June 2, 2009
Practitioner Liaison Meeting
Milwaukee, WI
1:00 – 4:00pm

Attendees:

Jan	Anderson	National Association of Tax Practitioners
Barbara	Bartlett	Liberty Tax
Jim	Bartlett	Liberty Tax
Ron	Berman	Wisconsin Certified Public Accountants
Anne	Casey	National Association of Tax Practitioners
Richard	Cummings	UW - Whitewater
Bob	Dallman	Milwaukee Tax Club
David	Fayram	Wisconsin Society of Enrolled Agents
Kim	Haakenson	H&R Block Franchises
Wendi	Hall	American Society of Women Accountants
Bruce	Hamilton	Institute of Management Accountants
Tricia	Knight	Wisconsin Certified Public Accountants
Sam	Micale	Wisconsin Association of Accountants
Mary	Rozek	UW - Milwaukee
Carol	Tollefson	H&R Block Corporate
Linda	VanSluys	H&R Block Corporate
Don	Wollersheim	Wisconsin Society of Enrolled Agents
Laurie	Ziegler	Wisconsin Society of Enrolled Agents
Wisconsin Department of Revenue:		
Dianne	Hardt	Administrator
Greg	Frazier	Audit Bureau Director
Wendy	Miller	Chief of Central Audit
Internal Revenue Service:		
Bob	Arango	Governmental. Liaison
Roy	Block	Taxpayer Advisory Panel
Mary	Collie	Insolvency
Mary	Delzer	Taxpayer Advocate Service
Barbara	Johnson	Taxpayer Advocate
Mark	Miller	Counsel
Tim	Sherrill	Collection
Dan	Sostock	Examination

Not attended: Michelle Benson, Area Manager – absent due to illness

Meeting Summary:

Role and Mission of IRS Appeals – Paul Vanchena Appeals Case Team Leader:

Paul explained the different positions within the Appeals Division. He provided a map of the nation showing how their division has been separated into the various groups. The Milwaukee group is part of Area 7 and their manager is now located in Chicago. Paul further explained that Appeals Officers (AO) deal with examination related cases, while Settlement Officers (SO) deal with collection related cases. Right now, there are no AOs in Milwaukee but the positions have been posted and hope to be filled soon. At this time, all of the AO work is being shipped out to other offices in Chicago, Iowa, and Nebraska. There are three SOs in the Milwaukee Office and they report to Debra Dufek, Settlement Officer Area Territory Manager (SO ATM). She is located in the Chicago office.

Paul went on to explain that as an Appeals Case Team Leader he is assigned the most complicated cases and the largest corporations. His work is very specialized and is spread out across the country. He explained that the role of appeals is to determine the hazards of litigation and determine if a settlement can be reached or if the case should go further up the chain to Counsel and ultimately to Tax Court. These decisions are based on past court cases, and three basic items: 1- Is there documentation to uphold the taxpayer's position; 2- is there basis for their position; and 3- what is the process of the case. Appeals must also look out for the best interest of the government.

Paul emphasized that when an appeals conference is requested, the taxpayer and/or representative must be ready with all of their information and be prepared to present their arguments when an Appeals employee contacts them.

WI Department of Revenue Updates – Diane Hardt, Division Administrator Income, Sales and Excise Tax

Diane introduced the other WDOR employees in attendance with her: Greg Frazier – Audit Bureau Director; and Wendy Miller – Chief of Central Audit. She announced that Vickie Gibbons is the now the Deputy Administrator.

Diane provided a few current events within WDOR. They have 24,000 returns in the pipeline yet to process out of 3 million returns; this should be completed by June 13. It was a smooth filing season, with the exception of a software issue, which they are working on. They are monitoring the IRS position on the Tax Return Preparer licensing issue and are watching what other states are doing with this. Nothing has been proposed on the state level as of this time. They are reviewing “My Tax Account” with their Stakeholders. The “My Tax Account” for individuals will be delayed. The state began turning over delinquent tax roles to all of the banks to see if anyone had assets in that bank. If so, the assets were turned over to the state to settle the delinquent accounts. This brought in a lot of revenue over the past year. Diane states that about a dozen states are doing this now.

Diane explained that the state has not yet adopted the federal law, which states that the health care benefits for children under age 27 will be non-taxable. These benefits will be taxable at the state level unless the state legislature makes any changes.

Update on New Requirements for Tax Preparers – Kathy Mostowik, IRS Stakeholder Liaison

Kathy provided a Power Point presentation discussing the new requirements for tax return preparers. She stated that the number of practitioners who are not aware of this law change surprises us. She also announced that there is a webinar coming up on June 9 discussing the new requirements for Tax Practitioners and a National Phone Forum on June 16 discussing the Do’s and Don’ts of Forms 2848 and 8821.

Kathy told the audience that the goal is to begin the registration process on 9/1/2010 and to have it complete by 1/1/2011. This is just a projection, but no dates have been finalized. No vendor has been announced for the testing either. The question of whether or not the VITA/TCE volunteers are subject to the same requirements was raised. It was explained that at this time they will not be subject to the same requirements as other practitioners.

IRS Updates including HIRE (Kathy Mostowik IRS Stakeholder Liaison) and Health Care (Joan Jeselun IRS Stakeholder Liaison)

Kathy presented a Power Point dealing with the Hiring Incentives to Restore Employment (HIRE) act. She discussed the benefits of the credit, as well as how to claim it.

Joan talked about the Affordable Health Care act and the various components of this act. The Small Business Tax Credit was discussed along with the implementation timeline. Some of the various aspects of this timeline were discussed. Joan also talked about the Tax-Free Employer-Provided health Coverage available for children under the age of 27.

Issues and Status:

Issue Status Report: There were no unresolved issues from the November 2009 PLM.

Issue: A great deal of discussion centered on the Offer in Compromise program.

Resolution: Territory Manager, Tim Sherrill stated that he or an Offer Specialist will come to the next PLM to discuss the process, along with some of the new changes concerning Collection looking at future income.

Issue: A question was raised as to the proper procedure for contacting the Taxpayer Advocate Office.

Resolution: Practitioners should first use the IRS TAS Help Line at 1-877-777-4778 (TTY/TTD: 1-800-829-4059) to request assistance. If the practitioner is unable to resolve the issue with the toll free line, they can call the Milwaukee TAS office directly at 414-231-2390. If problems still exist, practitioners may call the manager, Mary Delzer, at 414-231-2165

Practitioners are encouraged to use the Practitioner Priority Service 866-860-4259 for routine account questions and adjustments. The employees staffing this line can provide these services quickly and without delay

Issue: A question was raised as to whether or not the Practitioner Priority Service will forward a Power of Attorney form to the CAF Unit.

Resolution: A phone call to the Practitioner Priority Service confirmed that yes, when they receive a Power of Attorney it is faxed to the CAF unit.

IRS Roundtable and Comments:

Taxpayer Advisory Panel – Roy Block: The TAP is looking into the non-banking taxpayer and their ability to use form 8109B to pay their employment taxes. They want to encourage banks to accept payments at the counter.

Manager, Taxpayer Advocate Office – Mary Delzer: Mary corrected her phone number as listed in the Practitioner Directory to 414-231-2365. A question was raised and discussion followed in regard to the proper procedure for contacting the Taxpayer Advocate Service. Mary provided the following instructions:

Practitioners should first use the IRS TAS Help Line at 1-877-777-4778 (TTY/TTD: 1-800-829-4059) to request assistance. If the practitioner is unable to resolve the issue with the toll free line, they can call the

Milwaukee TAS office directly at 414-231-2390. If problems still exist, practitioners may call the manager, Mary Delzer, at 414-231-2165.

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Taxpayer Advocate – Barbara Johnson: Barbara introduced herself, as she is new to the position. She also corrected her phone number to 414-231-2391.

A discussion was held regarding faxing Power of Attorney forms to the Practitioner Priority Service and whether or not they fax the forms on to the CAF unit. A phone call to the Practitioner Priority Service confirmed that yes, when they receive a Power of Attorney it is faxed to the CAF unit.

Territory Manager, Advisory, Insolvency and Quality – Mary Collie: At first, she thought that her name was not listed in the Practitioner Director. We showed her it is listed under "Bankruptcy Cases." This is an old title and she asked if it could be changed.

Territory Manager, Collection – Tim Sherrill: had several things to discuss. 1 – There is a penalty for businesses that do not send in their W-2/W-3 forms to SSA on a timely basis. In the past, this penalty was abated when sent in. However, this penalty is no longer being summarily abated. The taxpayer will need to show cause as to why opposed. This could possibly go to Appeals.

2- has to do with Offers in Compromise. In cases where there is doubt as to collectability, collection will look to future income in determining whether to accept an offer. A great deal of discussion was held about this program. See above statement in "Issues."

3- Collection now has a closing letter for Full pay or hardship cases, which is sent out when the entire entity is closed.

Also, Tim had a correction for the Practitioner Directory. The Area Manager's number should be listed as 312-566-4300.

Next Scheduled Meeting: To be announced