MINUTES
Internal Revenue Service Advisory Council Public Meeting

November 17, 2021, 11 a.m. ET

The meeting was opened by Mel Hardy, Director of the IRS Office of National Public Liaison who gave welcoming remarks followed by John Lipold, Designated Federal Officer, Branch Chief, IRS Office of National Public Liaison, who provided housekeeping information regarding the meeting. Mr. Lipold welcomed the public to the Internal Revenue Service Advisory Council’s (“IRSAC”) November annual public meeting.

Mr. Lipold turned the meeting over to Ben Deneka, Chairman, IRSAC, to provide welcoming remarks. Mr. Deneka also introduced the themes of the IRSAC’s 2021 Public Report (the “Report”) and thanked all who worked to produce it. Mr. Deneka introduced Carol Lew, Vice Chair, IRSAC, who thanked Mr. Deneka, the IRS, and the IRSAC for their work on the report. Mel Hardy then introduced the Commissioner of Internal Revenue, Charles P. Rettig, who provided welcoming remarks and opening comments. Commissioner Rettig also thanked outgoing IRSAC members for their service.

Mr. Deneka then presented an overview of the Report to the Commissioner, including a discussion of the themes of the Report. The following General Report Topics were then presented to the Commissioner:

1. Adequate Funding for the IRS – Phil Poirier, Member, Wage & Investment Subgroup
2. Implementation of the Taxpayer First Act Section 1302, Modernization of Internal Revenue Service Organizational Structure – Joseph Novak, Chair, Large Business & International Subgroup
3. Independent Office of Appeals – Steven Klitzner, Member, Small Business/Self-Employed Subgroup
4. Reduction in Electronic Filing Threshold for Information Return Filers – Wendy Walker, Member, Information Reporting Subgroup
5. Circular 230 Revisions – Kelly Myers, Member, Small Business/Self-Employed Subgroup

Each Subgroup then presented a topic to the Commissioner after introductions of members by the applicable Subgroup Chair: Alexandra Cruz, Information Reporting; Joseph Novak, Large Business & International; Robert Panoff, Small Business/Self-Employed; Nancy Ruoff on behalf of April Goff, Tax Exempt & Government Entities; and Martin Armstrong, Wage & Investment:

- Information Reporting Subgroup
  - Payors of Income Related to Digital Assets Need Information Reporting Withholding Guidance – Wendy Walker, Member, Information Reporting Subgroup
- Large Business & International Subgroup
  - Continuation of Rev. Proc. 94-69 – Joseph Novak, Chair, Large Business & International Subgroup
• Small Business/Self-Employed Subgroup
  o The Compliance Effort Around Abusive Promotors and Preparers – Robert Panoff, Chair, Small Business/Self-Employed Subgroup

• Tax Exempt & Government Entities Subgroup
  o Update, Expand, and Promote Online IRS Guidance for Federal, State, and Local Governments, – Nancy Ruoff, Member, Tax Exempt & Government Entities Subgroup

• Wage & Investment
  o Improving the Taxpayer Experience with Taxpayer Digital Communication Outbound Notification (TDC-ON) Application (Recently Renamed as Digital Notices and Letters (DN&L)) – Martin Armstrong, Chair, Wage and Investment Subgroup

After a short break each Subgroup, after introductions by the applicable Subgroup Chair, presented the remaining issues in the Report as follows:

• Large Business & International Subgroup – Presented to Nikole Flax, Commissioner, Large Business & International
  o Consider Reasonable Cause Prior to Assessing Penalties on International Information Reporting Forms – T. Charles Parr III, Member, Large Business & International Subgroup
  o Protecting the Personal Identifiable Information of Responsible Parties – Katie Sunderland, Member, Large Business & International Subgroup
  o Ensuring the Timely Issuance of Certificate of Residency Forms – Katie Sunderland

• Small Business/Self-Employed Subgroup – Presented to De Lon Harris, Deputy Commissioner, Examination, Small Business/Self-Employed, Darren Guillot, Deputy Commissioner, Collection, Small Business/Self-Employed
  o The IRS COVID-19 Response – Mary Jo Werner, Member, Small Business/Self-Employed Subgroup

• Wage & Investment Subgroup – Presented to David Alito, Deputy Commissioner, Wage & Investment
  o Review of Paid Preparer Due Diligence Training Module – Denise Jackson, Member, Wage & Investment Subgroup
  o Determining the Usefulness of Publication 535 – Martin Rule, Member, Wage & Investment Subgroup
  o Determining the Usefulness of Publication 938 – Antonio Gonzalez, Member, Wage & Investment Subgroup
  o Encouraging Taxpayers to Maximize the Use of Electronic Filing of all Tax Returns, Forms, and Payments – Kathryn Tracy, Member, Wage & Investment Subgroup

• Tax Exempt & Government Entities Subgroup – Presented to Sunita Lough, Commissioner, Tax Exempt & Government Entities, Edward Killen, Deputy Commissioner, Tax Exempt and Government Entities
  o Form 990-N and 990-EZ Thresholds – Jodi Kessler, Member, Tax Exempt & Government Entities Subgroup
  o Reducing the User Fee for Private Letter Rulings for Local, State, and Indian Tribal Governments Related to Tax-Advantaged Bonds – Sharon Brown, Member, Tax Exempt & Government Entities Subgroup

• Information Reporting Subgroup – Presented to Nancy Erwin, Acting Deputy Associate Chief Counsel, International, Ashton P. Trice, Deputy Associate Chief Counsel, Procedure and Administration
  o Foreign Student and Scholar Social Security and Medicare Exemptions – Kevin Valuet, Member, Information Reporting Subgroup
  o Section 1446(f): Withholding on Transfers of Interests in Publicly Traded Partnerships – Seth Poloner, Member, Information Reporting Subgroup
  o Negative Rates – Seth Poloner, Member, Information Reporting Subgroup

After closing remarks by Ben Deneka and Carol Lew, Mel Hardy closed the meeting at 2:45 p.m. ET.
IRSAC Public Meeting Attendees – November 17, 2021

**IRSAC**
Ben Deneka, IRSAC Chair
Carol Lew, IRSAC Vice Chair
Ted Afield
Martin Armstrong
Sharon Brown
Jeremiah Coder
Sam Cohen
Alexandra Cruz
Deborah Fox
Antonio Gonzalez
Robert Howren
Denise Jackson
Jodi Kessler
Steve Klitzner
Kathleen Lach
Kelly Myers
Joseph Novak
Robert Panoff
Charles Parr
Phil Poirier
Seth Poloner
Dawn Rhea
Martin Rule
Nancy Ruoff
Paul Sterbenz
Katie Sunderland
Kathryn Tracy
Kevin Valuet
Wendy Walker
Katrina Welch
Daniel Welytok
Mary Jo Werner
Charles Yovino

**IRS**
Charles Rettig, Commissioner of Internal Revenue
John Lipold, IRSAC DFO
David Alito
Debra Awalt
Ramona Bailey
Tanya Barbosa
Johnnie Beale
Anita Bower
Anna Brown
Stephanie Burch
Casey Conrad
Roseann Cutrone
Nancy Erwin
Sharyn Fisk
Nikole Flax
Adrienne Griffin
Melvin Hardy
Shawn Hooks
Maria Jaramillo
Cynthia Jones
Mireille Khoury
Edward Killen
Terry Lemons
Sunita Lough
Robert Marvin
Timothy McCormally
Lawrence Mosblech
Wanda Patrick
Nancy Rose
Ashton Trice
Brian Ward

Public attendees
Ed Babitzke
Jared Ballew
Peter Barca
Latryna Carlton
Manny Dominguez
Alison Flores
Larry Gray
Kathy Hettick
William Hoffinan
Eric Inkrott
Mary Kallewaard
Courtney Kay-Decker
Robert Kerr
John Kreger
Phyllis Jo Kubey
Chris LaRose
Julie Magee
Jyme Mariani
Sherice McCarthy-Hill
Danielle McDowell
Mimi Nolan
Jim Paille
Andy Phillips
Kathy Pickering
Tim Shaw
Pat Thompson