



# Tax Hints

for Tax Professionals

Internal Revenue Service  
Office of National Public  
Liaison (NPL)

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## Director's Corner



Over the last several weeks, as you know, IRS began distributing stimulus payments to millions of Americans through both direct deposits and paper checks. Taxpayers eligible for economic stimulus payments can also get \$300 per eligible child claimed on the 2007 tax return. We have recently discovered that some improperly filed tax returns did not capture the information needed to generate the \$300 in qualifying child payments.

To fix the problem, we are taking extra steps to identify affected taxpayers and will send them separate checks to cover their qualifying children. These payments will be made by paper check even if their regular tax refund or initial stimulus payment was made by direct deposit. The additional checks will be mailed as the regular weekly rounds of stimulus payments wrap up in early July. The [stimulus payment timetable](#) will not be affected by these additional checks.

We'd like to emphasize that the corrected checks will be mailed automatically, and there is no need to call or take any additional steps. For further information or to check the status of your stimulus payment, check the IRS website at:

[Where's My Stimulus Payment?](#)

**Julie Rushin**  
**Executive in Charge**  
**Economic Stimulus**

## Top Stories

On Tuesday, May 20<sup>th</sup>, the House passed under suspension of the rules [\\*H.R. 6081, the "Heroes Earnings Assistance and Relief Tax Act of 2008,"](#) by a vote of 403-0. On Thursday, May 22<sup>nd</sup>, the Senate passed the bill by unanimous consent. The bill provides a recovery rebate to military families, modifies mortgage revenue bonds for veterans, makes permanent the election to treat combat pay as earned income for purposes of the earned income credit, and treats certain domestically controlled foreign persons performing services under contract as American employers.

\*NOTE: By clicking on this site you will leave an IRS internet site and enter a web site created and operated by a private business or government agency. The information that this web site may collect and maintain as a result of your visit to its web site may differ from the information that the IRS internet site you are about to leave collects and maintains. By linking to this site, the IRS does not endorse the products, services, or privacy or security policy of this private business. We recommend that you review this site's information policy to fully understand what information may be collected.

## Quick Links

[Basic Tools for Tax Pros](#)

[Register for eServices](#)

[IRS At-a-Glance](#)

[Standards of Practice](#)

[Earned Income Tax Credit \(EITC\)](#)

[Where's my Refund?](#)

[Individual Taxpayer Identification Number \(ITIN\)](#)

[Taxpayer Advocate](#)

[Practitioner Priority Service ®](#)

[Subscription Services](#)

[Identity Theft](#)

[Tax Hints Archives](#)

## Recent News...

- [Economic Stimulus Package Information Center](#)
- [IRS Reminds Charities and Churches of Political Activity Ban](#)
- [Priority Guidance Plan for 2007-2008](#)



## Tax Hints

### Top Stories [continued]

On Wednesday, May 21<sup>st</sup>, the President signed into law P.L. 110-233 \*([H.R. 493, the "Genetic Information Nondiscrimination Act."](#)) which amends the Code to provide for no discrimination in group premiums based on genetic information, to place limitations on genetic testing, to prohibit the collection of genetic information and to require the Secretary to issue regulations within 12 months of the date of enactment.

On Wednesday, May 21<sup>st</sup>, the House passed \*[H.R. 6049, the "Renewable Energy and Jobs Creation Act of 2008,"](#) by a vote of 263-160. The bill would provide energy tax incentives, extend for one-year various expiring provisions, including the deduction for State and local sales taxes, the deduction of qualified tuition and related expenses, the research credit, make permanent the authority to disclose information related to terrorist activities, and make permanent the authority for undercover operations. The bill would also provide for including in gross income nonqualified deferred compensation from certain tax indifferent parties, delay the application of worldwide allocation of interest, and increase corporate estimated tax payments (in the case of a corporation with assets of at least \$1 billion, for payments due in July, August, and September, 2013) by 36.75 percentage points, offsetting the bill's cost.

In [Press Release IR-2008-73](#), May 28, 2008, IRS announced that the *e-file* program set another record in the just-finished 2008 filing season, and Web page visits to [IRS.gov](#) also reached new highs in part due to interest in economic stimulus payments.

In [Press Release IR-2008-74](#), May 28, 2008, National Taxpayer Advocate Nina E. Olson announced the opening of the 2009 Low Income Taxpayer Clinic (LITC) grant application process. The LITC grant program is administered by the Taxpayer Advocate Service (TAS), an independent organization within the IRS. TAS employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels or who believe that an IRS system or procedure is not working as it should.



Want to learn more about Tax Forums Online and the 2008 Tax Forums? Tune into one of our new podcasts. [Listen](#) to how you can review selected 2007 sessions and get information about upcoming 2008 Forums. The \*[IRS Nationwide Tax Forums Online](#) website provides videos and PowerPoint presentations of many IRS speakers from last year's Nationwide Tax Forums.

IRS Campuses send millions of notices to individuals and businesses yearly about unreported income, substitute returns, Form 941 and W2 mismatches, federal and state unemployment mismatches, and more. At the 2007 IRS Nationwide Tax Forums Helping Clients with Campus Compliance Notices seminar, practitioners raised issues about returning information in response to the notices. [Get information](#) on responding to AUR if the notice is not available or will not fit into the return envelope.



[IRS e-file Marketing Tool Kit](#) - contains IRS *e-file* promotional products and informational publications designed to help Authorized IRS *e-file* Providers market their *e-file* services and alert clients about the benefits of e-file and e-pay. Publication 3452 is a comprehensive guide to *e-file* which can be explored online or downloaded for further reference.


In [Press Release IR-2008-75](#), May 29, 2008, IRS announced that the Advisory Committee on Tax Exempt and Government Entities (ACT) will hold a public meeting in June to present IRS with recommendations on ways to improve operations regarding employee retirement plans, tax-exempt organizations, tax-exempt bonds and federal, state, local and Indian tribal governments. New members will also be announced.



# Tax Hints

## Top Stories [continued]

[IRS multilingual products and services in Spanish](#) are available in various formats designed to educate non-English speaking taxpayers on their tax responsibilities. A limited number of products are in Chinese, Korean, French, Vietnamese, and Russian.

 Processing errors on federal tax deposits can be avoided, saving you and your clients much time and effort. Form 8109B (Federal Tax Deposit Coupon) is a source of great preparation efforts and much delay for huge numbers of filings. All this time and effort can be avoided: enroll in and use the [Electronic Federal Tax Payment System \(EFTPS\)](#), a free, secure, easy and accurate IRS service or call 1-800-555-4477 for enrollment form and more information.

[FAQs related to tax return preparer penalty notices](#) Section 8246 of the Small Business and Work Opportunity Tax Act of 2007 amends several provisions of the Code to extend the application of the income tax preparer penalties to all tax return preparers. Section 6694 addresses tax return preparer penalty provisions.

### **The reformatted *Tax Hints*...**

Now updated monthly or more or less often as needs dictate, this newsletter aims to provide the information tax professionals need during personal return filing season and year-round. **Always check** the current-as-of date in the upper right corner of page one for effective dates of information in each issue.

**Tax Hints** pulls together HTML links to many [www.irs.gov](http://www.irs.gov) web sites and other electronic information sources maintained by elements of the Service's operating and functional divisions, and other official government sources. The individual site owners within or outside the Service are responsible for the content of their pages and sites.

**Check the Quick Links** on the right hand side of page one for pages and data sources we think you should find most helpful. If there are others you'd like to see, please let us know. We will always try to make **Tax Hints** as useful to our readers as we can. **Tax Hints** is prepared for our stakeholders and partners by.....

### **National Public Liaison Division**

NPL, under the Chief, Communications and Liaison, works to enhance the IRS's relationships with national stakeholders and federal partners to create opportunities to meet stakeholder needs and to resolve issues of mutual concern.

### **NPL coordinates:**

[The IRS Advisory Council \(IRSAC\)](#)

[The Information Reporting Program Advisory Committee \(IRPAC\)](#)

[The IRS Nationwide Tax Forums](#)

Tax Hints

Stakeholder Relationships

Issue Tracking

The [National Public Liaison](#) office may be contacted by calling (202) 622-3359 or visit the [Tax Professionals](#) website.