Questions and Responses from
IRS Fresno Campus Practitioner Outreach Event
July 30, 2009

The following is the first set of responses received for the questions submitted by the practitioners who attended the IRS Fresno Campus event and tour. Similar questions were combined and simplified to address issues that are general and applicable to the majority of practitioners and not specific to an individual taxpayer.

Q: How are IRS employees identifying themselves when they call for taxpayer information? How can the Taxpayer or Practitioners know they are not disclosing to incorrect people?

> **A:** IRS employees, calling taxpayers or practitioners to discuss account issues, identify themselves by providing their (1) last name, (2) title, (3) badge number, and indicate that they are calling from the Internal Revenue Service. This identification is provided only when the taxpayer or authorized representative has been reached. The Service recognizes that the risk of identity theft is a legitimate concern that arises whenever a caller asks for the taxpayer's SSN or EIN. If the customer questions that the call is actually from the IRS, the IRS employee will provide the taxpayer with the last four digits of his or her SSN or EIN, and then request that the taxpayer verify the first five digits to confirm their identity. If the customer is still unsure that the call is from the IRS and chooses not to confirm their SSN or EIN, they are asked to call back using the IRS toll free number to discuss the account. The toll free number will be provided to the customer, and the IRS phone number can be confirmed by accessing the IRS.gov web site.

Q: How does a practitioner get their call expedited from the Practitioner Priority Service (PPS) to the Automated Underreporter (AUR) Unit?

> **A:** Practitioners using the PPS toll free number with issues involving AUR are "live" transferred to the AUR assistors. These transferred calls are given priority treatment and are answered more quickly than calls made directly to AUR.

Q: How is a request made to keep an Automated Collection Service (ACS) case with the same employee for consistency purposes?

> **A:** All ACS employees are able to work with any customer; information on previous contacts is documented and allows the next assistor to pick up where the last customer interaction left off. Incoming calls are routed to the next available assistor nationwide to provide prompt service. If the customer feels that they have received inconsistent information or that various employees are following different procedures, they have the right to speak to the manager to discuss their concerns.

Q: When will e-Services be updated to allow correspondence to be transmitted to AUR and Correspondence Exam?

> **A:** At this time, an upgrade to allow transmittance of correspondence to AUR and Exam has been postponed due to security issues.

Q: Please provide an explanation of how e-Fax will work and when it will be available.

> **A:** Electronic Fax (e-Fax) is a server-based solution that allows incoming and outgoing transmissions without having someone attend to a facsimile machine. Facsimile files can be routed to an employee desktop via the Outlook client or viewed utilizing Internet Explorer browser on the fax server web client. During the Interim deployment phase, faxes can be queried based on originating fax number, the number called, and/or date and time delivered and printing can be done selectively. e-FAX utilizes the Captaris Commercial Off the Shelf (COTS) product called RightFax to accomplish its business mission. At this time, deployment has been postponed due to security issues.

Q: How often are National Standards reviewed and updated for Collection related cases?

> **A:** This information is "refreshed" once a year and is based on Bureau of Labor Statistics data. This information is usually received by the IRS in January or February.

Q: How many Schedule Cs can be filed with a paper return?

> **A:** Unlimited if you file a paper return.

Q: How many Schedule Cs will the IRS input into their system for a paper return?

> **A:** The IRS will combine Schedule C's if more than 3 are submitted by the taxpayer; the IRS will combine to 3 Schedule C's, per the IRS web site, IRS.gov. It is not the taxpayer's responsibility to combine Schedule C's; they should follow their instructions to file a separate Schedule C for each business as given in the Forms and Instructions booklet.

Q: How many Schedule Es can be filed with a paper return?

> **A:** Again unlimited if you file a paper return.

Q: How many Schedule Es will the IRS input into their system for a paper return?

> **A:** The IRS will combine to one Schedule E (per the IRS web site irs.gov), if the taxpayer has not followed their instructions to provide a summary Schedule E, as given in Publication 17.

Q: Considering all of the Forms 1040X filed with the IRS Fresno Campus, both easy and complicated, how long does it take before an easy case is processed, and what is the backlog, if any?

> **A:** If the Fresno Campus received a simple Form 1040X (based on IRS criteria) on Monday, July 27, 2009, they would begin working that amended return on Friday, July 31, 2009. Of all Forms 1040X received, about 45-50% qualify as "easy" by IRS definition. It takes approximately six minutes for a tax examiner to work or enter an easy Form 1040X on the computer system, and once completed, the system will send the refund or update the taxpayer's account that a payment is due and a notice is issued.

Q: The IRS began using a new program recently to process the easy 1040Xs. What is the name of that program?

> **A:** JEEDA.

Q: Why was the 1040X processing program given that name?

> **A:** The program received that name as simply as "Gee da, why didn't we do that before."   The IRS combined coding and entry into one area that made it much faster to enter a Form 1040X into the IRS computer system. About 10 "easy" amended returns can be processed in an hour. More difficult Forms 1040X are sent to another unit for processing.

Q: The IRS processes a 1040 tax return that has a Schedule A. The return has an amount on Line 21 for employee business expenses. At what number on this line is the IRS looking for a Form 2106 to support the number reported?

> **A:** The IRS requires Form 2106 if the taxpayer claims any travel, transportation, meal or entertainment expenses for their job, or their employer paid them for any of their job expenses that would otherwise be reported on line 20, per taxpayer instructions given in the Forms and Instructions booklet. Due to IRS policy, the IRS cannot confirm whether or not a specific dollar amount on line 21 of Schedule A requires a Form 2106 to support the amount reported.

Q: What type of forms, if any are scanned at the IRS Fresno Campus?

> **A:** Difficult Forms 1040X. The IRS will scan the entire return and supporting documents for the difficult Forms 1040X received. At that point, a taxpayer could call in and check the status of that return. For the easy Forms 1040X, they are not scanned, but the information as to status is available once the return is worked by the tax examiner.

Q: For the IRS to process a payment and correctly apply it to the correct taxpayer, the IRS needs certain information about the payment. What are the five things the IRS needs to know?

> **A:** (1) Complete 9 digit Identification number (SSN or EIN) of the taxpayer for whom the payment is being made, (2) year the payment is for, (3) the Form the payment if being made for, (4) the date the payment was received by the IRS (not the date the payment is being processed but date of actual receipt), and (5) the name of the taxpayer for whom the payment is being made. The IRS regularly receives payments by a person on behalf of another taxpayer. In effect, the name on the check or even the name on a money order is not the name of the taxpayer for whom the payment is made. For instance parents send in a payment for a child or an individual pays tax for a corporation or other entity.