

Tax Practitioner Liaison Meeting  
Oregon Department of Revenue  
955 Center St, Salem – Fishbowl Meeting Room  
Friday, July 25, 2008  
9 a.m. – 11 a.m.

**9:00 - 9:15 Welcome & Introductions**

**All**

Dee asked everyone to introduce themselves.

**9:15 - 9:25 PC / 2D Update**

**Sharon Johnston**

Processing numbers were given for the processing center return types received and processed to date, and for returns suspense rate and back log.

2008 Processing Center statistics

Returns Received (to date):

2-D - 319,795

Electronic - 1,051,725

Paper - 371,832

Current Suspense Numbers: (#s are for paper and electronic returns)

Current Number of Returns in Suspense: 38,000

(all years, which includes current year, prior year, and amended)

Original Refund Returns: working on current date (7/23)

Original Tax Due Returns: will be current in approx. 2 weeks

Amended Refund Returns: working on current date (7/23)

Amended Tax Due Returns: back log date is in February

Refund checks and electronic deposits are done daily, no holding period.

**9:25 - 9:35 Elf Update**

**Megan Denison**

Returns received electronically are up 11.7% from last filing year.

E- file is starting the 2009 form preparation work.

Modernized e-File implementation date is 8/2009: Modernized e-File is a new platform implemented by IRS, so states are required to follow suit. Additional features will be available, for example...Ability to scan documents and attach to an e-Filed return.

**9:35 - 9:45 Distribution List Information**

**Dee Brinlee**

Discussion to determine need to send e-mail to distribution list members, with attachment of previous minutes and agenda of current meeting.

Dee will check distribution list names to meeting sign in sheet for possible updating.

Group decision to have reminder e-mail sent to distribution list members that "The previous meeting minutes and current meeting agenda are now posted to DOR website for viewing."

\*\*For individuals that would like to be added onto distribution list, please send an e-mail to Dee Brinlee with your information.

\*\*Brian Wozniak will follow up with Dee regarding list distribution contacts.

**9:45 – 9:55 WFC Update**

**Shannon Ball**

Shannon Ball from Salem Audit introduced herself as co-coordinator of the WFC Team, with Leah Hinton. Stated that this year the team reviewed 2,222 returns, which equals to about 8% of all WFC claimed returns. Currently there are 440 WFC returns to work and 90 Written Objections.

*Question* was asked regarding the most common reason that WFC returns suspended. Shannon responded that it was usually lack of proof, on self-prepared and paid prepared returns. Dept of Revenue will call for physician confirmation on returns claiming WFC with a disabled spouse.

Educational WFC presentation has been initiated to present to groups.

Shannon provided update on unlicensed tax preparer from last year that was filing fraudulent returns. Individual was apprehended, and is facing charges from the IRS and Dept. of Revenue. There was over \$1 million in fraud against IRS, and approximately \$75,000 to Dept of Revenue.

*Question* was asked regarding apprehension of unlicensed preparers. Shannon responded that we have difficulty with identifying unlicensed preparers, as the returns look self-prepared.

**9:55 – 10:05 Break**

Thank you was given to OATC for providing coffee today.

**10:05 – 10:25 Domestic Partner**

**Dee Brinlee/Megan Denison**

Dee provided handout of example of new filing status portion of DOR forms. Two statuses have been added, 2b-Registered domestic partner filing jointly and 3b-Registered domestic partner filing separately. For DOR purposes pertaining to tax law, if domestic partners register in an Oregon county they will be able to file as a registered domestic partner. For domestic partnerships registered outside of Oregon, they will need to register in an Oregon county as a domestic partner. Dept of Revenue is not anticipating any administrative rules with this. An information circular will be prepared and Dee let group know that a couple of volunteers may be needed to look over instructions.

*August Agenda Item:* Update on registered domestic partner status.

*Question* asked regarding what proof they will have to provide for being registered as domestic partners.

Dee responded that it was up to the tax practitioner, and proof was not required by Dept of Revenue.

Filing instructions for registered domestic partnership returns

\*\*Please note that the following filing instructions are being developed, at this point.

**e-File:** Prepare two single federal returns to e-file to the IRS. Prepare an "As If" joint federal return that will need to be e-filed with the Oregon return, using State Only e-file.

Some tax preparation software might not support the new filing status. Dept of Revenue has been notified that Intuit is planning on supporting it. Megan stated that currently we are receiving questions and feedback from software companies regarding this matter.

*Question* asked if returns would suspend due to the new filing status of domestic partnership and what about IRS validation, since the "As If" federal return will not actually be filed. Megan stated that they wouldn't and that the state would skip IRS validation. If the determination is made that actual federal returns filed are needed, we would ask for them at that point.

Please note that form EF would need to be completed and sent in, since validation is not done.

**2-D and Paper Filers:** Prepare two federal single returns to send to IRS. For Oregon, send in a copy of the state return, the federal "As If" return, *and* both actual federal single returns. \*If there is only one actual, because the other domestic partner isn't required to file for federal, then only send in the one actual federal with the "As If" joint federal and state return.

The "As If" federal return should be viewed as a joint filing, keeping in mind, the rules that apply to that filing status. The amounts on the Oregon return will reflect those shown on the "As If" federal return. The major exception is the federal tax subtraction. The federal tax subtraction shown on the Oregon return is the combined amount of the **actual** federal tax liabilities, less any economic stimulus rebates received.

#### **10:25 - 10:35 IRS Update**

**Brian Wozniak**

Brian informed group that Kathy Howell is no longer in tax practitioner outreach, but now part of the Media Relations group.

*Question* asked regarding if return was filed with math error, and it changed the stimulus amount; how were those situations being worked.

Brian stated that if it were IRS error then it could be corrected and a new / additional stimulus check issued; however, if it were a taxpayer or tax practitioner error then it could not be corrected in the current year but could be claimed as a tax credit on the 2008 return filed.

The IRS is currently investigating a free online e-File site in Arizona that is stealing taxpayer data to commit identity theft crimes. The site does subsequently e-file those impacted taxpayer's tax returns.

**Outreach & Education:** Territory manager informed Brian that some complaints had been received that Brian was not getting out to enough meetings around the state. Brian stated that they reviewed his calendar and currently has 69 events scheduled in Oregon. There are numerous events scheduled for this fall, including: the IRS Tax Symposium, 4 Tax Practitioner Institutes, OSTC Annual Convention, NATC / OATC Tax Updates Seminar, OAIA Tax Updates Seminar, and a variety of regional practitioner seminars in Coos Bay, Grants Pass, Eugene, Salem, Medford, Klamath Falls, Bend, Pendleton, LaGrande, and Vancouver. Currently they are working on pilot project to remotely deliver outreach and education.

**10:35 - 10:45 Board of Tax Practitioners**

**Ron Wagner**

Ron reported that the Board is fully staffed now. They recently mailed out 298 lapse notices, which represents 15% of licensed tax preparers from last year. The annual Board calendar is posted to their website. They have cancelled the annual August instructor workshop. The next meeting of the Board is September 4<sup>th</sup>.

**10:45 - 11:55 OATC - OSTC Update**

**All**

OATC: Watch mail for updates on events.

Upcoming Events- Super Star Seminar: Estates & Trusts  
Basics & Beyond

OSTC: Annual convention Sept 25-27 at Chinook Winds, Lincoln City; Theme: Fabulous Fifties

Information regarding the purple flyer that was passed around:

Western CPE Federal Tax Update Seminar: to register go to [www.westerncpe.com](http://www.westerncpe.com), click on "Federal Tax

Update Seminars:, followed by "Locations & Dates." From there, select the location of your choice, click on "Register Now", enter the promo code P64Z, and click "Add to Cart."

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**Facilitator:** Dee Brinlee, Policy & Systems  
945-8465  
Dee.Brinlee@state.or.us