

IRS NPL MEETING
July 20, 2017

Welcome & Roll Call –Mel Hardy, Director, NPL

Opening Remarks – IRS Commissioner, John Koskinen

IRS appreciates the time and feedback from Practitioner Groups. It is important to get and implement the feedback. It benefits not only the IRS, but also the TP.

In using a Canadian program, the IRS started an appointment platform and found that nearly 50% didn't need to appear in person. They have adjusted based on this feedback. If someone shows up without appointment, they were still handled.

They are starting to experiment with virtual service kiosks and alternative methods of meeting with TP. Appeals has been looking at WebEx and Skype to hold in-person meetings. As a pilot, they are looking to see how effective this program really is. The goal is also to allow those TP not in the immediate area of a TAC the ability to meet "directly" with the IRS.

Commissioner has heard from compliance that Appeals wouldn't hear that side of the story. As Appeals sets itself as an independent body, all arguments need to be heard. If the discussions weren't held jointly, it is difficult to determine the accurate facts.

In transition, focus should be to find someone to replace current Commissioner. As of today, no names or rumors seem to be available.

From a budget perspective, the Commissioner hopes that there will be reasonable adjustments to aid compliance. Current budget cut is smaller than other agencies. Compliance activities continue to shrink.

2018 budget only helps current Commissioner for one month. 11 months go to new Commissioner. Any cuts to reduce effectiveness of Commissioner will do more to affect the incoming Commissioner.

Penalty appeals centered in Ogden, UT. Employees are specifically trained.

Commissioner feels that the incoming Commissioner should be more of a manager than lawyer or accountant. This is despite past Commissioners being from these areas. The Commissioner runs 80K+ employees. Some tax knowledge is obviously helpful, but IT is also a large components as IRS looks to modernize systems.

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Practitioner Feedback – In-Person Conference Attendance - Appeals Chief Donna Hansberry and Deputy Chief Nikole Flax and Andy Keyso

The appeals chiefs have been meeting with Practitioners to understand the issues.

Structurally, appeals has 6 campuses with many employees. Also have many field offices. IRS needs to get right work to the right area to handle. Most offices lean toward tax return processing. There was a mismatch between employee grade and job responsibilities.

The IRS has performed testing and learning. Had 21K employees in appeals; now more like 1,400.

It's easy to say "NO" over the phone or when not directly across the table. You have the ability to hand a sheet of paper or identify where to look on the reports.

Intent was not to eliminate in-person appeals nor to create such a high bar to obtain this.

Practitioner Feedback – Compliance/Counsel Attendance at Appeals Conference

New FAQ's to be released on how conferences to be held. Compliance not part of those discussions.

As Appeals continues, the more important issue relates to its' independence from the IRS. The AO needs to be cognizant of what their job truly is. It is to be educated to the facts of the case and determine the strengths and weaknesses of both sides.

Revenue officer in room during appeal conference can cause issues for TP especially if RO has been making life miserable for TP over last year or two.

Practitioner Feedback – Other Issues

Innocent spouse – appeals processed through same office that determined the initial ruling (Covington).

Without knowing the hazards, it is difficult to address the hazards.

Update from Appeals – WebEx Pilot

This will ultimately become a new & separate option for TP or if office not feasible. Close to 90 employees are participating. It is not in all offices and was purely optional.

TP given ID to login and can be done from any computer. Not all features of WebEx being used, such as recording and uploading documents. It gives a better experience than a phone call.

Conclusion of Appeals Session

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

CLOSING

Next meeting is September XX, 2017

TAX PRO SECURITY SUMMIT
JULY 20, 2017

ETAC report has been released. It contains updates and concerns on cyber issues. It is available on the IRS website.

For upcoming season, only changes would relate to implementation of documents, but nothing significant to be added. Changes will be brought to Tax Pro group for review prior to implementation.

Orlando Tax Forum – 2,700+ in attendance. Interaction with attendees was very positive.

Mobile devices & Internet of Things – biggest concerns for the next few years.

FTC, IRS CI & Larry Gray – update on NIST framework. Free CPE just for listening to it. 41% of hacks are via remote access. On NATP website currently.

Review Pub 4557

Don't Take the Bait – 10 different topics
Press conference at Dallas Tax Forum
Focus on ransomware
W2 scams and phishing
NIST guidance