last year.

A small test was performed on the PTIN count to determine what is acceptable margin of error. Currently, it's "not ready for prime time" based on the results of the test. They are still trying to make the systems more user-friendly. There will be additional pilot tests, but they need to ensure that there is support available to answer questions on the variances.

The IRS CE program still exists for EAs and all preparers who want to take the courses. The voluntary aspect of CE is not expected to go away, regardless of the Loving case.

There are still preparers calling themselves RTRPs despite the category not really existing. Courses cannot be offered claiming RTRP designation or testing or pretesting. Once litigation is over, IRS will tell preparers what the next steps are.

The new commissioner is in favor of voluntary certification. This is one reason as to why she doesn't think that voluntary CE will go away in the short term.

## **ID Theft – Justin McCarty, Privacy Govt Liaison & Disclosure**

ID theft is one of the fastest growing crimes in the country. They are constantly working on filters to identify schemes and cluster in “real” time.

The biggest program is the identity protection PIN. It’s a 6-digit number that is required when the return is filed. Participation has grown significantly through CP01A letter. Last year 770K letters vs. 1.25M this year – a 55% increase. The pin is assigned when the case has been resolved and an indicator is placed onto the Account. As of mid-November, there is a cutoff, so a group will not get them. Cases are supposed to be closed in 180 days. That is not always the case.

If PIN is required, but not used, the return should be rejected. There is a new process for this.

The IP PIN will now be the PIN of record. The returns must have the current IP PIN. If filing prior returns, the current number should be used for ALL returns. Eventually, they may need to move to alpha-numeric in the future.

It is too late right now to get the PIN for current year. In filing the 14039, check the proper box. Due to the issues at Target, Neiman Marcus, etc. if you were a victim, you should file the form and err on the side of caution.

The IP PIN must be on return for both TP and spouse for electronically filed return. If filing a paper return, only the TP needs to enter IP PIN. In prior years, an IP PIN was reissued if lost, but return was held for verification. A new program exists for TP to get original IP PIN after creating online account and verifying info. However, they can still call and get replacement PIN, but the return will be delayed for additional verification. This program is expected to be released by the start of filing season.

There are 2 feedback mailboxes. One for TP ([feedback.ippin@irs.gov](mailto:feedback.ippin@irs.gov)) to provide feedback on process. One for if a preparer has concerns ([questions.ippin@irs.gov](mailto:questions.ippin@irs.gov)), they can submit questions and will eventually get reply.

## **CLOSING**

EITC audits, IRS helps ensure compliance through education and compliance treatments (preseason filing letter) and in some cases, they will visit preparer. Visits are not subject to return visits.

Next meeting is February 20, 2014. There is a new commissioner and deputy commissioner and they are invited to come visit.

John Dalrymple will be coming to visit in the future.