

## Servicewide Key Messages for Tax Professionals, January 2010

Tax return preparers perform a vital function in assisting taxpayers in meeting their tax obligations. As a tax professional, you have a vested interest (as both a taxpayer and a tax preparer) in the protection of the integrity of the tax filing system. We are committed to providing tax professionals with the information and tools you need to prepare timely, accurate, and complete tax returns for their clients.

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- Webinars, phone forums offer educational opportunities
- Information in Spanish on payment plans/installment agreements
- Online payment agreement application enhancements available
- Taxpayer Advocate Service offers a redesigned online Tax Toolkit
- Reminder of requirement to file Report of Foreign Bank and Financial Accounts Form TD F 90-22.1 (FBAR)
- Not filing returns for three consecutive years means losing tax-exempt status
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## New Virtual Small Business Tax Workshop

The online [Virtual Small Business Tax Workshop](#), an interactive resource to help small business owners learn about their federal tax rights and responsibilities, has been completely revamped. This version of the workshop has a new look and feel, and includes updated content, a new reference section, interactive features, and links to forms, publications, and Web pages.

This dynamic educational product now contains nine stand-alone lessons that can be selected and viewed in any sequence, and bookmarked making it possible to leave and return to a specific point within the lesson. Not only can users customize lessons to meet specific needs, they also have access to a list of useful online references that enhance the learning experience by allowing the user to view references and the video lessons simultaneously.

For more information, visit [Tax.gov](#) and Search "virtual workshop."

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## Webinars, Phone Forums Offer Educational Opportunities

We are planning more educational programs than ever for 2010. Bookmark [National/Local Phone Forums and Webinars for Practitioners](#), and subscribe to [e-News for Tax Professionals](#) for announcements on upcoming programming.

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## Information in Spanish on Payment Plans/Installment Agreements

Our Web site now features Spanish-language information on payment plans and installment agreements. Start at [Arreglos de pago, planes de pagos a plazos](#) and follow the links for answers to frequently asked questions. Each page in Spanish features a “Ver página en inglés” link in the upper-right corner, leading to the corresponding page in English.

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## Online Payment Agreement Application Enhancements Available

New enhancements for [Online Payment Agreements](#) make applying online even easier.

- Taxpayers, or their authorized representatives, can now access IRS.gov, determine if they qualify, apply, set up a payment agreement and receive immediate approval from the IRS
  - Individuals can apply if they receive a balance due notice and those who have not yet received a notice can now apply online
  - Individuals or their authorized representatives can establish agreements on current year Form 1040 liabilities before any notices are sent
  - Authorized practitioners can submit agreements for more than one client while using the program
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## Taxpayer Advocate Service Offers a Redesigned Online Tax Toolkit

The Taxpayer Advocate Service recently redesigned its online [Tax Toolkit](#) to include new features to allow visitors to share tax topics through social media sites like Facebook and YouTube.

[The Toolkit](#), titled “Taxes: What You Need to Know – Responsibilities & Benefits,” focuses on topics of interest to low income, limited English proficiency, and disabled taxpayers. The toolkit includes [videos](#) on basic tax responsibilities, collection alternatives, cancellation of debt income, and many other hot topics. The Basic Tax Responsibility video is now available in Korean, Russian, Vietnamese, and Mandarin Chinese, as well as Spanish and English.

Please direct your clients to the [Toolkit](#) for more information.

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## Reminder of Requirement to File Report of Foreign Bank and Financial Accounts Form TD F 90-22.1 (FBAR)

The deadline to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts (FBAR), with Treasury is June 30th of the year following the calendar year that is being reported. Thus, the deadline to file the FBAR to report a financial interest in or signature authority over a foreign financial account

maintained at any time during the 2009 calendar year is June 30, 2010.

A United States person is not prohibited from owning foreign accounts but civil and criminal penalties may apply for failures to properly file FBARs when required. Additional guidance will be issued for FBARs due in 2010 and subsequent years. This guidance will provide updated instructions and definitions; the form itself will not change. We advise filers to wait for these updated instructions before filing the FBAR for calendar year 2009.

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### **Not Filing Returns for Three Consecutive Years Means Losing Tax-Exempt Status**

Most tax-exempt organizations, other than churches and certain church-related organizations, must file a yearly information return or notice with the IRS; that's a Form 990, 990-EZ, 990-PF or 990-N (e-Postcard).

Filing on time is crucial because the Pension Protection Act of 2006 states that if an organization does not file a required, annual return for three consecutive years; it will automatically lose its tax-exempt status. If it loses its tax exemption, the organization must file income tax returns and pay income tax.

The names of organizations whose tax exemption has been revoked will be listed on IRS.gov, and the IRS will notify the appropriate state officials of these revocations.

Although the three year revocation rule applies only to 990-series returns and notices, this is a good time to make sure that other IRS-related filings are up-to-date, including an organization's Form 941, Employer's Quarterly Federal Tax Return, and Form 990-T, Exempt Organization Business Income Tax Return.

For details, go to the [IRS Charities and Nonprofits Web page](#).

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### **Taxpayers Can Use Their Tax Refund to Buy U.S. Savings Bonds**

Now you can buy Series I U.S. Savings Bonds with your tax refund. All you need to do is file Form 8888, Direct Deposit of Refund to More Than One Account. I bonds can be purchased in increments of \$50 up to \$5,000 in any calendar year.

Generally, you will receive the bond after you receive the remainder of your tax refund. You can use [Where's My Refund?](#) to check the status of your bond purchase. If the IRS has already processed the refund, call the Treasury Retail Securities Site at (800) 245-2804. See [Form 8888](#), Direct Deposit of Refund to More Than One Account, for more details.

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### **E-file Assistance**

[E-help Desk](#) assistors are ready to respond to enrolled agents, reporting agents, electronic return originators, certified public accountants, software developers, and transmitters with non-account-related questions and issues concerning e-products.

The e-help Desk's toll-free number is (866) 255-0654, International phone number: (512) 416-7750

**Note:** Callers who are outside of the continental United States and U.S. Territories should use the

International phone number, 1-512-416-7750. Read more on [IRS.gov](http://IRS.gov).

Hours of operation for the e-help Desk are:

**Core Hours (non-peak):**

Monday through Friday 6:30 a.m. - 6:00 p.m. CST

**Expanded Service:**

Jan. 15 through Apr. 19, 2010 (peak)

Mon. through Fri. 6:30 a.m. - 10 p.m. CST

Sat. Jan. 10 through Apr. 11, 2010 7:30 a.m. - 4 p.m. CST

Holidays Jan. 18 Feb. 15, 2010 6:30 a.m. – 10 p.m. CST

**April 15** (due date for Forms 1040) 6:30 a.m. – 11 p.m. CST

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### **E-file: It's fast; It's safe; It's time**

It's a competitive world. Tax professionals can increase efficiency and reduce costs by using IRS e-file. IRS e-file saves postage and paper costs, saves time and allows the processing of more returns. IRS e-file means faster refunds for clients.

When used with direct deposit, a client can receive a refund in as little as 10 days. For those who owe, IRS e-file gives clients the flexibility to file now and pay by April 15. Read more at [e-file Made Easy - A Tax Professional's One-Stop e-file and e-Pay Shop](#).

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### **EITC and Return Preparers**

More than 65 percent of EITC returns are prepared by paid professionals, making preparers critical to EITC return accuracy. Due diligence requirements are designed to help ensure accurate claims. EITC due diligence for preparers includes a "knowledge" factor, requiring you to know the law, ask the right questions, and get all the facts, in addition to several recordkeeping requirements.

Everything you need to prepare accurate EITC claims – forms, tax law, educational and marketing materials – is online. You can brush up on the new EITC tax law, learn about your due diligence responsibilities and more using these valuable resources:

- The Tax Preparer toolkit at [EITC Central](#), including a new online training module and other educational and marketing materials
- IRS.gov [EITC page for Tax Professionals](#) for the latest tax information, regulations, etc.
- [Publication 4687](#), EITC Due Diligence Brochure, for an overview of your responsibilities

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### **Practitioner Priority Services**

[Practitioner Priority Service](#)® is a nationwide, toll-free, professional support-line staffed by IRS customer service representatives specially trained to handle tax practitioners' questions. PPS is a valuable resource practitioners may use in resolving their clients' account-related issues. A third-party authorization will be required for disclosure of a taxpayer's specific information.

The types of assistance offered by PPS include:

- Account problems – individual or business
- Complex refunds – undeliverable, destroyed, refund repayment, erroneous refunds, and refund offsets
- Installment agreements – arrangements to pay balance due accounts
- Locating missing payments
- General information – IRS communications, notices, etc.

PPS can be reached at 1-866-860-4259. Hours of operation are Monday through Friday, 8 a.m. to 8 p.m. local time (Alaska and Hawaii follow Pacific Time).

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### **Practitioner Assistance for Volunteer Income Tax Assistance and Tax Counseling for the Elderly**

As a tax practitioner, you have many opportunities to participate in one of the volunteer programs. Practitioners can help organize volunteer tax sites, participate as volunteer tax preparers, lend their expertise as classroom instructors, serve as technical advisors, or serve as quality reviewers ensuring the accuracy of the volunteer returns. Each of these activities is an important aspect for VITA/TCE and your contribution adds valuable assistance to the program.

Becoming a volunteer can be personally rewarding and provides support to your local community. If you would like to help, you can contact the IRS at 1-800-829-1040 and give them your name, telephone number and location, or send an email to [partner@irs.gov](mailto:partner@irs.gov). A local IRS representative will connect you with the nearest organizations offering VITA or TCE.

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### **Where's My Refund?**

Point your clients to [Where's My Refund?](#) or [¿Dónde está mi reembolso?](#) on IRS.gov for quick, easy, and secure refund information. Your clients can access their refund information 72 hours after IRS acknowledges receipt of their e-filed returns or three to four weeks after mailing paper returns. Remind them to have a copy of their tax return handy to provide the following information:

- Their social security number (or individual taxpayer identification number);
- Their filing status; and
- The exact whole dollar amount of their refund

Clients without Internet access can call IRS' Refund Hotline at (800) 829-1954.

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### **Proposed New Requirements for Tax Return Preparers**

On Jan. 4, 2010, IRS released the results of a six-month study proposing increased oversight of tax return preparers. The recommendations are intended to establish minimum standards and better consistency, while increasing confidence in the tax system and yielding greater compliance with tax laws. The proposed changes outlined in the report involve:

- Mandatory Tax Return Preparer Registration
- Competency examination requirement

- Continuing Professional Education
- Ethical standards
- Tax return preparer enforcement
- Tax return preparation software
- Refund settlement products
- Public awareness and service enhancements

See details and stay up to date on the progress of these proposals by visiting the [Tax Professionals](#) Web page frequently.

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## **Report Wrongdoing by Preparers or IRS Employees**

The Treasury Inspector General for Tax Administration is the sole agency responsible for overseeing the IRS and for protecting the integrity of tax administration.

TIGTA investigates allegations of IRS employee misconduct and wrongdoing, as well as external attempts to corrupt or impede the internal revenue laws through bribery, the use of fraudulent IRS documentation to advance criminal activity and impersonation of the IRS in both documents and via the internet. TIGTA's efforts to protect the integrity of federal tax administration also extend to investigations of impropriety in the tax preparer community. TIGTA investigations in this area primarily include the theft of remittances intended for the IRS, theft of client refunds, and overstatement of qualifications on Form 2848.

Tax professionals are the front line of defense against efforts to corrupt the integrity of tax administration. If you witness what you believe to be wrongdoing, please contact one of [TIGTA's local offices](#) or [TIGTA's Complaint Hotline](#).

### **For more information about TIGTA**

TIGTA maintains a public [Website](#) where tax preparers and the general public can learn more about TIGTA's investigations and sign up to receive email alerts for newly posted content.

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## **2009 Economic Recovery Payment Verified Through Other Agencies**

A one-time payment of \$250 was made in 2009 to recipients receiving benefits from the Social Security Administration, disabled veterans receiving benefits from the U.S. Department of Veterans Affairs, and Railroad Retirement beneficiaries.

Taxpayers who need verification about receipt of the [2009 Economic Recovery Payment](#) should personally contact their respective agency for confirmation, not the IRS, before completing and filing their 2009 tax return in 2010.