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Internal Revenue Service Office of Practitioner Liaison: 2007 Annual Meeting

By Christopher M. Reimer

Since 2005, Tom Long and I have served as the representatives of the Wyoming State Bar in front of the Internal Revenue Service Office of Stakeholder Liaison. The Stakeholder Liaison Office was created in 2005 by the IRS to facilitate communication with organizations whose professional members represent small business and self-employed taxpayers, including the Wyoming State Bar.

On November 7, 2007, the IRS held a Wyoming Practitioner Liaison Meeting in Cheyenne. The morning session included a presentation from Sharon Eckberg from the Stakeholder Liaison office in Billings, Montana. She discussed the recent efforts by the IRS to ease the rules with respect to late filed "S" elections and the issuance of Rev. Proc. 2007-62. That ruling provides a simplified method for requesting late "S" election relief by permitting taxpayers to file their late "S" election along with their first "S" corporation tax return.

Marilyn Bodwell, a collections revenue officer from Fort Collins, Colorado, discussed the general procedure of a collections case before it is assigned to an actual person inside the IRS. Typically, before a revenue officer is assigned to a case, the taxpayer will already have undergone receipt of automatically mailed notices and demands for payment through the Automated Collection System (ACS). Once an actual revenue officer is assigned, she discussed how the officer typically tries to facilitate an installment agreement prior to actually levying property. National standards have recently changed with respect to qualification for installment agreements. Recently out of pocket medical expenses have been averaged and incorporated into the IRS collection financial standards.

Ms. Bodwell also discussed how taxpayers can request a collections due process (CDP) hearing prior to a seizure of property by the IRS. If a taxpayer fails to make a timely CDP claim, the IRS has procedures for an "equivalency" hearing, which allows a taxpayer an opportunity to speak with a hearing officer even if he/she failed to timely make the CDP hearing request.

June Murphy from the Phoenix Liaison Office discussed how the Liaison Office coordinates with the Federal Emergency Management Agency (FEMA). When a federal disaster area is declared (like the areas damaged by hurricane Katrina or the recent fires in California), the IRS Liaison Office coordinates with FEMA to provide support to taxpayers. The Liaison Office will distribute paperwork like Publication 584-B, which contains a worksheet for taxpayers to determine loss as a result of a disaster. The Liaison Office also sends volunteers to help taxpayers, or gives out phone numbers of volunteers to help disaster victims with tax questions. Normally the volunteers who participate are members of an organization with a relationship with the Liaison Office. If there is any interest among Wyoming State Bar members, our organization could become a "sponsor" whose members could physically go to assist disaster victims, or be available by phone to assist taxpayers in disaster areas. Once a sponsorship relationship is established, any member of the bar could volunteer. The only requirement is to sign a "Volunteer Service Agreement" that requires the bar member to (1) agree to serve on a volunteer basis, (2) be in good standing with the IRS, (3) be in good standing with the Wyoming State Bar, (4) agree not to use participation in the disaster assistance program to suggest that IRS prefers or endorses that volunteer, (5) agree to keep confidential any tax information provided by individuals at FEMA Disaster Recovery Centers, and (6) complete the required training to provide tax information and assistance to disaster victims. If any bar members have an interest in volunteering, please let me know.

Ann Logan from the Wyoming Taxpayer Advocate Service (TAS) made a presentation in the afternoon session. TAS is a division of the IRS with the authority to issue Taxpayer Assistance Orders to help taxpayers by stopping levy, ordering inquiries into taxpayer accounts, etc. The local TAS can take any case where a taxpayer will face financial hardship due to IRS action (typically a levy or a lien). Interestingly, the local TAS office has seen stolen identity cases double over the last year. In one case she described, a taxpayer's W-2 was sent to an incorrect address, and was used by a fraudster to file for a refund. The refund check was sent to the incorrect address and cashed by the fraudster. When the IRS later audited the refund, it started collection action against the innocent taxpayer who had no idea a refund claim had been filed.

TAS can also address systemic issues, such as significant delay beyond normal processing time, or if no response is received from the IRS beyond a promised date. The TAS national office submits an annual report to Congress, and a report of the top twenty issues affecting taxpayers and formulating objectives to address those issues, both of which can be viewed on www.irs.gov.

Our firm has taken advantage of TAS in the last year. As some of you may know, the IRS recently offered early retirement to many of their estate and gift tax examiners. As a result, Wyoming currently has no local estate and gift tax examiner. We had an estate tax audit that was assigned to an IRS attorney in California, and by enlisting the help of TAS we were able to receive an estate closing letter after the audit was complete.

Donna Dobson from the Cheyenne office of the IRS gave a general discussion of various IRS programs, including the electronic federal tax payment system (EFTPS), the IRS private debt collection program, and how a taxpayer can go online to enter into an online payment agreement (OPA) without having to call or visit an IRS office to set up a payment plan for tax due. She also generally discussed IRS E-services, which now allow practitioners to use three separate online products known as Disclosure Authorization, Electronic Account Resolution, and Transcript Delivery System.

Any member of the bar who would like more information about the topics covered during the Wyoming Stakeholder Liaison meeting, or general questions about the Office of Stakeholder

Liaison, should contact me or Tom Long directly at: Long Reimer Winegar LLP, PO Box 87, Cheyenne, WY 82003, 307-635-0710, creimer@lrw-law.com; tlong@lrw-law.com.

Christopher M. Reimer is partner at the Cheyenne-Jackson law firm of Long Reimer Winegar LLP. He received a B.S. in Accounting from the University of Wyoming in 2001, a J.D. from the University of Wyoming College of Law in 2004, and an LL.M. in Taxation from the University of Denver in 2006.