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March 2017



A Message From The President

James L. Holmes



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March is here, and tax season is going wide open. The individual returns are being put on hold in many offices, and we are working hard to get those S-corporations and partnerships out by their new due date of March 15th.

Private Debt Collectors are coming. Private collection agencies (PCA) will work on taxpayer accounts that have been removed from active IRS inventory because of lack of resources or inability to locate the taxpayer. PCAs will record all calls and will notify any POAs that are on file for the delinquent taxpayer. With all of the identity theft going on and taxpayers trying to protect themselves, it will be interesting to see how this works.

Passport Revocation Program. If a taxpayer has a seriously delinquent tax debt, the IRS can request that the State Department revoke or restrict their passport. A seriously delinquent tax debt is a legally enforceable unpaid federal tax liability of a taxpayer that is assessed greater than \$50,000.00, a Federal Tax Lien has been filed, and the taxpayer's right to a hearing on the filing of the FTL has been exhausted or a levy was issued.

Another new IRS program is being developed. **Taxpayer Digital Communication (TDC)** is being developed. This is a taxpayer's invitation to secure messaging. The pilot program is by invitation only. Selected taxpayers will be able to register and communicate with the IRS through a protected/secure online portal. At this time only those taxpayers (and their authorized representatives) who are under a Schedule A examination and have received Pub 5254 will be allowed access to the TDC Secure Messaging Portal. There are 4,200 projected audits for Schedule A of tax returns. Selected taxpayer's will be able to upload documents to respond to IRS questions in the portal using Excel, Word the Taxpayer Information File (TIF) and pictures with their cell phones.

Enough of new programs for now. Let's get those corporate and partnership returns done and move on to individual returns. I hope all of you are having a good tax season with only having to prove that you are not a robot a few times. Remember at least one key stroke every 30 minutes will keep you in most tax programs.

Happy March, and let me end with this quote: *"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel"* Maya Angelou



March

ACA

The IRS currently is reviewing the January 20 executive order to determine the implications. Taxpayers should continue to file their tax returns as they normally would. The individual shared responsibility provision requires each family member to do at least one of the following:

- Have minimal essential health coverage,
- Qualify for a health care exemption, or
- Make a shared responsibility payment with the tax return.

Most taxpayers have qualifying health care coverage and will check the “Full-year coverage” box on the return.

This year, the IRS put in place system changes that would reject returns where a taxpayer doesn’t provide information about health coverage. However, the executive order directed federal agencies to exercise authority and discretion to reduce potential burden. Consistent with that, the IRS has changes that would allow returns to be accepted for processing where a taxpayer doesn’t indicate coverage status.

However, legislative provisions of the *Affordable Care Act* still are in force until changed by Congress, and taxpayers remain required to follow the law. When the IRS has questions about a tax return, taxpayers may receive follow-up questions and correspondence at a future date after the filing process is completed.

Circular 230 Consent

Eugenia Tabon

So far, over 48,000 tax return preparers have participated in the 2017 IRS Annual Filing Season Program and obtained an official Record of Completion. Another 37,000 non-credentialed return preparers have completed enough CE and been invited to participate, but still need to consent to the *Circular 230* requirements in order to receive a Record of Completion and officially be part of the program.

Multiple e-mails have been sent to these return preparers. The deadline for preparers to consent to *Circular 230* requirements and participate is April 18, 2017.

Verify IRS Identity

An ongoing concern at the IRS has been the increase in impersonation scams and the added difficulty those scams have created. The growth of fraudulent activity in recent years has created skepticism about IRS employees when they go out on a call.

As part of an effort that’s been underway since early last year, the IRS has collaborated with TIGTA and the Bureau of Engraving and Printing to create a tool for local law enforcement to verify IRS employees’ identity when questions arise during field work. This will help assure members of the public that they’re interacting with a verified, authorized IRS employee. A different procedure applies to CID agents.

Effective February 1, a 6 month pilot began to provide law enforcement-to-law enforcement verification for all IRS field employees. They will be required to bring both their HSPD-12 card and their pocket credentials with them in the field. In any contact with law enforcement officers, IRS employees should cooperate with the officer’s requests for information including temporarily permitting a law enforcement office to possess their credentials and ID badge for the purposes of verifying their identity.

Passwords

The IRS offers the following tips in creating passwords:

- A strong password should be a minimum of 8 characters including a capital letter, lower case letter, numbers, and symbols or special characters.
- Personal information should *not* be included.
- Avoid using the same password for all of your information.
- Substitute numbers and symbols for letters in words or phrases.
- Do not share your password and be careful of attempts to trick you into revealing your password.

Carolinas Tax Professionals Seminar

Eugenia Tabon announced that the 2017 Carolinas Tax Professionals Seminar will be at the Hilton Charlotte University on July 31-August 2. No further details are available at this time.

NCSA Schedule of Events

2017

June 21-23–**Convention**,
Grandover, Greensboro

July 31-August 2–**Carolina Professionals Tax Forum**,
Hilton University, Charlotte

2018

June 20-23–**Convention**,
Pine Needles, Southern Pines

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