



Before You File Forms 1099 and W-2G

Have you ever had to resolve TIN/name mismatch notice problems? Do you know what is required in order to avoid mismatch penalties in the future?

Although information return filing and mismatch penalties have been topics of discussion in this newsletter several times, here is one more pre-filing tip that you can implement NOW that may help you avoid problems in the future...

- Check your 1099/W-2G data before you file your information returns.
- Run a report with a "sort" by TIN to look for numbers that have more than one name associated with them.
- Then, run those reports again with a "sort" by name—do you have any names on that list that have more than one TIN?

Is there a difference in TIN that could be attributed to an input error or a transposed number? Are there any transactions with no TIN, or an obviously improper TIN?

If you run these reports NOW, you will have time to resolve the identified discrepancies before the information returns are due.

Double-check the information obtained from the customer at the time of the transaction—do you have copies of documents in your files that can resolve the difference? Can you contact the customer to request a confirmation of the proper information?

Along with proper identification procedures at the time of the transaction and proper follow-up procedures when you've been notified by IRS of a potential mismatch, attempting to resolve a problem before filing can help you establish a reasonable basis for waiver of a mismatch penalty...and perhaps reduce or even eliminate the notices altogether!



Double check the information obtained from the customer at the time of the transaction....

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FIRE...Filing Information Returns Electronically

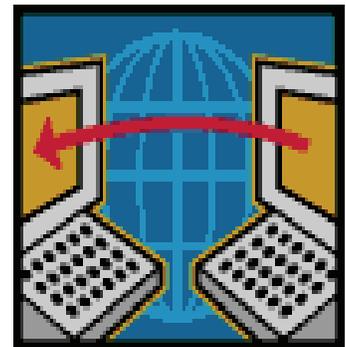
If you file 250 or more Information Returns for any calendar year, the IRS requires that they be filed electronically. Even if you file fewer than 250 returns, you are encouraged to sign up and file electronically.

It is time to stop using the antiquated paper returns and start filing your Information Returns electronically now. Information Returns are filed electronically using software that can produce the file in the proper format as required by Publication 1220 via the FIRE (Filing Information Returns Electronically) system at <http://fire.irs.gov>. The FIRE System is conveniently available 24 hours a day, 7 days a week.

The following information returns can be filed electronically: Forms 1042-S, 1098, 1099, 5498, 8027, and W-2G.

Participants are required to submit Form 4419, Application for Filing Information Returns Electronically, to request authorization to file Information Returns with the Internal Revenue Service (IRS)/Enterprise Computing Center (ECC). Once approved, a five-character alpha/numeric Transmitter Control Code (TCC) will be assigned. New users should submit Form 4419 to IRS/ECC at least 30 days before the due date of the returns for current year processing. Fax your completed Form 4419 to (877-477-0572) or mail to:

Internal Revenue Service Enterprise Computing Center—MTB (ECC-MTB)
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430



BENEFITS OF FILING ELECTRONICALLY

- **It's Paperless**
- **It's Secure...**supports SSL-128 bit encryption
- **It's Easy to Use** ...there is better customer service due to online availability of transmitter files
- **It's Efficient...**email notification of file status within 1 to 2 business days on most forms
- **It's Fast...**compressed files with PKZIP or WINZIP reduce transmission time by up to 95%
- **It's Flexible...**due dates are extended for electronically filed forms 1098, 1099, 8027, W-2G from February 28 to March 31 each year.

For more information about the FIRE system and how to use it, download Publication 3609, File Information Returns Electronically, from the IRS Website or call your Indian Tribal Specialist for a copy. Filers may also contact the IRS/ECC toll free at 1-866-455-7438 extension 3 for customer service.

Reporting Abuses/Schemes

We continue to work with tribes and tribal officials to address financial abuses and schemes being promoted in Indian country. Working together can help ensure the integrity of tribal finances, and eliminate the threats posed by individuals with schemes that appear "too good to be true" and often are. If you are aware of financial impropriety, or of a promoter advocating a scheme that appears highly suspect, you can contact the ITG Abuse Detection and Prevention Team at (405) 297-4407, or via e-mail at tege.itg.schemes@irs.gov



IRS Announces 2010 Standard Mileage Rates

The Internal Revenue Service issued the 2010 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

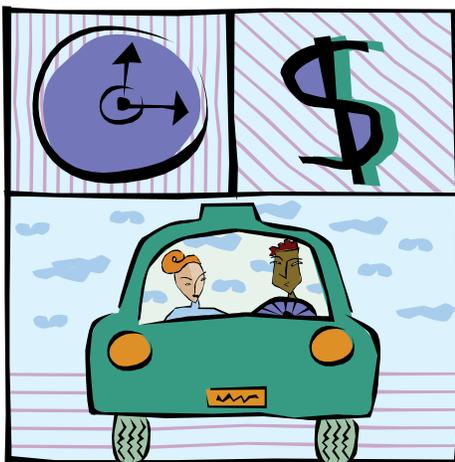
Beginning on Jan. 1, 2010, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 50 cents per mile for business miles driven
- 16.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The new rates for business, medical and moving purposes are slightly lower than last year's. The mileage rates for 2010 reflect generally lower transportation costs compared to a year ago.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs as determined by the same study. Independent contractor Runzheimer International conducted the study.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for any vehicle used for hire or for more than four vehicles used simultaneously.



Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Employees are often required to use their personal vehicles for business purposes or to incur business-related expenses in connection with their job. Often employers will reimburse employees for these "out-of-pocket" expenses. The reimbursement policy of the employer will determine the proper tax treatment of these reimbursed employee business expenses. Reimbursements for the business use of a personal automobile made at the standard mileage rate are not wages and are not subject to income tax withholding, social security, Medicare, or FUTA taxes.

Revenue Procedure 2009-54 contains additional details regarding the standard mileage rates.

For more information, visit the IRS web site at www.irs.gov.

Self-Assess Your Federal Tax Compliance Risks

Tribal entities can self-assess their federal tax compliance and work with ITG to address any problems they uncover. Information on the program is available through the "[Self Assess Tribal Tax Compliance](#)" link on the right-hand of the ITG web site landing page at www.irs.gov/tribes, or you can make an inquiry about the program via e-mail to tege.itg.tefac@irs.gov



EITC Awareness Day is January 29, 2010!

The Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income working individuals and families. When the credit exceeds the amount of taxes owed, it results in a tax refund to those who qualify for and claim the credit. EITC can bring money into communities.

The IRS Partner Toolkit at www.eitc.irs.gov provides EITC resources such as state-by-state statistics, ready-to-use presentations, fact sheets that can be used in outreach efforts, a sample "tweet", letter to the editor, newsletter article, web article, "widget" (coming soon) and an "on-hold" message.

Remember:

- *New EITC provisions mean more money for larger families.*
- *EITC can be a financial boost for working people hit by hard economic times.*
- *One in four eligible taxpayers could miss out because they don't check it out.*

The EITC program enjoys relatively high participation rates; between 75 and 80 percent of eligible taxpayers claim the credit. Nonetheless, the IRS works hard to identify and reach the remaining EITC eligible taxpayers. The IRS is committed to maximizing participation while minimizing error. This year we are emphasizing efforts for the following hard-to-reach audiences:

- Rural
- Self-employed
- People with disabilities
- Senior citizens (grandparents)
- Limited English Proficiency
- Non-filers
- Those who may have recently become eligible due to a change in income or marital status such as divorce, unemployment, etc.

The EITC Assistant (available late January) can help people determine if they qualify. Access it on the internet at www.irs.gov/individuals/article/0,,id=130102,00.html.



Buy US Savings Bonds With Your Tax Refund

Buy US Savings Bonds with your Tax Refund

Starting in January 2010, you will have a unique opportunity to increase your savings by purchasing United States Series I Savings Bonds with your tax refunds. Buying Savings Bonds is a great way to start or increase overall savings. In addition, it is easy when you use IRS Form 8888 – just ask your tax preparer!

What are U.S. Savings Bonds?

U.S. Savings Bonds are savings instruments for individual savers issued by the U. S. Department of the Treasury.

For purposes of this program, only Series I US Savings Bonds are being offered on tax returns. Series I Bonds are sold at face value (a \$50 bond costs \$50), and grow in value for up to 30 years. You must purchase bonds *with your tax refund* in increments of \$50. In any single calendar year you can purchase up to \$5,000 of Series I Savings Bonds under this program.

You may redeem Savings Bonds for principal and accrued earnings anytime after the first 12 months after you purchased it (or earlier if you live in an area affected by a natural disaster). If you redeem a Savings Bond within the first five years you hold it, the three most recent months' interest will be forfeited. After five years, no penalty will apply when bonds are redeemed.

Series I Bonds pay interest based on a combination of a fixed rate (which remains the same throughout the life of the Savings Bond) and a semiannual inflation rate, which is updated each May and November. Savings Bonds accrue interest until you redeem them or until they reach their final maturity in 30 years.

The current interest rate for Series I Savings Bonds that will be in place during the 2010 Filing Season is 3.36%. The 3.36% includes a fixed rate of .30% (which will be applicable for the entire life of the I Bond purchased) and a 3.06% annualized rate of inflation. The 3.06% interest rate will apply from the time of purchase through April 30, 2010 when a new semi-annual rate of interest will be announced.

The interest earned by purchasing and holding Savings Bonds is subject to federal tax at the time you redeem the bonds. However, interest earned on Savings Bonds is not taxable at the state or local level.

How can you buy Savings Bonds at a VITA or TCE Site?

For the 2010 Filing Season, you can choose to save all or part of your refund by requesting Savings

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Continued from page 5)

Bonds on an IRS Form 8888, *Direct Deposit of Refund to More Than One Account*. The use of Form 8888 to purchase Savings Bonds will generally require that you have another account in which to deposit the remaining amount of your refund after the purchase of Savings Bonds.

During the 2010 Filing Season, you will be able to purchase Savings Bonds with your tax refunds in multiples of \$50, up to the yearly maximum of \$5,000. Purchasing Savings Bonds in multiples other than \$50 will instead trigger the issuance of paper refund check to the taxpayer for the entire amount of their refund.

Just tell your tax preparer you want to buy Savings Bonds with part of your refund!

Receipt of Series I Savings Bonds

Taxpayers who purchase US Savings Bonds with their tax refunds will receive their paper bonds in the mail at the address used on their tax return. The issuance of the Savings Bonds could take up to three weeks. You will generally receive the paper bonds after you have received the remainder of your tax refund from the IRS.

For bond purchases in amounts of \$250 or less made with a tax refund, you will receive Series I bonds in \$50 denominations. For bond purchases in excess of \$250, the first \$250 will be fulfilled with \$50 bonds, then the remainder will be fulfilled with the fewest possible additional bonds.

Errors on the return that change the refund amount will result in a failed bond purchase. If you have a prior tax or other obligation (child support, loan payment), IRS will not fulfill the bond request, and will mail the entire refund amount to you using a paper check.

To check the status of a bond purchase, you may go to [Where's My Refund](#) on IRS.gov or call 1-800-829-1954. If the IRS has processed the refund and placed the request for the bond, then please contact the Treasury Retail Securities Site at 1-800-245-2804.

Mandatory Electronic Filing

Filing season is upon us once again. If you are required to file 250 or more Forms W-2G or 250 or more Forms 1099-MISC during a calendar year, you must file them electronically unless the IRS grants you a waiver. You may request a waiver on Form 8508, *Request for Waiver From Filing Information Returns Electronically/Magnetically*. Submit Form 8508 to the IRS at least 45 days before you file Forms W-2G or 1099-MISC. You may be charged a penalty if you fail to file electronically when required.



Tax Return Preparer Fraud

Return preparer fraud generally involves the preparation and filing of false income tax returns by preparers who claim inflated personal or business expenses, false deductions, unallowable credits or excessive exemptions on returns prepared for their clients. This includes inflated requests for the special one-time refund of the long-distance telephone tax. Preparers may also manipulate income figures to obtain tax credits, such as the Earned Income Tax Credit, fraudulently.

In some situations, the client (taxpayer) may not have knowledge of the false expenses, deductions, exemptions and/or credits shown on their tax returns. However, when the IRS detects the false return, the taxpayer — not the return preparer — must pay the additional taxes and interest and may be subject to penalties.

The IRS Return Preparer Program focuses on enhancing compliance in the return-preparer community by investigating and referring criminal activity by return preparers to the Department of Justice for prosecution and/or asserting appropriate civil penalties against unscrupulous return preparers.



While most preparers provide excellent service to their clients, the IRS urges taxpayers to be very careful when choosing a tax preparer. Taxpayers should be as careful as they would be in choosing a doctor or a lawyer. It is important to know that even if someone else prepares a tax return, the taxpayer is ultimately responsible for all the information on the tax return.

Helpful Hints When Choosing a Return Preparer

- Be careful with tax preparers who claim they can obtain larger refunds than other preparers.
- Avoid preparers who base their fee on a percentage of the amount of the refund.
- Stay away from preparers who claim that many, if not most, phone customers can get hundreds of dollars or more back under the telephone tax refund program.
- Use a reputable tax professional who signs your tax return and provides you with a copy for your records.
- Consider whether the individual or firm will be around to answer questions about the preparation of your tax return months, or even years, after the return has been filed.
- Review your return before you sign it and ask questions on entries you don't understand.
- No matter who prepares your tax return, you (the taxpayer) are ultimately responsible for all of the information on your tax return. Therefore, never sign a blank tax form.
- Find out the person's credentials. Only attorneys, CPAs and enrolled agents can represent tax payers before the IRS in all matters including audits, collection and appeals.
- Other return preparers may only represent taxpayers for audits of returns they actually prepared.
- Find out if the preparer is affiliated with a professional organization that provides its members with continuing education and resources and holds them to a code of ethics.
- Ask questions. Do you know anyone who has used the tax professional? Were they satisfied with the service they received?



COBRA PREMIUM REDUCTION ELIGIBILITY EXTENDED

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended on December 19, 2009 by the Department of Defense Appropriations Act, 2010 provides for premium reductions for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, commonly called COBRA.

The 2010 DOD Act extended the COBRA premium reduction eligibility period for two months until February 28, 2010 and increased the maximum period for receiving the subsidy for an additional six months (from nine to 15 months).

Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider (employer) through a tax credit. To qualify, individuals must experience a COBRA qualifying event that is the involuntary termination of a covered employee's employment. The involuntary termination must occur during the period that began September 1, 2008 and ends on February 28, 2010. The premium reduction applies to periods of health coverage that began on or after February 17, 2009 and lasts for up to 15 months.

In addition, individuals who had reached the end of the reduced premium period before the legislation extended it to 15 months will have an extension of their grace period to pay the reduced premium. To continue their coverage they must pay the 35 percent of premium costs by February 17, 2010, or, if later, 30 days after notice of the extension is provided by their plan administrator.

Questions regarding COBRA Continuation Coverage Assistance may be answered by accessing the U.S. Department of Labor website at <http://www.dol.gov/ebsa/cobra.html>

FinCEN Publishes Gaming Industry FAQs Guidance Provided to Assist in Understanding Bank Secrecy Act Requirements

On October 2, 2009, the Financial Crimes Enforcement Network (FinCEN) published new [Frequently Asked Questions \(FAQs\)](#) developed to assist the casino and gaming industry in complying with its responsibilities under the Bank Secrecy Act (BSA).

"This guidance for the gaming industry is part of FinCEN's ongoing and coordinated educational efforts to better inform the industry so that gaming interests have the latest information they need to comply with the Bank Secrecy Act, and ultimately, help law enforcement identify illicit activity," said Director Freis.

Topics covered include, among others: whether or not a casino or card club must have an internal control for chip redemptions; reporting and record retention rules governing casinos and card clubs; the treatment of floor persons, chip runners, and hosts in currency transaction reports for casinos (CTRCs); information sharing by casinos under Section 314(b) of the USA PATRIOT Act; rules governing casino and card club reporting of suspicious transactions through the filing of suspicious activity reports for casinos (SARCs). In all, FinCEN offers guidance through 25 questions and answers.

The new [FAQs](#) build on earlier guidance provided to the gaming industry in November 2007. FinCEN's [casino home page](#) contains other regulatory information and news relevant to casinos and card clubs.

Questions regarding the Bank Secrecy Act, BSA Compliance Programs, BSA Risk Analysis, and training can also be directed to your assigned [ITG Specialist](#).



FinCEN Issued Educational Pamphlet on CTR-C

In May 2009, FinCEN released its educational pamphlet on the currency transaction reporting requirements...a resource for casinos to help address questions frequently asked by their customers regarding the Bank Secrecy Act (BSA) requirement to report transactions in currency that exceed \$10,000.

This pamphlet—created out of dialog between industry, law enforcement, and regulatory bodies—uses plain language to explain the reporting requirement to those who may not be familiar with the casino’s obligations under the BSA. It explains that large currency transactions are not illegal, but that casinos are required to obtain information from their customers when these transactions occur, and that if a customer attempts to break up, or “structure,” transactions in order to evade the CTR reporting requirement, there are potential civil and criminal consequences. Casinos are in no way required to use these pamphlets, nor do they alter the casino’s BSA reporting requirements. While FinCEN encourages casinos to educate their employees on the proper use of the pamphlets, they are not intended as a replacement for employee training.

Casinos can download the [CTR-C pamphlet](#) from FinCEN’s web site at www.FinCEN.gov. Questions about the educational pamphlet, or other matters related to compliance with the BSA and its implementing regulations, may be directed to FinCEN’s Regulatory Helpline at (800) 949-2732.

Relocation of the Social Security Number on Form W-2

Social Security and the Internal Revenue Service moved the “Employee’s Social Security number” (SSN) box on the Form W-2 from box **d** to box **a**, and the “Control number” box, optionally used by some employers to identify individual Forms W-2, from box **a** to box **d**. We also relocated form ID Number “22222” and “Void” boxes to the top left corner of the Form W-2. These changes were made to protect the employee’s SSN from public disclosure when employers furnish Form W-2 to their employees using a window envelope to enhance processing efficiency.

Social Security has received numerous paper W-2s where the SSN and/or name is not in the proper position and it can delay processing. Please look closely at your paper W-2s, especially Copy A, to ensure printing accuracy prior to mailing them to Social Security’s Wilkes-Barre Data Operations Center.

Your Social Security questions answered—quickly

Are you an employer who has a question about Social Security or wage reporting? You can find the answer to any Social Security-related question at their website—www.socialsecurity.gov/employer. They have a Frequently Asked Questions (FAQs) link, located in the left column of the webpage. There are 119 FAQs covering a wide array of employer-Social Security topics. And if you can’t find the answer to our particular question, you will be given the opportunity to ask your own question online.



Prize Aggregation for 1099-MISC

Reprinted from the October, 2008 Great Lakes ITG Newsletter

According to *The American Heritage Dictionary*, aggregate means, "gathered together into a mass so as to constitute a whole; total." Aggregating has the same meaning for the IRS. You could miss filing and providing required Forms 1099-MISC if you do not aggregate payments made to individuals throughout the calendar year.

Failure to file and failure to provide information returns may result in not only an assessment of civil penalty of \$100 for each missing Form 1099-MISC, but also in a substantial underpayment of backup withholding at the rate of 28% of the amount paid for tax years after 2002. For example, if a tribal casino or entity has failed to issue 20 Forms 1099-MISC for payments totaling \$30,000 in tax year 2007, the total potential assessment would be \$10,400 consisting of \$2,000 in civil penalties and \$8,400 in backup withholding taxes.

We have seen a trend where casinos are not aggregating payments to individuals for prizes and/or awards given to them. Prizes and/or awards consist of cash or merchandise given to an individual who did not wager any money to receive the prize or award, for example; Hot Seat Giveaways, Hourly Cash Drawings or any other promotional giveaways.

Publication 3908, *Gaming Tax Law and Bank Secrecy Act Issues*, gives the following examples of prizes on page 24.

Example 1: The casino has an hourly cash giveaway for their poker players. In the largest drawing the winner receives a ticket to the World Series of Poker. All these funds are a portion of the bets placed by the poker players. When a poker player makes bets, the bets are divided out three ways: the casino keeps a portion as a fee, a portion is saved for promotional giveaways, and the remaining portion is given to winners. The casino does NOT add any additional funds. The giveaway is not a wagering transaction. The payer doesn't put up money, but could be a prize winner. Therefore, the casino issues a Form 1099-MISC for their cash giveaway drawings.

Example 2: The casino has a 4th of July drawing for an R.V. Players that put at least \$1,000 cash-in into slot machines, receive a raffle ticket. Also, any table game player that buys-in with \$100 or more will receive a raffle ticket. All the raffle tickets are dropped into a secure box and held until the day of the drawing. On the 4th of July, a raffle ticket is drawn, and the winner receives the R.V. The casino issues a Form 1099-MISC to the winner.

Example 3: Jim wins a television with a fair market value of \$800.00 in a drawing on January 17, 2005. On October 16, 2005, Jim wins a cash door prize of \$300.00. A Form 1099-MISC would be issued to Jim for \$1,100.00 for 2005.

Information return reporting is required by law and you already have the necessary data to comply with the law. Most casinos have Player Tracking Systems, why not use that system to track any Hot Seat Giveaways, Hourly Cash Drawings or promotional giveaways? Many drawings require the winner to be a Player's Club member. Player Tracking System data used for marketing purposes is easily adapted for use to aggregate prizes for individuals. The accounting department could obtain the information from marketing to determine if a Form 1099-MISC is required.

Questions regarding aggregations can be directed to your assigned ITG Specialist. To find out who your specialist is go to our web site, www.irs.gov/tribes, and click the "Contacting ITG" link on the left side of the landing page.



Message from the Director

Happy New Year from all of us at the Indian Tribal Governments Office! We hope that 2010 finds all of you well and we look forward to working with you as we begin the new decade.

As the calendar turns to a new year, each of us must turn our attention to our various roles in tax filing season. If you're involved in payroll, it is time to prepare year-end reporting for your employees and issue information returns. You will see that most of the material in this edition of the newsletter is focused on assisting you with those activities. You will also find extensive material on our website www.irs.gov/tribes. In addition, your ITG Specialists are available to answer any questions or assist with any problems you may encounter as you complete those year-end responsibilities.

Each of us also needs to begin preparing to file our individual tax returns. The IRS offers many free or low cost methods for you to file your return. In most instances, you can file electronically and save time as well as receive any refund you may be entitled to very quickly. Through our Volunteer Income Tax Assistance (VITA) program, you can also walk into a site and have your return prepared for free. Those sites are staffed by volunteers and sponsored by a variety of organizations and Tribal Governments. I'd like to thank the Tribes that have dedicated resources to supporting the VITA program. Information on important individual filing topics is also included in this newsletter, including information on qualifying for the Earned Income Tax Credit (EITC) and how to find the VITA site nearest you.

A new year offers a time for renewal. In this new year, ITG would like to renew our efforts in providing outreach and education to Tribes. Many of you have asked us for expanded opportunities for training and workshops. We have heard you and plan to begin expanding the frequency of classes we have traditionally offered, such as Basic Employment Tax or Title 31. But we would also like to offer new topic areas and more focused training to fit your specific issues. We would like to target our workshops to the tax compliance areas of greatest concern for your Tribe. I'd like to encourage you to contact your assigned ITG Specialist and let them know what training or additional assistance you'd like to see offered in your area. They will use your input to ensure that we tailor our training to your needs, including determining where the training is offered.

All of us in ITG look forward to another year of working with the dedicated staff of the Tribal Governments and send you our wishes for a happy and healthy new year!

Christie Jacobs



ITG Area Contacts

The complete list of ITG contacts for the Great Lakes area (Michigan, Minnesota, and Wisconsin) is as follows:

Serina Halverson, Manager Omaha, Nebraska 402-233-7328 Serina.M.Halverson@irs.gov	Sandy King, Specialist Grand Rapids, Michigan 616-365-4705 Sandra.King@irs.gov
Laurel Lasley, Specialist Grand Rapids, Michigan 616-365-4711 Laurel.L.Lasley@irs.gov	Stan Wiatros, Specialist St. Paul, Minnesota 651-312-7732 Stanley.J.Wiatros@irs.gov

Telephone, Internet, and Mailing Address:

Call: Customer Account Services (Toll free) 877-829-5500

Visit: Indian Tribal Governments at www.irs.gov/tribes

Write: Internal Revenue Service
Indian Tribal Governments SE:T:GE:ITG
1111 Constitution Ave., NW
Washington, DC 20224



Employee Tip Income Program Questions

ITG has a full-time Tip Coordinator to assist you with any questions about tip reporting agreements. If you are interested in securing a Tip Agreement, have questions concerning your existing agreement, or have received a notice about tip reporting responsibilities that is unclear, please contact Suzanne Perry at (602) 636-9181.

Topics Solicited

The ITG Newsletter staff encourages the submission of technical and procedural topics to be considered for an article. The goal is to support and educate tribal and tribal entity employees by disseminating information that promotes compliance with tax law requirements and regulations. Simply email your ideas to Sandra.King@irs.gov to be considered in the newsletter. If the topic is selected, I will research and prepare the article.



Tax News For You!—Individual Tribal Member Information

FREE TAX HELP NOW AVAILABLE

Free VITA tax help sites will open throughout region during filing season in partnerships between the IRS and volunteer organizations. VITA stands for **Volunteer Income Tax Assistance**, an IRS or Partner sponsored program that trains volunteers to prepare basic tax returns.

VITA sites help people whose incomes are \$49,000 or less to prepare and (often) electronically file their federal and state income tax returns. They will also alert people to special credits for which they may qualify such as the credit for the elderly, the Earned Income Tax Credit, and the child care and child tax credits. Volunteers prepare basic Form 1040 tax returns, including Schedules A for itemized deductions, claims for the Earned Income Tax Credit and other tax credits, and the comparable state tax forms. Volunteers do not prepare business or complex returns. VITA sites are generally open starting February 1st and are available until April 15th.

Visitors to the site seeking tax assistance must have valid photo identification and Social Security Cards (or Individual Taxpayer Identification Numbers) for themselves, spouses and dependents. They should also bring this year's tax package (if available), wage and earnings statements (Forms W-2), interest and dividend statements (Forms 1099), a copy of last year's return, and any other information concerning their income and expenses for **2009**. For joint, *e*-filed returns, both spouses must be present to sign the required forms.

e-filing provides the highest degree of speed, accuracy and security in filing tax returns. *e*-filing is one of the most popular innovations ever introduced by the IRS and continues to grow in popularity each year.

To find free tax help sites your area, please call the IRS at 1-800-829-1040.

To add your name or e-mail address to our mailing list, please contact us via e-mail at Sandra.King@irs.gov or call Sandy King at (616) 365-4705.



Tax News For You!—Individual Tribal Member Information

ONLINE PAYMENT AGREEMENT APPLICATION

Paying your taxes in full and on time avoids unnecessary penalties and interest. However, if you cannot pay your taxes in full, you may request a payment agreement.

Individuals who owe \$25,000 or less in combined tax, penalties, and interest can use the OPA application to request a payment agreement. This application will allow you or your authorized representative (Power of Attorney) to qualify, apply for an installment agreement, and receive immediate notification of approval. However there may be times when you will need to mail in paperwork or speak with us before we can determine your eligibility for an installment agreement. If that is the case, the OPA application will give you an address or a toll-free phone number to reach us.

[Online Payment Agreement](#) is available on the Web during the following hours:

Monday - Friday	6:00 a.m. - 12:30 a.m. Eastern Time
Saturday	6:00 a.m. - 10:00 p.m. Eastern Time
Sunday	4:00 p.m. - 12:00 a.m. (midnight) Eastern Time

There are 3 options to pay when applying online:

Pay in Full: You may agree to pay in full – you will save penalties and interest.

Short Term Extension: If you cannot pay in full at this time, you may be eligible for a short term extension of time to pay of up to 120 days. There is no fee for an extension to pay. If we grant online approval of your request for a short term extension, you will receive written confirmation within 10 days.

Monthly Payment Plan: If you cannot pay in full within 120 days, you may be eligible to make monthly installment payments.

You must have filed all of your tax returns that are due. A \$105 user fee will be added to the amount you owe and \$52 for plans where the payments are deducted directly from your bank account. Or for eligible individuals with income at or below certain levels who apply and qualify, the reduced user fee of \$43 will generally be added to the amount you owe including agreements where payments are deducted directly from your bank account.

If we grant online approval of your request for monthly installments, you will receive written confirmation within 10 days.



Federal Tax Calendar for First Quarter 2010

January 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4 * Make a deposit for 12/26-12/29	5	6 * Make a deposit for 12/30-1/1	7	8 * Make a deposit for 1/2-1/5	9
10	11 Employees report December tip in- come to employers if \$20 or more	12	13 * Make a deposit for 1/6-1/8	14	15 * Make a deposit for 1/9-1/12 ** make a deposit for December if under the monthly deposit rule	16
17	18	19	20 * Make a deposit for 1/13-1/15	21	22 * Make a deposit for 1/16-1/19	23
24/31	25	26	27 * Make a deposit for 1/20-1/22	28	29 * Make a deposit for 1/23-1/26	30

February 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 <i>Issue W-2's, W-2G's and 1099's to Recipients</i>	2 <i>File Form 941 the 4th calendar quarter of 2009</i>	3 * Make a deposit for 1/27-1/29	4	5 * Make a deposit for 1/30-2/2	6
7	8 <i>Form 730 for wagers received during December</i>		10 * Make a deposit for 2/3-2/5 Employees report January tip income to employers if \$20	11	12 * Make a deposit for 2/6-2/9	13
14	15	16 ** make a deposit for January if under the monthly deposit	17 * Make a deposit for 2/10-2/12	18	19 * Make a deposit for 2/13-2/16	20
21	22	23	24 * Make a deposit for 2/17-2/19	25	26 * Make a deposit for 2/20-2/23	27
28						

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

**= Make a Monthly Deposit if you qualify under that rule.



March 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3 * Make a deposit for 2/24-2/26	4	5 * Make a deposit for 2/27-3/2	6
7	8	9	10 Make a deposit for 3/3-3/5 Employees report February tip income to employers if \$20 or more	11	12 * Make a deposit for 3/6-3/9	13
14	15 ** make a deposit for February if under the monthly deposit rule	16	17 * Make a deposit for 3/10-3/12	18	19 * Make a deposit for 3/13-3/16	20
21	22	23	24 * Make a deposit for 3/17-3/19	25	26 * Make a deposit for 3/20-3/23	27
28	29	30	31 * Make a deposit for 3/24-3/26	<div style="border: 1px solid black; padding: 5px; transform: rotate(-5deg); display: inline-block;"> <p style="color: red; margin: 0;">File Form 730 for wagers received during February</p> </div>		

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule. NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.
 **= Make a Monthly Deposit if you qualify under that rule.

Return Filing Dates

February 1st

- > File Form 941 for the 4rd quarter of 2009. If all deposits were paid on time and in full, file by February 10th.
- > If pre-qualified for simplified paryoll filing, file Form 944. If all deposits are fully paid on time, file by February 10th.
- > File Form 940 for 2009 if liable for Federal Unemployment Tax (not participating or current with state unemployment tax). If all deposits are paid on time and in full, file by February 10th.
- > File Form 730 and pay the tax on applicable wagers accepted during December 2009.
- > File Form 944 for 2009 if required in lieu of Form 941. If all deposits are paid on time and in full, file by February 10th
- > File Form 945 for 2009. If all deposits are paid on time and in full, file by February 10th.
- > File Form 943 for 2009 (agricultural entities). If all depostis are paid on time and in full, file by February 10th.

March 1st

- > File Form 730 and pay the tax on applicable wagers accepted during January 2010.
- > File information returns for all payments reported to recipients on Forms 1099, 1098, 5498, and W-2G, using Form 1096 as a transmittal. If filing these forms electronically, file by March 31st.
- > File Form W-3, along with copy A of Forms W-2 you issued for 2009. File by March 31st if filing electronically.
- > File Form 8027 if you are a large food and beverage establishment. File by March 31st if filing electronically.

March 31st

- > File Form 730 and pay the tax on applicable wagers accepted during February 2010.