

Tax Practitioner Liaison Meeting

Oregon Department of Revenue – Fishbowl meeting room

Friday, June 20, 2008

9 a.m. - 11 a.m.

MINUTES

Welcome and Introductions

All

Dee asked everyone to introduce themselves.

Secrecy Certificates

Michelle Baker

Michelle explained the importance of everyone going on the Processing Center tour signing a Secrecy Certificate. This ensures the confidentiality of taxpayer's private information. She facilitated and organized the secrecy certificates and visitor badges.

Processing Center

Sharon Johnston

As of today, we have processed approximately 1.7 million returns; 12,000 – 13,000 of these are amended returns. We are caught up with current year returns and are working on prior year and multiple year returns. About 66,000 returns are in Suspense and they are working on paper refund returns that suspended on 6/13 and e-filed returns that suspended on 6/18. Suspense is also working on amended returns received mid-February that filed using the Oregon Amended Return Schedule and amended returns received in January that used the 40X amended return form. So far, we have received 150 e-filed amended returns. Our priority is to process original returns first, and then work on the amended returns.

Most common reasons returns are suspending:

- Those who E-file and still mail in a paper copy.
- The amount of estimated income payments received & the amount listed on the return don't match.
- Claiming the WFC credit when not eligible.
- Taxpayers who claim an exemption for themselves when they are claimed on their parents' returns.

Payment vouchers that are printed on the recycled paper used in this year's tax booklets don't process well. Most practitioners use software generated vouchers so this may not be an issue for you. This causes some processing delays, since we process these payments with the return, instead of the voucher. The recycled paper voucher problem will be corrected in the 2008 booklets.

Q: Client sent returns and payments in, postmarked 4/15. Why are they not processed timely, and late notices are sent by DOR?

A: Documents are processed by received date, not postmarked date. We have a grace period so documents mailed by April 15th have time to be recognized as received timely. Payments are processed before returns; however, sometimes we are not able to process the payment in a timely manner and the return gets processed before the payment. This can cause erroneous billing notices to be created. The penalty and/or interest charges will be corrected once the payment has

been processed. Every year we get better, but it is still an ongoing issue and we are working to resolve it.

Withholding Program

Carol Williams

There is a new link to register an assumed business name and apply for a business ID number for partnerships, LLC, and sole proprietors.

<https://secure.sos.state.or.us/ABNWeb>

Withholding Program

Cathy Tavares

The Oregon Small Business Fair is Saturday, September 20th. Please contact Cathy at (503)945-8762 if you would like a flyer. There will be a new panel discussion similar to the old classes held at P.C.C regarding basic payroll tax information; how to complete the registration form, completing the OQ reports, etc. Please encourage new employers to attend. Also the Southern Oregon Business Resource Fair is October 11th.

Cathy discussed outreach opportunities and invited the groups to consider presentations on payroll tax issues. She also mentioned that DOR will be collaborating with the SBDC in Eugene to present payroll classes starting in October. Cathy handed out a list of payroll topics for possible presentation ideas. Please contact Cathy Tavares at (503)945-8762 or Carol Williams at (503)945-8443 if you would like to schedule a presentation.

Board of Tax Practitioners

Ron Wagner

We hired a new AS1, who will start June 23rd. And a new Exam and Education Coordinator who will start July 1. We are working on getting renewals caught up; we have about 300-400 left. We hope to be caught up by the end of June. As a reminder, your license expires on May 31st. If your renewal application is not received by May 31, you are not allowed to prepare tax returns until you have renewed your license. We provide a 15-day grace period; allowing you until June 15 to submit your renewal, before your license goes into lapse status. This is only an extension to submit your renewal, not an extension for your license; your license still expires on May 31. If your renewal application is received after June 15, your license has lapsed and you will need to reactivate it and pay the \$35 reactivation fee. You will not be eligible for the \$50 discount for renewing your license and business registration together. The Board of Tax Practitioners does not have a statute to extend the extension period, if the due date falls on a weekend. The renewal must be postmarked on or before June 15, regardless of the day of the week.

2D Update

Joe Donahue

We deleted 2D from form 20I due to low numbers received. We are including 40N & 40P this year for 2D barcode.

Elf volume received – 1,039,738 which is up 11.6% from last year.

Form type percent of total volume – 40 – 80%

40S – 9%

Non-Resident – 7%

Part year – 4%

We have started working on next season.

IRS Update

Brian Wozniak

When a balance due return is e-filed after April 15th and the payment is mailed separately the taxpayer will generally receive a deficiency notice. It only takes a few days to process an e-filed return, but it takes 3-4 weeks for a payment to permanently post to the IRS system (although taxpayers receive credit from the date of receipt.) Oregon practitioners e-filed approximately 78% of all 1040 series returns submitted this season. Almost 50% of all tax returns received were e-filed. Beginning August 2009 e-file will become modernized allowing taxpayers to e-file amended returns, prior year returns, and include Adobe / PDF attachments with e-filed returns. E-services will be made available to ALL taxpayers later this year – allowing them to electronically access their own accounts, transcripts, wage and income information, as well as submit POAs, change of address forms, and extensions – all done online.

The “Where’s My Stimulus Payment” section will remain on the IRS website through the end of this year. Taxpayers can access this information online to remind themselves how much stimulus they received in 2008.

Higher preparer penalties have been imposed but only a very small percentage of preparers should be affected by it. The new circular 230 has been sent out.

The Food, Conservation, and Energy Act of 2008 also known as the Farm Act was initially vetoed by the President and then Congress overrode the veto. The bill was missing 34 pages, so it may require passage again. There are 3 interpretations circulating:

- The Act is unconstitutional and must be passed again
- The Act has been passed in its entirety
- The Act has been passed with the exception of the 34 pages – which will require separate ratification

An official IRS News Release should be forthcoming. Currently we consider the bill has passed in its entirety

The latest IRS Phishing Scheme - taxpayers have reported getting emails that they have a 90-day deficiency notice. The IRS **NEVER** solicits personal information via email. Forward those phishing emails to: phishing@irs.gov.

OATC/OSTC

Seven Feathers OATC annual convention is next week. Superstar OSTC seminar will be held later this fall. The annual OSTC convention will be held this September in Lincoln City. The ORSEA Capital Chapter will hold a continuing education seminar next month on Friday, July 25th at Dennys here in Salem. Cost for members is \$75 and for non-members it is \$85. ORSEA past president and treasurer, Dea Williams, holds meetings the 2nd Tuesday of the month at IHOP in Salem.

Thank you, OATC for providing the coffee

Next Meeting: July 25, 2008 9-11 am in the Fishbowl conference room located at the Oregon Department of Revenue.