

Welcome to Tax Hints '99 Update

Welcome to the 1999 Update of TAX HINTS. In the past, we have updated this publication annually and mailed it to practitioners in the areas served by the Austin Service Center — specifically those in Texas, Kansas, New Mexico and Oklahoma. But because of continuing flat printing budgets, last year's TAX HINTS was designed to have a longer shelf life and contained only generic information about dealing with the Austin Service Center. This edition of TAX HINTS focuses on the changing IRS and new information pertinent to the 1999 filing season. We have also updated phone numbers and mail stop numbers.

For those of you who are receiving this guide for the first time, we hope it will be a valuable resource in your practice. It is designed to give you a better understanding of how Service Center procedures affect you and the clients you represent.

If you didn't receive last year's edition of TAX HINTS, you can download it from the IRS Web site Tax Pro's Corner at www.irs.ustreas.gov/prod/bus_info/tax_pro/admin.html.

We get many requests each year from practitioners wanting to be added to the mailing list for TAX HINTS. However, we do not maintain the practitioners' mailing list. Practitioners must send in Form 3975, which is found in Publication 1045, *Tax Professional Program Product Order Blanks for 1998*, to add their names to the list. (See story on page 10 about on-line ordering.)

If you have comments, write the editor at:
IRS TAX HINTS
PO Box 934 Stop 1020 AUSC
Austin, TX 78767

Or send e-mail to taxhints@ccmail.irs.gov

Meet AUSC's new Director: Estelle Tunley

Estelle Tunley, former Assistant Director at the Memphis Service Center, has been selected as the new Director of the Austin Service Center. Estelle is no stranger to Austin since she served as AUSC's Acting Assistant Director during the 1996 filing season.



Estelle Tunley

Estelle began her IRS career in the Kansas City Service Center (KCSC) in 1969 as a GS-2 file clerk. Over the years, she has held positions in every division within the Center. She believes that the broad range of experience in both technical and management positions is one of the keys to her success. Estelle served as the first full-time public affairs officer at KCSC before being selected as program manager for returns processing in the Midwest Region. She returned to KCSC where she served as

assistant chief and then chief of the tax accounts division. She also served as chief of QAMS division.

She rounded out these experiences with details to district, regional and national office assignments. Prior to coming to Austin, Estelle served as the Team Leader, Communications, for the Modernization effort.

Inside this issue

- IRS Restructuring Act.page 2
- New IRS Missionpage 3
- Taxpayer Advocate.page 4
- What's new for e-filepage 5
- What's new for '99page 6
- The changing IRS.page 8
- Electronic informationpage 10
- Phone numbers.page 11

Austin Service Center Executive Offices

Estelle Tunley
Director
(512) 460-7002

Gwen Krauss
Assistant Director
(512) 460-7003

Claudette Griffith
Taxpayer Advocate
(512) 460-8300

Jackie Antweiler
Communications
(512) 460-7166

Division Chiefs

Barbara Backaric
Customer Service Accounts
(512) 460-1300

Doug Sefcik
Quality Assurance and
Management Support
(512) 460-7101

Stacy Williams
Submission Processing
(512) 460-7802

Jim Kennedy
Information Systems
(512) 460-7681

Bill Hubbard
Customer Service Compliance
(512) 460-0800

The road ahead: long-term changes at the IRS

The IRS Restructuring and Reform Act of 1998 (RRA '98) will bring many changes throughout the IRS. It gives the IRS the authority to reorganize and realign the organization according to Commissioner Rossotti's Concept for Modernizing the IRS. The legislation also affects a wide range of IRS activities. The following are highlights of those activities.

Changes in the structure and mission of the IRS

RRA '98 mandates that we replace the current structure of the IRS comprised of national, regional and district offices with an organizational structure based on business units serving particular groups of taxpayers. The four operating divisions will serve taxpayers with wage and investment income; small business, self-employed and supplemental income; middle market and large corporations; and tax exempt organizations.

The Act specifies that we restate our mission to emphasize serving the public and meeting taxpayer needs. The new IRS mission is to *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.*

IRS Oversight Board

The Act creates a nine-member IRS oversight board which is made up of six persons from the private sector, the secretary of the treasury, the IRS commissioner and one representative of IRS employees.

- The oversight board will review and approve strategic plans, budget requests and plans for any future reorganization of the IRS.

- It will review operational functions and the compensation of senior managers.
- The board will ensure that IRS procedures provide proper treatment of taxpayers, and it will recommend candidates for commissioner to the president when a vacancy occurs.
- The board has no responsibility or authority on tax policy, specific law enforcement activities, specific procurement activities or specific personnel actions.

Penalties for misconduct

One section of RRA '98 establishes offenses for which IRS employees can be terminated after determination by an administrative or judicial review. While RRA '98 does not create new offenses, it does create serious penalties for people who are found to have committed these offenses.

Electronic Filing

RRA '98 states that the IRS should have a goal of 80 percent of tax returns filed electronically by 2007.

In addition, the IRS should make all tax forms available on the Internet and encourage private sector competition to increase electronic filing.

By the end of 2006, taxpayers should be able to review their accounts electronically.

Taxpayer protection and rights

The rights of taxpayers have been expanded:

- The burden of proof has shifted to the IRS in certain court proceedings.
- Taxpayers may be awarded damages and fees in certain tax disputes and get liens released. Further changes include

Continued on page 3

More business owners may claim earned income tax credit

Low-income taxpayers with gains from selling business assets should not count those gains as investment income that might disqualify them from the earned income tax credit (EITC). The gains are included in the taxpayer's total income figure, however.

To claim the EITC, a person's total income must be below a certain amount, which varies by the number of qualifying children claimed. In addition, since 1996, the person's investment income must not exceed a fixed amount, subject to annual inflation adjustments. That limit is \$2,200 for 1996, \$2,250 for 1997, and \$2,300 for 1998, and includes interest, dividends and capital gain net income.

In figuring the EITC, the IRS instructions take as capital gain net income the total from Schedule D, *Capital Gains and*

Losses. This includes certain gains reported on Form 4797, *Sales of Business Property*, and carried over to the Schedule D. The gain reported on Form 4797 should be subtracted from the Schedule D total when figuring the EITC investment income limit.

The 1998 tax instructions do not reflect this change, which was announced in Rev. Rul. 98-56. However, specific instructions for preparing 1998 returns appear in Publication 596, *Earned Income Credit*.

Taxpayers who were otherwise eligible to claim the EITC on their 1996 or 1997 returns — but had too much investment income because of the Form 4797 calculation — should claim a refund by filing an amended return on Form 1040X for each year that the new calculation lowers their investment income below the limit.

IRS Restructuring and Reform Act

Continued from page 2

- easing penalties when the IRS exceeds specified time limits between when a return is filed and when the taxpayer is notified of a tax liability. Interest and some penalties will be eliminated in certain cases involving federally declared disaster areas.
- There are new rules for collection actions by levy.
 - The innocent spouse provisions have been strengthened.
 - In certain situations, when installment agreements are requested by the taxpayer, they must be accepted. Also, taxpayers will get annual status reports of their installment agreements.
 - Checks or money orders for taxes are to be made payable to the *United States Treasury — not the IRS*.

TAX HINTS '99 UPDATE

Tax HINTS is produced by the Austin Service Center Communications Office as a guide for tax practitioners.

TAX HINTS
PO BOX 934 STOP 1020AUSC
Austin, Texas 78767
512-460-7166

Director Estelle Tunley
Public Affairs Officer Jackie Antweiler
Editor Barry Cline

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 Internal Security at:

1-800-752-7001 ext. 968



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.



AUSTIN SERVICE CENTER

Taxpayer Advocate Offices

Taxpayer Advocate Hotline
1-877-777-4778

Austin Service Center
PO Box 934
Stop 1005AUSC
Austin TX 78767
(512) 460-8300

Southwest District
210 E. Earll Dr
Stop 1005PX
Phoenix, AZ 85012-2623
(602) 207-8240
Albuquerque
(505) 837-5505

South Texas District
300 E 8th St
Stop 1005AUS
Austin TX 78701
(512) 499-5875

North Texas District
1100 Commerce St
Stop 1005DAL
Dallas TX 75242
(214) 767-1289

Houston District
1919 Smith St
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 (501) 324-6144

Kansas-Missouri District
PO Box 66776 Stop1005STL
St Louis, MO 63166
(314) 539-6770
fax: (314) 539-2362
Wichita (316) 352-7506

Taxpayer advocate's role changed

With the passage of the IRS Restructuring and Reform Act of 1998 (RRA '98), the taxpayer advocate was renamed the *national taxpayer advocate*. The treasury secretary, after consulting with the IRS commissioner and the IRS Oversight Board, appoints the national taxpayer advocate. The national taxpayer advocate reports directly to the IRS commissioner.

The function of the national taxpayer advocate office is to:

- Assist taxpayers in resolving problems with the IRS;
- Identify areas in which taxpayers have problems in dealing with the IRS;
- Propose changes to IRS administrative practices that would mitigate the problems identified above; and
- Identify possible law changes which might mitigate the problems identified above.

The national taxpayer advocate is responsible for appointing local taxpayer advocates, making sure that each state has at least one taxpayer advocate. Each local taxpayer advocate reports directly to the national taxpayer advocate or a delegate.

Taxpayer Assistance Orders

The new law states that when a taxpayer files an application with the Office of the Taxpayer Advocate (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 as a result 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.

New Problem Resolution Hotline

1-877-777-4778

is for taxpayers who have been unable to resolve problems through normal IRS channels promptly.

Callers will reach troubleshooters at the Taxpayer Advocate's Problem Resolution Program.

Continued on page 9

AUSTIN SERVICE CENTER

What's new for e-file in 1999

Changes to direct deposit of refunds

- The e-file program will no longer flip requests from direct deposit to paper checks for first-time filers. In addition, all requests for direct deposit of refunds that are delayed for any reason will still be honored, as long as the refund is issued within the same calendar year.
- The reject criteria for direct deposit has been changed to: *the Depositor Account Number has been used on more than two previously accepted electronic returns.*

Payment options

Direct debit: For e-filed returns, payments may be made automatically and electronically by direct debit to a bank account. The bank account information can be included with the electronic return, authorizing the Treasury to debit the taxpayer's account through the Automated

Clearing House (ACH) system. Taxpayers must determine, before they file, if their financial institution supports direct debit requests.

Taxpayers specify the bank account from which they wish to have the balance paid and the date

on which the debit will be made, not later than the return due date without extension. For returns transmitted after April 15, the debit will be made on the day the electronic return data is processed.

Credit cards: To make e-filing as convenient as possible for the taxpayer, the IRS now accepts credit card payments. Since the IRS cannot accept credit card payments directly, we have contracted with two private sector companies to process the credit card payments. The private companies will charge taxpayers a convenience fee to cover their costs. For information about fees call:

- Audiotex at **1-800-487-4567** for e-filed returns.
- NOVUS at **1-874-405-3057** for returns filed using TurboTax.

Pay by check: Payments may also be made by mailing a check accompanied by Form 1040-V, *Payment Voucher*, to the correct mailing address from the chart on the back of the form. The taxpayer can file an electronic return and then mail the payment and voucher at any time on or before April 15.



Top 10 reasons e-filed returns reject

- 1 The primary SSN for Form 1040 and the name control don't match the corresponding data in the IRS Master File.
- 2 On Schedule EIC, the Qualifying SSN and the year of birth don't match information from the Social Security Administration. Or the qualifying SSN and the corresponding name control don't match information received from the Social Security Administration.
- 3 Employer ID Number of Form W-2, Payer Identification Number of Form W-2G and Form 1099-R don't match the IRS Master File.
- 4 Secondary SSN and spouse's name control don't match the corresponding data on the IRS Master File.
- 5 Dependent SSN and the corresponding dependent name control don't match the data on the IRS Master File.
- 6 Qualifying SSN on Schedule EIC has been previously used for the same purpose.
- 7 Dependent SSN of the tax form has been previously used for the same purpose.
- 8 Primary or secondary SSN previously used on an accepted electronic return for the current tax year.
- 9 The depositor account number has been used on more than two previously accepted electronic returns.
- 10 The Declaration Control Number (DCN) of the tax return record identification Form 1040 duplicates another DCN on a previously accepted electronic return for current processing year.

To participate in the e-file program

- **Submit a Form 8633, Application to Participate in the Electronic Filing Program, between Aug. 1 and Dec. 1**
- **For more information, call your local ETA coordinator (see page 11) or 1-800-691-1894.**

What's new for the '99 filing season

What's new for the '99 filing season

- Disallowed EIC for 1997
- No SSN on label
- Checks payable to United States Treasury
- Direct deposit of refunds
- Child Tax Credit
- Relief for innocent spouses

Disallowed EIC for 1997

If taxpayers did not provide evidence of eligibility for the Earned Income Tax Credit (EIC) and the EIC was disallowed in full or in part on a 1997 return, they will have to file Form 8862, *Information to Claim Earned Income Tax Credit after Disallowance*, when they file their 1998 return, if they claim EIC. The Form 8862 must be attached to the Form 1040 on which the EIC is claimed. Taxpayers who file their return electronically may also file the Form 8862 electronically.

No SSN on label

To protect taxpayer privacy, the Social Security Number (SSN) no longer appears on the mailing label. But we still need the SSNs. Be sure to complete the SSN area of Forms 1040, 1040A and 1040EZ.

Payment tip

Taxpayers should now make their checks payable to the United States Treasury (*not U.S.*) instead of the Internal Revenue Service.

Direct deposit of refunds

The IRS will no longer flip direct deposit refunds to paper if the direct deposit refund is stopped for some reason. When the refund is released, it will be issued as a direct deposit. In the relatively rare case where a refund is split, only the first portion will be deposited directly.

Child Tax Credit

Depending on income, taxpayers may be able to claim up to a \$400 credit on their 1998 tax return for each qualifying child under the age of 17. This means they can reduce the tax they owe by \$400 for each child.

The amount of the child tax credit depends on income. The value of the credit is \$400 per qualifying child, but that credit is reduced by \$50 for each \$1,000

that adjusted gross income exceeds \$110,000 for joint filing, \$55,000 for married filing separately and \$75,000 for single filers.

Taxpayers may use the credit to reduce the tax they owe to zero, but they will not receive any remainder as a refund. For families with one or two children, the credit is nonrefundable. However, if they have three or more children, a portion of the child tax credit may be refundable. (The credit will rise to \$500 per child in 1999.)

Relief for innocent spouses

Married taxpayers who file jointly have joint and separate liability, meaning they are equally as liable as their spouse or ex-spouse for all items appearing on returns they filed together and equally liable to pay any tax due. This doesn't mean they are responsible for only half of the bill, but for the full amount, even if they later separate or divorce.

A new law, passed by Congress in 1998, provides three ways people can request relief from a joint and separate liability on a tax return filed with a spouse or an ex-spouse — Expanded Innocent Spouse Relief, Separate Liability Election and Equitable Relief.

Expanded Innocent Spouse Relief is a new version of an old law. Prior innocent spouse requirements were relatively strict. The new law relaxes those requirements to a point where a taxpayer may be relieved of a portion of an additional tax assessment they did not know about or had no reason to know about.

Separate Liability Election allows a qualified taxpayer to elect to have the additional tax liability limited to the portion that would be allocated to them based upon their earnings and deductions.

Continued on page 7

Remember to write in SSNs

To protect taxpayer privacy, we have taken the Social Security Number off the mailing label, so you must complete the SSN area at the top of Forms 1040, 1040A and 1040EZ.

What's new for the '99 filing season

Continued from page 6

Equitable Relief may be requested by taxpayers who don't otherwise qualify for relief from an additional assessment or where tax was shown on a joint return but not paid with the return. For example, if a taxpayer requests relief and didn't know or have reason to know the money that was supposed to be used to pay the taxes was taken by their spouse or ex-spouse for their own benefit.

Educational incentives

HOPE Credit

- A new credit beginning in 1998 for the first two years of post secondary education.
- A credit of up to \$1,500 may be allowable for qualified tuition and expenses.
- Tuition expenses eligible for credit must be reduced by any grants or scholarships.
- Graduate and professional level fees are not allowed.
- Enrollment cannot be less than half of the full-time workload for the course of study.
- Credit is not allowed for a student convicted of a felony drug offense.

Lifetime Learning Credit

- Applies to qualified tuition and expenses for undergraduate, graduate and professional degree courses.
- Can be used for an unlimited number of years.
- For expenses paid after June 30, 1998, for education beginning after that date, a maximum credit of 20 percent of expenses up to \$1,000 per taxpayer return may be claimed. Beginning in 2003, the maximum credit increases to \$2,000.

Interest Deduction on Qualified Education Loans

- A limited interest deduction will be allowed for interest paid on qualified higher education loans.

- Student must be enrolled for half the normal full-time course load required.
- The deduction phases out ratably for taxpayers with modified Adjusted Gross Income (AGI) of \$40,000–50,000 (\$60,000–75,000 for joint returns).
- The deduction is limited to the first 60 months that interest payments are required and repaid.
- Deduction is not allowed to individuals who are claimed as dependents on another's return nor on a married filing separate return.

Penalty-free Withdrawals from IRAs for Higher Education Expenses

- Ten percent tax on early withdrawals from IRAs will not apply if funds are used to pay qualified higher education expenses.
- Effective for distributions made and expenses paid after Dec. 31, 1997, for academic periods beginning after Dec. 31, 1997.

Education IRAs

- Effective for taxable years beginning after Dec. 31, 1997.
- A new IRA funding vehicle to pay education expenses of a named beneficiary.
- Contributions are not deductible and earnings are not subject to taxation while in an education IRA nor if distributed to pay the qualified higher education expenses of the beneficiary.
- Maximum annual contribution is \$500 per beneficiary. This limit is phased out between AGI of \$95,000–110,000 for a single taxpayer and \$150,000–160,000 for married taxpayers.

Educational Incentives

- HOPE Credit
- Lifetime Learning Credit
- Interest Deduction on Qualified Education Loans
- Penalty-free Withdrawals from IRAs for Higher Education Expenses
- Education IRAs

New for '99
Make checks or money orders for taxes payable to the United States Treasury — not the IRS

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, Tax Professional Program Product Order Blanks for Tax Year 1998**.

The IRS is changing

You will find the IRS taking new and important steps to give you the service you expect and deserve by:

- Refocusing our mission and goals to build on examples of top-quality service in the private sector.
- Looking and thinking about our job from the taxpayer's point of view.
- Working harder to help people understand and meet their responsibilities.
- Ensuring the tax laws are applied fairly.

Easier access to IRS services and information

Phone

- This year, taxpayers can reach us by phone 24 hours a day, 7 days a week and take advantage of the extended hours by calling **1-800-829-1040** at night or on weekends.
- Checking on a refund? Call our TeleTax phone line at **1-800-829-4477** for quick service.
- Our improved phone system means you'll get through faster and get quick access to information specifically geared to your needs.
- Taxpayers should ask for customer service representative's name and the location of the call site, since phone calls can be routed anywhere in the country.

Walk-in

- We're expanding our office hours for walk-in visits at locations and times convenient to you. Starting in mid-January, taxpayers can get walk-in service on Saturdays at 250 sites across the country through the filing season. They can also visit their local library or some post offices to pick up forms and publications.

Web Site

- More people are getting information and tax forms than ever before from

our IRS Web site. There were about 27 million downloads in the 1998 filing season alone.

TaxFax

- Tax forms are available by fax 24 hours a day from IRS TaxFax. More than 1 million forms were accessed from TaxFax last year. (Call **703-368-9694** from the handset on a fax machine.)

Easier to solve problems

Customer Service

- We've dedicated resources to customer service and education to make it easier for you to comply with the tax laws and to prevent problems. But if you have a problem, there is a program available to help cut through the red tape.

Taxpayer advocate

- We're reorganizing the Taxpayer Advocate's Office to make it more efficient.
- Taxpayer Advocates provide assistance to taxpayers whose problems are not resolved through normal IRS channels.
- If you have a problem that hasn't been resolved by prior contacts with the IRS, call our new PRP toll-free phone line at **1-877-777-4778**.

Problem Solving Days

- We hold special Problem Solving Days for taxpayers throughout the nation. Last year, more than 32,000 people took advantage of this program. You can get information on schedules for these special days from the IRS Web site or by calling **1-800-829-1040**.

Clearer notices

- We're rewriting our notices and other correspondence to be easier to understand.

Reminder:

E-filed returns have the same reporting requirements as paper returns — all the information, forms, schedules, supporting documentation and signatures that would be included with a return filed on paper must be contained in either the electronic return data or on the Form 8453 and the accompanying attachments (including W-2s).

Amended (paper) return processing is costly. Please make every effort to ensure that your clients provide you with complete information during the preparation of the original return.

Continued on page 9

AUSC Focus Group offers practitioners a voice

The Austin Service Center and tax professionals from Texas and the surrounding states comprise a partnership called the AUSC Focus Group. The group has been meeting two or three times a year for the past six years, sharing information and ideas that make the business of filing and processing tax returns more efficient. If you are interested in becoming a member of this Focus Group or finding out what information is shared at these meetings, you can contact one of the participating organizations listed below:

- Oklahoma Society of Enrolled Agents
- The Public Accountants Association of Kansas, Inc.
- Texas Society of CPAs
- Texas Society of Enrolled Agents
- National Association of Black Accountants
- Texas Association of Financial and Tax Specialists
- Oklahoma Society of CPAs

State of the Center 1998 Stats

Receipts

- 12.5 million individual returns
- 4 million business returns
- 4.4 million electronic returns

Deposits

- \$21 billion
(\$1.3 billion from lockbox)

Refunds

- 8 million for \$11 billion

Callsite

- 1 million plus calls answered
- 25 percent increase in calls
- 93 percent reduction in busy signals

- New Mexico Society of Enrolled Agents
- Kansas Society of CPAs
- American Payroll Association
- Arkansas Society of CPAs
- Arkansas Society of Enrolled Agents
- Arkansas Society of Public Accountants
- Oklahoma Society of Public Accountants

The changing IRS

Continued from page 8

Preparing for Y2K

- Our goal is to make the IRS ready and able to serve your needs in 1999, 2000 and beyond. That means continuing to issue speedy refunds while processing the \$1.7 trillion in revenues that meet our nation's needs.
- We're not waiting until the year 2000 to begin the end-to-end testing of our systems for being Y2K compliant. We're starting a year early — during the '99 filing season. If you receive an erroneous notice, please call our help line, and we'll resolve the situation.

Taxpayer Advocate

Continued from page 4

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 as well as 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.

The Digital Daily The IRS Web site

www.irs.ustreas.gov

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

AUSTIN SERVICE CENTER

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.

We have tripled the capacity on our Web site to provide faster and easier access to information. We have added the Tax Professional's Corner (www.irs.ustreas.gov/prod/bus_info/tax_pro) to help practitioners find what they need on the IRS web site. We now have fill-in-the-blank forms available as well as forms to download and print. Another new application is 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 service center has personalized their own Local News Net and has their own subscription list.

AUSC IRS Tax Alert

The Austin Service Center is proud to offer its customers its own Local News Net — the *Austin Service Center IRS Tax Alert*. We will 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 message body, 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.ustreas.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.ustreas.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.ustreas.gov/cdorders or by calling 1-877-233-6767 for \$20 (plus \$5 handling fee). Order 50 or more and save \$7 per CD.

Ordering Package X on-line

This year, tax professionals will be able to 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.ustreas.gov/prod/bus_info/tax_pro/tpfax/index.html.

Only *current* participants can use this method by using their account number, which is 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.

Get the latest news fast . . .
from the
AUSC IRS Tax Alert



Electronic messages that could be important to you and your clients.

To subscribe, send an e-mail message to:
subscriptions@irs-smail.fedworld.gov
In the body of the message,
type [subscribe austin]

AUSTIN SERVICE CENTER

Taxpayer Advocate Offices

Taxpayer Advocate Hotline
1-877-777-4778

Austin Service Center
PO Box 934 Stop 1005AUSC
Austin TX 78767
512-460-8300

Southwest District
210 E Earll Dr Stop 1005PX
Phoenix AZ 85012-2623
602-207-8240
Albuquerque 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 501-324-6144

Kansas-Missouri District
PO Box 66776 Stop1005STL
St Louis MO 63166
314-539-6770 fax: 314-539-2362
Wichita 316-352-7506

Public Affairs

PO Box 934 1020AUSC
Austin TX 78767
512-460-7166 fax: 512-460-4156

Electronic Filing

512-460-8900

Fax-TIN / Tele-TIN

fax: 512-460-8000 512-460-7843

Transcript Requests

fax: 512-460-2272

CAF Unit

fax: 512-460-0176

Disclosure Offices

Austin Service Center
PO Box 2986 Stop 7000AUCC
Austin TX 78768
512-460-0333

Southwest District
210 Earll 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 Tax Administration Coordinators

Southwest District
602-207-8333

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

e-file applications
1-800-691-1894

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 Phone Numbers

Tax Assistance	1-800-829-1040
TDD	1-800-829-4059
Tax Forms	1-800-829-3676
TeleTax	1-800-829-4477
Informants Line	1-800-829-0433
TaxFax	1-703-368-9694

(Not a toll-free number. You must use handset connected to fax machine.)

AUSTIN SERVICE CENTER

Power of Attorney Reminders

Send completed Forms 2848 to:

Austin Service Center
CAF Unit
PO Box 1231
Stop 6737 AUSC
Austin, TX 73301
fax: 512-460-0176

Kansas City Service
Center
IRS Form 2848
CS: TPR Stop 6800
Kansas City, MO 64999
fax: 816-823-2076

Centralized Issues Excise Tax

Cincinnati Service Center
CAF Unit Stop 530
Cincinnati, OH 45999
fax: 606-292-5185

Employee Plans

Memphis Service Center
CAF/FTD Unit, Stop 5324
5333 Getwell Road
Memphis, TN 38118
fax: 901-546-4115

Exempt Organizations

Ogden Service Center
fax: 801-620-6505

Let us hear from you

Tax HINTS is produced by the Austin Service Center. We welcome your comments. Please send your comments and suggestions to:

IRS TAX HINTS
PO Box 934 Stop 1020AUSC
Austin TX 78767
(512) 460-7166 (voice) (512) 460-4156 (fax)
taxhints@ccmail.irs.gov (e-mail)

To get on the TAX HINTS mailing list, mail Form 3975 from Pub 1045.

Internal Revenue Service

Austin Service Center
3651 S IH-35
Stop 1020 AUSC
Austin TX 78741

Bulk Rate

Postage and Fees Paid
Department of the
Treasury
Permit No. G-48

INTERNAL REVENUE SERVICE • AUSTIN SERVICE CENTER
TAX HINTS