

# ITG News



Keeping First Nations Informed

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## Message from the Director

The IRS office of Indian Tribal Governments (ITG) recently entered its 8th year of existence. When it was first created many tribes questioned the commitment of the IRS to maintain a distinct component that would interact with tribal governments, and dedicate the resources required to continually train new staff to understand tribal protocols and the unique nuances of tribal/federal relations.

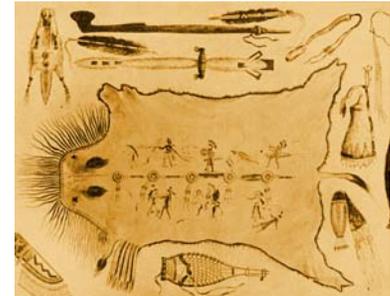
We have experienced significant turnover in these eight years, having lost 24 members of our initial staff of 68. Thirteen of them left for promotional opportunities within the IRS, while an additional nine retired from government service.

I am pleased that we have been able to not only fill the resultant vacancies created by these departures, but have been able to continue to identify candidates who have a genuine interest in working with tribal governments to ensure federal tax compliance and protect tribal assets for the benefit of tribal members. As we enter our eighth year, ITG has 71 total staff and is in the process of hiring 3 new employees.

We recognize that we will continue to have turnover, as we are no different from tribal governments who have the same personnel experiences. In fact, we have twelve current employees who are eligible for retirement at this time, with several more becoming eligible over the next year. Change is inevitable, but our commitment to recruit and maintain staffing that will ensure the IRS will continue to have a component that is dedicated solely to tribal issues is unwavering.

As these changes occur, we will advise tribes of staffing and contact changes. Our web site listing of ITG contact points for every tribe and Navajo Chapter will be continuously refreshed. Our Consultation Listening meetings, quarterly newsletters, outreach events, and self-service sections of our web site will continue, even though the ITG staff doing the work may change.

Christie Jacobs



***...we are committed to recruiting and maintaining dedicated staff...***

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## Accuracy in the Electronic Filing of BSA Forms

Many tribal casinos have taken advantage of the opportunity to remit their Bank Secrecy Act filing electronically. Although e-filing of these forms can save substantial time and improve accuracy, it is important to follow all of the required formatting.

When the filing data is received at our Detroit Computing Center, the import program is designed to recognize certain characteristics as the point of separation between fields. For example, the "Name" field requires a slash bar to separate the last name/first name/middle initial. The proper format would be "DOE/JOHN/J".

We recently discovered that one casino has filed 12,394 CTR-C forms using a space to separate the name fields, in lieu of the required slash bar. This caused the import program to treat all of the name elements as a last name, and rendered the information unusable to law enforcement personnel who routinely utilize BSA report filings to develop and sustain cases against individuals who have committed crimes.

This type of error requires correction, and can be costly to a casino if the forms must be re-done and re-transmitted. Furthermore, during the period of time that corrective action is underway, the data in the BSA filing is not in the database and is therefore not available to law enforcement personnel. This type of delay could cause harm to a potential criminal case.

While we urge all casinos to avail themselves of e-filing of BSA forms, we also urge them to carefully review the formatting and submission instructions so as to avoid simple errors that can be costly to the casino and law enforcement.

Questions concerning e-filing of BSA forms, or the requirements of the Bank Secrecy Act in general, can be directed to your assigned ITG Specialist.

### Self-Assess Your Federal Tax Compliance Risks

Tribal entities can now self-assess their federal tax compliance and work with ITG to address any problems they uncover. Entities electing to participate receive a fillable template from ITG, and are provided with the name of a local ITG Specialist who will serve as their resource during the process.

Information on the program, as well as an on-line request form, is available through the "Enhancing Federal Tax Compliance" link on the right-hand of the ITG web site landing page at [www.irs.gov/tribes](http://www.irs.gov/tribes), or you can make an inquiry about the program via e-mail to [tege.itg.tefac@irs.gov](mailto:tege.itg.tefac@irs.gov)

### Want to Avoid Penalties?

Are you incurring penalties? Do you want to eliminate penalties in the future? ITG has a "Helpful Hints to Avoid Penalties" job aid that can assist you. It's available by ordering our "Tax Tools for Tribes" CD-Rom via e-mail at [ITG.TaxTools@irs.gov](mailto:ITG.TaxTools@irs.gov).



## ITG Undertakes Changes in Response to the Customer Satisfaction Survey

A team of ITG Specialists recently convened to analyze the results of last fall's Customer Satisfaction Survey. The data showed several common areas of concern by tribes. The team developed a series of actions to address the concerns, and also developed changes in future survey processes in the hope that we can increase the survey response rate.

Many of the actions have been recently implemented, while others will be occurring over the next 3-6 months. These actions include, but are not limited to:

Providing increased information on tribal member federal tax issues:

- Our newsletters will now contain at least one page that is dedicated to the individual tax issues faced by tribal members.
- The "Frequently Asked Questions" section of our web site at [www.irs.gov/tribes](http://www.irs.gov/tribes) will contain a new category focused solely on tribal member issues.
- Our Individual Issues Primer for Tribal Members will be automatically distributed to every tribe each January as part of our "Tax Tools for Tribes" CD-Rom.

Improving the timeliness of information on federal tax law changes that affect tribes:

- Issue a revised "Tax Tools for Tribes CD-Rom to every tribe each time an ITG tax product is updated due to a law or regulatory change, and include an "Alert" noting the change and potential impact on the tribe.
- Update the ITG listing of Tribal and Navajo Chapter contacts, so that our issuances reach a designee at 100% of the tribes/chapters.

Improve our outreach efforts for the Navajo Chapters:

- In conjunction with the Navajo Nation, conduct comprehensive Employment Tax training for every Navajo Chapter, using an approach modeled after successful efforts in Alaska.
- Create a unique issue of ITG News that is solely for the Navajo Chapters and will focus on the federal tax issues of concern to them.

Improve awareness of federal tax law issues of greatest concern to each tribe:

- Conduct an annual solicitation of each tribe for issues they believe are unique to them, and that are not being addressed by ITG.

Improve assistance in the area of federal tax and deposit penalties:

- Update the "Helpful Hints to Avoid Penalties" job aid for tribes, to include more content on relevant issues being faced by tribes.

Improve explanations of why examination adjustments were made, and help the tribe to avoid similar problems in the future:

- At the conclusion of every examination or Compliance Check where a problem was identified, ITG will issue a letter listing the specific problem, the likely cause, and recommendations for future prevention of items that may recur.

If there are any questions on any of these items, please feel free to contact your assigned ITG Specialist. Our thanks to all of the tribes/chapters that provided their input to enable us to make the changes they outlined.



## Economic Stimulus Payments Tribal Members Need to Know What To Do

Starting in May, economic stimulus payments of up to \$600 for individuals or \$1,200 for married couples will be issued by the IRS based on 2007 tax returns. Parents also get \$300 for each eligible child.

To receive the payments this year, people must file a 2007 tax return. That's it. The IRS will determine eligibility, figure the amount and send the payment. This payment will be in addition to taxpayers' refunds.

But the IRS needs your help. Many people are eligible for the payments but may not know it.

Some people do not file a tax return because their income is too low or their benefits are nontaxable. Because they don't file a tax return, the IRS does not know their names or addresses.

People who do not normally file a tax return but who have at least \$3,000 in qualified income may be eligible for a minimum payment of \$300 for individuals or \$600 for married couples.

The \$3,000 must come from specific sources. It must be earned from wages or self-employment. Or it must be from certain benefits such as Social Security retirement, Railroad Retirement or Veterans Affairs payments to disabled veterans or veterans' survivors. It also can be from a combination of wages and these benefits.

There are some restrictions. People must have valid Social Security numbers for themselves and children. Those who are claimed as a dependent on someone else's tax return, or who are eligible to be claimed as a dependent on someone else's tax return do not qualify.

The IRS is working with the Social Security Administration and Department of Veterans Affairs to locate their beneficiaries who may be eligible. Also, people who do not file a tax return because of low incomes are hard to locate. The IRS does not have their names or addresses.

Tribal governments can help by spreading the word about these payments, especially to those people who normally don't file a tax return. The IRS also is encouraging churches, charities, nonprofit and government organizations to help reach out to those who may be eligible for the payments.

People who already file a tax return each year need do nothing more but file their tax return. The IRS will do the rest. People who normally don't file a return can use Form 1040A with just a little information. There is no need to complete all the lines on the form. Details required include:

- Name, address, Social Security number;
- Filing status, names and Social Security numbers of children;
- Workers with low incomes must complete Line 7;
- Recipients of certain benefits from Social Security retirement, Railroad Retirement and Veterans Affairs can report their total benefits on line 14a of Form 1040A;
- Write "Economic Stimulus Payment" at the top of the return.

Filers with bank accounts should use direct deposit. It is the fastest way to receive stimulus payments. The IRS will begin sending taxpayers their payments in early May after the current tax season concludes. These payments will not be taxable, nor will the payments affect any federal benefits people are receiving.

The IRS web site, [www.irs.gov](http://www.irs.gov), is the best source of information on economic stimulus payments.



## Tribal Member Information

**If you haven't filed your tax return, it may not be too late.** You can file and get a refund for up to 3 prior tax years. For example you have until April 15, 2008 to file your tax year 2004 and get a refund. There are many reasons why taxpayers don't file their taxes. Maybe you didn't know you had to file. Many who think they will owe, actually end up getting a refund because of tax credits that they are eligible for. Perhaps you keep putting it off and just simply forgot. Whatever the reason it is best to file your return as soon as possible. If you need help, even with a late return, the IRS will assist you. For more information on how to file a tax return for a prior year, visit the IRS Web site at [www.irs.gov](http://www.irs.gov) or call the IRS Tax Help Line for Individuals at (800)829-1040.



Free File is a free tax preparation and electronic filing program that allows taxpayers with an Adjusted Gross Income of \$54,000 or less to prepare and e-file their 2007 federal tax return for free. Free File is available through October 15, 2008. Check it out at [www.irs.gov](http://www.irs.gov).

IRS forms and publications are available at the IRS Web site in the Forms and Publications

### 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) 207-8254.

### Eastern States Indian Tribal Government Specialists

Michael Farney ITG Specialist  
New Haven, CT  
Phone: 203-781-3084

Rose Jones, ITG Specialist  
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Phone: 225-923-4162



## Post W-2 Filing Season Help From Social Security

Even though the W-2 filing season is over, you can still get valuable help from Social Security's Business Services Online. For instance, you can:

- Check the status of your submission;
- View and acknowledge a notice asking you to resubmit your data; and
- Browse information about errors found in your submission.

### Who Can Use the Service?

The service is available to all submitters whose W-2 Report is formatted according to Social Security's Magnetic Media and Electronic Filing (MMREF) specifications or those who filed using W-2 online. If you filed using magnetic media or electronic data transmissions, please allow 2-3 weeks for your submission information to be available. Submissions information is not available for paper submissions.

### What You Need

All you need is a PIN and password. If you don't have a PIN and password, you can register for one at [www.socialsecurity.gov/bsowelcomes.htm](http://www.socialsecurity.gov/bsowelcomes.htm). Business Services Online will assign a PIN to you and allow you to choose a password. Once you have your PIN and password, just take the following steps:

- Log in to Business Services Online.
- Select the "Request Access to BSO Services" link, and "View File, Wage Report Status, Errors, and Error Notices." Select "Activate Access to BSO Services."
- Return to the Business Services Online Home page.
- Once you have your activation code, log back in to Business Services Online.
- Enter your activation code.

More than one person in a company can have a PIN and password. If you use a third-party preparer, you can still access the services above by using your PIN, password, and the EIN entered in the RE, Employer Record.

(Continued-next page)

## Tax Tools for Tribes

You can order our comprehensive reference CD-ROM containing Publication 4268 (Employment Tax Guide for Tribes), Publication 3908 (Gaming Tax Law for Indian Tribal Government), Publication 15 (Employer's Tax Guide), Publication 15-A (Employer's Supplemental Tax Guide), ITG News issuance for your area for the last 8 quarters, a "primer" for federal tax issues affecting individual Native Americans, and a guide on "Helpful Hints to Avoid Penalties".

E-Mail us at [ITG.TaxTools@irs.gov](mailto:ITG.TaxTools@irs.gov) and provide your mailing address and the number of CD-ROM copies you would like to receive.



## Post W-2 Filing Season Help From Social Security (Continued)

### How to Use the Service

Once you log into Business Services Online, you can:

- View Submission Status Information or view Employer Report;
- Acknowledge Resubmission Extension (Note: You may NOT request an extension if you have previously resubmitted data for this wage file identifier or more than 45 days have passed since the date on the resubmission notice.)

For more information about online services, download a copy of the BSO Handbook available at [www.socialsecurity.gov/employer/bsohbnew.htm](http://www.socialsecurity.gov/employer/bsohbnew.htm) or call 800-772-6270.

### Revised Form W-9 and LLC's

Form W-9, *Request for Taxpayer Identification Number and Certification*, is used by persons required to file information returns with the IRS in order to get the payee's correct name and Taxpayer Identification Number (TIN). For individuals, the TIN is generally a social security number (SSN). For business, the TIN is generally an Employer Identification Number (EIN).

There is a new revision (Oct, 2007) of Form W-9. The boxes for entity types have been expanded. The form now requires a Limited Liability Company (LLC) to designate whether they are 1) a disregarded entity, 2) a corporation, or 3) a partnership.

An LLC is a relatively new entity created by state statute. The IRS did not create a new tax classification for the LLC when it was created by the states. Instead IRS uses the tax entity classifications it has always had for business taxpayers: sole proprietor (disregarded entity), corporation, or partnership. An LLC is always classified by the IRS as one of these types of entities. A single member LLC that is a "disregarded entity" does not need an EIN and should use the name and taxpayer identification number (TIN) of the single member owner for tax purposes.

**Form 1099 and LLC.** If the completed Form W-9 returned from an LLC has declared that they are a "disregarded entity," when you complete their Form 1099, you must show the owner's name on the first name line. On the second name line, you may enter the LLC's name. Use the owner's TIN. Do not enter the disregarded entity's EIN when you complete their Form 1099.

## 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 (716) 686-4860, or via e-mail at [tege.itg.schemes@irs.gov](mailto:tege.itg.schemes@irs.gov)



# Federal Tax Calendar for Second Quarter 2008

## April 2008

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

## May 2008

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

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

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

8 NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.



# June 2008

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

\* = 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

April 30th

- > File Form 730 and pay the tax on applicable wagers accepted during March.
- > File Form 941 for the 1st quarter of 2006. If all deposits paid on time and in full, file by May 12th.

June 2nd

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

June 30th

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

July 1st

- > File Form 11-C to register and pay the annual tax if you are in the business of taking wagers.