

**Date: May 16, 2018 (Wednesday)**

**Meeting Subject:** IRS Illinois Practitioner Liaison Meeting  
**Chicago, Illinois**

8:30 a.m. – 11:30 a.m.

## **MEETING SUMMARY**

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**Attendees from Illinois Tax Professional Organizations:**

- Jeff Badu – National Association of Black Accountants - Chicago Chapter
- Ben Brener – Tax Practitioners of Illinois
- Charmaine Cargill – Illinois CPA Society
- Sherry Dalgaard – Independent Accountants Association of Illinois
- Tim Feeney – Illinois CPA Society
- Terry Hall – National Association of Tax Professionals IL Chapter (Board Member)
- Norris Harstad – Illinois CPA Society – Taxation Practice & Procedure Committee Member
- Joan LeValley – Independent Accountants Association of Illinois (Past President)
- Jay Levine – Illinois CPA Society
- Tim Hughes – Northwest Suburban Bar Association
- Kathleen Lach – Chicago Bar Association

- Dennis Lhotak – Illinois Society of Enrolled Agents (State Director/Chapter Director)
- Tony Mankus – DuPage County Bar Association (Tax Committee Member)
- Paul Meints – Illinois State Bar Association
- Luis Plascencia – Illinois CPA Society
- Joel Shabshin – Independent Accountants Association of Illinois (Incoming President)
- George Smith – Illinois Society of Enrolled Agents (1<sup>st</sup> V.P.)
- Sander Stagman – Tax Practitioners of Illinois (President)
- Eric Sternberg – Center for Economic Progress (Staff Attorney – Tax Clinic)
- Robert Thoma – National Society of Accountants – Illinois Chapter
- Colin Walsh – Illinois State Bar Association

## IRS Current Outreach Initiatives

**Tax Cuts and Jobs Act** - major [tax reform](#) was approved by Congress in the [Tax Cuts and Jobs Act](#) (TCJA) on December 22, 2017. The IRS is working on implementing this major tax legislation that will affect both individuals and businesses. We will provide information and guidance to taxpayers, businesses and the tax community as it becomes available.

Check <https://www.irs.gov/newsroom/tax-reform> for updates throughout the year.

**Paycheck Checkup** - following the tax law changes, encourage all your individual clients to do a paycheck checkup using the IRS's [Withholding Calculator](#) and, if necessary, complete a new [W-4 form](#).

<https://www.irs.gov/newsroom/time-for-a-paycheck-checkup> for more information.

## **Disaster Assistance/Relief & Pre-Disaster Emergency Planning Preparedness – Federal Tax Law Provisions Can Help Individual and Business Taxpayers Recover Financially from the Impact of a Natural Disaster**

Special tax law provisions may help taxpayers and businesses recover financially from the impact of a disaster, especially when the federal government declares their location to be a major disaster area. Depending on the circumstances, the IRS may grant additional time to file returns and pay taxes. Both individuals and businesses in a

federally declared disaster area can get a faster refund by claiming losses related to the disaster on the tax return for the previous year, usually by filing an amended return.

<https://www.irs.gov/businesses/small-businesses-self-employed/disaster-assistance-and-emergency-relief-for-individuals-and-businesses> for a full list of resources.

**Estimated Tax Payments** – IRS has seen an increasing number of taxpayers subject to estimated tax penalties. Help your clients avoid these penalties by adjusting their withholding or the amount of their estimated tax payments.

<https://www.irs.gov/businesses/small-businesses-self-employed/estimated-taxes> for more information.

**Identity Theft & Phishing/Data Protection** - the IRS combats tax-related identity theft with an aggressive strategy of prevention, detection and victim assistance. Get information and guidance for individuals, tax professionals and businesses.

<https://www.irs.gov/identity-theft-fraud-scams/identity-protection> for more information.

**Payment Options** – the IRS provides a wide range of options for taxpayers to make their payments.

<https://www.irs.gov/payments> for complete information.

**Tax Professional Data Theft and Protection** - All tax professionals should be aware that they, too, are targets of cybercriminals seeking access to client data in order to file fraudulent tax returns for refunds. Are you prepared? Protect your clients and protect yourself by taking a few critical steps

See <https://www.irs.gov/individuals/data-theft-information-for-tax-professionals> for full details.

## **Presentations from Representatives of IRS Operating Units**

### **Communications & Liaison, Stakeholder Liaison – Craig Crews, Area Manager**

- Craig welcomed the attendees and discussed the current operations of Stakeholder Liaison and the importance of the relationships SL maintains with the Illinois practitioner organizations.
- Craig identified that IRS outreach initiatives of the Tax Cuts and Jobs Act have begun and will continue through 2018. Some of the changes IRS must implement include revising about 450 forms and publications (about twice the norm) and reprogramming about 140 information technology systems.

- The resource which taxpayers and tax professionals should go to throughout the year is the tax reform page on IRS.gov at <https://www.irs.gov/newsroom/tax-reform> .

**Treasury Inspector General for Tax Administration – Office of Investigations – Frank Boenzi, Assistant Special Agent-in-Charge**

<https://www.treasury.gov/tigta/>

**About TIGTA’s Office of Investigations**

- The Treasury Inspector General for Tax Administration (TIGTA) was established under the IRS Restructuring and Reform Act of 1998 to provide independent oversight of IRS activities. TIGTA promotes the economy, efficiency, and effectiveness in the administration of the internal revenue laws. It is also committed to the prevention and detection of fraud, waste, and abuse within the IRS and related entities.
- TIGTA's Office of Investigations (OI) administers investigative programs that protect the integrity of the Internal Revenue Service (IRS) and detect and prevent fraud and other misconduct within IRS programs. This includes investigating allegations of criminal violations and administrative misconduct by IRS employees, as well as protecting IRS against external attempts to corrupt or threaten its employees.

**LATEST IRS IMPERSONATION SCAM UPDATE: Do not use iTunes Gift Cards to pay your taxes - See**

[https://www.treasury.gov/tigta/irs\\_scam\\_updates.shtml](https://www.treasury.gov/tigta/irs_scam_updates.shtml)

IRS has produced YouTube videos in both English and Spanish to warn individuals about these frauds. <https://www.youtube.com/watch?v=M5MdrNCGuZc>

**If you believe you have been a victim of an IRS Impersonation Scam Contact TIGTA**

[https://www.treasury.gov/tigta/contact\\_report\\_scam.shtml](https://www.treasury.gov/tigta/contact_report_scam.shtml)

**Field Collection & Collection Civil Enforcement Advice - Small Business/Self-Employed, Collection Operations, Adrian Gonzalez, Director Civil Enforcement Advice & Support Operations**

**Recent Changes in IRS Collection Operations Organization for Illinois**

- Reorganization completed in November 2017. Field collections operations in Illinois are now a part of Field Collection’s Central territory.
- The current acting program manager for most of Illinois is William Arthur. His phone number is 681-456-6123.

## Recent Changes in IRS Collection Operations - Nationwide

- Nationwide, the number of revenue officers stands at approximately 2,300 which is half the number of six years ago.
- Centralized lien operations are now a part of IRS campus collections.
- The Advisory and Property Appraisal Liquidation Specialist (PALS) organizations are now a part of Field Collection.
- IRS future plans call for shifting lien Certificate (Discharge, Subordination, and some Withdrawals) operations from the current seven offices to one.
- PALS is working with the General Services Administration (GSA) on a pilot program where the GSA auction web site is used to sell property (primarily autos) seized by IRS.
- Other IRS seized property up for auction can be found at <https://www.treasury.gov/auctions/irs/> or <http://www.irsauctions.gov>

## Current Focus of IRS Revenue Officers Collection Efforts

- Employment taxes remain a high priority for Field Collection.
- **A Federal Tax Deposit (FTD) Alert program** has been studied and improved for revenue officers in the field.
- **Federal Tax Deposit (FTD) Alerts** are used to determine an employer's compliance with employment tax deposit requirements for the quarter of the Alert issuance, and for subsequent quarters until the taxpayer is brought into full compliance.
- The FTD Alert process identifies, at an early stage (i.e., before the return is due), taxpayers who have fallen behind in their deposits.
- **Internal Revenue Manual section 5.7.1 FTD Alerts** provides information on the program. You can find this IRS section at [http://www.irs.gov/irm/part5/irm\\_05-007-001.html](http://www.irs.gov/irm/part5/irm_05-007-001.html).
- Revenue officers are conducting their investigations in the field with more face-to-face contact with taxpayers.
- IRS is emphasizing that Revenue Officers make contact with these taxpayers in the field as face-to-face interactions yield more effective and faster resolutions.
- A variety of useful information is available to employers and their representatives on the IRS Web site. Visit IRS.gov and type "Employment taxes" in the search box. Helpful links include:

### [What Are FTDs and Why are they Important?](#)

[Employment Taxes](#)

[Understanding Employment Taxes](#)

[Depositing and Reporting Employment Taxes](#)

[Employment Tax Publications](#)

[Small Business Taxes – The Virtual Workshop](#)

## **Payment & Collection Resources for Tax Professionals and Taxpayers**

Making federal tax payments - <http://www.irs.gov/Payments>

IRS Payment Plans & Installment Agreements -  
<http://www.irs.gov/Individuals/Payment-Plans,-Installment-Agreements>

IRS Offer-in-Compromise - <http://www.irs.gov/Individuals/Offer-in-Compromise-1>

Collection Procedures for Taxpayers Filing and/or Paying Late -  
<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Collection-Procedures-for-Taxpayers-Filing-and-or-Paying-Late>

Some of the collection presentations available at [www.irsvideos.gov](http://www.irsvideos.gov) include:

Completing Form 656, Offer in Compromise

IRS Collection Process Part 2: Partial Payment Installment Agreements and Form 1099-OID Original Issue Discount Refund Scheme

- IRS Publication 4235 "Collection Advisory Group Numbers and Addresses." You can access the publication at <https://www.irs.gov/pub/irs-pdf/p4235.pdf>.
- Lien withdrawal resources for taxpayers and tax professionals can be found at <http://www.irsvideos.gov/?search=liens>.

## **Field Examination - Small Business/Self-Employed, Examination Operations, Midwest Area – Annette Jones, Territory Manager**

### **Illinois Exam Organization Updates**

- Individual contacts within the Illinois SB/SE exam organization can be found in the Illinois IRS Tax Practitioner Phone Directory which has been distributed to the representatives from the Illinois tax professional organizations.
- Please work to resolve issues with the frontline managers of the revenue agents and tax compliance officers (office auditors) assigned to exams of your clients' returns. If you cannot resolve those issues, please contact the examination territory manager. The contact information for the territory managers is documented in the Illinois IRS Tax Practitioner Phone Directory.
- Carol Madison is the Area Director of Midwest Exam.

### **Exam Program Areas of Emphasis During Fiscal Year 2018**

- Audits that are and will be undertaken during the fiscal year will include an increased focus on flow-through entities due to the increased number of flow-through tax return filings.
- Audits involving abusive tax scheme promoters and abusive tax scheme transactions. Injunctions are being used to stop these promoters.
- Audits of the Research & Experimentation Credit, Offshore Voluntary Disclosure and National Research Program cases.



- Exam will be completing preparer visits reviewing the controls that preparers have in place.

### **Examination Resources for Tax Professionals and Their Clients**

- "Your Guide to an IRS Audit" is available for viewing at <https://www.irsvideos.gov/Audit/>
- Abusive offshore tax avoidance schemes. IRS.gov offers an Abusive Offshore Tax Scheme toolkit at <http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Abusive-Offshore-Tax-Avoidance-Schemes>.
- Information for tax professionals on the common types of abusive tax schemes the IRS sees (and how to report them) is located at <http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Tax-Scams-How-to-Report-Them>.
- Examination also is involved with ID Theft cases. Taxpayers and tax professionals can find IRS resources on Identity Protection: Prevention, Detection and Victim Assistance at <http://www.irs.gov/Individuals/Identity-Protection>. Tax professionals and taxpayers can find the online video "Your Guide to an IRS Audit" at <http://www.irsvideos.gov/Audit/>.
- Fast Track Settlement offers Small Business/Self-Employed taxpayers an opportunity to resolve tax disputes at the earliest possible stage in the examination process. Once your application is accepted, the goal is resolution within 60 days. Specific information on the Fast Track Settlement program can be found at <http://www.irs.gov/Individuals/Fast-Track-Settlement-Small-Business-Self-Employed>

### **Criminal Investigation (CI) – Gabe Grchan, Special Agent-in-Charge**

#### **CI Overview**

Criminal Investigation (CI) serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.

#### **Current Operations Update & CI's Annual Report for Fiscal Year 2017**

#### **CI Overview**

Criminal Investigation (CI) serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law.

#### **Current Operations Update & CI's Annual Report for Fiscal Year 2017**

- Chicago and St. Paul CI field offices will be merging this year. One result of the merger is that the CI agents working out of the Davenport, IA and Fairview

Heights, IL post-of-duty will report to the St. Louis CI field office instead of Chicago.

- Nationwide CI is hoping to hire about 100 new special agents in 2018 with 7-8 potentially for the Chicago HQ.
- Legal income tax fraud cases are the largest portion of CI's case inventory.
- Other types of cases making up CI's inventory include ID theft, terrorism financing and offshore disclosure.
- ID theft claims are down 66%.
- Phone scam cases are down but computer phishing cases are up.
- Full information on CI's activities during fiscal year 2017 can be found in its annual report located at [https://www.irs.gov/pub/foia/ig/ci/2017\\_criminal\\_investigation\\_annual%20report.pdf](https://www.irs.gov/pub/foia/ig/ci/2017_criminal_investigation_annual%20report.pdf).

### **Offshore Voluntary Disclosure Program Will Close on September 28, 2018**

- For full information please see <https://www.irs.gov/individuals/international-taxpayers/closing-the-2014-offshore-voluntary-disclosure-program-frequently-asked-questions-and-answers>

### **Wage & Investment Division**

- W&I is responsible for the **Volunteer Income Tax Assistance (VITA) program**. The VITA program offers free tax help to people who generally make \$54,000 or less, persons with disabilities, the elderly and limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals
- You can learn about the VITA program at <https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers>
- To learn how to become a VITA volunteer go to <https://www.irs.gov/Individuals/IRS-Tax-Volunteers>.
- To apply for a VITA grant to operate a VITA clinic go to <https://www.irs.gov/Individuals/IRS-VITA-Grant-Program>.
- Taxpayer Assistance Centers (TACs) Update – Nearly every tax issue can now be resolved [online or by phone](#) from the convenience of your home or office. If you need help from a Taxpayer Assistance Center (TAC), call to schedule an appointment. All TACs are now providing service by appointment. Call 844-545-5640 to schedule an appointment.

## Taxpayer Advocate Service (TAS) – Andrew Vansingel, Supervisory Associate Advocate

### TAS Overview, Annual Report to Congress & National Taxpayer Advocate's Objectives Report

- The Taxpayer Advocate Service (TAS) *is your voice at the IRS*. TAS' job is to ensure that every taxpayer is treated fairly, and that they know and understand their rights. TAS offers free help with IRS problems that taxpayers can't resolve on their own
- If you are experiencing a hardship or systemic issue, and your case meets our criteria, please contact our office. TAS is here to help, but is not a substitute for the normal processing channels. Information regarding the criteria can be found at Internal Revenue Manual section 13.1.7 which you can find through [www.irs.gov](http://www.irs.gov) at [http://www.irs.gov/irm/part13/irm\\_13-001-007.html](http://www.irs.gov/irm/part13/irm_13-001-007.html)
- The Annual Report to Congress delivered at the end of December, includes: A summary of the 20 most serious problems encountered by taxpayers; recommendations for solving those problems; and other IRS efforts to improve customer service and reduce taxpayer burden. <https://taxpayeradvocate.irs.gov/2017AnnualReport>
- The Objectives Report, delivered each June, contains the goals and activities planned by the Taxpayer Advocate for the coming year. <https://taxpayeradvocate.irs.gov/2018ObjectivesReport>

### Taxpayer Bill of Rights

- IRS has adopted a **Taxpayer Bill of Rights** as proposed by National Taxpayer Advocate Nina Olson. It applies to all taxpayers in their dealings with the IRS. The Taxpayer Bill of Rights groups the existing rights in the tax code into ten fundamental rights, and makes them clear, understandable, and accessible. You can find additional information at <http://www.taxpayeradvocate.irs.gov/About-TAS/Taxpayer-Rights>.

### TAS in Illinois

- The different methods available to contact the TAS are identified at <http://www.irs.gov/Advocate>. The national phone hotline is 877-777-4778

There are 2 TAS offices in Illinois.

City	Address	Phone	Fax

<b>Chicago</b>	230 S. Dearborn St., Room 2820, Stop 1005-CHI, Chicago, IL 60604	312-292-3800	855-833-644 3
<b>Springfield</b>	3101 Constitution Drive, Stop 1005 SPD, Springfield, IL 62704	(217) 993-6714	855-836-283 2

- You can also call the **Taxpayer Advocate Service toll-free at 1-877-777-4778**, or fill out [Form 911, Request for Taxpayer Advocate Service Assistance](#), and fax or mail it to the address above.

### **Taxpayer Advocacy Panel**

- IRS Taxpayer Advocacy Panel (TAP).** The Taxpayer Advocacy Panel, a Federal Advisory Committee to the Internal Revenue Service (IRS), helps to identify tax issues of importance to taxpayers and to provide a taxpayer perspective to the IRS on key programs, products, and services. It also serves as a focus group that makes recommendations to the IRS and the National Taxpayer Advocate.
- TAP members participate in meetings and focus groups and develop and submit recommendations to improve the IRS. Have a suggestion for improving the IRS and don't know whom to contact? We would like to hear from you. If you have a suggestion to improve the IRS, Speak Up! **Contact TAP at 1-888-912-1227 (toll-free number).**

### **TAS' Systemic Advocacy Management System – Help TAS Tackle IRS Systemic Issues**

TAS operates the **Systemic Advocacy Management System**. You can help the Taxpayer Advocate Service tackle the “big-picture” problems in the IRS or the tax law by reporting them to us. These *systemic issues*: Always affect multiple taxpayers; Don't apply to just one taxpayer (but if you personally have an unresolved IRS problem, [TAS may be able to help](#)); Involve IRS systems, policies, and procedures; Involve protecting taxpayer rights, reducing burden, ensuring fair treatment, or providing essential taxpayer services.

<https://www.irs.gov/Advocate/Systemic-Advocacy-Management-System-SAMS>

### **Chief Counsel - SB/SE, Deputy Chief Counsel SB/SE Area Counsel Chicago, Elke Franklin, Area Counsel and E. Abigail Carlson, Deputy Area Counsel**

- Elke Franklin and Abby Carlson are the new area and deputy area counsels, respectively. Their contact information can be found in the IRS phone directory for Illinois tax professionals.
- The Chicago counsel's office has hired 3 new attorneys. However, a lack of resources in the Chicago office continues to require that some cases be transferred to other counsel offices to be worked.

### **Specialty Examination, Estate & Gift Tax - Small Business/Self-Employed Division, Sara Daya, Supervisory Attorney**

## **Estate & Gift Tax Operations Update**

- Ms. Daya supervises a group of Estate & Gift tax attorneys located in Illinois and Wisconsin. However, Estate & Gift tax attorney work a nationwide inventory of cases.

## **Estate & Gift Tax Law Updates**

- Form 706 United States Estate (and Generation-Skipping Transfer) Tax Return Exclusion Amounts
  - The basic exclusion amount (or applicable exclusion amount in years prior to 2011) is \$1,500,000 (2004-2005), \$2,000,000 (2006-2008), \$3,500,000 (2009), \$5,000,000 (2010-2011), \$5,120,000 (2012), \$5,250,000 (2013), \$5,340,000 (2014), \$5,430,000 (2015), \$5,450,000 (2016), \$5,490,000 (2017), \$11,018,000 (2018).
- Gift Tax Exclusions
  - The annual exclusion for gifts is \$11,000 (2004-2005), \$12,000 (2006-2008), \$13,000 (2009-2012), \$14,000 (2013-2017) and \$15,000 (2018).

## **Transcripts in Lieu of Estate Tax Closing Letters**

- See <https://www.irs.gov/businesses/small-businesses-self-employed/transcripts-in-lieu-of-estate-tax-closing-letters> for complete information.

## **Estate & Gift Tax Resources for Tax Professionals & Their Clients**

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Estate-and-Gift-Taxes>

**Estate & Gift Toll-Free number is: 866-699-4083** NOTE: Please call this number for questions about return accounts, lien discharges, historical 709s and extensions only.

**For Tax Law Questions call: 800-829-1040 or 800-829-4933** NOTE: Questions will only be answered for those authorized on a valid Power of Attorney (POA) holder or the taxpayer.

### **IRS Estate & Gift Tax Local Contact**

Sarah Daya  
Supervisory Attorney  
230 South Dearborn Street  
Chicago, IL 60604-1505  
Phone: 312-292-4485

**Privacy, Governmental Liaison & Disclosure (Freedom of Information Act (FOIA)) Requests – William White IV, Government Information Specialist**

## Freedom of Information Act Resources for Tax Professionals & Their Clients

- Freedom of Information Act request information can be found at <https://www.irs.gov/uac/irs-freedom-of-information>.

- There are 3 ways you can access IRS records:

- Visit the IRS Electronic Reading Room

<https://www.irs.gov/uac/electronic-reading-room>

- Use the Routine Access Procedures

<https://www.irs.gov/uac/routine-access-to-irs-records>

- Make a formal Freedom of Information Act request

<https://www.irs.gov/uac/freedom-of-information-act-foia-guidelines>

- The Electronic Reading Room contains records such as Published Tax Guidance, Rulings, Internal Revenue Manual, Counsel Guidance and Freedom of Information Act Reports.
- The Routine Access Procedures tell you how to secure commonly requested records such as transcripts, copies of returns and tax court opinions.
- A formal Freedom of Information Act request should be made for records not available using the first 2 options.
- Before submitting a FOIA request, take a look at the resources just mentioned as well as the Basic Tools for Tax Professionals page at <https://www.irs.gov/tax-professionals/basic-tools-for-tax-professionals>.
- The information on these pages will help you secure records and information to assist your clients and often the processing times are faster than FOIA requests.
- Keep in mind, if you are working directly with an IRS employee on an open tax case, you can request records from the case file directly from the employee.
- When a FOIA request for your client's tax records is required, your letter must:
  - State that the request is being made under the Freedom of Information Act.
  - Identify the records being sought as specifically as possible including the client's name, address and SSN or EIN.
  - Make a firm commitment to pay any fees which may apply.
  - Provide your name, address, signature and Form 2848 or 8821 authorizing you to receive the records.

- The Disclosure Office is required by statute to respond within 20 business days after receipt. However, the FOIA does contain provisions for extensions and they are discussed in the FOIA Guide.
- The FOIA Improvement Act of 2016 made changes to the appeals process when your FOIA request is denied in whole or in part or you receive a no records response. In addition to enclosing the appeals notice, the final response letter must specifically state you can dispute the response by contacting the FOIA Public Liaison and/or the Office of Government Information Services (OGIS) directly.
- Also, it extends the appeals window from 35 days to 90 days after the date of the IRS final response letter.
- To learn more about the IRS Governmental Liaison and Disclosure programs, please go to <https://www.irs.gov/Government-Entities/Governmental-Liaisons> and <https://www.irs.gov/uac/Privacy,-Governmental-Liaison-and-Disclosure-At-a-Glance>

## **Office of Appeals, Examination – Jim Helfrich, Appeals Team Manager**

### **Appeals Examination Operations Update**

In October 2017 in-Conference procedures were revised.

- Under the new procedures, if a taxpayer requests an in-person conference, Appeals will use its best efforts to schedule an in-person conference on a date and at a location that is reasonably convenient for the taxpayer and Appeals. Appeals' ability to hold an in-person conference in the taxpayer's preferred location may be limited due to regulatory requirements or resource constraints including the availability of Appeals Technical Employees (ATEs) with subject matter expertise, inventory balancing or other workload/case assignment-related issues. In such instances, Appeals will identify an alternative location(s) for an in-person conference or offer alternative conferencing methods. This guidance does not change existing circuit riding procedures or workstream-specific guidance. This new procedure does not affect Campus cases. Case assistance is an option for these cases. New procedures for Campus cases will be issued late in the year.
- Appeals Initial Contact Procedure
  - No longer will issue the Uniform Appeals Letter.
  - Appeals Officer will do a substantive review within 45 days of receiving the case.
  - Then they will determine if the case is ready for Appeals and issue a more detailed letter that will list out the unagreed issues and if any information is needed.

- Should speed up the appeals process by eliminating the down time.
- Specific Dollar Settlements are now an option on small cases.
  - A specific dollar settlement is the settlement of a case for a percentage or stipulated amount of the tax in controversy that approximates the amount that would have been reached by computing the tax.
  - Generally, \$50,000 of liability or less per year.
  - Can be used if it effects pro or subsequent years. For example, depreciation
- Appeals formalized its Docketed Exam Assistance. On Docketed cases we cannot release jurisdiction to Exam if we receive new information or issues. Now everyone is getting exam involved with the same process.
- Please when filing an appeal, file a full, complete and detailed protests so that the appeals officers have your complete set of information.

### **Appeals Resources for Tax Professionals & Their Clients**

The Appeals web site within [www.irs.gov](http://www.irs.gov) can be found at <http://www.irs.gov/Individuals/Appeals-Resolving-Tax-Disputes>. For taxpayers who have received an IRS letter stating that their case qualifies to be reviewed with Appeals, the site provides information on:

[Appeals – An Independent Organization](#)

[Preparing an Appeals request](#)

Additionally, the site provides links to online videos and podcasts describing the Appeals process, self-help tools, Appeal rights forms and publications, alternative dispute resolution programs and the [Domestic and International Index](#) (.pdf) which lists all Appeals domestic and international related issues, including contact information.

### **Appeals Mediation Programs**

Information on the **mediation programs offered by Appeals** can be found at <http://www.irs.gov/Individuals/Appeals-Mediation-Programs>. The 2 programs offered under the examination process are **Fast Track Settlement (FTS) and Early Referral**.

**Fast Track Settlement** offers Small Business/Self-Employed taxpayers an opportunity to resolve tax disputes at the earliest possible stage in the examination process. Once your application is accepted, the goal is resolution within 60 days.

With FTS, a trained mediator from the IRS Office of Appeals is assigned to help you and the IRS reach an agreement on the disputed issue(s). You retain full control over every decision you make during the FTS process. In addition to using mediation techniques to facilitate settlement discussions, the Appeals mediator may offer settlement proposals and use Appeals' settlement authority, if needed, to resolve the dispute. Either you or the IRS may agree to or deny the Appeals mediator's settlement proposal.



Specific information on the Fast Track Settlement program can be found at <http://www.irs.gov/Individuals/Fast-Track-Settlement-Small-Business-Self-Employed>.

**The Early Referral to Appeals program** allows a taxpayer to request early referral to Appeals of developed unagreed issue in an open audit (prior to 30-day letter). Taxpayer and the IRS team manager agree issue should be referred early. Remaining issues are not expected to be completed before Appeals resolve early referral issue.

Closing agreements are executed if agreement is reached. If agreement is not reached, taxpayer may request mediation or will be issued a statutory notice of deficiency. Additional information on the program can be found at <http://www.irs.gov/Businesses/Early-Referral-to-Appeals>.

**Post-Appeals Mediation (PAM)** lets you and your Appeals Officer or Settlement Officer resolve disputes while your case is still under Appeals' consideration. Once your PAM application is accepted, the goal is resolution within 60-90 days.

With PAM, a trained mediator from the IRS Office of Appeals is assigned to help you and your Appeals Officer or Settlement Officer reach an agreement on the disputed issue(s). PAM does not create any special authority for settlement by Appeals. You retain full control over every decision you make during the PAM process. No one can impose a decision on either you or Appeals.

For more information on Post Appeals Mediation go to <http://www.irs.gov/Individuals/Post-Appeals-Mediation>.

**Appeals Judicial Approach and Culture Project (AJAC)** - the Appeals Judicial Approach and Culture (AJAC) project was started in 2012 to ensure the policies and practices of the Office of Appeals (Appeals) are consistent with its mission. The role of Appeals is to settle disputes on a fair and impartial basis that favors neither the government nor the taxpayer.

Appeals should not perform compliance actions. Rather, Appeals' role is to attempt to settle a case after IRS compliance functions (which include Accounts Management, Collection and Examination) have made a determination to which the taxpayer does not agree.

The IRS has published a fact sheet to clarify Office of Appeals policies put in place by the AJAC Project. The fact sheet can be found at <http://www.irs.gov/PUP/individuals/factsheet.pdf>.

In addition, the IRS has published Frequently Asked Questions further clarifying Office of Appeals policies under AJAC. You can find these FAQs at <http://www.irs.gov/PUP/individuals/FAQs.pdf>.

## **Office of Appeals, Collection – Paul Mazan, Appeals Team Manager**

### **Appeals Collection Current Initiatives**

- Use electronic processes, including secure faxes, encrypted documents, virtual communications (video conferencing) to increase case processing efficiencies.

- More complex Collection Appeals Program (CAP) cases have been moved to the Appeals campus units.
- Nothing has changed in terms of mandatory meetings between Appeals and the collection manager.
- Collection Due Process cases continue to attempt to resolve disputes based upon Appeals Judicial Approach and Culture (AJAC) standards.

### **Appeals Collection Resources for Tax Professionals & Their Clients**

- Appealing an IRS Collection decision information page on IRS.gov at <https://www.irs.gov/compliance/appeals/appealing-a-collection-decision>

### **Communications & Liaison, Stakeholder Liaison – Mike Mudroncik**

- **IRS Resources for Employers Utilizing Third Party Payroll Service Providers** – there have been a number of recent high profile failures of third party payroll service providers. IRS wants to help business owners who use payroll service providers by providing information and tools to ensure they remain in compliance with their employment tax responsibilities. In this effort IRS has produced Fact Sheet 2013-9 and the “[Outsourcing Payroll and Third Party Payers](#)” site on irs.gov.

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**IRS Resources for Tax Professionals to Help Identify Earned Income Tax Credit (EITC) Due Diligence Responsibilities** (Each can be accessed through the hyperlink).

<https://www.irs.gov/Credits-&-Deductions/Individuals/Earned-Income-Tax-Credit>

<https://www.eitc.irs.gov/Tax-Preparer-Toolkit/main>

<https://www.eitc.irs.gov/Tax-Preparer-Toolkit/dd> - tax return preparer EITC due diligence information

<https://www.eitc.irs.gov/Tax-Preparer-Toolkit/ddmodule> - Earned Income Tax Credit Due Diligence Training Module

### **Free 2018 IRS Tax Calendar**

Tax professionals and taxpayers can obtain free 2018 tax calendar information for businesses and the self-employed at

<https://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/IRS-Tax-Calendar-for-Businesses-and-Self-Employed>. The calendar information can be accessed either via the online calendar, downloading it into your computer’s desktop or by importing it into your computer’s calendar program.

### **The Issue Management Resolution System (IMRS)**

Is a system that tax professionals and taxpayers can use to address and obtain a resolution to systemic IRS issues involving internal practices, policies and procedures. IMRS information can be found on the IRS web site at

<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Issue-Management-Resolution-System-IMRS>.

### **Free Electronic Publications for Tax Professionals**

The IRS offers numerous to stay up-to-date on federal tax law changes. The list of available publications, subscription and content information can be found at <https://www.irs.gov/uac/e-news-subscriptions-2>

### **IRS Information is Available through Social Media Resources**

<https://www.irs.gov/newsroom/irs-new-media-1>

### **Tax professionals and taxpayers can access free audio and video presentations**

<http://www.irsvideos.gov/>

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### **Issues & Status**

**Before and during the meeting issues were solicited and received from IL PTIN holders. A separate write-up will be prepared and provided.**

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### **Roundtable & Comments**

See Issues & Status

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### **Next Scheduled Meeting**

Wednesday December 5, 2018  
Location to be determined  
Chicago, IL 60604  
8:30 a.m. – 12:00 p.m.