

2000 TAX HINTS

A practitioner's guide to the Austin IRS Centers

INSIDE THIS ISSUE

| | |
|--|----|
| What's New for 2000 | 4 |
| Electronic Services | 7 |
| Taxpayer Advocate | 8 |
| Earned Income Credit | 9 |
| ITIN | 10 |
| EFTPS | 11 |
| Direct Deposit | 11 |
| e-file | 12 |
| Extensions | 13 |
| Installment Agreements | 13 |
| Reasonable Cause | 14 |
| Fax-TIN | 15 |
| Lockbox | 15 |
| Power of Attorney | 16 |
| Refunds | 17 |
| Tax Return Transcript | 18 |
| Estate and Gift Tax | 19 |
| Call Routing | 20 |
| Underreporter Program | 21 |
| Offers in Compromise | 22 |
| Substitute for Return | 26 |
| Refund Hold Program | 26 |
| Helpful Numbers | 27 |



IRS realigns service centers

The IRS recently completed another major step in its transition to a modernized business structure.

October 1, the IRS divided the 10 service centers between Submission Processing and Customer Service. The realignment calls for district telephone operations (Automated Collection Systems and toll-free) to report to a Customer Service center.

Separate executives lead each of the newly established organizations. Submission processing executives will continue to report to the executive officer for service center operations (EOSCO) headquartered in Cincinnati. Customer service executives will report to one of two deputy chiefs of customer service operations, who in turn report to a chief of customer service field operations.

A foundation for modernization

Commissioner Rossotti first introduced the concept for modernizing the IRS in January 1998, and we've made a lot of progress since then. From the start, we knew that modernization meant fundamental change.

Why Modernize?

In recent years, there has been much attention focused on the IRS: by a presidential commission, several congressional committees and Vice President Gore's National Partnership for Reinventing Government. Essentially, these reviews

Eventually, each of the service centers will be moved into either the Wage and Investment Operating Division or the Small Business/Self-Employed Operating Division. This realignment focuses each organization on what it does best — processing returns or providing interactive customer service. These changes will enhance the excellent work IRS employees do on a daily basis.

Realignment Benefits:

- Modernized business structure with clear lines of authority.
- Enhanced ability to react to changing customer workload demands.
- Standardized work processes and policies.
- More efficient use of resources.

culminated in the passage of the IRS Restructuring and Reform Act in July 1998, which confirmed and supported the direction in which we were already headed. This law explicitly states that Congress expects us to do a better job of serving the public. We must base our processes and procedures on a better understanding of taxpayers' needs.

What So Far?

To make change work, we needed a plan. We developed a foundation for that

Continued on page 3.

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A message from the directors

Welcome to the 2000 edition of *Tax Hints*. We hope you find the information helpful during the 2000 filing season and beyond.

Now that the realignment of the Service Center into the Austin Submission Processing Center and the Austin Customer Service Center is a reality, we look forward to being a part of this major step in modernizing the IRS business structure. The two centers are jointly known as IRS Austin Centers.

As Commissioner Rossotti has said, "This realignment will focus management of each group on what it does best — processing tax returns and providing interactive customer service."

The Austin Customer Service operation will be dedicated to assisting taxpayers on the phone and through correspondence and helping them resolve problems with their accounts.

The Austin Submission Processing operation will specialize in processing tax forms, payments and deposits.

Both of us are committed to carrying out the vision of the commissioner, but we can't do it alone. We need feedback from you, our partners in the practitioner community, to help us improve our operation.

The realignment of Customer Service under a separate organization will enable the IRS to manage its communications facilities as a unified whole with consistent procedures and technology throughout the organization.

Unified management of Submission Processing will allow us to put more emphasis on improving our quality and productivity. The higher the quality of our return processing, the less need there is for follow-up contacts with taxpayers.

Eventually, both Austin operations will serve only individual taxpayers as part of the new Wage and Investment Division.

We look forward to meeting you and working with you. Best wishes for a successful filing season in 2000.



Pam Bigelow
Director, Customer Service Center



Estelle Tunley
Director, Submission Processing Center

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The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



A foundation for modernization

Continued from page 1.

plan, and we are now building on it. We began with three strategic goals and used them to develop a new mission statement. Guiding principles help support our mission and give us some direction. Five levers of change are at the heart of our modernization:

- Using revamped business practices, we will strive to give taxpayers the same level of service they expect from the best financial institutions.
- Operating with a new organizational structure, we are building a modernized IRS around customers, not around geography. We'll be dedicated to serving the needs of four taxpayer groups, called operating divisions.
- Having balanced measures of performance means that we'll focus on business results, customer service and employee satisfaction when measuring how well we are performing. It also means changing management processes, including how we reward and recognize our employees and how we evaluate the organization's performance.
- Having management roles with clear responsibilities is vital to our modernization. We've made progress outlining management responsibilities. The Service's top management and each operating division will be made up of teams, which will be linked to the next lower management level. We will also reduce the total number of management layers from the frontline employee to the top official in the operating unit.
- Providing new technology means communicating electronically with more of our customers, giving us more opportunities to

provide customer service. This goes far beyond filing returns electronically. We'll continue to broaden our Internet site, and eventually, we hope that electronic communication can be secure enough for us to resolve taxpayer account issues and give taxpayers authorized transcripts of their accounts. We also want to have on-line access to taxpayer data and research materials for our employees so they can resolve problems quickly and efficiently and do a better job of administering the tax laws.

The Structure of the Modernized IRS

The IRS will be organized into four operating divisions, each devoted to meeting the needs of a specific group of taxpayers.

The Operating Divisions

Organizing based on the groups of customers we serve is a fundamental change in our modernization. We've identified four operating divisions: Wage and Investment (W&I), Small Business/Self-Employed (SB/SE), Tax Exempt and Government Entities (TE/GE), and Large and Mid-Size Business (L&MSB).

The W&I Operating Division will serve 116 million taxpayers (88 million filers), most of whom deal with the IRS once a year, receive refunds and have relatively limited compliance issues. The SB/SE Operating Division will serve 40 million filers representing fully or partially self-employed individuals and small businesses with assets under \$5 million and International IMF returns. The TE/GE Operating Division will serve employee plans with combined assets of approximately \$5 trillion; exempt organizations controlling \$1.2 trillion in

assets; and government entities that include 220,000 outstanding tax exempt bond issuances valued at \$1.3 trillion; 86,000 federal, state and local entities; and 559 federally recognized Indian tribes. The L&MSB Operating Division will serve 170,000 filers representing corporations and partnerships, each with assets greater than \$5 million.

The Geography of the Operating Divisions

Each operating division will be divided into areas. An area is the largest geographic unit under an operating division and will most likely encompass several states. The W&I Operating Division will have seven areas. The SB/SE Operating Division will have 14 areas. The TE/GE Operating Division will have six areas. The L&MSB Operating Division will be organized around five industry groups, rather than areas.

Areas will be further divided into territories. Territories will be centered around filing population and will be located in areas that minimize travel distance whenever possible. Territories will be divided into zones.

Some operating divisions will be even further subdivided in ways that will be particular to the operating division. Even though our organization structure will be fundamentally different, the IRS will continue to have offices in most of the locations we do today.

The structure of the modernized IRS will continue to be shaped over the coming months. Even though the Austin IRS Centers will become a part of the Wage and Investment Operating Division, we will continue to serve all our current taxpayers for the next several years.

NEW PTIN FOR PRACTITIONERS

Beginning Jan. 1, 2000, tax professionals will have the option of providing their individual Social Security Number (SSN) or Preparer Tax Identification Number (PTIN) on returns they prepare.

The new system is a response to concerns raised by practitioner groups over the potential unauthorized use of a preparer's SSN.

The Form W-7P, *Application for Preparer Tax Identification Number*, can be downloaded from the IRS Web site www.irs.gov/ or order it by calling 1.800.829.3676. The form requires only basic information such as name, address, phone number and EIN. No other documentation is required. PTINs will appear as a nine-character alpha/numeric with the first character being a P.

A notice will be sent within 30 days to advise applicants of their PTIN. If an application is not accepted, a suspense or reject notice will be generated based on missing or unacceptable information.

What's new for 2000?

Filing season 2000 Signature Pilot for tax practitioners

Form 1040 electronic filing (except for TeleFile) is currently a two-step process — an electronic transmission of a return and the mailing of a paper signature document (Form 8453 or 8453-OL). The additional paper requirement has created a perceived barrier to the expansion of IRS *e-filing*. For Filing Season 2000, the IRS is continuing two signature pilots in an attempt to increase the number of electronically filed returns. The pilots are:

- *On-Line e-file Customer Number (ECN) Pilot with Taxpayers.*
- *Practitioner Pilot with Tax Preparers.*

These pilots will provide a paperless filing experience for those taxpayers who are eligible to participate by using an alternative method of signature that eliminates the need for the paper Form 8453 or 8453OL.

On-Line ECN Pilot

This pilot will address the on-line filing market (taxpayers using PC tax preparation software to prepare and file their own returns) and selects current on-line, Form 1040PC and computer-generated paper 1040/1040A filers who have prepared their own returns. The IRS is not selecting filers who use paid preparers for this pilot. Taxpayers who are eligible will be able to sign their returns with an electronic signature and will be freed from the requirement to mail the paper signature document to the IRS. These returns should be self-prepared since there will be no provision for obtaining the paid preparer's signature.

We have requested and been granted a waiver for a taxpayer's submission of Forms W-2, W-2G and 1099-R. If these

are the only attachments that the taxpayer would normally send in with their paper signature document, they may participate in the pilot. Certain attachments (blindness statement, physician's certification of disability, etc.) which have been required in the past, are not required for any filers in 2000. Taxpayers should follow instructions on tax forms and schedules regarding required attachments.

The taxpayer must personally enter their ECN into the computer since this is the official signing for purposes of this return.

Practitioner Pilot

Our taxpayer profile for this pilot will be taxpayers who use paid preparers selected from a list of practitioners offered to the IRS by H&R Block Tax Services, Inc., Intuit Inc., National Association of Enrolled Agents (NAEA), Atilla M. Taluy, Drake Enterprises, Ltd., Jackson Hewitt Inc., NELCO, Petz Enterprises, Inc., TaxWorks by Laser Systems and Universal Tax Systems, Inc.

A taxpayer whose return has been prepared by one of the selected preparers may e-file and sign their return using an electronic signature. The preparer will also sign with an electronic signature.

We hope that positive results from the Practitioner Pilot as well as the On-Line Pilot will allow us to define an expanded program for 2001.

Filers who use selected practitioners will be eligible to participate in this pilot if their only attachments to the Form 8453 are the Forms W-2, W-2G or 1099-R, which will be waived for the pilot. This pilot will introduce the use of an IRS *e-file* authentication worksheet,

Continued on page 5.

What's new for 2000?

Signature Pilot

Continued from page 4.

which will meet the ERO's needs and provide evidence of intent for IRS' purposes.

Our Industry Partners will build into their software a printable worksheet that contains:

- A pen and ink signature of the taxpayer that is a certification of the figures on the e-filed return; and
- The taxpayer's self-selected, onetime use personal identification number (PIN) with a certification that the PIN is their signature for purposes of the filing.

Tax preparers will be expected to:

- Require taxpayers to personally enter their PIN;

- Retain the IRS e-file authentication worksheet for the normal preparer statutory period (six years) and provide it to the IRS upon request;
- Batch pilot and non-pilot returns together in your transmissions;
- Limit pilot filings to situations where the practitioner provides ERO and paid preparer functions to the taxpayer;
- Sign the taxpayer's return using their EFIN plus five additional digits to allow for a unique signature for each preparer; and
- Be able to document that an ERO/paid preparer who moves from one office to another has a unique PIN in each office.

Expanded credit card payments

After a successful test of accepting credit card payments in 1999, the IRS has expanded this service. In 2000, individuals will be able to use credit cards to pay balances due, estimated tax payments and automatic extensions to file.

These credit card options are offered through partnerships with private industry. More than 129,000 people paid their taxes by credit card or direct debit during the 1999 pilot.

In 2000, taxpayers can:

- pay by phone by calling **1.888.2PAY.TAX (1.888.272.9829)**, toll free, and using the American Express® Card, Discover® Card or MasterCard®. When paying by phone, an interactive voice response script will prompt them through the call. This program is a service of the Official Payments Corporation, a credit card processor.
 - *e-file* and pay using Intuit's TurboTax® or MacInTax products.
- The balance due on tax year 1999 individual tax returns can be paid at the time of *e-filing* using the Discover® Card. This program is a service of Discover Financial Services, Inc., in partnership with Intuit Inc.
- *e-file* and pay the balance due through tax practitioners who use Orrtax's tax preparation software to prepare and *e-file* tax year 1999 individual tax returns. Payments can be made using the American Express® Card, Discover® Card or MasterCard®. This program is a service of the Official Payments Corporation, in partnership with Orrtax Software, Inc.
 - *e-file* and pay the balance due using Nelco's DIRECTRONIC® Filing software to transmit tax year 1999 returns. Payments can be made using the American Express® Card. This program is a service of Nelco, a transmitter and software developer.

REMEMBER:

Make checks payable to the United States Treasury — not the IRS.

NEW CREDIT CARD PAYMENT OPTIONS

Taxpayers who charge automatic extensions to file or estimated tax payments do not have to file the associated Forms 4868 or 1040-ES. The phone systems open on Jan. 14, and the estimated tax option will be available March 1.

What's new for 2000?

941 On-line expanded

Beginning April 1, 2000, the IRS will be offering the opportunity for businesses to prepare and file their Form 941, *Employer's Quarterly Federal Tax Return*, using their personal computer, modem and off-the-shelf tax preparation software. The tax return information will be transmitted to the IRS through a third party. This program provides another option for filing Form 941 electronically, which will save time and reduce paperwork and support the IRS's initiative to expand the use of electronic filing options overall.

The 941OLF Program is available to businesses, software developers and

transmitters. To file Form 941 electronically, Revenue Procedure 97-47 requires taxpayers to submit an application.

Applicants should pay special attention to Revenue Procedure Section 9.

In addition, applicants must obtain Publication 1855, *Technical Specification Guide for the Electronic Filing of Form 941, Employer's Quarterly Federal Tax Return*. For more information about the program, call the *e-file* Help Desk at **512.460.8900** (not a toll-free number).

Y2K PENALTY RELIEF

The IRS expects to provide guidance in December on penalty relief for taxpayers who took necessary steps to prepare for the date change to the year 2000 (Y2K), but were unable to comply with the tax laws due to Y2K problems beyond their control.

The guidance will provide key points about how taxpayers can request relief if the IRS assesses penalties for actions resulting from a Y2K-related computer failure. The taxpayer must have made a good faith effort to become Y2K compliant. When the IRS issues the guidance, it will be posted on the Web site at www.irs.gov.

IRS testing secure e-mail system for tax account matters

In December, the Internal Revenue Service started testing a system for handling taxpayer account questions through a secure Internet Web system. The test is the result of a proposal made by the National Association of Enrolled Agents (NAEA) and involves tax preparers acting for their clients.

This is an important step toward our goal of providing electronic access to account information for taxpayers as well as tax professionals.

The system will rely on secure communications technology known as Public Key Infrastructure (PKI). The IRS will give participants a password that enables them to obtain a PKI certificate from the system contractor, VeriSign, Inc., of Mountain View, Calif. The participant will use this digital certificate to access a secure IRS Web site and leave an encrypted message about the client's account. The IRS will assign the message to a customer service representative, who will work the case and reply to the preparer using encrypted e-mail. The IRS will ensure privacy by using encryption

software components from RSA Security, Inc., of San Mateo, Calif., which provide messaging security using the S/MIME protocol.

For the test, the IRS will select 100 NAEA members from a list of volunteers the association submitted. Test participants must be established electronic return filers with a record of high quality performance and the required system components. A participant must have a power of attorney from the client and must obtain the client's approval in order to use the system.

Test participants may request help on notices, account issues, or transcripts for either individual or business taxpayers. They may also use the system to set up installment agreements for individuals.

The IRS plans to run the test with the participating preparers for the remainder of Fiscal Year 2000.

IRS electronic information services

As the electronic age becomes more and more a part of our lives, the IRS continues to come up with new and improved ways to use this new technology to make life easier for taxpayers and tax preparers.

The Tax Professional's Corner (www.irs.gov/prod/bus_info/tax_pro) is designed to help practitioners find what they need on the IRS web site. We have fill-in-the-blank forms available as well as forms to download and print. There is also a W-4 calculator to help taxpayers determine the number of exemptions to take.

IRS Local News Net

The latest communications tool from the IRS is the *Local News Net* — an offshoot of the very successful *Digital Dispatch*, which delivers IRS news of national importance directly to e-mail subscribers. The Local News Net is an electronic news system designed to provide its subscribers with up-to-the-minute *local* news. Each IRS district office and submission processing and customer service center has personalized their own Local News Net and has their own subscription list.

Austin IRS Tax Alert

Austin IRS Centers is proud to offer its customers its own Local News Net — the *Austin IRS Centers Tax Alert*. We issue periodic alerts to our subscribers about filing processes, changes in tax law and updates to phone numbers, addresses and *Tax Hints*.

All you need is Internet access and an e-mail address to subscribe. Send an e-mail message to: subscriptions@irs-smail.fedworld.gov. In the body of the message, type **subscribe austin**. To stop your subscription, send a message containing the phrase **unsubscribe austin**.

To subscribe to the *Digital Dispatch* for national IRS news, visit the IRS

Web site at www.irs.gov/prod/help/newmail/maillist.html

If you would like to subscribe to other IRS offices' Local News Net, you must have their *listname*. This information can be found at: www.irs.gov/prod/bus_info/tax_pro/where_list/index.html

We strongly urge you to subscribe to both these services.

Tax forms on CD-ROM

Publication 1796, *Federal Tax Forms CD-ROM*, contains fill-in-the-blank tax forms, portions of the Internal Revenue Manual, market segment guides and tools for the tax professional.

Pub 1796 can be purchased from the National Technical Information Service (NTIS) for \$13 (plus a \$5 handling fee — a 35 percent savings) through the IRS Web site at www.irs.gov/cdorders or by calling 1.877.233.6767 for \$20 (plus \$5 handling fee). Order 50 or more and save \$7 per CD.

Order Package X on-line

Tax professionals can update their Package X, *Reference Copies of Federal Tax Forms and Instructions*, orders electronically via the Tax Professionals (Tax Pro's) Corner at www.irs.gov/prod/bus_info/tax_pro/tprax/index.html.

Only *current* participants can use this method by using their account number, shown on the mailing label of Pub 1045. If you have an address change or are a new participant in the program, you must submit a paper Form 3975, *Tax Professionals Annual Mailing List Application and Order Blank*, to the nearest IRS Area Distribution Center as listed on the form. Form 3975 can be found in Publication 1045.

THE DIGITAL DAILY

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National Taxpayer Advocate

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New Taxpayer Advocate Service

The IRS has moved forward to implement a whole new Taxpayer Advocate organization—the Taxpayer Advocate Service.

This is the first new organizational unit implemented under the overall modernization concept. The new structure responds to the mandate of the IRS Restructuring and Reform Act of 1998 (RRA'98), which requires that the Taxpayer Advocate organization be independent of other components of the IRS in order to assure taxpayers an independent voice in certain case situations and in recommending systematic improvements to tax administration.

The new structure also will allow us to work efficiently in the modernized IRS organizational structure, taking into account the complete nationwide geographic coverage, and to focus on the needs of particular taxpayers served by the new operating divisions.

The new Taxpayer Advocate Service has 64 taxpayer advocates located throughout the country, and one in each service center, for a total of 74 advocates. These advocates directly manage all PRP caseworkers and report to area advocates, who in turn report to the national taxpayer advocate.

In addition, as the new operating divisions are established, new advocates will develop recommendations for systematic improvements in the operations of each operating division. For example, there will be a dedicated advocate and staff for the Wage and Investment Operating Division.

Taxpayer Assistance Orders

RRA '98 states that when a taxpayer files an application with the Taxpayer Advocate Service (in such form, manner, and at such time as the Treasury Department might prescribe through future regulations), the national taxpayer advocate may issue a Taxpayer Assistance Order (TAO). The national taxpayer advocate may issue a TAO if

they determine that the taxpayer is suffering, or is about to suffer, a significant hardship because of the manner in which the internal revenue laws are being administered by the IRS or if the taxpayer meets such requirements as may be set forth by regulations.

In general, a TAO gives the national taxpayer advocate additional time to review the taxpayer's case and decide if the original IRS action was proper. However, the taxpayer advocate will not issue a TAO where there is no evidence of a significant hardship or where it appears that the taxpayer has applied for the TAO simply to delay IRS actions.

RRA '98 directs the national taxpayer advocate to consider four specific factors when determining whether there is a *significant hardship* and whether a TAO should be issued. The taxpayer advocate must determine whether:

- There is immediate threat of adverse action;
- There has been a delay of more than 30 days in resolving the taxpayer's account problems;
- The taxpayer will have to pay significant costs (including fees for professional representation) if relief is not granted; or
- The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.

Statutory Notices of Deficiency

The RRA '98 requires that Statutory Notices of Deficiency inform taxpayers of their right to contact the local taxpayer advocate's office and the location and phone number of the appropriate office. Notice 1214, listing the names, location and telephone numbers of all district office and service center taxpayer advocates, is now included with every statutory notice of deficiency.

Earned Income Credit

In order to claim the Earned Income Credit (EIC), a taxpayer must furnish the Social Security Number (SSN), year of birth and the number of months a qualifying child lived with them during the tax year. Individuals who are *not authorized* to work in the U.S. or who don't include their SSN or the SSN of their spouse on their return are not eligible for EIC. Each person listed on the return, including the taxpayer, their spouse and their qualifying children must have a valid SSN issued by the Social Security Administration. The IRS will deny EIC when a correct SSN is not provided on the return or when a taxpayer claims the EIC based on self-employment earnings when the self-employment tax has not been paid.

NOTE: If the IRS issued a notice of deficiency reducing or disallowing the earned income credit for a tax year after 1996, the taxpayer must file Form 8862 in order to claim the credit. If, however, the taxpayer filed a Form 8862 and the credit was allowed in an earlier year, then the taxpayer doesn't have to file Form 8862 again.

A qualifying child must meet three tests — relationship, residency and age. The specific details of these three tests can be found in Publication 596 and in the Schedule EIC instructions.

Person with a qualifying child:

- Modified Adjusted Gross Income must be less than \$30,580 with two or more qualifying children or \$26,928 with one qualifying child.
- Child must live with you in the United States for more than half the year (a whole year for an eligible foster child).
- Taxpayer must submit proof of earned income. Earned income and

adjusted gross income must not exceed certain limits.

- Return must cover 12 months.
- Filing status cannot be married filing separately.
- A qualifying child cannot be the qualifying child of another taxpayer.
- Qualifying child cannot be the qualifying child of another taxpayer whose adjusted gross income is more than yours.
- If you claim a child who is married as a qualifying child on your return, you usually must also claim that child as a dependent.
- Must not file Form 2555 EZ, *Foreign Earned Income Exclusion*.
- Must provide valid and correct SSN for qualifying child or children.

Person without a qualifying child:

- Must have earned income that is \$10,200 or less.
- Earned income and adjusted gross income must not exceed certain limits.
- Return must cover 12 months.
- Filing status cannot be married filing separately.
- Cannot be the qualifying child of another taxpayer.
- The taxpayer (or spouse, if filing jointly) must be at least 25 but under 65 years old before the close of the tax year.
- Cannot be eligible to be claimed as a dependent on anyone else's return.
- Main home must be in the United States for more than half the year.
- Must not file Form 2555, *Foreign Earned Income*, or Form 2555 EZ, *Foreign Earned Income Exclusion*.

Beware: False EIC claims could prohibit the taxpayer from getting the credit for up to 10 years.

SECONDARY SSN VALIDATION

The names and Social Security Numbers (SSNs) of everyone claimed on a tax return — primary, secondary and all dependent SSNs— must *exactly match* with the names on their Social Security card. If the taxpayer is unsure about any name or number, they should contact their local Social Security Administration office.

REMINDER

Refund checks will be returned to the IRS if the address on the check is not current. Advise your clients to file Form 8822, *Change of Address*, when they move.

REFUND STATUTE EXPIRATION DATE

In general, a claim for refund must be filed within three years from the date the original return was filed or two years from the last payment, whichever is later.

Exception: An original delinquent return with prepaid credits must be received (postmark date will not be considered) within three years of the return due date including approved extensions. Refunds or offsets will not be allowed after the Refund Statute Expiration Date.

Prepaid credits include:

- Estimated tax payments
- Federal Tax Deposits
- Credit elect
- Excess FICA
- EIC, other refundable credits and payments made before the return due date
- Withholding

Credits paid on or before the due date (prepaid) of Forms 941, 943, 945 and 1040 are considered paid on April 15 of the following year.

Collection Statute Expiration Date (CSED)

The CSED is normally 10 years from the assessment of tax, failure to pay penalty or interest. The running of the CSED does not begin until a valid return has been filed.

Non-U.S. citizens must have valid identifying number

If you have clients who are non-U.S. citizens and do not have and cannot get a Social Security Number (SSN), urge them to apply for a new Individual Taxpayer Identification Number (ITIN) as soon possible. Tax returns without a valid SSN or IRS-assigned ITIN will delay processing and the issuance of refunds. Temporary identifying numbers previously issued are no longer valid.

Clients must also get an ITIN if they are claimed as a dependent of a U.S. citizen on their U.S. tax return, are married to a U.S. citizen who files a joint U.S. tax return, can be claimed as an exemption on their spouse's U.S. tax return or are filing a U.S. tax return only to claim a refund.

U.S. citizens and foreigners legally entitled to work in the U.S. can obtain an SSN from the Social Security Administration by filling out Form SS-5, *Application for Social Security Card*. All others need to complete Form W-7, *Individual Application for IRS Taxpayer Identification Number*. To order a Form W-7, taxpayers can call **1.800.829.FORM (3676)** or download the form from the IRS bulletin board (modem number **703.321.8020**) or from the IRS Web site at www.irs.gov/. They may also visit their local IRS office.

The Form W-7 is an information form and requires documentation substantiating foreign/alien status and true identity. The documentation, along with the Form W-7, can be mailed to the Philadelphia Submission Processing Center (PSC) or presented at an IRS walk-in office. **Please tell your clients not to attach the Form W-7 to their tax returns when they file.**

Documents they can use when they file Form W-7 include passports, national identity cards, foreign voter registration cards (if a photo is in-

cluded), foreign military identification cards, U.S. visas or border crossing cards (for Canada and Mexico only), INS documents, baptismal, birth and marriage certificates, driver licenses or state IDs or school documents.

Remind your clients that the ITIN is for *tax purposes only* and does not take the place of an SSN or qualify them for Social Security benefits. It does not affect their immigration status or give them the right to work in the U.S. or give them the right to the Earned Income Credit. Also, if the qualifying person for the Child Care Credit or the care provider does not have a valid SSN, ITIN or EIN, the Child Care Credit may be reduced or disallowed during processing.

What to do if your client doesn't have an ITIN

It's early April and a non-U.S. citizen, who does not have and cannot get an SSN, comes into your office for help in preparing a return. There is not enough time to secure an ITIN before the April 15 filing deadline. What should you do?

- Prepare the return and compute the tax or estimate the tax.
- Prepare IRS Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*. If the taxpayer has a previously issued IRS temporary number (IRSN), write the IRSN in the box designated for the SSN. If the taxpayer has no previously issued IRSN, write *ITIN Applied For* in the

Continued on page 11.

Electronic Federal Tax Payment System (EFTPS) — the easiest

EFTPS is the easiest way for businesses to make their federal tax payments. EFTPS was created by the Department of the Treasury in 1995 to modernize tax payments — moving federal tax payments from a paper-based system to an electronic one.

More than 2 million business taxpayers are enrolled in EFTPS. They know the real value of paying their taxes electronically. If you have yet to experience the many benefits of EFTPS, now's the time!

You will find that EFTPS is:

- **Easy to use from anywhere** — with a phone or PC and modem or through a program offered by your financial institution.

- **Convenient** — schedule payments 24 hours a day, 7 days a week.
- **Accurate** — you verify all the information you input to ensure accuracy.
- **Fast and economical** — it takes less than 4 minutes, and you'll have no more last-minute trips to the bank or to the store for stamps or envelopes.

All taxpayers may participate in EFTPS, but they must first enroll in the program. To order enrollment forms or for more information, call **1.800.945.8400** or **1.800.555.4477**. The enrollment forms are *not* available at IRS services or banks.

Handling clients who don't have an ITIN

Continued from page 10.

- SSN box. Attach a photocopy of the completed Form W-7 to the extension request and write **COPY — DO NOT PROCESS** across the face of the W-7. An extension will be granted under the old IRSN or under a new IRSN, if the taxpayer does not have an IRSN.
- Remember, anticipated tax due should be paid with the extension request.
- If no estimated tax is due, keep a copy of the Form 4868 and send the original to the IRS by certified mail or visit a walk-in office to have the extension stamped *received*.
- Wait a few days, then bring the completed Form W-7 (with substantiating documentation) to an IRS walk-in office or mail it to:

**IRS W-7 Unit, PO Box 447
Bensalem, PA 19020**

- Attach a copy of the extension request to the Form W-7. This is important because it notifies the W-7 Unit to look for an extension request on IRS computer systems when processing the W-7. If the extension request has been properly requested and processed, there should be a computer record indicating an extension for the individual under an IRSN. When the ITIN is issued, the new ITIN number will be merged with the IRSN under which the extension was granted.
- When the ITIN is received, file the tax return at the location you normally file. **Note:** Tax returns should not be filed without an SSN or ITIN or with W-7s attached.

DIRECT DEPOSIT OF REFUNDS

Remember to correctly enter all the required information to insure the refund is credited to the correct bank account. If an incorrect bank account number and/or Routing Transit Number is entered by the taxpayer, preparer or electronic return originator, the IRS does not have the authority to recover the refund from the account holder that receives the refund in error. *Taxpayers must contact their financial institution to resolve the erroneous deposit.*

Taxpayers will receive a paper refund check and a notice if:

- Required information is missing or incomplete.
- RTN (Routing Transit Number) does not match the master list of valid RTNs.
- RTN is for a foreign bank.
- Power of attorney is on file and third party is authorized to receive refund.
- Return is a decedent return.
- Return is for a prior year.
- \$10,000 or more in withholding and zero tax is owed.
- Math error of more than \$50.
- More than two direct deposits are requested for the same account.

APPLYING TO PARTICIPATE IN E-FILE

- Submit Form 8633, *Application to Participate in the Electronic Filing Program*.
- Apply early. It takes up to 60 days to process applications, which are accepted only from Aug. 1 through Dec 1.
- Forms 8633 are processed at the Andover Submission Processing Center. For more information, call 978.474.1499 or contact your local district *e-file* coordinator. (See page 27 for the name and phone number of the *e-file* coordinator for your district.)

For the latest information on *e-file*, check out The Digital Daily at www.irs.gov/

FORMS 8453/8453OL

Beginning in tax year 2000, it is no longer necessary to submit Forms W-2 and 1099R with the Forms 8453/8453OL, but Forms 8453/8453OL *must* be submitted unless one of the PIN options is used.

e-file ensures high quality

Practitioners who participate in the Electronic Filing Program — *e-file* — can offer their clients a full-service system that ensures the high quality of every return it accepts. Electronic return originators can provide more complete service to their customers whether they owe a balance, are expecting a refund or need to file both state and federal returns.

Balance due returns

Taxpayers can file early and make payments on balance due returns by April 15 using the 1040-V and mailing it to the St. Louis lockbox.

Extensions and Installment Agreements

Form 4868, *Application for Automatic Extension of Time to File*, and Form 9465, *Installment Agreement Request*, can also be filed electronically.

Preparing and filing Form 8453

Form 8453 is the signature document for electronic filers and is also used to authorize direct deposit of refunds. Form 8453 must be submitted by the next business day after the filer receives acknowledgment that the IRS has accepted the return. It is extremely important that all Forms 8453 are timely and accurate.

To speed processing and ensure the accuracy of Form 8453:

- Have the taxpayer sign the form before the return is transmitted but mail it only after the return is accepted by the IRS.
- Enter the primary Social Security Number first on the Form 8453.
- Don't write or staple anything in the upper right-hand corner of the form. The IRS uses that area to print a Document Locator Number.
- Don't staple groups of Forms 8453 together; turn them all in the same direction.

- Do not send unnecessary information such as Refund Anticipation Loan agreements, Social Security cards or copies of an electronically-filed return with Forms 8453.
- To correct a Form 8453 that has already been mailed, call the Austin Submission Processing Center Electronic Filing Branch at **512.460.8900**.
- Make sure that the address on the Form 8453 is the same as the address transmitted on the electronic return.

What's new for 2000

Form 8453/8453OL

Beginning in tax year 2000, it is no longer necessary to submit Forms W-2 and 1099R with the Forms 8453/8453OL, but the Forms 8453/8453OL *must* be submitted unless you use one of the PIN option pilots.

Return of the Debt Indicator

Repealed in 1994, practitioners who offer bank products may once again benefit from the inclusion of the Debt Indicator (DI). The DI, shown on ERO acknowledgment files, shows the potential for possible changes to a client's refund due to offsets for other debts owed the IRS, Financial Management Service (FMS), or both. (FMS collects all other governmental debts, such as student loans, child support, state taxes, etc.) For more information, visit the Digital Daily www.irs.gov or call your *e-file* coordinator.

New forms for *e-file*

New forms available for *e-file* in 2000 are: Schedule J; Form 6781; Form 8271; Form 8582-CR; Form 8586; and Form 8812.

New modem telephone number

Dial **512.460.4009**, using an asynchronous modem connection, to transmit to the Austin Submission Processing Center.

Avoiding extension problems

Processing delays continue to cause problems for extensions. If you file multiple Forms 2688, be sure to complete Item 3, the explanation of why the extension is needed, for *each form*. Do not write a single cover letter of explanation for multiple forms. The forms are separated during processing, and all but one form is missing information necessary for approval. **Be sure to write SSNs** on all extensions and installment agreement requests.

A similar problem arises when the Form 4868 or Form 2688 is submitted with a copy to be date stamped and returned. When these are not stapled together, they become separated and sometimes an attempt is made to process both. A preaddressed envelope included with the copy will expedite the request for acknowledgment. Enter the zip code in the address area at the top of the form, directly under the word *zip code*. This insures that the zip code is visible through the window envelopes

the IRS uses and will expedite delivery to the taxpayer.

There are three extension forms for returns other than the 1040 series, and they are not interchangeable. **Be sure you are using the correct extension form.**

- **Form 8736** is used for extensions for Forms 1065 and 1066 and Form 1041, when it is used for a trust.
- **Form 7004** is used for Forms 1120 and 990T.
- **Form 2758** is used for a variety of excise and income tax, information and other returns, including Form 1041 when it is filed for an estate.

When filing one of these requests, be sure to check one of the boxes near the top of the form to indicate the type of return for which you are requesting an extension. Blanket extensions are not granted. Separate forms must be filed for each return.

Extensions and Installment Agreements

Taxpayers who file extensions by April 15 but are unable to pay the full amount will not be penalized if they pay 90 percent of the total tax due at the time they request the extension. Regulations require that the tax liability reported on Form 4868, *Application for Automatic Extension of Time to File*, be properly estimated based on available information. The extension may be disallowed and a late filing penalty assessed if the taxpayer does not properly estimate the tax due and attach it to the request. Form 4868 is in voucher form again this year and can be sent electronically. Balance due Forms 4868 should be sent to the St. Louis lockbox. (See page 27.)

If a client cannot pay the taxes owed at the time of filing of the return, you can file a Form 9465, *Installment Agreement Request*, with the tax return.

This form allows the taxpayer to request a monthly payment plan specifying the monthly payments.

There is a processing fee of \$43 for entering into an installment agreement and \$24 for restructuring or reinstating an installment agreement. **Do not send the \$43 when you send the Installment Agreement Request.** We will send you a notice for the fee once the agreement has been approved. Form 9465 can be transmitted electronically by itself or accompanying an electronically filed return.

Attach Form 9465 to the front of the return so it can be detached and processed separately. Attach Forms W-2, W2-G and 1099R separately so they will not be inadvertently detached with the Form 9465.

DISASTER-RELATED TIPS

Disaster victims can register for federal assistance by calling FEMA's National Teleregistration Center at 1.800.462.9029 or TDD 1.800.462-7585.

The FEMA Web site (www.fema.com) also has useful information concerning disasters nationwide.

Disaster victims can call 1.800.829.3676 to order Pub 2194, *Disaster Losses Kit*.

INSTALLMENT AGREEMENT REDUCES PENALTIES

Taxpayers who don't pay their taxes when they are due may be subject to a failure-to-pay penalty of .50 percent of their unpaid taxes for each month the tax is not paid. Beginning in 2000, if they file their return on time and enter into an installment agreement with the IRS, this penalty will be reduced to .25 percent. **NOTE:** For tax year 2000, if the installment agreement defaults or is terminated, the normal failure to pay penalty charges will resume.

PAYMENT TIPS

You can help your clients ensure that their payments are properly credited by stressing the importance of writing the following information on their checks or money orders:

- SSN or EIN.
- Tax period covered by the payment.
- Correct name of the tax account.
- Current mailing address.
- Type of tax form associated with the payment.
- Make the check or money out to U.S. Treasury — *not the IRS*.

It is even more important to provide identifying information if you use a money order.

REMEMBER:

Using labels saves time and increases efficiency. None of the information on an IRS preprinted label affects whether taxpayers are audited.

Assembling forms in proper order speeds processing

When returns are not assembled in the order in which they are transcribed, they must be pulled apart and reassembled. Although tax examiners take care to reattach all the pages, important documentation sometimes gets detached in the process.

Form 9465, *Installment Agreement Request*, and Form 911, *Application for Taxpayer Assistance Order to Relieve Hardship*, should be attached to the front of the return. Attach other forms and schedules at the end of the return in order of the attachment sequence number that is shown below the year in the upper right corner of the form or schedule. Attachment sequence numbers are not in the same order as form

numbers. For example, Form 8801 has attachment sequence No. 74 and Form 8814 has No. 40.

IRS forms and schedules without attachment sequence numbers follow next in numerical order. ***Attach separate statements at the end of the return — not between forms and schedules that are in sequence.*** If these relate to previous correspondence, refer to the IRS customer service representative by name, ID number and mail stop number, where possible. *Copies of approved extensions of time to file should be attached following the IRS forms.* (Ignore the sequence number on Form 2688.) The remittance should be attached to the front of the return on top of the Form W-2.

Reasonable cause abates penalties

If you ask for relief from paying penalties, you must follow specific guidelines. Internal Revenue Code, Section 6651, authorizes the abatement of penalties for failure to file tax returns and for failure to pay tax if the failure is due to reasonable cause and not willful neglect. Individuals requesting reasonable cause consideration for a penalty abatement normally must submit a written supporting statement to their service center.

CFR Section 301.6651 requires a written statement, signed by the taxpayer or representative with a power of attorney, under penalty of perjury, that explains the facts related to the reasonable cause. However, in the interest of fairness, the IRS accepts unsigned and oral requests (if the penalty is \$250 or less) with the appropriate documentation by the employee handling the case when

no reason exists to question the legitimacy of the request.

Reasonable cause determinations are based on the facts and circumstances of each case. Generally, if the taxpayer exercised ordinary business care and prudence and was still unable to file the return on time, the delay is considered due to reasonable cause. A failure to pay also may be due to reasonable cause if the taxpayer exercised ordinary business care and prudence, yet could not pay the tax liability in a timely manner. The tax due must be paid before a late payment penalty will be abated. If the IRS determines that failure to file was due to reasonable cause and not willful neglect, the penalty will be abated. The taxpayer is still responsible for the tax owed plus interest.

Fax-TIN: EINs by fax

Taxpayers can request Employer Identification Numbers (EINs) by fax through the Fax-TIN Program. They should first complete a Form SS-4 and then fax the form to **512.460.8000**, 24 hours a day. An IRS representative will input the information from the Form SS-4 and assign an EIN within four workdays. Be sure to provide us with a fax number so we can fax the EIN.

Fax-TIN is the safest, easiest and most accurate method of obtaining an EIN, but in an emergency you may also request an EIN by phone. Our resources allow us to have a limited number of people available to answer the phone, so we can better serve you if you fax us the EIN request.

If you must telephone us, complete Form SS-4 and then call **512.460.7843** any weekday between the hours of 7:30 a.m. and 5:00 p.m. (CST). The EIN will be assigned immediately. After the EIN is assigned, you must still mail the completed Form SS-4 to us within 24 hours. (Be sure the Form SS-4 is completely filled out and signed by a duly authorized person. Retain a copy for your records.)

EIN disclosure laws

The Fax-TIN/Tele-TIN function is limited by strict disclosure laws, and an EIN can be given out to *a duly authorized person only*. A duly authorized person for the following types of organization is:

- Sole proprietorship – owner.
- Corporation – president, vice-president or other principal officer.
- Partnership – a partner.
- Estate or trust – administrator, executor, fiduciary or trustee.
- Other unincorporated organizations – a responsible and duly authorized member or officer of the organization.

Remember, a third party *must* have proper written authorization such as a *Power of Attorney*, Form 2848, (See page 16.) before newly assigned EINs can be released to them.

The guidelines for sole proprietorship EINs are now more stringent. These



EINs are issued primarily to individuals who have employees (or file any other federal returns or documents); individuals who issue Forms 1099 for contract labor; or those who are required to have an EIN by the Bureau of Alcohol, Firearms and Tobacco.

Common Fax-TIN problems

- Taxpayer faxes Form SS-4 and then calls Tele-TIN to request an EIN. This could cause duplicate EINs to be issued.
- Form SS-4 is not completely filled out.
- Taxpayer is uncertain about the type of entity being established.
- Callers sometimes are unable to establish that they are authorized to request an EIN for the entity they represent. An EIN can be released only to duly authorized individuals.

FAX-TIN
512.460.8000

LOCKBOX PROCESSING

Tax practitioners should mail all types of 1040 returns that contain a remittance to the lockbox. Procedures in Package X for preparation and mailing of the 1040-Voucher contain lockbox mailing instructions and addresses. These procedures not only provide for expanding lockbox volumes but also provide consistent procedures for tax preparers. Installment agreement payments and fees should also be mailed to the appropriate lockbox address. Not all individual tax packages received by taxpayers contain lockbox mailing instructions.

Individual tax packages will still be limited in scope regarding which taxpayers will receive the lockbox two-label envelope. Other taxpayers will receive the usual address envelope. Regardless of the package received by your clients, please mail your 1040 remittance returns to the lockbox address. If your clients receive a preprinted 1040 postcard package, please encourage them to use the preprinted 1040-V with 1040 remittance returns. The preprinted voucher can be read through high-speed computer scanning equipment, eliminating the need for data entry, thus ensuring fast and accurate posting of the payment information.

Forms 4868, *Extension Requests*, with remittances are processed at the lockbox. (See the list of lockbox addresses on page 27.)

**SEND
COMPLETED
FORMS 2848
TO:**

**Austin Submission
Processing Center
CAF Unit
PO Box 1231
Stop 6737 AUSC
Austin, TX 73301
fax: 512.460.0176**

**Kansas City Submission
Processing Center
IRS Form 2848
CS: TPR Stop 6800
Kansas City, MO 64999
fax: 816.823.2076**

Centralized Issues

Excise Tax

**Cincinnati Submission
Processing Center
CAF Unit Stop 530
Cincinnati, OH 45999
fax: 606.292.5185**

Employee Plans

**Memphis Submission
Processing Center
CAF/FTD Unit, Stop 5324
5333 Getwell Road
Memphis, TN 38118
fax: 901.546.4115**

Exempt Organizations

**Ogden Submission
Processing Center
fax: 801.334.4179**

Special Request

- If you have faxed a Form 2848, please don't mail us a hard copy.
- Don't send a POA for each client as a standard operating procedure—send one only when it is really needed.

Power of Attorney processing and CAF procedures

Form 2848, *Power of Attorney and Declaration of Representation*, is the only form required to appoint a representative. It can be used by enrolled or unenrolled preparers and certain others.

Form 8821, *Tax Information Authorization (TIA)*, allows taxpayers to authorize individuals, corporations, firms, organizations or partnerships to inspect or receive confidential information. Unlike the Form 2848, it does not give permission to act on behalf of the taxpayer.

You can mail or fax one of the forms to the Austin Submission Processing Center or give it to an IRS employee. Faxed Forms 2848 and 8821 will be added to the Center's Centralized Authorization File (CAF) within 48 hours of receipt. All others will be processed within five calendar days. During the peak season, processing may take up to 21 calendar days.

Form 2848 requirements:

- Taxpayer's name, address, TIN and phone number.
- Representative's name and address.
- Type of taxes.
- Federal tax form numbers and years requested.
- Declaration of representative.
- Representative's signature, date and designation.
- Taxpayer's signature and date. (Both taxpayers' signatures if married filing jointly.)

Did you know?

If a taxpayer wants the representative to receive a refund check on their behalf, they must specifically authorize the representative to receive the refund by initialing Box 6. **Reminder:** Be sure to list the name of the representative who should receive the refund check.

If you submit a Form 2848:

- For a return, submit the form to the center where return was filed.
- In response to a notice, submit the form to the center with collection responsibility.
- For excise tax issues, submit the form to Cincinnati Submission Processing Center.
- For employee plan issues, submit the form to the Memphis Submission Processing Center.
- For exempt organization issues, fax the form to the Ogden Submission Processing Center.

Form 2848 common errors

Joint Returns:

- Both taxpayers have not signed and dated the Form 2848.
- Didn't indicate taxpayer's ex-spouse status from a joint return.

Business Returns:

- Didn't indicate the title of authorizing signature. (Box 9)

Any Return:

- Both representative and taxpayer have not signed and dated Form 2848, parts I and II. (Box 9)

Continued on page 17

When calling the toll-free number on notices (available 7 days a week, 24 hours a day):

- Have POA (CAF identification number) information ready.
- Have all IRS-related documents ready, especially the latest notice.
- For quicker service, call on Wednesday, Thursday or Friday between 7:30 a.m. and 7:30 p.m.

Facts about refund checks

A refund check will be returned to the IRS if the address on the check is not the most current.

The refund will not be reissued until the Center is notified of the new address. Complete and return Form 8822, *Change of Address*, to notify the IRS. If a refund check is lost or stolen, a completed Form 3911, *Taxpayer Statement Regarding Refund*, or a detailed letter must be sent to the Center.



has not been cashed, a replacement check will be issued. If the check has been cashed, a photocopy of the check will be mailed to the taxpayer with a claim Form 1133.

The completed form should be returned to FMS at the address provided. The investigation for lost or stolen refund checks that have been cashed is a time-consuming process. Taxpayers can expect a delay of three months to a year before another check is issued.

Reminders:

- Allow for the normal processing time before you inquire about refunds:
 - Paper – 6 weeks
 - ELF/TeleFile – 3 weeks
 - 1040PC – 6 weeks
 - 1040X – 8-12 weeks
 - Business Returns – 6 weeks
- If a check was issued for a joint return, both signatures must be present on the Form 3911.
- The IRS and Financial Management Service (FMS) determine if the check has been cashed. If the original check

- Refund checks that are not cashed within one year of the issuance date are automatically cancelled.
- Refund checks will not be split because of a family dispute, even though a divorce decree or other civil action may so direct.
- Overpayments will offset to federal tax debts and non-tax debts such as child support before the refund is issued.

Power of Attorney cont'd.

Continued from page 16.

- Didn't include correct name, address and SSN or EIN.
- Didn't specify tax years, tax periods and tax forms you want covered by the authorization. (The IRS cannot process Forms 2848 with general references to *all years, all periods, all taxes* or *specific issues*. Example of correct reference: "Income Tax, Form 1040, for calendar years 1998 and 1999.")

Form 8821 requirements

- Taxpayer's name, address, TIN and phone number.
- Appointee's name, address and phone number.
- Type of taxes, form number and starting and ending dates.

- Disclosure of Tax Information Authorization.
- Taxpayer's signature and date (only one spouse's signature is required).
- Must be received by the IRS within 60 days of taxpayer's signature.

Form 8821 common error

- Didn't answer item 4 correctly. If the box is checked, the authorization will not be entered on the CAF. If the authorization is not for a specific use, do not check this box.

Revocations

- A copy of a previously submitted Form 2848 or 8821 can be used to revoke an authorization. Write **REVOKE** across the top of the copy in bold letters. It must also be signed and dated.

DECEDENT RETURNS

Delays in processing returns filed for deceased taxpayers can be reduced or eliminated by writing the decedent's name, the word *deceased* and the date of death in the top left-hand margin of page 1, Form 1040. Also include a completed Form 1310 if required. See Publication 559, *Tax Information for Survivors, Executors and Administrators*, for additional information. Including all of the required information will eliminate delays caused by corresponding for missing or incomplete information.

REMEMBER:

Treasury Department *Circular No. 230* contains the rules governing the practice of attorneys, CPAs, enrolled agents, enrolled actuaries, appraisers, and other persons representing taxpayers before the IRS. It authorizes the Director of Practice to grant or deny enrollment and to institute disciplinary proceedings.

PROPER ASSEMBLY OF RETURN PACKAGE

- Secure the return package with one staple in the top left corner. Use binder clips or garter bands for large documents. Do not use tape.
- Keep the upper right portion of the front page blank and free of staples. The Document Locator Number (DLN) is printed in that area. A staple can cause the DLN to be printed illegibly and can even damage the imprinting equipment. Some practitioners stamp or print a message such as “IRS File Copy” in that area in large letters which obscure the DLN.
- Do not use binders or plastic covers; these must be removed for processing and are discarded.
- Do not staple the envelope.

Tips for filing multiple returns

- When mailing several returns in a box or large mail container, mail them flat — do not fold them separately or place them in separate envelopes.
- Turn documents the same way in the package.
- Do not staple different tax returns together.
- Separate returns with remittances from returns without remittances.

The Tax Return Transcript

What is a tax return transcript?

It’s a copy of tax return information that can be used for a loan, scholarship or other financial aid. A tax return transcript is a quick way to verify your tax information from the IRS — a line-by-line printout of the information on the original tax return.

It’s fast, easy and free.

- Dial **1.800.829.1040**. If you reach a customer service representative, tell them you wish to order a transcript of your tax return.
- If you reach an automated voice message, you will hear a menu of options. Listen for the option that includes “. . . for questions about your personal tax records . . .” Press the number for that option.
- Continue to follow the voice prompts until you are asked to enter your Social Security Number. (If you filed a joint return, enter the first SSN that you entered on the return.)
- You will hear a voice prompt “. . . to request a transcript of your tax return . . .” Press the number for that option.
- Your transcript should arrive by mail within 10 to 15 days.

Paper request for a transcript

Complete IRS Form 4506 (Rev. 5-97), *Request for Copy or Transcript of Tax Form*. Form 4506 is available from the IRS Web site at www.irs.gov/ or by calling **1.800.829.3676**. The taxpayer’s signature is required. For even faster service, fax your request to us at **512.460.2272**. Remember, there are no charges for tax return transcripts — they’re **free**.

How to request copies of tax returns

Requests for copies of tax returns may *not* be submitted via fax. Full payment of **\$23.00 per return** along with the completed, signed and dated Form 4506, should be mailed to the Center. Allow 30 to 60 days for delivery.

Other important information

- Allow at least 10 weeks processing time after the original return is filed before requesting a copy or other information.
- Allow at least 30 days for a delivery when requesting prior year returns.
- Form W-2 information is available nine months after the end of the tax year, and requests take six to eight weeks to process.
- Form 1099 information cannot be requested with Form 4506 and should

be obtained from the payer if possible.

- To request tax account information, **do not** submit Form 4506. Instead, write or visit the nearest IRS office. Tax account information shows any later changes that you or the IRS made to the original return.
- Requests for copies of tax returns will not be processed without the appropriate payment attached.

Remember: *The Freedom of Information Act and Privacy Act do not provide any greater access to confidential tax information than is otherwise available under the Internal Revenue Code. Copies of returns, as filed, can be requested by submitting a completed Form 4506 and are available under the IR Code Section 6103(c) and (e).*

Estate and Gift Tax

The Estate and Gift Tax Staff provides information, assistance and technical support to representatives of estates, practitioners and other IRS offices. Their work includes problem resolution on issues involved in processing, tax compliance, penalty abatements, examination, closing letters, and determination of tax and interest due by estates electing installment payment of estate tax under Internal Revenue Code (IRC) Section 6166.

Estate and Gift Stock Valuation:

This compliance project reviews estate and gift returns reporting ownership of large dollar values in publicly-traded stocks and bonds. Values of these securities are verified using third-party software. A correspondence examination process handles deficiencies attributed to any undervaluation.

Deferred Payment of Estate Tax Under IRC Section 6166:

The Taxpayer Relief Act of 1997 changed the four percent rate on the first one million dollars (less exemption equivalent) to two percent. The interest on the balance of deferred tax is at a rate which is 45 percent of the interest rate on tax deficiencies. The change is in effect for estates of decedents who die after December 31, 1997.

Helpful Hints when preparing Forms 706 (Estate) and 709 (Gift) returns:

- When preparing Form 706, verify that the SSN is correct. When two

decedents' returns are filed using the same number, long delays in processing may result, including delays in issuing federal closing letters.

- Provide complete descriptions of assets and include CUSIP numbers for publicly-traded stocks and bonds. Provide the number of shares and par value for stock and/or face value and interest rate for bonds.
- When reporting closely-held business interests, family partnerships or fractional interest in property, provide detailed schedules to show how returned values were determined and provide current appraisals, if available.
- If claiming the state death tax credit on Form 706, provide verification of

“If claiming the state death tax credit on Form 706, provide verification of the payment of tax.”

the payment of tax. The IRS charges nonrefundable federal interest on the credit amount from the due date

until the balance is paid. Federal credit interest is not paid on refunds of tax based solely on the state credit.

- When filing Forms 709 for both husband and wife where consent or gift splitting is involved, include a copy of the donor spouse's return with the other return so annual exclusions for donees can be verified. Not including a copy may cause long delays in processing.
- When filing Form 709, include the basis amount under Schedule A, Part 1, or else indicate “zero.” This information is required on the form, and if not provided may cause long delays. The basis established by the donors allows the donees to reduce the sale of the property by the basis.

REMINDER

The IRS will not give out information about taxpayer accounts to third parties without written consent from the taxpayer. Even though the third party may have the bill or notice, specific information concerning a client's bill will not be provided without written authorization from the taxpayer.

THE DIGITAL DAILY

www.irs.gov

- Download forms and publications.
- Ask tax-related questions.
- Read summaries of tax regulations in plain English.
- Read news releases.
- Send your comments directly to the IRS on-line.
- Download statistics of income database.
- Learn about electronic services.
- Use the W-4 calculator to figure deductions.
- Visit Tax Professional's Corner for practitioners.
- Subscribe to the Digital Dispatch — an e-mail newsletter.

IRS Customer Service Call Routing

The Internal Revenue Service introduced three major Customer Service call site automation initiatives during 1999:

- Customer Service Operations Center (CSOC)
- TeleCenter Workforce Management System (TCWMS)
- Customer Service Call Router

Customer Service Operations Center (CSOC)

CSOC, located in the new Atlanta Customer Service Center, is a centralized management control organization using the latest technology to monitor the status of call traffic on a nationwide basis for three toll-free phone lines:

- **1.800.829.8815** (Accounts and Notices);
- **1.800.829.4262** (Refunds and Earned Income Credit); and
- **1.800.829.1040** (tax law issues).

The mission of CSOC is to provide each toll-free telephone customer optimum access — 24 hours a day, 7 days a week — to the resource best able to meet their needs.

The CSOC plans and develops schedules for all Customer Service telephone activity. It consolidates functions which were originally split between multiple functions in call sites, districts, regions, service centers and throughout the National Office.

TeleCenter Workforce Management System (TCWMS)

The TCWMS scheduler/forecaster is new technology that gathers staff and call volume information from each call site. It then transmits the information to a centralized

location and uses the information to forecast future volumes and staffing requirements. We plan to use this system locally to prepare individual site and employee work schedules when it becomes fully operational by January, 2000.

The system will gather data for a centralized database of all national telephone and staffing data. CSOC will use this national data to project telephone demand and schedule staffing needs by product line. Under both the organization and technical modernization blueprints, toll-free telephone access and service will become more efficient and effective by providing equal access for all customers nationwide, regardless of the origination of the telephone call.

Customer Service Call Router (CSCR)

CSCR is a system that balances call volumes between sites by identifying the best route for any incoming call based on available staffing, employee skills and queue times at all sites. The system was implemented in 1998 on a limited test basis and installed nationwide for the 1999 filing season. The system provides both initial call routing for each incoming call and post-routing for calls which encounter longer than expected queue time at a call site.

The system is deployed among 25 Customer Service Call Sites and at two Network Control Centers (Martinsburg and Memphis). The equipment interacts directly with the AT&T Intelligent Call Processing (ICP) service to receive routing requests on incoming call attempts

and return call routing responses.

The CSCR is in production in all 25 call sites for the 1040, 8815 and 4262 phone lines. Ten call sites are located in the service

centers and 15 call sites are in district offices. When a call is delivered to a site, the customer

makes a selection from a variety of menu choices.

Once the selection is made and the specific skill level required to answer the call is identified, the system searches for an available agent locally. If there are no agents available locally, the equipment determines which site is the best location to answer the caller most expeditiously. The call is then post-routed to the specific skill group at that remote site.

Automated Collection System

Nine groups of customer service representatives are trained on ACS. All ACS issues are transferred to them. Even though ACS recently obtained nationwide database access, the telephone system is not as sophisticated as the toll-free system. ACS calls are routed by area code consistent with the current inventory alignment.

The telephone number for all ACS call sites is **1.800.829.7650**.



NEW TOLL-FREE NUMBERS

ACS: 1.800.892.7650

Exam: 1.877.834.6302

AUR: 1.800.829.7157

Underreporter Program analyzes unreported income

The Underreporter Program analyzes and processes returns with potential underreported income. The returns are identified in the Information Returns Program (IRP). After all current year tax returns are processed, they are computer matched to the corresponding IRP documents (Forms W-2, W-2P, 1099, 1098, etc.). For example, a W-2 for wages is compared to the wages reported on the return and a 1099-INT for interest is compared to the interest reported on Schedule B.

When amounts reported on the return do not match amounts on IRP documents, an information return listing is built to an automated database showing all income for the taxpayer reported to the IRS for the year in question. The database also includes a history of the accounting which is updated weekly.

In screening, a tax examiner performs an in-depth analysis of the case. The examiner determines if all income in question can be identified satisfactorily on the tax return. If it can be found, the case is closed and the taxpayer is never contacted. If the income cannot be located anywhere on the return or cannot be readily identified, we send the taxpayer a CP-2501 or CP-2000 depending on the issues involved.

The CP-2501 asks the taxpayer to explain where on the return the income is reported. This notice has no figures or proposed balance due amounts. If the discrepancy can be explained or supporting documentation is enclosed, the case is closed. The taxpayer is informed that all is resolved. If there is no response or the information from the taxpayer is not sufficient, a CP-2000 is issued.

The CP-2000 is a proposal to change the income, deductions, tax credits or payments reported on the return. It is not a demand for payment. The taxpayer is asked to respond within 30 days from the date of the notice. Many cases are closed agreed with a signed



consent statement and/or full payment. There are also partially agreed cases, where the taxpayer agrees to some of the income inquired about and satisfactorily explains the remaining issue(s).

Many cases are closed with no change to the tax liability because the taxpayer provided sufficient documentation of the non-taxability of the income or the underreported amount is not sufficient to change the tax.

If, in the course of verifying income, the examiner finds that the taxpayer made an error on the return which calls for a refund, the IRS will issue one.

If the original notice comes back undelivered or we have not received any response from the taxpayer, we issue a 90-day Statutory Notice of Deficiency. Before generating statutory notices, we check for payments and new addresses. Notices are sent to the most current address on file with the IRS. If full payment is found, we can close the case at that time. If there is no

indication of any response or full payment, we will mail the statutory Notice of Deficiency. If taxpayers disagree with the notice, they have 90 days to petition the U.S. Tax Court. Whether or not they petition the court, we will still consider any information the taxpayer submits to resolve the disagreement.

If there is no response, or the certified statutory notice is unclaimed at the post office, the tax, interest and penalties are assessed by default after the 90-day deadline is past. A balance due notice is then sent to the taxpayer. The case goes to collection if no payment is received.

Even though the case is now in collection status, the taxpayer can still disagree with the assessment and send correcting statements, letters from banks, etc., for consideration to have the tax, penalties and interest reduced or abated. This program is also worked in the Underreporter area.

It is not necessary to file an amended return as a response to the statutory notice; however, if the taxpayer files a Form 1040X, it will be considered when the case is processed. Taxpayers are requested on the notice not to file an amended return because a Form 1040X can delay processing. We can take all necessary actions with the taxpayer's response.

**SUBSCRIBE
TO TAX HINTS**

To subscribe to **Tax Hints** and other IRS publications, file Form 3975, *Tax Professionals Annual Mailing List Application and Order Blank*. Form 3975 can be found in Publication 1045 or downloaded from www.irs.gov/prod/forms_pubs/

Offers in compromise help taxpayers in financial trouble

Offers in compromise are just what the name implies. They are offers from taxpayers, whether individuals or businesses, to settle tax bills for less than the amount owed. They are designed to give financially troubled taxpayers a new start and bring them into compliance with the tax laws. Before submitting an offer in compromise, please consider the following items:

- The compromise of a tax liability can rest only upon doubt as to liability or doubt as to collectibility. Sympathy or equity are not grounds for compromise.
- An offer may not be considered if the IRS could collect the full amount the taxpayer owes. For example, if a taxpayer has sufficient equity in real estate or personal property to pay the taxes or if they can pay the balance due, including penalty and interest, within five years, the taxpayer may not qualify for an offer.
- If an offer is submitted, the IRS will suspend collection action while the offer is reviewed.
- Acceptance of an offer requires the taxpayer to comply for five years with all provisions of the Internal Revenue Code pertaining to filing and payment of taxes.
- Federal tax liens will not be released until the offer is accepted and the amount offered is paid in full including interest on any deferred payment.
- As part of the investigation in determining the merits of the offer, a taxpayer's income tax returns or other returns required to be filed may be reviewed. Offers in compromise give a new start to financially troubled taxpayers.
- Any amount paid with the offer will be refunded if the offer is withdrawn or rejected, or it may be applied to the tax liability. Interest is not paid on deposits.
- All amounts paid on the tax liability prior to submission of the offer and during the course of the investigation of the offer cannot be applied as part of the amount being offered.
- All refunds of taxes for periods ending before or within the calendar year in which the offer is accepted, will be applied to the outstanding balances due the IRS.
- The investigation of the offer in compromise requires verification of the taxpayer's financial statement (Form 433A/B) and related items. Documentation to support the financial statement must be submitted with the offer in compromise. Failure to provide requested items will result in the rejection of an offer.
- If an offer is accepted, a collateral agreement waiving capital losses, requiring payments from future income or reducing the basis of asset, may be included in the offer package.
- Interest will accrue on all deferred payment amounts from the date of acceptance of the offer to the date of payment at the statutory rate as defined by the Internal Revenue Code.
- Interest and late payment penalty continue to accrue on the outstanding tax liability on which the offer is pending.

New Offers in Compromise plan to benefit taxpayers with economic hardships

Some taxpayers facing severe or unusual economic hardships will have a new way of settling their tax debts under a new IRS regulation.

For the first time, the IRS will be allowed to consider economic hardship factors in cases where taxpayers try to settle unpaid tax debts through the Offer in Compromise program and where settlement would promote effective tax administration. This gives the IRS a new tool to work with taxpayers caught in severe hardships and help settle their tax debt.

This change expands the Offer in Compromise program, which allows the IRS to negotiate a settlement with people who are unable to pay their entire tax bill. Prior to the new regulations, the IRS could accept the taxpayer's offer in compromise only when there was doubt about whether the tax debt could ever be collected or whether it was owed.

The IRS has put changes in place that make it easier for taxpayers to apply for a compromise under existing regulations.

The IRS Restructuring and Reform Act, passed in 1998 by Congress and signed by President Clinton, called for expanding the Offer in Compromise program as part of a new set of taxpayer rights provisions.

The provision outlined in the temporary regulations (TD 8299) creates a new category of Offer in Compromise to resolve cases where acceptance of the offer would promote effective tax administration.

Under this new provision, taxpayers

may be eligible for a compromise if:

- Collection of the entire tax liability would create economic hardship, or
- Exceptional circumstances exist



where collection of the entire tax liability would be detrimental to voluntary compliance.

According to the regulations, an offer in compromise cannot be approved in situations where it would undermine compliance with the tax laws. To qualify, taxpayers also must have a history of paying and filing their taxes.

The temporary regulations outline several possible examples where taxpayers might qualify for the new type of offer in compromise:

- Economic hardship can include taxpayers or their dependents facing a long-term illness, medical condition or disability where the person's financial resources will be exhausted while providing for care and support. An example can include a parent who has assets large enough to pay the tax bill, but needs those assets for care for a child with a long-term illness.
- Economic hardship can also cover cases where the sale or liquidation of assets to pay the tax bill would prevent the taxpayer from meeting basic living expenses. An example could be a retiree with a retirement fund large enough to pay the tax bill, but using the fund would deprive the person of basic living expenses.
- An offer in compromise may be granted under exceptional circum-

REMEMBER:

Before filing income tax returns, taxpayers should apply to the Social Security Administration (SSA) and request a number for themselves and their dependents if they don't already have one. An SSN is required for all qualifying children listed on Schedule EIC, regardless of age. They should also resolve with the SSA any problems with an invalid SSN and verify that they are the correct person to claim a dependent.

TOP TAXPAYER ERRORS

- **EIC figured or entered incorrectly.**
- **Primary SSN or names for dependents didn't match IRS or SSA records.**
- **Child Tax Credit figured or entered incorrectly.**
- **Amount owed or to be refunded incorrect.**
- **Taxable amount of Social Security benefits figured incorrectly.**
- **Nontaxable earned income from W-2s not included in EIC computation.**

Continued on page 24.

REMEMBER:

Make checks payable to the United States Treasury — not the IRS.

WHERE TO CALL FOR HELP

- **To order forms, instructions and publications:**
Call **1.800.829.3676** to order current and prior year forms, instructions and publications.
- **To ask tax questions:**
Call the IRS with your tax questions at **1.800.829.1040**.
- **To ask questions about a notice:**
Call the IRS with questions about your balance due at **1.800.829.8815**.
- **TeleTax topics:**
Call **1.800.829.4477** to listen to prerecorded messages covering various tax topics.
- **TTY/TDD equipment:**
If you have access to TTY/TDD equipment, call **1.800.829.4059** to ask tax questions or to order forms and publications.

New Offers in Compromise plan

Continued from page 23.

stances, such as extraordinary events beyond a taxpayer's control. An example might include someone who was hospitalized for several years, could not manage any financial affairs and was unable to file tax returns.

The new compromise offer strikes a balance between helping individual circumstances and protecting all taxpayers by collecting as much of the tax bill as possible.

Ultimately, this program will help all taxpayers. Instead of collecting nothing from taxpayers who have an unpaid tax bill, we're able to collect something and resolve the case. And it gives people in dire financial situations a way of satisfying their tax obligations.

The new program is tailored only for taxpayers entangled in very severe circumstances, and it's not designed to be a sweeping program for everyone with financial difficulties or a panacea for people with tax problems.

There is also a new application for the special offers in compromise category: Form 656-A. This new form will be submitted in addition to Form 656,

the standard Offer in Compromise application.

When the taxpayer submits the new form, the IRS must first determine whether a taxpayer is eligible for one of the traditional offer in compromise options. If the taxpayer is not, then the agency will consider the application under the new economic hardship provisions.

The temporary regulations will be in effect for three years, which will give the IRS an opportunity to monitor the program's progress and get feedback from tax practitioners and others.

In fiscal year 1998, the IRS accepted 25,052 offers in compromise, leading to the collection of \$290 million out of \$1.9 billion in outstanding tax bills.

The IRS has taken several steps to expand access to the Offer in Compromise program. To help taxpayers, the IRS program now features more straightforward rules, increased flexibility by key agency employees, new payment procedures and a new review process for rejected offers.

Reasonable documentation essential for Offers in Compromise

Taxpayers are expected to provide reasonable documentation to verify their ability to pay. The sooner the IRS has the verification, the sooner we can make a decision. Following is a list of documentation normally required to verify a taxpayer's financial condition:

- Cancelled checks and bank statements for the past three months for all bank accounts in which the taxpayer has an interest, regardless of the name on the account. Additional months

may be requested at the discretion of the offer examiner.

- Passbooks on all savings accounts in which the taxpayer has an interest.
- Documentary verification of any life insurance policies in effect. The third party verification should include the type of policy, policy loans, pledges or assignments showing names of creditors, dates and amounts and current case surrender value.

Continued on page 25.

Documentation for Offers in Compromise

Continued from page 24.

- Evidence of ownership of all vehicles. If the vehicles are being purchased or leased, please provide a copy of the lease or purchase agreement and a statement from the lender as to the current balance due and the amount of the payments. You should also provide information to support or document the value of the vehicle.
- Certificates of stock of all corporations in which the taxpayer owns an interest or in which shares of stock are held for their use.
- The legal description, original cost, current market value, purchase date, present mortgage balance and name of the mortgage holder for each item of real estate owned by the taxpayer or in which they have an interest. The taxpayer may be required to get an appraisal of any real estate in which they have an interest or provide copies of a recent one.
- All mortgages, notes, accounts receivable or other evidence of debts owed to information on the location and contents of safe deposit boxes.
- A copy of the last filed income tax return. Copies of additional returns may be requested at the discretion of the offer examiner.
- Documentation on all outstanding liabilities including: name of creditor, original amount, present balance due, amount of periodic payments, security or collateral, if any, and the date incurred.
- Information to substantiate current income for the taxpayer (pay stubs, etc.). The taxpayer will also need to provide evidence of compliance with current payment requirements.
- Information to substantiate current living expenses (recent utility bills, charge account information, automobile expenses, etc.) Form 4822, *Statement of Annual Estimated Personal and Family Expenses*, may be used for this purpose.

How to prepare Offers in Compromise

- Complete Forms 656 and 433 A and/ or B precisely as outlined in the specific instructions section on the reverse of Form 656 to ensure the offer can be processed.
- Ensure that the name listed in the name and address block matches the name on the tax liabilities. The taxpayer must date and sign the form and enter the applicable SSN or EIN.
- Cover all tax liabilities in the offer, including those in the process of being assessed.
- State the total amount being offered and the manner of payment.
- Submit a written statement which details why the Service cannot collect more than is being offered. Current and future income prospects, education background, work experience, health or other factors which may impact collection potential should be included.
- Do not delete or alter the preprinted sections of Form 656.
- Contact the Collection employee assigned to the case if questions arise.
- Sign and date the Form 656.

IRS INTEGRITY HOTLINE

The IRS expects its employees to conform to the highest standards of integrity. If you have reason to believe that an IRS employee is engaging in misconduct, call: 1.800.752.7001 ext. 968

AUSTIN IRS CENTERS TAX ALERT

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**ADMINISTRATIVE
RECONSIDERATION**

Administrative reconsideration is the review of a prior deficiency assessment which resulted from an examination, a correction program assessment or a IRS-prepared substitute for return. Two frequently cited examples are taxpayers who state they did not receive notification of the proposed deficiency assessment (undeliverable mail) and taxpayers who state they were not afforded the opportunity to submit the required substantiation (undeliverable mail or IRS-prepared substitute for return).

An administrative review is initiated when a taxpayer corresponds, prior to payment of the assessed tax, and requests reconsideration of issues involved.

If the taxpayer is aware of the issues involved, they should submit documentation to support their claim. If not, a tax examiner will review the correspondence to determine what is needed and contact the taxpayer. To expedite resolution of our review, taxpayers should include their telephone number.

Substitute for Return Program

Another successful IRS initiative is the Substitute for Return Program. The program deals with taxpayers who have not filed income tax returns, but who, according to income information available to the IRS, have a tax liability. The purpose of the program is to secure a valid tax return from the taxpayer or compute the tax, interest and penalties based on information submitted by payers.

When payers issue information documents, such as Forms 1099 and W-2 to payees, they also forward a copy to the IRS. Individuals who have received income but have not filed a tax return are identified using an automated system. The records are referred to a special group who researches, updates and mails letters and reports to the taxpayer.

Taxpayers sometimes reply to these IRS inquiries by submitting a completed late-filed return. A tax auditor deter-

mines whether to accept these returns as filed or select them for correspondence or office examination.

Tax auditors who classify these returns perform audits on selected issues by correspondence. Others are sent to the appropriate district. Subsequent year research is done on all substitutes for returns worked by correspondence examination. The taxpayer receives

Reminder: The authority to prepare Form 1040 is under Internal Revenue Code 6020(b) and Internal Revenue Code 6212 gives the IRS the authority to issue a Statutory Notice of Deficiency.

benefit from this initiative in numerous ways. All required filings are brought current and a future Tax Delinquency Investigation (TDI) action is avoided. Our research efforts allow us to remove cases with no tax potential and prevents unnecessary contact and inconvenience to the taxpayer. All unfiled years are worked at once, which may decrease the amount of interest due, if any, when the case is closed.

Refund Hold Program

The IRS now has an automated program freezing refunds of more than \$300 when a taxpayer account indicates an open tax delinquency inquiry within the last five years.

The IRS sends letters to taxpayers requesting they file the delinquent return or explain why no return should be filed. If we don't receive a response, we prepare a substitute for return on the missing periods. These cases involve refunds due to taxpayers who file only when they expect a refund.

To avoid delays, delinquent returns should be mailed to the office that sent the refund hold letter — not to a local office. There is no need to send another

current year return; doing so may only complicate the process. The earliest the taxpayer could expect a current year refund is one full month after the delinquent return is processed. However, if the delinquent return shows a balance due, the held refund will be applied.

To expedite the process, provide the taxpayer's daytime phone number and the best hours to call. If there is a problem with the return, it can be resolved more quickly by calling the phone number listed on the notice rather than by correspondence.

Taxpayer Advocate Offices

Austin IRS Centers

PO Box 934 Stop 1005AUSC
Austin TX 78767
512.460.4650

Southwest District

210 E Earll Dr Stop 1005PX
Phoenix AZ 85012-2623
602.207.8240
Albuquerque NM 505.837.5505

South Texas District

300 E 8th St Stop 1005AUS
Austin TX 78701
512.499-5875 fax: 512.499.5687

North Texas District

1100 Commerce St Stop 1005DAL
Dallas TX 75242
214.767.1289

Houston District

1919 Smith Street Stop 1005HOU
Houston TX 77002
713.209.3660

Arkansas-Oklahoma District

55 N Robinson Stop 1005OKC
Oklahoma City OK 73102
405.297.4055 fax: 405.297.4056
Little Rock AR 501.324.6269

Kansas-Missouri District

PO Box 66776 Stop1005STL
St Louis MO 63166
314.612.4610 fax: 314.612.4628
Wichita KS 316.352.7506

Public Affairs

PO Box 934 1020AUSC
Austin TX 78767
512.460.7166 fax: 512.460.4156

Electronic Filing

512.460.8900
applications: 1.800.691.1894

Fax-TIN / Tele-TIN

fax: 512.460-8000 / 512.460.7843

Transcript Requests

(Form 4506 only)

fax: 512.460.2354

CAF Unit (POA)

fax: 512.460.0176

Disclosure Offices

Austin IRS Centers

PO Box 2986 Stop 7000AUSC
Austin TX 78768
512.460.0333

Southwest District

210 Earl Dr Stop 7000PX
Phoenix AZ 85012-2623
602.207.8455

South Texas District

300 E 8th St Stop 7000AUS
Austin TX 78701
512.499.5030

North Texas District

1100 Commerce St Stop 7000DAL
Dallas TX 75242
214.767.1427

Houston District

1919 Smith St Stop 7000HOU
Houston TX 77002
713.209.4010

Arkansas-Oklahoma District

55 N Robinson Stop 7000OKC
Oklahoma City OK 73102
405.297.4049
Little Rock 501.324.6144

Kansas-Missouri District

271 W Third St N Stop 7000WIC
Wichita KS 67202
314.539.2096

Electronic Filing

Coordinators

Southwest District

602.207.8337

South Texas District

512.499.5181

North Texas District

214.767.3755

Houston District

281.721.7435

Arkansas-Oklahoma District

405.297.4125

Kansas-Missouri District

314.539.2161

Lockbox

Form 1040:

Internal Revenue Service
PO Box 970016
St Louis MO 63197-0016

Form 1040ES:

Internal Revenue Service
PO Box 970001
St Louis MO 63197-0001

Form 1041ES:

Internal Revenue Service
PO Box 970002
St Louis MO 63197-0002

Form 941:

Internal Revenue Service
PO Box 970013
St Louis MO 63197-0013

Form 940 – 940EZ:

Internal Revenue Service
PO Box 970017
St Louis MO 63197-0017

Form 943:

Internal Revenue Service
PO Box 970015
St Louis MO 63197-0015

Form 945:

Internal Revenue Service
PO Box 970018
St Louis MO 63197-0018

Form 4868:

Internal Revenue Service
PO Box 970027
St Louis MO 63197-0027

Form 2290:

Internal Revenue Service
PO Box 6229
Chicago IL 60680-6229

Installment Agreements and Fees

Internal Revenue Service
PO Box 970022
St Louis MO 63197-0022

IRS Toll-free Numbers

Tax Assistance 1.800.829.1040
TDD 1.800.829.4059
Tax Forms 1.800.829.3676
Tele-Tax 1.800.829.4160
Informants Line 1.800.829.0433
Taxpayer Advocate 1.877.777.4778

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