ITG News

Indian Tribal Governments

Keeping First Nations Informed

Special Edition May 2010

Publication 4267G **Catalog Number 37844Q** **Western Edition**

Hello Everyone,

This “Special Edition” of ITG News (Western Area) involves issues with short time horizons requiring contact with you prior to our regularly scheduled quarterly July edition.

On **Saturday, June 5th**, 2010 there will be a nationwide IRS assistance “OPEN HOUSE”, including numerous California and two Nevada locations (see list). Although initially there were thoughts of an additional June open house, it looks like it will be the June 5th date only. See the article on page 2 for details.

Our **ITG workshops** start in **July**. Space is limited. See the article on page 3 for dates, locations, topics, and how to register.

There have been recent efforts to encourage more Tribal communities to consider establishing Volunteer Income Tax Assistance (VITA) sites on reservations to begin with the 2011 filing season. As the publication on pages 4-5 explains, there is a very short time frame on the **VITA Grant Application** process. The application period is from 6/1/10 to 7/9/10. We do have contacts in our Stakeholder Partnership, Education & Communication (SPEC) division that can assist interested Tribal entities in applying for these grants, but it has to happen fast. If interested, contact your ITG Specialist who can get you in touch with the applicable SPEC contact or contact Jerrie Muir, IRS Senior Stakeholder Relationship Tax Consultant, directly at (714) 347-9257.

Also, news on the Hiring Incentives to Restore Employment (“HIRE”) Act: It does apply to Tribal entities. See page 6.

As always, I can be reached at Scott.J.Karafin@irs.gov or (619) 744-7164.

IRS “OPEN HOUSE”
June 05, 2010;

ITG Workshops start in July;

VITA Grant Application;

& News on “HIRE”

Tax News For You!

Individual Tribal Member & Employee Information

IRS "OPEN HOUSE": SATURDAY, June 5, 2010

The Internal Revenue Service will host special nationwide Open House events on Saturday, June 5 to help small businesses and individuals solve tax problems. Approximately 200 IRS offices, at least one in every state, will be open June 5 from 9 a.m. to 2 p.m. local time. IRS staff will be available on site to help taxpayers work through their tax problems and walk out with solutions.

"Our goal is to resolve issues on the spot so small businesses and individuals can put any issues they have with the IRS behind them," IRS Commissioner Doug Shulman said. "If you have a problem filing or paying your taxes or resolving a tough tax issue, we encourage you to come in and work with us."

IRS locations will be equipped to handle questions involving notices and payments, return preparation, audits and a variety of other issues. At a previous IRS Open House on March 27, 88% of the taxpayers who came in for help had their issues resolved the same day.

IRS notices from 2009 tax returns will be in the mail soon, making this open house an ideal time for taxpayers to get help with math errors and balance due issues. So, for example, a taxpayer who cannot pay a tax balance due can discuss with an IRS professional whether an installment agreement is appropriate and, if so, fill out the paperwork then and there. Assistance with offers-in-compromise will also be available. Likewise, a taxpayer struggling to complete a certain IRS form or schedule can work directly with IRS staff to get the job done.

In Nevada & California, the locations below will be open 9 a.m. to 2 p.m. on Saturday, June 5.

Las Vegas:110 City Parkway
Las Vegas, NV 89106

Reno: 200 S. Virginia St.
Reno, NV 89501

Bakersfield: 4825 Coffee Rd.
Bakersfield, CA 93308

Camarillo: 751 Daily Dr.
Camarillo, CA 93010

El Monte: 9350 East Flair Dr.
El Monte, CA 91731

Fresno: 2525 Capitol St
Fresno, CA 93721

Long Beach: 501 W. Ocean Blvd.
Long Beach, CA 90802

Los Angeles: 300 N. Los Angeles St., Los Angeles, CA 90012

Modesto: 1533 Lakewood Ave.
Modesto, CA 95355

Oakland: 1301 Clay St.
Oakland, CA 94612

Sacramento: 4330 Watt Ave.
Sacramento, CA 95821

San Bernardino: 290 N. D St.
San Bernardino, CA 92401

San Diego: 880 Front St.
San Diego, CA 92101

San Francisco: 450 Golden Gate Ave.
San Francisco, CA 94102

San Jose: 55 S. Market St.
San Jose, CA 95113

San Marcos: 1 Civic Center Dr.
San Marcos, CA 92069

Santa Ana: 801 W. Civic Ctr Dr.
Santa Ana, CA

Santa Rosa: 777 Sonoma Ave.
Santa Rosa, CA 95404

Walnut Creek: 185 Lennon Ln.
Walnut Creek, CA 94598

Update on Workshops: Casino Issues & Employment Tax Training

Two classes are being offered at various locations in California and Nevada. A One-Day Casino Issues Tax Workshop at three California locations and a one-day Intermediate Employment Tax class (including other non-gaming issues). At locations where both classes are offered, the casino class will be the first day.

Who is invited?
Casino Accounting/Finance personnel, Casino Management, Compliance Officers, Tribal Gaming Commission personnel, Tribal Accounting/Finance/Administrative personnel.

Registration is limited and varies depending on location. Contact the applicable workshop coordinator to reserve a seat. If registration requests exceed capacity, we may need to limit the # of attendees per Tribe.

Who Pays for what? No charge for the class. Attendees MUST pay for their own travel, lodging and food.

When will the classes be held? Not all dates/locations are firmed up, but here is the tentative schedule:

The following are being coordinated by James Rivers, James.H.Rivers@irs.gov; (619) 744-7167:
July 13-15 range, Central CA (Fresno area-pending), Casino Issues (Day 1) and Employment Tax (Day 2)
July 20, Reno/Sparks, NV (ITCN, 680 Greenbrae Dr., Ste. 265), Employment Tax
July 22, Elko, NV (Te-Moak Tribe Diabetes Center, 511 Sunset St.), Employment Tax

The following are being coordinated by Dennis Duggan, Dennis.Duggan@irs.gov; (707) 535-3838:
August 10 or August 11, Brooks, CA (Cache Creek Casino Resort, 14455 Hwy 16), Casino Issues
August 24 (Tentative), Santa Rosa, CA (IRS Office, 777 Sonoma Ave., Ste. 215-A), Employment Tax
August 26 (Tentative), Northern California (to be determined), Employment Tax

The following is being coordinated by Scott Karafin, Scott.J.Karafin@irs.gov; (619) 744-7164:
Sept. 14-15, Pala, CA (Pala Casino Resort Spa, 11154 Hwy 76), Casino Issues (Day 1) & Emp. Tax (Day 2)

What will be taught? Topics being considered include the following, and may vary by location:

Casino Issues:
Gaming Forms and Returns
Non Resident Issues-Forms 1042 & 1042-S, OFAC compliance, Central Withholding Agent Agreements on Foreign Performers
Bank Secrecy Act Compliance Issues
Tips and Tip Agreements
SSN Verification/Mismatch Notices
Electronic Services offered by IRS

Intermediate Employment Tax (& other non-gaming topics):
Accounting for Travel & Credit Card Expenses, Payroll Advances & Employee Loans
Employee v. Independent Contractor Status
1099's on distributions, Rev. Ruling 59-354, Who is "SPEC" & what do they do?
COBRA, HIRE, & New Health Plan issues
Amending/correcting Forms 941 & W-2
Filing Information Returns Electronically
How to Deal with IRS Collection

Apply Early

Time Line

- Application period: **6/01/2010 – 7/9/2010**
- Application deadline: **7/9/2010**
- Review and ranking of applications: **7/9/2010 – 10/30/2010**
- Notification of selection **11/1/2010**

The application packages, **Publications 1101 and 4671**, will be available starting in June 2010.

Check out **IRS.gov** for additional program information –
Search keyword: **TCE or VITA**

General Contact Information

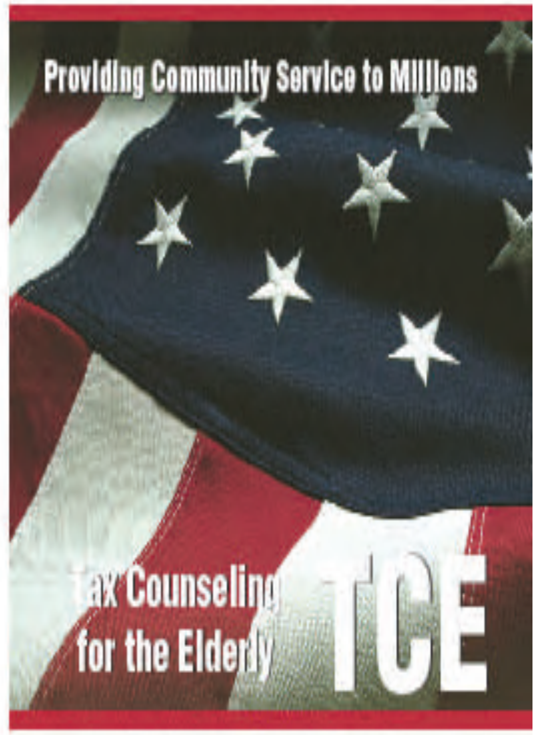
TCE

Email: TCE.Grant.Office@irs.gov
Phone: 404.338.7894

VITA Grant

Email: Grant.Program.Office@irs.gov
Phone: 404.338.7894

IRS-SPEC
Grant Program Office, Stop 420-D
401 West Peachtree Street, NE
Atlanta, GA 30308



Grant Programs

Publication 4680 (Rev. 4-2010) Catalog Number 51492G
Department of the Treasury Internal Revenue Service www.irs.gov

IRS

TCE

Tax Counseling for the Elderly

The Tax Counseling for the Elderly (TCE) program was established in 1978 to:

- Provide tax counseling and return preparation to persons age 60 years of age or older; and
- Provide training and technical assistance to volunteers who provide free Federal income tax assistance within elderly communities across the nation.

VITA

Volunteer Income Tax Assistance

The Volunteer Income Tax Assistance (VITA) Grant program was established in 2007 to:

- Enable VITA program to extend services to underserved populations in hardest –to-reach areas, both urban and non-urban;
- Increase the capacity to file returns electronically;
- Heighten quality control;
- Enhance training of volunteers; and
- Improve the accuracy rate of returns prepared at VITA Sites.

TCE

Publication 1101, *Tax Counseling for the Elderly 2011 Application Package and Guidelines for Managing a TCE Program*, provides complete details on eligibility and the application process.

New this year! Both the **TCE** and **VITA Grant** programs allow organizations to apply for annual funding for up to three years.

This change should benefit applicant organizations. It:

- Eliminates need to file full application each year
- Allows partners to focus efforts on growing the program
- Empowers partners to make strategic decisions in anticipation of continued funding

Organizations interested in applying for the grant should review these publications closely.

VITA

Publication 4671, *Volunteer Income Tax Assistance Grant 2011 Program Overview and Application Package*, provides complete details on eligibility and the application process.

TCE Eligibility Criteria

- Must be compliant with federal tax filing and payment requirements
- Must not be debarred or suspended from Federal contracts, grants or cooperative agreements
- Must provide a Dun & Bradstreet Universal Number
- Must be a private or public non-profit organization qualifying for tax exemption under Section 501 of the Internal Revenue Code of 1986
- For previous recipients of the grant, must have submitted all required reports timely
- Must have capacity to file returns electronically
- Must have experience in coordinating volunteer programs
- May not be a federal, state or local governmental agency

VITA Grant Eligibility Criteria

- Must be compliant with federal tax filing and payment requirements
- Must not be debarred or suspended from Federal contracts, grants or cooperative agreements
- Must provide a Dun & Bradstreet Universal Number
- Must be a private or public non-profit organization qualifying for tax exemption under Section 501 of the Internal Revenue Code of 1986
- For previous recipients of the grant, must have submitted all required reports timely
- Must have capacity to file returns electronically
- Must provide dollar-for-dollar matching funds for monies requested
- May be a state or local government agency including Native American Tribal governments

HIRING INCENTIVES TO RESTORE EMPLOYMENT (HIRE) ACT: INDIAN TRIBAL GOVERNMENTS QUALIFY

We recently received clarification concerning the HIRE Act, pertaining to the qualification criteria. Indian Tribal Governments do qualify. A portion of the FAQ's found at the www.irs.gov/tribes website are provided below, just in case you didn't hear the good news. We certainly didn't want to wait till mid-July when the next ITG News is scheduled to be sent out, or at our upcoming employment tax workshops, to inform you about this clarification. See Q & A #2, which specifically addresses Tribal Government qualification.

FAQs About the Payroll Tax Exemption and Qualified Employers (Selected excerpts):

> QR1: What is the payroll tax exemption?
>
> A-QR1: The payroll tax exemption is an exemption from the employer's 6.2 percent share of social security tax on all wages paid to qualified employees from March 19, 2010 (the day after the date of enactment of the HIRE Act) through December 31, 2010. The employee's 6.2 percent share of social security tax and the employer and employee's shares of Medicare tax still apply to all wages.
>
> QR2: Which employers qualify for the payroll tax exemption?
>
> A-QR2: Taxable businesses and tax-exempt organizations qualify for the payroll tax exemption. Such employers in U.S. territories (i.e., American Samoa, Commonwealth of Northern Mariana Islands, Guam, the U.S. Virgin Islands and Puerto Rico) that are subject to federal social security tax also qualify for the payroll tax exemption. Federal, State or local government employers generally do not qualify for the payroll tax exemption. However, public colleges and universities can qualify for the exemption. **Indian tribal governments also qualify for the exemption.**

There are other provisions of the Act that can be reviewed at www.irs.gov/tribes. The Form 941 has been revised to reflect this new tax exemption, and there is a new Form W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit, that fulfills the requirement to get a signed statement from each eligible new hire concerning their prior unemployment.

You can contact your ITG Specialist who can assist in answering any other questions you may have. This will be a topic at our employment tax workshops, but our thought is that you may want to move forward prior to the workshop in your hiring plans with this Act in mind.