

Quarterly Provider Calls
April 19, 20, 23, 24, 2018

How to treat Tax Cuts and Jobs Acts (TCJA) programs

With the passage of the Tax Cuts and Jobs Act many of you will be creating new programs to cover the new tax law. We want to remind you that these programs will fall under the tax update category.

Also, you can advertise a program and say that it will be available on a specific date, but you cannot sell a program until you have an IRS approved program number.

Note: The Annual Federal Tax Refresher (AFTR) course is exempt from this requirement because we know the content will mirror the AFTR course outline.

We received a question about our point on the last call about ensuring your customers know what version of federal tax law they are receiving when they take one of your programs. If you label your TCJA programs as federal tax law update and, preferable, have TCJA somewhere in the title or description so your customers know it's the new tax law, that will be fine. If I was looking for CE that covered the new tax law, I would be looking for TCJA somewhere in the title or description and it to be classified as a federal tax law update. Anything else, I would presume, would have 2017 tax law (or earlier) unless specifically stated. We don't have any specific language to share, but I think you can figure out the best way to market to your customers so they know what they're getting.

Customer Satisfaction Survey – We're teeing up system enhancements

Each Primary Point of Contact has the option to take the CE Provider customer satisfaction survey. If you have not already done so, we encourage you to do so soon because we are analyzing the results to determine what issues we will tackle in our next round of system enhancements. Currently, our top contender is reducing the amount of time it takes a user to make determinations about existing programs during the renewal process, but we still need your feedback.

The survey takes approximately five minutes to complete and your responses are anonymous. You can access the survey on your provider account homepage by clicking "Take survey" on the right-side of your home screen. We can't stress enough the important role your feedback plays in improving system usability.

Hot Topics

[Acceptable programs that qualify for IRS credit](#)

Programs are acceptable continuing education if:

- Programs cover federal tax law topics typically reported on Form 1040 returns, as well as other business entity return types, covering basic to advanced topics. Continuing education programs must be designed to enhance professional knowledge in Federal tax law, Federal tax-related matters, qualified retirement plan matters, or Federal tax-related ethics, and must be consistent with the Internal Revenue Code and effective tax administration.
- Somewhat of an exception to that definition because they aren't technically "federal tax law" programs are Identity theft/data security programs. They must meet CE program requirements focusing on enhancing tax professional awareness of protecting client data, including review of Publications 4557 and/or 4524 safeguards, can qualify for continuing education credit in the federal tax law category. These programs are NOT ethics programs. Also note EAs and potential AFSP participants can take these programs for fed tax credit.

Programs that are not acceptable:

- Programs not directly related to federal taxation or federal tax related matters such as personal development, personal investments, office management, non-tax return preparation computer software or sales-oriented presentations for office equipment and other system applications are not acceptable. These may be allowed for CPAs, but they are not allowed per Circular 230, section 10.6, for IRS credit. That statement is key, especially for CPA societies who typically also offer programs to CPAs.
- A program that covers state tax law issues or any non-federal tax content will not qualify for IRS continuing education credit unless at least 80% of the program material consists of federal tax laws and 20% state tax laws or other non-federal tax content. Programs approved by state licensing bodies must meet these criteria to qualify for IRS continuing education credit. Remember, the intent of the 80/20 rule is to ensure that state tax programs have comparisons of fed/state to qualify for IRS credit, not just that one hour out of X number of hours met the 80% rule.
- Examples of non-acceptable programs are Social Security programs dealing with benefits and eligibility, programs that cover only state tax law, general business programs. If they do have 80% federal tax law incorporated into them, they would be ok, but that's not generally what we see.
- If any questions about whether a program qualifies, please send us an e-mail at rpo.ce@irs.gov and we can weigh in. Please have the program material ready as we may need it to assess compliance with Circular 230.

PTIN Upload Tips to avoid getting rejected records

We're not sure if you know that when you report PTIN completion records, via Excel spreadsheet upload, that even though some punctuation is allowed in the name fields, it is stripped out during the validation process.

Even though the punctuation is removed during validation, all fields on the Excel spreadsheet are required when you submit the file, but the PTIN validation that generates the PTIN mismatch message only compares the first four characters of the last name and the PTIN. By requiring all information (first and last name) in the spreadsheet, we can make sure we have additional information for troubleshooting. For instance, we might have a married couple, both have the same last name, but they obviously have different PTINs. By having the first name, we can help troubleshoot as we now have something more to compare in the PTIN system should we need to help.

Dealing with missing/incorrect program numbers

We have received several secure messages requesting assistance regarding programs that were not carried over from 2017. If you realize you didn't carry over an existing prior year program that you are offering in the current year. Please call the CE Provider Help Desk at 1-888-316-7581, M-F, from 8:00 a.m. – 6:00 p.m. ET and tell them you need a prior year program (2017) added to your current year (2018) account. Please have the program number and program title handy for the CSR. Also, remember you will have to answer four security questions correctly before a CSR can access your account and discuss account specific information.

Update email addresses and telephone numbers in the CE Provider system

Too often we encounter problems reaching provider points of contact. For example, some telephone numbers are a general company number with no extension and do not allow us to reach the PPOC's desk without going through a help desk. Sometimes, the help desk knows the person we're looking for and sometimes they don't. If you have an extension, please include it in the extension field and/or include a mobile number. If we leave a message for you, please respond timely. Generally, we do not contact you by telephone unless there is a time sensitive issue or you have been selected for a review.

Also, please ensure that the contact phone number you enter in your account accepts voice mail messages. Several times, we have called the telephone number listed in the account and we get a "mailbox is full" message. This makes it very difficult for us to reach you.

Same with e-mail addresses - please ensure the e-mail address in your account is accurate and it is one that you check often as we have also gotten rejected e-mail messages from invalid or no longer used e-mail addresses.

We will be updating our logo

We wanted to give you a heads up that we will be changing both our IRS Approved CE Provider logo and the logo used by Enrolled Agents in the near future. While the IRS did create these logos in 2012 for our programs, we failed to determine whether the logo presented any legal concerns. Since then, we have determined that use of such insignia, seals, or emblems are prescribed for the use of officers and employees of departments and agencies of the United States, so we will be removing the eagle from the logo.

Once the new logo is available, we will contact you via secure message and provide you the new Provider Logo and style guide. We apologize for any inconvenience, but please begin use of the new logo as soon as it is received.

Future CE Provider calls

For several years, we have held quarterly calls with CE Providers. We feel it has been very beneficial and helped you better understand the IRS RPO CE program, a way to share important information, and eased the transition into the new system. However, many of you are now well versed in the rules & guidelines of the CE program and are quite adept at using the CE Provider system. We are considering only holding semiannual calls moving forward (April and September). We would like you to tell us your preference. Should it stay the way it is (quarterly) or move to a semiannual schedule? Please send your preference to rpo.ce@irs.gov. Unless we hear from you overwhelmingly that you want to stay with the current schedule, we will plan our next call for September 2018 as we're getting ready for annual renewals. But, as always, you can send us e-mails to rpo.ce@irs.gov with questions/comments and send your sensitive information requests through your secure mailbox in the CE Provider system if we reduce the number of calls annually.

AFSP

- For 2017 (those that completed all the CE requirements by 12/31/16), we had 54,484 participants with 50,589 unenrolled preparers, which has always been our target market for this program. That was about 92.9% of our target market. For 2017, 61% of eligible participants signed the Circular 230 consent.
- In comparison, for 2018 (those that completed all the CE requirements by 12/31/17), we have 61,104 AFSP participants as of 4/8/18. This includes 55,882 unenrolled preparers. This is the highest participation rate we've had since the first year of the program. Unenrolled preparers account for 91.4% of all

participants. And the rate for signing the Circular 230 consent was 74.2%, which means you have really helped us get this message out to preparers and we appreciate it. Kudos to all of you who have answered questions from preparers to ensure they understand AFSP and what they need to do to fully participate.

- From 2017 to 2018, participation increased by about 7K preparers and those who signed the Circular 230 consent increased over 13%. Again, thank you for all of your efforts in education preparers.

We were asked what we were going to do to promote the AFSP program this year. I'm going to tell you what we did for 2018 and how that aligns with our plans for 2019.

- In 2017, we sent letters to unenrolled preparers about the AFSP through the PTIN system on 10/10, shortly before renewal season opened.
- We sent one email to PTIN holds on 12/12 who were within 3 CE hours of eligibility to participate and encouraged them to complete their CE by 12/31.
- We promoted AFSP on irs.gov with special pages with all of the detail about AFSP.
- We circulated information to both internal/external stakeholders (i.e. large practitioner groups and those internally who work with those groups to cascade)
 - Through social media, such as Facebook posts, e-news for Tax Pros
 - News release on 12/20
 - Two preparer webinars by SB/SE SL
 - Speeches given by our Director, Carol Campbell, at various tax practitioner events
 - Information booth at all tax forums distributing AFSP brochure

We plan to do similar promotions again this year. The fact that the numbers increased this year is very encouraging and we look forward to your help promoting a successful season again for next year.

One general point about the AFTR course/test for this year regarding TCJA – we did get some questions asking how these provisions should be handled. One thing we want to point out is the Section 1.6, Overview Topics on the course outline. These topics are meant to be high level because they are either new or changed and will not affect every form 1040 filer. However, when you put yourself in the shoes of a preparer, they are things a preparer would want to be aware of so that they could educate their clients, which means the preparer will most likely need to do more research should they encounter the situation. So your job is to give them the basics and tell them where they need to go for additional information that changes after they take your course (we put

the [IRS.gov tax reform web site](#) in your March newsletter). Publish any changes or updates on your web site or via e-mail directly to your AFTR customers.

You don't have to redo your course nor test on any guidance that surfaces after our outline was published (March 30). Even if you are not participating in the AFTR course/test this year, many of you already have or will have federal tax update programs relating to TCJA and will also have to point out areas that are still gray and will require additional guidance from the IRS. We've seen a lot of programs already out there regarding TCJA and we think Providers are doing a great job of pointing out the gray areas requiring more guidance.

As always, if you have specific questions about a topic or want us to look at what you've done with a particular AFTR topic, please send an e-mail to rpo.ce@irs.gov.

Here is some specific information about the AFTR course/test for the 2019 Annual Filing Season Program reflecting 2018 tax returns.

- If you're planning on offering an Annual Federal Tax Refresher (AFTR) course this year we hope you have taken the opportunity to read the 2018 Annual Filing Season Program (AFSP) letter placed in the secure mailbox of your online account on 3/30/18. We encourage you to refer to it several times during the development of your AFTR course.
- AFTR courses cannot be offered to your students until June 1 and students must complete the AFTR course and test by December 31. In addition, as in past years, we will accept no PTIN uploads for the AFTR course/test completion until June 1.
- If you have already obtained an AFTR program number, please remember to notify us when your AFTR course/test and website (if utilized for your test) are fully developed, as all AFTR providers may be subject to an AFTR review. Important: no AFTR program numbers will be issued after October 1. This will allow us to complete any reviews in time for you to offer to preparers by the end of the year.
- Some important things to remember while developing your AFTR course:
 1. The AFTR course is a high level, basic 1040 "refresher" course focusing on tax law pertinent to the preparation of 2018 tax returns.
 2. Be sure all topics listed on the AFTR course outline are sufficiently covered. This year we have a topic listed as "Overview Topics". These are topics that don't require a full detailed description of the topic, but just an overview of the changes as a result of the Tax Cuts & Jobs Act (TCJA).

3. Your AFTR course presentation must be 6 hours (no longer to keep them consistent) in length regardless of delivery method. This will be strictly enforced. This is very important for those of you who videotape your AFTR presentations as it will be difficult to go back and edit if we find it's too long.
4. All delivery methods should provide detailed written material to participants in order to take the open book final exam. If your delivery method is self-study please be sure to use the word count formula to ensure your course meets the 6-hour study requirement.
5. If your Table of Contents does not mirror the course outline, be sure to complete the AFTR Course Outline reconciliation form to document the page number where the topics can be found in your course material. We recommend this be done during the course development.
6. All AFTR documentation must be submitted in Word or PDF format even if the material is web based.
7. All AFTR tests must contain at least one question for each topic on the AFTR course outline and should test only topics specifically covered in the course material.
8. A test reconciliation is required to identify on your comprehension test the domain, tax topic number, and page number in the course material where the answer to the question can be found. Follow the exact format as shown on page 2 in your AFSP info letter. Some providers have had problems with the Identifier number. This is simply the full topic number from the course outline followed by the page number. The test reconciliation allows us to quickly determine if all topics have been tested and where that topic is located in your course material. Please see the 2018 Annual Filing Season Program letter in your mailbox for an example.
9. If your AFTR course and test are selected for review and we identify items needing correction, only one revision of the AFTR course and comprehension test will be allowed.

We thank all of you for your help in getting the word out regarding qualified AFSP participants signing the Circular 230 consent in order to receive their AFSP Record of Completion last year. We hope to have even more success for the upcoming season.