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# Knowing Collection in 2016





# Objective

At the end of this learning experience, you will be able to explain to clients:

- Initiatives to enhance compliance
- Options for resolving collection cases and “final” tax issues for deceased taxpayers
- Programs mandated by the Fixing America’s Surface Transportation Act





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# Topics

- Early Interaction Initiative
  - Federal tax deposit alerts
- Online Payment Agreement
  - Made easier, usage increasing
- Offer in Compromise
  - Tips and tools





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# Topics (continued)

- “Final” tax issues
  - Resolving tax issues for the deceased
- Communicating with Collection
  - Calls to PPS and ACS
- Fixing America’s Surface Transportation Act
  - Denial and revocation of passports
  - Private debt collection





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# Early Interaction Initiative

- What is it?
  - Policies and procedures
  - Goals
- How does it work?
  - The right treatment
  - At the right time
  - For the right employer





# Why Emphasize Early Interaction?

- 70% of revenue from withheld income and FICA tax
- \$59 billion = amount of unpaid taxes related to Forms 941
- Big part of collection inventory
- Improved compliance
  - Case examples

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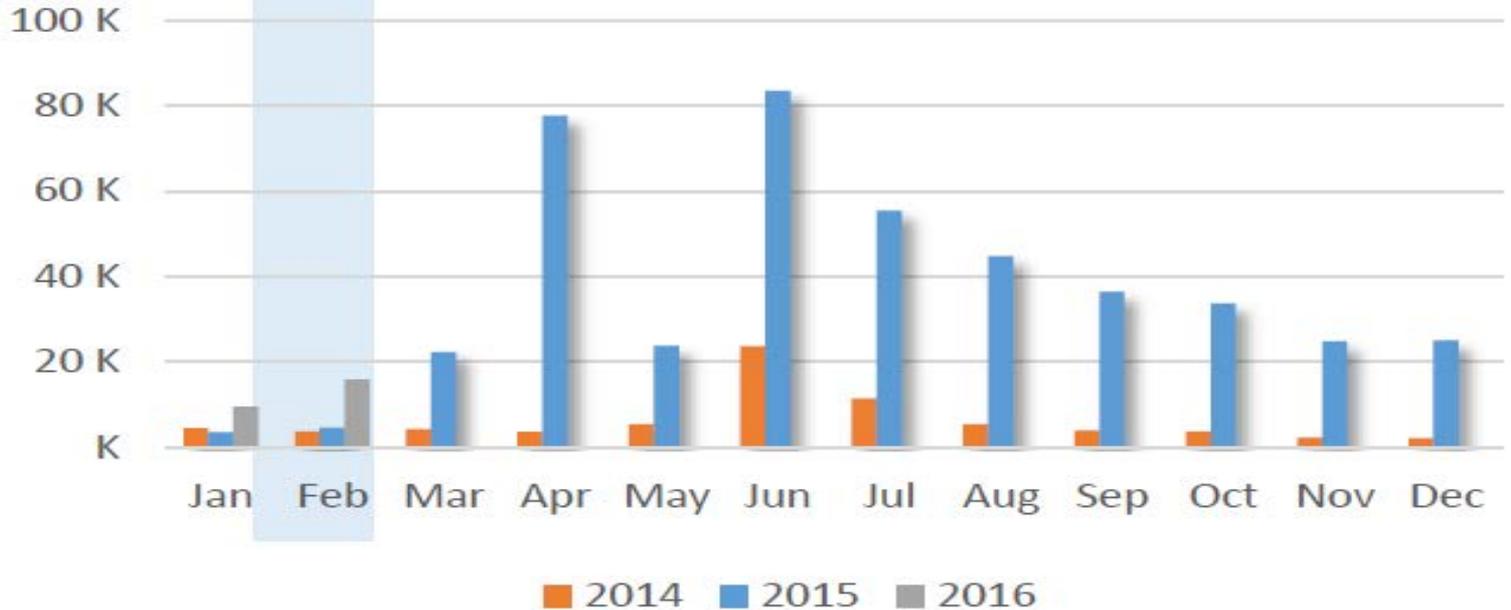
# Online Payment Agreements

- Who can use it
- Where to find the application
- Recent improvements
- Increased usage



# Online Payment Agreements

## IMF Agreements by Month





# Communicating with Collection

What to provide on calls to:

- Practitioner Priority Service
- Automated Collection System





# Offer in Compromise Updates

- Revised forms and instructions
- Tips for preparing and submitting application
- OIC Pre-Qualifier Tool





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# “Final” Tax Issues

- Final Form 1040
- Tax Return for Estates and Trusts – Form 1041
- Duties of an estate administrator
- Getting info/help from IRS





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# Passport Denial/Revocation

- Legislation review
- Begin implementation as soon as feasible/effectively as possible
- Coordinating aspects
  - Work with Department of State
  - Information technology





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# Private Debt Collection

- Contracts to Private Collection Agencies tentatively planned for October 2016
- Initial cases assigned to PCAs in fiscal year 2017
- IRS and PCA notify taxpayer/representative
- PCA employees must follow Fair Debt Collection Practices Act





# Civil Matters Referred to DOJ Tax Division

- Suits or Counterclaims in Refund Suits to Reduce Tax Assessments to Judgments
- Suits to Foreclose Property Subject to Tax Liens
- Suits to Set Aside Fraudulent Conveyances
- Suits to Determine Property is Subject to Tax Lien because Legal Title is held by Nominee, Transferee or Alter Ego
- Tax Proceedings in Bankruptcy

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# Criminal Matters Referred to DOJ Tax Division

- Submitting False Testimony or Documents
  - During audits
  - During collections
- Submitting a False Collection Information Statement (Form 433)
- Diverting Income to Avoid Collections
- Hiding or Transferring Assets to Nominees to Avoid Collection

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# Recent Criminal Cases

- *Gregory Claxton* (W.D. Michigan) (sentenced May 2016)
- *Michael D. Brandner* (D. Alaska) (sentenced April 2016)
- *Melville D. Hayes* (S.D. Ohio) (sentenced March 2016)
- *Paul D. Tharp* (M.D. North Carolina) (guilty plea February 2016)
- *James S. Faller II* (E.D. Kentucky) (sentenced January 2016)

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# Hot Topics on IRS.gov

# Search Word(s)

IRS Future State

future state

Tax scams/consumer alerts

scams

Annual Filing Season Program

filing season program

Continuing education for tax pros

tax pros

E-Services – online tax tools

eservice

Identity theft

ID theft

Practitioner events on IRS.gov

practitioner events

Affordable Care Act

ACA

Taxpayer Bill of Rights

taxpayer rights

SB/SE Tax Calendar

tax calendar

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