

2013 Taxpayer Advocacy Panel Recommendations

Total Elevated Issues 148

TAP Issue ID: 26553 Elevated Date: 10/21/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Revise 2273C Letter	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve notices and general correspondence letters.</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification, delaying issue resolution, and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	<p>The goal of this project is to recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.</p>
	<ol style="list-style-type: none"> 1. Reduce letters to one page, whenever possible, with more white space. 2. Clearly separate the date from other information in the top right corner. 3. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 4. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter" next to that comment. Currently the letter just has a line that says "reason for this notice," with nothing typed next to it stating the reason. 5. Remove all content that is general in nature from the basic letter. Readers should be directed to a corresponding website landing page or add enclosures. Just like it has been done with Notices, provide a landing page in the same format as the Notices Landing Pages that includes such information as: <ul style="list-style-type: none"> • General Information on Installment Agreements; • Form 13844/How to Qualify for Reduced User Fee; • General Federal income tax information (including information tax rates, income tax withheld, and estimated payments);

Proposed Solution or Task

- A toll-free number to call if further assistance is needed; and
 - Frequently Asked Questions (FAQs.)
6. Use consistent language. Sometimes the letter uses “account”; sometimes it uses “tax assessment.” The term should be “Installment Agreement” when used for the first time in the letter and then “Agreement” should be used throughout the rest of the letter.
7. Group the letter into different sections. These sections should include:
- Payment Options;
 - Penalties and Interest; and
 - Exceptions and Waivers.
8. Emphasize the IRS must receive the payment “by the payment due date” to avoid ambiguity about when payment must be sent.
9. Highlight information about the tax lien, make it bold.
10. Do not require FULL Social Security Numbers on any correspondence or checks, due to ID theft concerns. Suggest using last four of Social Security Number.
11. Add impact information concerning “If You Miss a Payment” and list the contact information for the Local Taxpayer Advocate.
12. IRS contact information (Address & Telephone) should be in one place. Do not write “contact the IRS or us” without specific contact information.
13. Add a sentence suggesting the Taxpayer should retain a copy for their records.
14. Add a sentence to “Please include a copy of this letter with all written correspondence along with a phone number where you can be reached.”
15. Include a copy of the new/modified Installment Agreement that replaces all previous agreements/ attachments when the agreement is modified.
16. Add another selection for the opening paragraph (items E, F, G, and H) that reads: “This letter confirms our conversation on [date].”
17. Change the second sentence of Paragraph N to read “Your new monthly payment of...”
18. Decompose the paragraph following Paragraph V into 2 selections. One selection requesting the taxpayer to write last four of their Social Security Number on their check if the taxpayer is an individual. The second selection requesting the taxpayer to write their Employer Identification Number on their check if the taxpayer is an employer.
19. Include a section that clearly states the following:
- Total amount owed;
 - Agreed upon payment amount;
 - Date that payments are due to IRS; and
 - Total amount the taxpayer will have paid or incurred including penalties and interest, if this agreement runs to term.
- The length of the letter is determined by the number of paragraphs used to compose the correspondence. Depending upon the conditions present on the account the letters are of varying lengths. The limitations of the Correspondex system used for letter production do not allow for programming of white space.

IRS Initial Response

The Correspondex system used to generate the Letter 2273C does not have the capability to separate the date from the other information in the letter.

The Correspondex system used to generate the Letter 2273C does not have the capability to produce an IRS letterhead similar to that used by the Notices, which are produced via a different composition tool.

The Correspondex system used to produce the Letter 2273C does not have the capability to provide formatting similar to that found on Notices, which are produced via a separate composition tool.

A "FAQ" page exists for the Letter 2273C on irs.gov. The current revision of the Letter 2273C does not adequately direct recipients to that FAQ page. The Letter 2273C will be revised to provide more specific direction to the page.

IRS is unable to find any use of the term "tax assessment" in the Letter 2273C.

Systemic limitations in the Correspondex system used for production of the Letter 2273C do not allow the "grouping" described in the recommendation.

There is no evidence of ambiguity in the language currently used in the Letter 2273C, which provides a payment due date for the monthly installment.

Systemic limitations in the Correspondex system used in production of the Letter 2273C do not allow for bolding or other emphasis in text.

The IRS has efforts underway to redact Taxpayer Identification Numbers from correspondence. Currently that initiative is limited to Notices, due to systemic limitations in the Correspondex system used to produce Letters such as the Letter 2273C.

Paragraphs "K" and "V" of the Letter 2273C already address this information.

IRS contact information is contained in each Letter 2273C when it is generated. The phrase "contact the IRS or us" is not present in the letter.

This information is already present in the "closing" section of the Letter 2273C.

The following text is already present in the "Closing" section of Letter 2273C:
"When you write, include a copy of this letter and provide in the spaces below your telephone number with the hours we can reach you."

There is no literal paper agreement. The agreement is entered systemically by IRS and the Letter 2273C is generated to inform the taxpayer of the agreement. This information is already present on the Letter 2273C in Paragraph "H".

Paragraph "N" of Letter 2273C already contains this information.

The language as currently presented is clear. There is no indication that the language as currently written is leading to taxpayer burden or confusion.

Systemic limitations in the Correspondex system used to produce the Letter 2273C do not allow for the information recommended to be displayed on the letter. The total amount owed as well as the payment amount and due date of the payment are shown on the letter in Paragraph "N" and "R"

TAP Issue ID: 26554 Elevated Date: 10/21/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Revise 3217C Letter	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve notices and general correspondence letters.</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification, delaying issue resolution, and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	The goal of this project is to recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.
	<ol style="list-style-type: none"> 1. Reduce letters to one page, whenever possible, with more white space. 2. Clearly separate the date from other information in the top right corner. 3. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 4. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter" next to that comment. Currently the letter just has a line that says "reason for this notice", with nothing typed next to it stating the reason. 5. Remove all content that is general in nature from the basic letter. Readers should be directed to a corresponding website landing page or add enclosures. Just like it has been done with Notices, provide a landing page in the same format as the Notices Landing Pages that includes such information as: <ul style="list-style-type: none"> • General Information on Installment Agreements; • Form 13844/How to Qualify for Reduced User Fee; • General Federal income tax information (including information tax rates, income tax withheld, and estimated payments;) • A toll free number to call if further assistance is needed; and <ul style="list-style-type: none"> • Frequently Asked Questions (FAQs.) 6. Use consistent language. Sometimes the letter uses "account"; sometimes it uses "tax assessment". The term should be "Installment Agreement" when used for the first time in the letter and then "Agreement" should be used throughout the rest of the letter.

Proposed Solution or Task	<p>7. Group the letter into different sections. These sections should include:</p> <ul style="list-style-type: none"> • Payment Options; • Penalties and Interest; and • Exceptions and Waivers. <p>8. Emphasize the IRS must receive the payment “by the payment due date” to avoid ambiguity about when payment must be sent.</p> <p>9. Highlight information about the tax lien, make it bold.</p> <p>10. Do not require FULL Social Security Numbers on any correspondence or checks, due to ID theft concerns. Suggest using last four of Social Security Number.</p> <p>11. Add impact information concerning “If You Miss a Payment” and list the contact information for the Local Taxpayer Advocate.</p> <p>12. IRS contact information (Address & Telephone) should be in one place. Do not write “contact the IRS or us” without specific contact information.</p> <p>13. Add a sentence suggesting the Taxpayer should retain a copy for their records.</p> <p>14. Add a sentence to “Please include a copy of this letter with all written correspondence along with a phone number where you can be reached”.</p> <p>15. Include a copy of the new/modified Installment Agreement that replaces all previous agreements/ attachments when the agreement is modified.</p> <p>16. The payment voucher should be located at the bottom of the first page, identifying it as the “First Payment Voucher”, with exactly how much is due with this first payment.</p> <p>17. Page 1, Paragraph 1:</p> <ul style="list-style-type: none"> • Add “including all interest and penalties” at the end of the sentence that states: “Thereafter, send us that amount owed to arrive by the 5th of each month, until you’ve paid the full amount you owe;” • Give options to taxpayers who wish to pay the Agreement in full • Add “One Time \$105 User Fee;” and • Change the phrase “you may wish” to “should you wish” or “if you would like to”, to make it more conditional or a perceived option to the taxpayer. <p>18. Page 2 (numbers 1-5), change “you will” to “you must”.</p> <p>19. Page 3, number 8, add “therefore, you must continue to make your monthly payments” to the end.</p> <p>20. Page 3, number 10, include what circumstances the IRS can file a lien.</p>
IRS Initial Response	Received IRS responses with varied responses.
IRS Final Response	Received IRS responses with varied responses.

TAP Issue ID: 26555 Elevated Date: 10/21/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Revise 4458C Letter	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve notices and general correspondence letters.</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification, delaying issue resolution, and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	The goal of this project is to recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.
	<ol style="list-style-type: none"> 1. Reduce letters to one page, whenever possible, with more white space. 2. Clearly separate the date from other information in the top right corner. 3. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 4. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter" next to that comment. Currently the letter just has a line that says "reason for this notice", with nothing typed next to it stating the reason. 5. Remove all content that is general in nature from the basic letter. Readers should be directed to a corresponding website landing page or add enclosures. Just like it has been done with Notices, provide a landing page in the same format as the Notices Landing Pages that includes such information as: <ul style="list-style-type: none"> • General Information on Installment Agreements; • Form 13844/How to Qualify for Reduced User Fee; • General Federal income tax information (including information tax rates, income tax withheld, and estimated payments;) • A toll free number to call if further assistance is needed; and <ul style="list-style-type: none"> • Frequently Asked Questions (FAQs.) 6. Use consistent language. Sometimes the letter uses "account"; sometimes it uses "tax assessment". The term should be "Installment Agreement" when used for the first time in the letter and then "Agreement" should be used throughout the rest of the letter.

Proposed Solution or Task

7. Group the letter into different sections. These sections should include:
 - Payment Options;
 - Penalties and Interest; and
 - Exceptions and Waivers.
8. Emphasize the IRS must receive the payment “by the payment due date” to avoid ambiguity about when payment must be sent.
9. Highlight information about the tax lien, make it bold.
10. Do not require full Social Security Numbers on any correspondence or checks, due to ID theft concerns. Suggest using last four of Social Security Number.
11. Add impact information concerning “If You Miss a Payment” and list the contact information for the Local Taxpayer Advocate.
12. IRS contact information (Address & Telephone) should be in one place. Do not write “contact the IRS or us” without specific contact information.
13. Add a sentence suggesting the Taxpayer should retain a copy for their records.
14. Add a sentence to “Please include a copy of this letter with all written correspondence along with a phone number where you can be reached”.
15. Include a copy of the new/modified Installment Agreement that replaces all previous agreements/ attachments when the agreement is modified.
16. Page 1, Paragraph 1:
 - Change “Our records indicate that you missed an installment agreement payment...” to “Our records indicate that you missed a second installment agreement payment.” The dates of your missed payments were {insert date} and {insert date}.” This would reduce confusion as the intent and allow the taxpayer to see the dates and check their records in case there is a disagreement/discrepancy; and
 - Third sentence: move “We understand you may...” to lower in the letter. The taxpayer should concentrate on their next step which is under the “What you need to do immediately” heading.
17. Page 1, “What you immediately need to do” heading: change the wording from “...ignore this notice if you have already paid,” to “If you’ve already made your monthly payment, thank you. No further action is required.”
18. Page 1, “If We Don’t Hear From You” heading: Add “If you miss a third payment, the installment agreement will be cancelled. Missing the payment will result in additional enforcement actions, and filing of a notice of intent to levy.” This clearly and accurately communicates that it is the third payment missed that automatically cancels the agreement.
19. Page 1, “Additional Information” heading: Add “We understand that during these uncertain financial times, you may have difficulty in meeting the terms of your installment agreement.”

TAP Issue ID: 26591 Elevated Date: 09/06/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Issue Partially Implemented
Title: Letter 2273C Frequently Asked Questions	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notice and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve IRS Letter 2273C Frequently Asked Questions Landing Page, hereinafter, "Letter 2273C Landing Page."</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification; delaying issue resolution; and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	To make recommendations to the Letter 2273C Landing Page that provides additional information for taxpayer education and clarification.
Proposed Solution or Task	<p>What is this letter telling me?</p> <ol style="list-style-type: none"> 1. Change first question from "What is this letter telling me?" to "What is this letter and why am I receiving it?" 2. Change "This letter is telling you that we have accepted your oral or written request to pay what you owe the IRS in installments" to "This letter confirms that we have accepted your oral or written request to pay what you owe the IRS in installments." 3. Change "The letter will also provide instructions on how to apply for the Low Income Fee Reduction (if you qualify)" to "The letter provides instructions on how to apply for the Low Income Fee Reduction (if you qualify)." <p>What do I have to do?</p> <ol style="list-style-type: none"> 4. Replace "You should mail your payment to us 5 days prior to the due date" with "You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the payment due date." <p>How much time do I have?</p> <ol style="list-style-type: none"> 5. Remove "The letter is usually mailed 4 to 6 weeks before your first payment due" to "The letter will tell when your first payment is due." <p>Who should I contact?</p> <ol style="list-style-type: none"> 6. The answer provided does not match the question.

7. Answer in this section should contain "Call IRS at xxx-xxx-xxxx or email at xxxxx@irs.gov." There should be some specific contact information in this section.

Add the following questions with answers:

8. When do I need to provide a financial statement and what information is needed?

9. What is an electronic payment?

10. When can the IRS file a tax lien?

Background, Research, and Analysis:

Taxpayers continue to exhibit anxiety, frustration, and apprehension toward the IRS and its correspondence (notices and letters). The IRS sends confusing, vague, and inconsistent instructions. Landing Pages are critical in answering taxpayer questions regarding letters and notices. By providing clear and comprehensive information on the Landing Pages, taxpayers could achieve higher compliance frequency.

The TAP Notice and Correspondence Project Committee worked with IRS Program Owners (Notices Office) to improve Letter 2273C Landing Page. The TAP committee read and reacted to the submitted Landing Page. TAP then documented their reactions as feedback and submitted suggestions for improving clarity, understanding, and tone.

IRS Initial Response

1. Change first question from “What is this letter telling me?” to “What is this letter and why am I receiving it?”
 2. Change “This letter is telling you that we have accepted your oral or written request to pay what you owe the IRS in installments” to “This letter confirms that we have accepted your oral or written request to pay what you owe the IRS in installments.”
 3. Change “The letter will also provide instructions on how to apply for the Low Income Fee Reduction (if you qualify)” to “The letter provides instructions on how to apply for the Low Income Fee Reduction (if you qualify).”
- IRS Response Detail:
- IRS agrees with this recommendation and will make the necessary changes to the letter
4. Replace “You should mail your payment to us 5 days prior to the due date” with “You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the payment due date.”
- IRS accepts this recommendation and will implement the change.
5. Remove “The letter is usually mailed 4 to 6 weeks before your first payment due” to “The letter will tell when your first payment is due.”
- IRS accepts this recommendation and the change to the letter has already been completed.
6. The answer provided does not match the question.
 7. Answer in this section should contain “Call IRS at xxx-xxx-xxxx or email at xxxxx@irs.gov.” There should be some specific contact information in this section.
- IRS accepts this recommendation and will revise the letter to reflect the recommendation.
8. When do I need to provide a financial statement and what information is needed?
 9. What is an electronic payment?
 10. When can the IRS file a tax lien?
- This information is already contained in the letter and/or in the attachments provided with the letter.

TAP Issue ID: 27746 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Revise Letter 96C	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notice and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to make suggestions to IRS Letter 96C.</p>
Project Goal Statement	To recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.

Proposed Solution or Task

1. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices.
2. Put the reason for the Letter after the addresses (just like in a Notice). State "Reason For This Letter". Currently the letter has no subject header giving the reason for this notice
3. Paragraph K, change sentence to read: "After reviewing the information you provide, no further action was necessary on your account."
4. Paragraph O, second sentence change to: "Please allow up to 60 days for processing."
5. Paragraph P is confusing. Is the second sentence necessary? If so, change to: "You have protected your rights by filing your claim on time. For further information on taxpayers rights, please visit."
6. Paragraph S
 - First paragraph, second sentence replace: "You should pay now because..." with "Penalties and interest will continue to build until the balance is paid in full." Second paragraph first sentence change to: A general explanation has been provided of the possible penalties and/or interest included in the current balance due on your account.
 - Under Paying Late – IRC Section 6651 (d) second paragraph, add first sentence: "If a Notice of Intent to Levy is issued and the balance due isn't paid within 10 days from the date of the notice, the penalty increases to 1% a month."
 - Under Filing and Paying Late – IRC Section 6651 change first sentence to read: "A 5% combined penalty of 4 ½% for filing late and ½% for paying late will be charged when a return is filed late and the tax is not paid by the due date of the return." Change third sentence after late, the ½% late paying penalty will continue to be charged for each month or part of a month for as long as the tax is unpaid, but not for more than 25%. Change fourth sentence to: "The maximum penalty that can be charged is 47 ½% (22 ½% late filing plus 25% late paying)."
 - Under Interest – IRC Section 6601 change to read: "Interest is charged when tax is not paid on time. Interest is figured from the due date of the return (regardless of extensions) to the date we receive full payment or the date of the notice."

TAP Issue ID: 27747 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Letter 0147C	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to make suggestions to IRS Letter 0147C.</p>
Project Goal Statement	To recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.

Proposed Solution or Task

1. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices.
2. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter". Currently the letter just has no subject header giving the reason for this notice
3. Paragraph J: add sentence to advise the taxpayer of what action is being taken. For example, "We are processing your return using this EIN."
4. Paragraph K: remove the word "therefore" in the third sentence. This will make the statement more businesslike.
5. Paragraph P: break the sentence where the line about relocating the business is separate.
6. Paragraph Q: add that the taxpayer should use the new number from then on.
7. Paragraph 6: look at a final product as an example to see if the list of numbers and taxpayers are the incorrect data or the correct data. The language of the paragraph should state this.
8. In general when a form SS-4 is necessary, provide the taxpayer with a link to the form and instructions. These are currently at two separate locations on the IRS website, one for the form and one for the instructions. We suggest combining the form and instructions in one location and stating that in the letter.
9. The various paragraphs make extensive use of personal pronouns. These serve to make the letter more like a discussion than an effort to assist the taxpayer in resolving a problem which until he/she receives the letter they may not know exists. If this is not intentional, consider changing some of the phrasing. For example, where paragraph D says "call us", it could say "contact this office".

TAP Issue ID: 27807 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Letter 3217C Frequently Asked Questions	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve IRS Letter 3217C Frequently Asked Questions Landing Page, hereinafter, "Letter 3217C Landing Page."</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification; delaying issue resolution; and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	To make recommendations to the Letter 3217C Landing Page that provide additional information for taxpayer education and clarification.

Proposed Solution or Task	<p>What is this letter telling me?</p> <ol style="list-style-type: none">1. Change first question from “What is this letter telling me?” to “What is this letter and why am I receiving it?”2. Change “This letter is telling you that we have accepted your oral or written request to pay what you owe the IRS in installments” to “This letter confirms that we have accepted your oral or written request to pay what you owe the IRS in installments.” <p>What do I have to do?</p> <ol style="list-style-type: none">3. Replace “You should mail your payment to us 5 days prior to the due date” with “You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the payment due date.” <p>How much time do I have?</p> <ol style="list-style-type: none">4. Remove “The letter is usually mailed 4 to 6 weeks before your first payment due” to “The letter will tell when your first payment is due.” <p>Who should I contact?</p> <ol style="list-style-type: none">5. Answer in this section should contain “Call IRS at xxx-xxx-xxxx or email at xxxxx@irs.gov.” There should be some specific contact information in this section. <p>Add the following questions with answers:</p> <ol style="list-style-type: none">6. What if I don’t agree or have already taken corrective action?7. When do I need to provide a financial statement and what information is needed?8. What is an electronic payment?9. When can the IRS file a tax lien?
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TAP Issue ID: 27808 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Monitoring IRS Action	Outcome:
Title: Letter 4458C Frequently Asked Questions	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to determine if an IRS Letter 4458C Frequently Asked Questions Landing Page for Letter 4458C, hereinafter "Letter 4458C Landing Page" is necessary. Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification; delaying issue resolution; and issuing additional follow-up notices. This contributes to inefficient productivity. Therefore, TAP recommends the creation of a Landing Page for Letter 4458C.</p>
Project Goal Statement	To make recommendations for the creation of website landing page corresponding to Letter 4458C that provide additional information for taxpayer education and clarification.

Proposed Solution or Task	<p>The Letter 4458C Landing Page should include the following content:</p> <p>Letter 4458C Frequently Asked Questions (FAQs) What is this letter and why am I receiving it? This letter notifies you that our records indicate that you missed a second installment agreement. The dates of your missed payments are included in this letter, should you wish to check your records for disagreement or discrepancy.</p> <p>What do I have to do? We must receive the next payment by the agreed PAYMENT DUE DATE. You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the PAYMENT DUE DATE. If you miss a 3rd payment, the installment agreement will be cancelled.</p> <p>What happens if I don't take any action? If you fail to make your payments, the IRS can begin enforcement action by (1) placing a levy on your bank account or wages or (2) file a lien on personal property.</p> <p>Who should I contact? If you are unable to make your monthly payment, you should contact IRS as soon as possible. Expeditious contact prior to your payment due date may temporarily stop enforcement actions. The person who answers the phone will assist you. Call IRS at xxx-xx-xxxx or email us at xxxxxxx@irs.gov.</p> <p>What if I don't agree or have already taken corrective action? You should contact us at least 10 days prior to your payment due date.</p> <p>Add the following questions with answers: When do I need to provide a financial statement and what information is needed? What is an electronic payment? When can the IRS file a tax lien?</p>
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TAP Issue ID: 20026 Elevated Date: 02/11/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Proposal Rejected
Title: Tax Forms and Pubs - 1040 Inst Booklet	
Issue or Project Statement	<p>Chart C of the Instructions for Form 1040 state the other conditions in which one must file a return. There are four listed at the current time. One that should be added concerns the importance of filing a return, even if there is no other requirement to file, in the situation wherein a capital loss has been incurred in the current year, but for which there is no benefit in the current year. Therefore, it can be carried forward to a future year. But if it has not first been claimed in the year incurred, one may not be able to claim the carryforward of such a loss. If one claims it in the year incurred, it may more easily be claimed as a loss in a future year</p>

Project Goal Statement	Add a new condition 5 to the list already shown in Chart C (on page 9 of the 1040 Instructions).
Proposed Solution or Task	Add this language to Chart C: "5. You had a capital loss that may be carried forward to a future year. Even if there is no current benefit from such a loss, it is important to claim it in the year incurred so it may be properly claimed in a future year's return."
IRS Initial Response	<p>A taxpayer is not required to file a return for the sole purpose of establishing or maintaining a capital loss carryforward. It may be in the best interest of a taxpayer to do so, but it is not a filing requirement.</p> <p>Chart C is designed to ensure that a return is filed when it is required, not just when it would be beneficial to the taxpayer to file one.</p>

TAP Issue ID: 23507 Elevated Date: 02/12/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: SAMS - Rejected
Title: Tax Forms and Publications--Form 8949	
Issue or Project Statement	<p>Form 8949, Sales and Other Disposition of Capital Assets, is proving to be a very difficult form for taxpayers to fill out effectively and successfully. The Final Report of the Focus Group Testing of Form 1040 . . . Form 8959, on page 10, confirmed the difficulty of this form by stating that “Only one participant in all four cities [with groups testing the form] correctly completed the forms according to the scenario.” This fact clearly indicates that the form is not helping taxpayers comply with tax law and reporting. Having possibly to fill out six forms (and then another one for Schedule D) where one used to have to fill out no more than two pages is requiring too much of the average taxpayer.</p>
Project Goal Statement	The Internal Revenue Service (IRS) should simplify Form 8949 to make it more usable by all taxpayers.
Proposed Solution or Task	<p>Add a new column to Form 8949, with the letters (A), (B), or (C) to be entered. These letters indicate the nature of the transaction: (A) reported on Form 1099 B with basis reported to the IRS, (B) reported on Form 1099-B but basis not reported to the IRS, and (C) not eligible for (A) or (B). By adding this new column, one could have one form for short-term transactions and another form for long-term transactions. Consequently, the potential for six forms would be reduced to two.</p>
IRS Initial Response	<p>Five of ten recommendations made will be accepted by the IRS. See File 27784 to see details.</p> <p>We have carefully considered this suggestion and feel that it is unlikely to be implemented given that it would require a redesign of a form that has recently undergone a number significant changes and that significant reprogramming of the IRS processing system would likely be required. TF&P cannot unilaterally agree or disagree with the suggestion. We will present the suggestion for consideration as any additional changes are discussed among the internal IRS stakeholders regarding the 2014 revision of the form.</p>

TAP Issue ID: 24010 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Tax Forms & Publications: 1040 Inst - PO BOX	
Issue Statement	Change the instructions of the Form 1040 series to allow the use of Post Office Boxes in the address field.
Goal Statement	Currently, the instructions to all the Form 1040 series (Form 1040, Form 1040A and Form 1040EZ) indicate under the title of "P.O. Box" to "enter your box number only if your post office does not deliver mail to your home." The IRS should allow the use of P.O. Boxes as they offer more security and could be a deterrent to identity theft.
Proposed Solution	Delete the references in all Form 1040 series instructions discouraging the use of a "P.O. Box" except when mail is not delivered to a taxpayer's home address and instead allow the use of P.O. Boxes under all circumstances if elected by the taxpayer once the IRS institutes restrictions on the number of refund checks issued to a single address.
IRS Initial Response	Thank you for your recommendation. We have researched the policy behind discouraging the use of a Post Office Box. As a result, we are working with internal stakeholder groups to coordinate the revision to all Form 1040 series instructions. We expect to implement the final internal stakeholder determination in the TY2014 Instructions to the impacted Form 1040 series. In the interim, when a taxpayer uses a Post Office Box as a mailing address, the return will be processed.

TAP Issue ID: 24745 Elevated Date: 10/23/2013	Committee Name: Tax Forms and Pubs
Status: Monitoring IRS Action	Outcome:
Title: Direct Deposit of Form 1041 Refunds	
Issue or Project Statement	Form 1041, U.S. Income Tax Return for Estates and Trusts, does not provide the opportunity for a trustee to request the direct deposit of refunds in the same manner provided on Form 1040, U.S. Individual Income Tax Return, and Form 1120, U.S. Corporation Income Tax Return.
Project Goal Statement	Allow overpayments being refunded from Form 1041 to be directly deposited into bank accounts in the same way that refunds from Form 1040 and Form 1120 can be.
Proposed Solution or Task	Revise Form 1041, line 29, to include the same lines found on the Form 1040 (lines 74a, b, c, and d) to record the routing number, the account number and the type of account (checking or savings) where the refund can be deposited. Revise Form 1041 instructions to reflect the changes to Form 1041. Revise Form 8888, Allocation of Refund, to allow the splitting of the refund among more than one account.
IRS Initial Response	IRS responds: "We adopt this in concept and will work with our internal stakeholders to implement this in the future."
IRS Final Response	IRS Response Detail: We adopt this in concept and will work with our internal stakeholders to implement this in the future.

TAP Issue ID: 25051 Elevated Date: 02/11/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Tax Forms & Pubs - Form 1040 - Additional Line for	
Issue or Project Statement	An additional line is needed in the payments section (i.e., Lines 62-72 on Tax Year 2011 Form 1040) for other payments submitted prior to the filing of the return and which are not estimated tax payments. Although it is acceptable to list a prepayment on the same line designated for estimated tax payments, it would be a lot clearer and less confusing for taxpayers to have a line for a prepayment (not currently named on the form) than to guess where to list it. In cases of balance due returns, there is no way to show a partial payment was made prior to the return's filing. Lastly, the 1040 Instructions do not address prepayments; only estimated tax payments, amounts applied from the previous tax year and withholding amounts.
Project Goal Statement	To ease the taxpayers' burden in determining on which line to list a prepayment and add a line or space on the Form 1040 where it can be entered or amend the Form 1040 instructions as suggested in Proposed Solution(s) below..
Proposed Solution or Task	Add a line or space in the payments section of Form 1040 specifically for payments made just prior to filing the return. An additional solution would be to add verbiage in the Instructions for Form 1040 that a prepayment (or payment other than for estimated tax) made prior to the filing of the return (electronically or on paper) may also be listed on the line for estimated tax payments. (It was Line 63, Form 1040 in 2011.)
IRS Initial Response	Thank you for your suggestion. There is very limited space on Form 1040 and to add a new line for prepayments we would likely have to delete a line that is already on the Form. Therefore, because the issue of reporting prepayments is not one that presents a critical taxpayer filing issue, we do not plan to add the new line to capture this information.

<p>TAP Counter Response</p>	<p>IRS' rejection of the proposal to add another line on Form 1040 for other payments cites limited space on Form 1040 as the reason for it not going forward. However, an alternative solution that was included in TAP's proposal was not addressed in the IRS' response, to wit: "add verbiage in the instructions for Form 1040, payments section, to list a prepayment on the estimated tax payments line."</p> <p>Using page 47 of the 2012 Form 1040 instructions as an example, recommended wording in the first small paragraph under Line 63, 2012 Estimated Tax Payments, would read as follows: "also enter any other payments on this line that were made prior to filing this return."</p> <p>In addition, 2012 Estimated Tax Payments would now read "2012 Estimated Tax and Other Payments."</p> <p>These small changes would mean the end to guesswork as to where to list prepayments and, importantly, less time spent by already overburdened taxpayers in completing their tax returns.</p> <p>Therefore, we request that you reconsider this proposal and add the suggested verbiage to the Form 1040 instructions.</p> <p>Thank you for reading and considering this request. We look forward to your response.</p>
<p>IRS Final Response</p>	<p>IRS Rebuttal Response: We will add language in the instructions for line 71 instructing taxpayers that if they have other payments that are prepayments and do not belong on any other line, to include those payments on line 71 and to check Box d on that line.</p>

TAP Issue ID: 25463 Elevated Date: 07/02/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Form 8586, Low-Income Housing Credit	
Issue or Project Statement	Form 8586, Low-Income Housing Credit, has two reference points to Form 3800, General Business Credit that appear to be confusing to the reader. The confusion would be eliminated by inserting clearer reference points.
Project Goal Statement	To ensure Form 8586, Low-Income Housing Credit, has clear references to Form 3800's, General Business Credit, Part and Line numbers.
Proposed Solution or Task	Expand reference points to include Part III, General Business Credits or Eligible Small Business Credits. 1) Line 7 should read: "Report this amount on Form 3800, Part III, Line 1d". 2) Line 14 should read: "Report this amount on Form 3800, Part III, line 4d".
IRS Initial Response	Form 8586 was last revised in December 2011. We agree that the recommended changes would eliminate a source of confusion. We plan to make the requested changes on the next revision.

TAP Issue ID: 26204 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on Form 4684, Casualties and Theft	
Issue or Project Statement	A focus group was conducted to examine Form 4684, Casualties and Theft.
Project Goal Statement	The focus group addressed the layout and content of the Form and its instructions.
Proposed Solution or Task	Nineteen recommendations on Form 4684 and instructions were provided to the Program Owner that will make the Form clearer to those who need to complete it and file it with the tax return. Please refer to proposal with recommendations found in File#32800 for details.
IRS Initial Response	The IRS will adopt nine of the nineteen recommendations and will consider four for implementation.

TAP Issue ID: 26205 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on Publication 523, Selling Your Home	
Issue or Project Statement	Focus group was held to examine the current IRS Publication 523, Selling Your Home.
Project Goal Statement	A focus group was conducted by the Program Owner to examine the current 2011 Publication 523, Selling Your Home, and provide input on how to make it a better publication. Another version of Publication 523 was also provided for examination. This other version was produced by a private vendor. The committee was asked to select the preferred version.
Proposed Solution or Task	The Committee reviewed and examined the current 2011 version of Publication 523. The Program Owner asked question on the layout and the content. A second version of the Publication that was produced by a vendor was also reviewed. When asked, the Committee preferred the IRS' version to that of the vendor. Nineteen recommendations were provided in the focus group. Please refer to File #32797 to see details.
IRS Initial Response	<p>IRS Response Detail:</p> <p>We received your request for changes to be made to Publication 523, Selling Your Home, and have taken them under consideration. We will not be incorporating any of the suggested changes in the 2013 publication because time was too short. However, numbers 7,9 11, 14, 15 and 17 are under consideration for the 2014 publication. At this time, we anticipate the 2014 Publication 523 would be available around December 31, 2014.</p>

TAP Issue ID: 26207 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on form 8941, Credit for Small Employe	
Issue or Project Statement	A focus group was held to examine Form 8941 and its instructions. We reviewed the layout and the clarity of the content and completed the Form using a scenario provided to us by the Program Owner.
Project Goal Statement	The Form 8941 was examined for its layout and intructions to ensure they were clear to the user and facilitate the Form's completion.
Proposed Solution or Task	The Commitee provided the Program Owner with fourteen suggestions that would make the Form 8941 and its instructions clearer to the taxpayer.
IRS Initial Response	Six of the fourteen recommendations will be implemented by the IRS by the end of 2013.

TAP Issue ID: 26529 Elevated Date: 11/27/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Where to File Return Requesting a Refund	
Issue or Project Statement	<p>The Instructions for mailing Forms 1040, 1040A and 1040EZ do not state where to file the return when the taxpayer is requesting a refund. The "Where to File" section of the Instructions only addresses those situations where no payment is enclosed or where there is a payment enclosed. The absence of information regarding a request for a refund leads to taxpayer confusion as to where to file a tax return requesting an income tax refund. Publication 17 (Your Federal Income Tax) and the information online (see http://www.irs.gov/uac/Where-To-File-Addresses-for-Tax-Professionals) by state do not specifically address where to file returns requesting a refund. Using currently available information in print and online, the taxpayer is left to assume a request for refund is to be filed at the address where no payment is enclosed with the return.</p>
Project Goal Statement	<p>To ease taxpayer confusion regarding where to file a tax return requesting a refund, the Service should expand the "Where to File" section of the Instructions for Forms 1040, 1040A and 1040EZ and Publication 17 to expressly include information for where to file returns requesting a refund. By adopting this suggested revision, taxpayers will have easy access to information on where to file their income tax return to request a refund and calls to the IRS Hotline or other points of contact will thereby be reduced.</p>

Proposed Solution or Task	<p>The Service should expand the “Where to File” section of the Instructions to add the words “requesting a refund”. Those words would eliminate confusion on where to file a claim for refund and facilitate more rapid processing of claims for refund.</p> <p>1) The Instructions for Form 1040 (“Where Do You File?”),Page 108 (2012 version), need to be changed from “IF you live in...THEN use this address if you: Are not enclosing a check or money order...” to “If you live in...Then use this address if you: Are requesting a refund or are not enclosing a payment...”</p> <p>2) The Instructions for Form 1040A (“Where Do You File?”),Page 96 (2012 version) and page 87 (2013 draft version), need to be changed from “IF you live in... THEN use this address if you: Are not enclosing a check or money order...” to “If you live in...Then use this address if you: Are requesting a refund or are not enclosing a payment...”</p> <p>3) The Instructions for Form 1040EZ (“Where Do You File?”),Page 46 (2012 version and 2013 draft version) need to be changed from “IF you live in... THEN use this address if you: Are not enclosing a check or money order...” to “If you live in...Then use this address if you: Are requesting a refund or are not enclosing a payment ...”</p> <p>4) The “Where to File” section of Publication 17, Page 289 (2012 version), needs to be changed from:</p> <ul style="list-style-type: none"> a. “AND use the zip code below according to the form you are filing and whether you are enclosing payment” to “AND use the zip code below according to the form you are filing and whether you are enclosing a payment or requesting a refund”; and b. Columns titled “No payment enclosed” to “No payment enclosed or filing for a refund”. <p>5) The IRS website (www.irs.gov) should be updated with regard to state specific information. The “Where to File Addresses” on the website need to be changed from “and you ARE NOT ENCLOSING A PAYMENT, then use this address...” to “and you are requesting a REFUND or ARE NOT ENCLOSING A PAYMENT, then use this address...”</p>
IRS Initial Response	<p>Recommendation 678, 679, 680, and 681 were accepted. Recommendation 682 was rejected.</p> <p>Response to 682 We disagree with this recommendation. Information regarding “Where to File” is contained under the tab heading titled “Filing”.</p> <p>Generally, when a taxpayer requests a refund on their tax return, the taxpayer does not owe tax and does not enclose a tax payment. In this case the taxpayer should use the address listed under “ ARE NOT ENCLOSING A PAYMENT”. However, if the taxpayer does enclose a payment, even if their tax return requests a refund, the return with payment should be sent to the address listed under “ARE ENCLOSING A PAYMENT”.</p>
IRS Final Response	Tax Forms & Publications will make this change in the 2014 Form 1040A instructions.

TAP Issue ID: 26621 Elevated Date: 08/27/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Tax Form 1040a Instructions - Update for line 9a.	
Issue or Project Statement	Form 1040A, US Individual Income Tax Return, instructions for line 9a directs the user to enter the total ordinary dividends on line 9a. This amount should be shown in box 1a of Form(s) 1099-DIV. No exceptions to this instruction were noted.
Project Goal Statement	Add the TIP item noted in the Form 1040, line 9a instructions located on page 22 to the Form 1040A line 9a instructions located on page 22.
Proposed Solution or Task	Add Form 1040 line 9a instructions TIP item to Form 1040A noting dividends on insurance policies are a partial return of the premiums paid. Do not report them as dividends. Include them in income on line 21 only if they exceed the total of all net premiums paid for the contract.
IRS Initial Response	Taxpayers cannot file Form 1040A if they receive dividends on insurance policies in excess of the net premiums paid for the contract (see item 1d under When Must You Use Form 1040? in the instructions for Form 1040A). Even if taxpayers overlook this instruction to use Form 1040, they should not try to report these distributions on Form 1040A, line 9a. The instructions for Form 1040A, line 9a, refer only to the amount in box 1a of Form 1099-DIV. Distributions from insurance policies are not reported on Form 1099-DIV. They are generally reported on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. The line 9a instructions refer taxpayers with non-dividend distributions to Form 1040, which includes the TIP. Taxpayers needing more information are referred to Pub. 550, which also includes the information contained in the TIP.

TAP Issue ID: 26623 Elevated Date: 08/28/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Form 1040a Instructions and Publication 721	
Issue or Project Statement	<p>1) Form 1040, US Individual Income Tax Return, instructions for lines 16a and 16b, Pensions and Annuities, needs to be updated to incorporate a change to Simplified Method Worksheet as reported in Publication 721 (2012).</p> <p>2) Form 1040A, US Individual Income Tax Return, instructions for lines 12a and 12b, Pensions and Annuities, needs to be updated to incorporate a change to Simplified Method Worksheet as reported in Publication 721 (2012).</p>
Project Goal Statement	Publication 721, Tax Guide to U.S. Civil Service Retirement Benefits, was updated February 01, 2013. The update incorporated a change to Simplified Method Worksheet A on page 8 whereby line 11 was added. Line 11 reported the balance of the pension cost to be recovered. Instructions for Forms 1040 and 1040A still have the old worksheet excluding line 11 and needs to be updated.
Proposed Solution or Task	<p>1) Update Form 1040 instructions Simplified Method Worksheet-Lines 16a and 16b on page 27 with Publication 721's (2012) Simplified Method Worksheet on page 8 excluding the numeric examples.</p> <p>2) Update Form 1040A instructions Simplified Method Worksheet-Lines 12a and 12b on page 26 with Publication 721's (2012) Simplified Method Worksheet on page 8 excluding the numeric examples.</p>
IRS Initial Response	The recommendations of updating the instructions to the Form 1040 and Form 1040A were accepted separately. See details in Files # 34320 and 34321.

TAP Issue ID: 26731 Elevated Date: 06/07/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Publication 4681, Cancellation of Debt	
Issue or Project Statement	On page 5 column 3 of Publication 4681 under the Insolvency heading it has a TIP which instructs the taxpayer to find the insolvency worksheet on page 6. The worksheet is actually found on page 8.
Project Goal Statement	<p>Change the reference from page 6 to page 8 in that sentence. To read, "You can use the worksheet on page 8 to help calculate the extent that you were insolvent immediately before the cancellation.</p> <p>Because it is the only thing on page 8 it could also be included on page 1 in the Contents under the Exclusions section as Insolvency Worksheet 8</p>
Proposed Solution or Task	<p>Change the reference in the "TIP" on page 5 of the Publication from "page 6" to "page 8" to correct this discrepancy. The "TIP" should state: "You can use the worksheet on page 8 to help calculate the extent that you were insolvent immediately before the cancellation."</p> <p>Because the Insolvency Worksheet is the only item on page 8 it also should be included on page 1 of the Publication in the Contents under the "Exclusions" section as: Insolvency Worksheet 8</p>
IRS Initial Response	<p>Thank you very much for reviewing Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments.</p> <p>The Insolvency Worksheet does not appear on page 6, as indicated in Publication 4681; rather it appears on page 8.</p> <p>We are in the process of revising the publication for the 2013 tax year and will remedy this in the 2013 revision.</p> <p>Thank you for taking the time to inform us of this issue.</p>

TAP Issue ID: 27033 Elevated Date: 09/10/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Review of 2012 Pub 544, Sales of Assets and Other	
Issue or Project Statement	Review Publication 544, Sales of assets and Other Dispositions, that will be used to file 2012 tax returns to ensure accuracy and clarity to those taxpayers who use the publication
Project Goal Statement	Review Publication 544- line by line- to ensure clarity
Proposed Solution or Task	The Committee made 27 recommendations on the review of 2012's Publication 544 that will improve the clarity of its reading. See File #32804 for detailed recommendations.

TAP Issue ID: 27532 Elevated Date: 09/10/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on Tax Software and E-filed Forms	
Issue or Project Statement	On May 30, 2013 the Tax Forms and Publications (TFP) Committee participated in a focus group to evaluate Tax Software and E-filed Tax Forms and provide feedback to the Internal Revenue Service (IRS) stakeholder. The TFP Program Owner, Patty Wagner of the IRS Wage & Investment Division, facilitated the focus group.
Project Goal Statement	The TFP focus group provided a critique from the perspective of a diverse cross-section of taxpayers, some of whom are also tax practitioners. Its report will provide a timely transcript of the proceedings to the IRS stakeholder working team. The transcript will accurately communicate the results of the focus group's response in a format that corresponds to the IRS working team's agenda. This referral form and the transcript will also serve as the official TAP record of project work performed by TFP for its IRS stakeholder sponsor which has been successfully submitted to the IRS.
Proposed Solution or Task	The IRS stakeholder's working team will consider the information contained in the attached summary transcript as a resource in the development and analysis of tax software and e-filed tax forms. See detailed recommendations on File 29877

TAP Issue ID: 27624 Elevated Date: 10/23/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Issue Partially Implemented
Title: Review of Publication 555, Community Property	
Issue or Project Statement	Review Publication 555, Community Property, to ensure the information contained therein is clear to readers.
Project Goal Statement	Review Publication 555, Community Property, to ensure the information contained therein is clear to readers.
Proposed Solution or Task	Review Publication 555, Community Property, to ensure the information contained therein is clear to readers.
IRS Initial Response	The IRS has agreed with four of the 8 recommendations. See File 35455 for complete details on each recommendation.

TAP Issue ID: 23725 Elevated Date: 10/23/2013	Committee Name: Taxpayer Communications
Status: TAP Reviewing IRS Response	Outcome:
Title: Website: IRS Chat Feature	
Issue Statement	There is a chat feature available on the Internal Revenue Service (IRS) website; however, its location is not readily apparent and thus difficult to access. For those taxpayers who do find the location and use the feature, wait times are often long and frustrating.
Goal Statement	Assist taxpayers' use of the chat feature of the IRS website by placing it in a visible and easy-to-access position on the IRS homepage.
Proposed Solution	Move the chat feature on the IRS website to a more prominent position such as near the social media link on the homepage. In addition, reduce the wait time for the service by adding staff and extended operating hours - especially during tax season.

TAP Issue ID: 26381 Elevated Date: 09/19/2013	Committee Name: Taxpayer Communications
Status: Monitoring IRS Action	Outcome:
Title: Taxpayer Communications-HTML Format	
Issue or Project Statement	There are Publications and Instructions in Hyper Text Markup Language (HTML) format available on the Internal Revenue Service (IRS) website; however they are not very noticeable; the Portable Document Format (PDF) format is more visible to taxpayers. The IRS should make the HTML format more accessible by placing them beside the PDF links.
Project Goal Statement	Assist taxpayers in finding the HTML instructions and publications on the IRS website by placing them in a prominent and easy-to-access location.
Proposed Solution or Task	Place the HTML links for the Publications and Instructions next to their respective PDF link on the IRS website.

TAP Issue ID: 26409 Elevated Date: 09/06/2013	Committee Name: Taxpayer Communications
Status: Monitoring IRS Action	Outcome: Issue Partially Implemented
Title: Technology for Outreach and Education	
Issue Statement	<p>Communications and Stakeholder Outreach (CSO) is pursuing increased virtual outreach and education that emphasizes additional technology avenues to communicate with stakeholders in lieu of solely face to face interactions. CSO is interested in learning what technologies are available for use and how they can be optimized for outreach and education.</p>
Goal Statement	Provide feedback that presents options and ideas for enhancing outreach through technology.
Proposed Solution	<p>The Taxpayer Advocacy Panel (TAP) subcommittee members provided the following oral feedback to the CSO over a series of periodic meetings:</p> <ul style="list-style-type: none"> • Work with software vendors - bundle IRS products to be distributed when practitioners purchase their software • Increase the practice of software vendors providing Continuing Professional Education (CPE) updates • As connectivity moves away from personal computers, allow people options to get information in their preferred medium: Smartphones, tablets, etc. • Provide information to customers how they want it, what they want, and when they want it. • Record WebInterpoint Seminars and have them available for viewing when it's convenient for practitioners • Use the share feature on the Small Business Taxes: The Virtual Workshop site to notify partners of the link to the new workshop, who can then share with their contacts, and so on. The site can be accessed at the following link: www.irsvideos.gov/smallbusinessstaxpayer/virtualworkshop

TAP Issue ID: 26417 Elevated Date: 09/19/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Issue Partially Implemented
Title: Increase Use of Online Payment Agreement	
Issue or Project Statement	The Online Payment Agreement (OPA) application is a fully automated interactive web tool on IRS.gov used for creating installment agreements (IA) for taxpayers. The IRS is investigating options, including marketing and updates to the application, to increase the number of users.
Project Goal Statement	Increase taxpayer and practitioner use of the OPA application to establish payment plans.
Proposed Solution or Task	<ol style="list-style-type: none"> 1. Improve Training on the availability of OPA. <ul style="list-style-type: none"> • Notify Preparer Tax Identification Number (PTIN) holders of OPA by emailing a reminder regarding the OPA option. • Include OPA awareness information in routine IRS news releases, in IRS e-news releases, and on social media sites, especially near the end of tax season. • Ensure that OPA is subject matter covered in the Enrolled Agent examination. 2. Improve Instructions in Volunteer Income Tax Assistance / Tax Counseling for the Elderly (VITA/TCE) Training Materials. <ul style="list-style-type: none"> • IRS Publication 4491, VITA/TCE Training Kit, should be updated to include a detailed explanation of the OPA option. These instructions should include terms, conditions, eligibility requirements, and information needed to apply online. All volunteers should be required to watch the OPA video as a standard component of training. • The IRS Publication 4012, Volunteer Resource Guide, section "Balance Due Returns" under – "what if the taxpayer cannot pay?" should be updated to include the following link: www.irsvideos.gov/individual/PayingTaxes/OPA. This link is intended to give the taxpayer and other interested parties the opportunity to view the video which outlines OPAs. It explains most If not all the terms and conditions that taxpayers need to know in order to determine their eligibility to participate in this service and to submit an application if they qualify. 3. Provide Easy to Find OPA Links <ul style="list-style-type: none"> • Include an easy to find link on Form 1040, U.S. Individual Income Tax Return, Line 76 "Amount You Owe" and determine if the Free File Alliance would include a hyperlink in its tax software to the OPA option on the "Amount You Owe" line.

- In addition, the IRS should encourage all commercial software companies to insert a hyperlink to OPA.

4. Define acronyms and terminology and list all required information needed on landing page for OPA.

- Update <http://www.irs.gov/Individuals/Online-Payment-Agreement-Application> to include hyperlinks for the acronyms.
- Have each hyperlink spell out the acronym and explain where to find it.
- When there is a request for information from a particular tax year include a hyperlink to explain which tax year.
- Explain on the PIN link that if the taxpayer does not already have one the OPA application includes an option to obtain one.
- List that additional information required during application process includes: spouse Social Security number (SSN), balance owed, bank routing number and bank account number.

5. Toll-Free Scripts

- Ensure that all toll-free scripts explain the options of the OPA as in Queue Announcement #3, included as Appendix 1.

TAP Issue ID: 26418 Elevated Date: 09/19/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Project/Assignment Completed
Title: ID Theft of Business Taxpayers	
Issue or Project Statement	<p>In an examination of employment tax non-filers the IRS found instances of business identity (ID) theft. Specifically, perpetrators prepare fictitious Forms W-2, Wage and Tax Statement, using existing, defunct, or fictitious business Employer Identification Numbers (EIN) to report false federal income tax withholding and wages. This subverts checks and balances used to match W-2s to returns, making individual taxpayer refund fraud easier. There have also been cases where a business uses another company's EIN to obtain refundable tax credits. The IRS is considering procedures for identifying, addressing, and preventing these types of occurrences.</p>
Project Goal Statement	<p>Provide feedback to improve procedures to identify identity theft and ensure that any such procedures have the intended results and do not increase the burden for legitimate business taxpayers.</p>
Proposed Solution or Task	<p>Nothing specific except to report any examples of possible business ID theft to the IRS.</p>

IRS Initial Response

Shelia Andrews, TAP National Director,

Please thank the TAP members for their diligence in researching 2013 TAP Issue 26418, Business Identity Theft. Although, TAP made no formal recommendation, they did provide insight on the need for continued discussion on inhibiting Business ID Theft. SB/SE realizes this is a new issue that has yet to be fully explored and appreciates that at this time the TAP has no specific recommendations.

When TAP refers issues to SB/SE, we see opportunities for us to step back and evaluate our systems and procedures. More importantly, TAP recommendations create a dialogue among IRS staff managing day to day programs and policy decision makers who all need to understand the taxpayers' perspective in tax compliance.

Please express SB/SE's sincere appreciation to the TAP members for their work on the Small Business Identity Theft issue. We value the TAP's insight and unique viewpoint.

Should you or your staff have any questions or need additional assistance, you may contact Brianne Wilner, Chief, at (240) 613-6597 or Carolyn Sanders-Walsh, TAP Lead at (813) 315-2445.

Best regards,

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240-613-6560 (desk)
202-431-5551 (cell)

TAP Issue ID: 27015 Elevated Date: 06/05/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Issue Fully Implemented
Title: Small Business Taxes - Virtual Workshop Review	
Issue or Project Statement	<p>The Taxpayer Communications Project Committee was asked to review the Small Business Taxes - Virtual Workshop. Review the workshop's overall design - does it enhance the learning experience; the lessons appearance; the lesson functionality. Provide suggestions for design and functional enhancements to SB/SE. There are nine lessons and the introduction itself. Small Business Taxes: The Virtual Workshop</p> <p>Lesson 1 What you need to know about Federal Taxes and your new business (32:45) Lesson 2 What You Need to Know about Schedule C and Other Small Business Taxes and Tax Forms (23:21) Lesson 3 How to file and pay your taxes electronically (17:50) Lesson 4 What you need to know when you run your business out of your home (42:10) Lesson 5 How to set up a retirement plan for yourself and your employees (21:16) Lesson 6 What you need to know about federal taxes when hiring employees or contractors (29:46) Lesson 7 How to manage payroll so you withhold the correct amount from employees (27:00) Lesson 8 How to make tax deposits and file a return to report your payroll taxes (18:42) Lesson 9 Hiring People Who Live in the U.S. but Who Aren't U.S. Citizens (31:07)</p>

Project Goal Statement	<p>Virtual Small Business Tax Workshop Observations</p> <p>Overall Design:</p> <ol style="list-style-type: none">1. How does the design fit the goal of the workshop – teaching a new small business owner about their tax rights and responsibilities?2. Does the design enhance or detract from the learning experience of the new small business owner and why? <p>Appearance and Functionality:</p> <ol style="list-style-type: none">1. Does the description / link / location of the workshop lesson make you want to see the lesson?2. Is the interface intuitive? Does it do what you think it should do?3. Is there any function that needs an explanation?4. Were you able to access features without significant problems?5. Is there anything you could not make work as desired?6. Did the lesson flow and sync appropriately on your computer? <p>Observations and Recommendations:</p> <ol style="list-style-type: none">1. Do you have any additional recommendations for making the look and feel and/or functionality better; either for the workshop as a whole or for a particular lesson?2. Do you have any other comments?
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IRS Initial Response

Carolyn Sanders Walsh, SB/SE Senior Tax Analyst said the feedback provided was great. They already implemented a lot of changes and will do others in the future.

The workshop is now live on the IRS video portal at: <http://www.irsvideos.gov/SmallBusinessTaxpayer/virtualworkshop>

In the future you will be able to scroll the “tear off” and will be able to view the video and the transcript at same time. The full-screen option is still not available but will be in the future. The type face has been upgraded to more professional style. The search option is not available. We have gone to progressive downloads so you cannot click on a specific portion of the video – for now. If you have a lack of bandwidth, you can download the video. We fixed the error in the references and fixed the sound as well. The comments work now too. Look at screen below the video; if you turn off the transcript and view only, the lessons will show all the publications referenced. We are also working on updating the lesson structure. Future upgrades planned:

- ? an alert that advises the user that a tax law or procedure has changed as of a certain date;
- ? Spanish and Mandarin translations,
- ? Other languages will follow, including Vietnamese, Korean, Russian, Cantonese and French;
- ? a design for classroom delivery;
- ? a feature to play other video from the IRS video portal to enhance learning on a topic; and
- ? accessibility across a variety of platforms, including tablets and smart phones.

TAP Issue ID: 28429 Elevated Date: 11/06/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Issue Fully Implemented
Title: Tax Forum - Bring Back Case Work Resolution	
Issue or Project Statement	This memorandum is submitted by TAP members who participated in the 2013 IRS Nationwide Tax Forums. Nine TAP members conducted outreach sessions to inform attendees at the Tax Forums about TAP and to listen to current issues taxpayers are experiencing with IRS services and products. Based on our collective experience at the Forums, as well as the comments received from nearly 200 Forum attendees, we urge the IRS to reinstate the case resolution sessions at the 2014 Forums.
Project Goal Statement	Reinstate Case Resolution sessions at the 2014 IRS Nationwide Tax Forums
Proposed Solution or Task	The Case Resolution sessions have an impressive record of success and deserve to be preserved as a valuable component of Tax Forums. We urge the IRS to reinstate case resolution sessions at the 2014 Tax Forums.
IRS Initial Response	May 30, 2014 Response Received: As of late last week, we have approval and are moving forward with the Case Resolution Program at all five venues! You can mark this one down as a success!

TAP Issue ID: 26391 Elevated Date: 10/21/2013	Committee Name: Toll-Free
Status: Closed	Outcome: Issue Partially Implemented
Title: Employees & IVR directing TP to IRS.gov	

Issue or Project Statement	<p>The Internal Revenue Service (IRS) has invested resources to implement Web (irs.gov) and Interactive Voice Response (IVR) portion of the Customer Voice Portal (CVP) applications for taxpayers.</p> <p>IRS Customer Account Services (CAS) asked the Taxpayer Advocacy Panel (TAP) to identify opportunities to increase utilization of existing CVP and Web applications and/or to identify additional applications to place on the Web or in IVR/CVP. The TAP's scope of review included the IRS System line of 800-829-1040 (the Telephone Assistance for Individuals Toll-Free line) and a group of associated communications like "Information Request" cover letters, Customer Service Representative (CSR) communications, CVP applications, etc.</p>
Project Goal Statement	<p>The goal of this project is to identify procedures and tools that the IRS can implement or modify to give taxpayers more information about using Web and CVP applications for self-service.</p>
Proposed Solution or Task	<p>1. Include specific references and instructions directing taxpayers to appropriate website or phone self-service applications in all IRS responses, including IRS written information request cover letters, CSR communications and CVP applications. For example, when taxpayers request a transcript via phone or letter (or have other communications where a transcript could be of assistance), they should be directed to the appropriate specific page of irs.gov that provides an application that supports transcript requests, i.e. the CVP message, CSR conversation, or the cover letter from the IRS to the taxpayer should include a statement that says:</p> <p>"To request an account transcript please go to http://www.irs.gov/Individuals/Order-a-Transcript and complete the simple steps online." In addition, written communications should include directions to use automated request features of the IVR, e.g. "or call 1-800-829-1040 and follow the automated instructions". (See Appendix A).</p> <p>2. Implement additional voice controlled self-service features in the Toll-Free CVP to allow taxpayers to receive specific instructions for completing their task online.</p> <p>Members of this committee discovered that there were a large number of applications in the Toll Free IVR where additional information/direction to the web could be helpful.</p> <p>The Committee decided that noting each application individually would make the referral too cumbersome. As a result, the decision was made to organize the applications into groupings as a means of providing more clarity to this document.</p> <p>The groupings are as follows:</p> <p>Often Used Call Types:</p> <ul style="list-style-type: none"> A) Individual Tax Identification Number (ITIN) B) Individual Master File Refund C) Federal Tax Deposits Orders

Proposed Solution or Task

D) Injured Spouse
E) E-File Personal Identification Number (PIN)
F) ID Theft
Grouped Topics:
1040 TAX FORM QUESTIONS:
A) Schedule D Sale of Home (Sch D Soh)
B) Individual Retirement Account (IRA) Pension
INDIVIDUAL TAX ISSUES:
A) Complex Individual Tax issues
B) Advanced Individual Issues
PRACTITIONERS PRIORITY SERVICE ISSUES:
A) PPS Roa Pi Ord
B) PPS IMF Account C)
PPS BMF Account
INTERNATIONAL ISSUES:
A) INTL EIN & EIN Terr
B) INTL Tax Law
C) INT US Cert
TAX EXEMPT AND GOVERNMENTAL ENTITY
ISSUES (TEGE):
A) TEGE Basic
B) TEGE Adv TI
C) TEGE Ge Ep Txl
D) TEGE Ge Ep Txl
Members would like to see information that directs callers to irs.gov added at the end of each voice prompt that corresponds to all the above mentioned groupings at a minimum. The TAP would also encourage the IRS to expand on these actions independently, if they believe they can identify other applications where the extra verbiage would be helpful to taxpayers and assist in reducing call volume (See Appendix B).
The exact change requested under this recommendation is simple and straightforward. There are two types of additions that would be satisfactory to TAP.
A) At the end of all the above applications, add wording to show the exact URL that will take the taxpayer directly to the section that contains the information specific to their need, i.e. www.irs.gov/ [add in the application page address].
B) The second option would be to include instructions on how to obtain their information via using the search tool on irs.gov, i.e. "for more information please go to irs.gov and search for [keyword or words] using the search function on the top right of the webpage."
Some of the applications in the queue list already include what is being proposed here, for example: [#10 IMF BAL DUE (7357)], at the end of the voice message it states the web address is: www.irs.gov/e-pay. Similarly, [#42 EIN (7236)] contains the wording: "You can obtain an EIN immediately by using the online EIN application. Go to the IRS.gov website and type in keyword EIN."
The Toll Free committee is requesting these be expanded to at least the applications mentioned in this referral.
3. The CVP does not currently have the capability to automatically send an email to a taxpayer from a DONOTREPLY email address that provides instructions on how to complete tasks online. CSR's

Proposed Solution or Task	<p>should be provided with the knowledge and ability to send taxpayers pre-formatted, no return address emails with instructions on how to accomplish their tasks online. Taxpayers would receive an e-mail response with their instructions, immediately or shortly after speaking with a CSR. As stated, the e-mail would contain a typical “no –reply” address similar to what other business and government entities use.</p> <p>4. Conduct additional training for CSRs on a regular basis to make them aware of new IRS.gov and CVP messages, to refresh them with existing capabilities, and to familiarize them with any new job aides that are implemented to help them direct taxpayers to IRS.gov for self-service.</p>
IRS Initial Response	<p>The IRS agrees that this is a valid recommendation; however current budget constraints do not allow such changes to take place at the current time. However, these recommendations will be considered for future initiatives and projects as the budget allows. Accounts Management is actively involved in identifying ways to direct customers to automated tools on the phone and on irs.gov. In-queue announcements have been deployed to alert callers to online tools on most; if not all applications where we would anticipate the customer might have a need. Some of the many tools we highlight are Online Payment Agreement, Get Transcript, Where’s My Refund, Where’s My Amended Return, Online EIN, etc. We regularly assess where additional tools might be highlighted. Accounts Management is working with the Office of Taxpayer Correspondence to more prominently display the irs.gov website on notices. For script simplicity and customer ease of use, we simply refer customers to IRS.gov. The home page has links to the most common tools prominently displayed enabling customers to reach any needed tool with one or two mouse clicks. By providing the IRS home page (IRS.gov), there is less chance that a customer will incorrectly transcribe a lengthy tool name/address. CSRs may assist a taxpayer by directing them straight to the tool on a telephone call but if the taxpayer is not online at the time of the call, having the CSR direct the customer to IRS.gov should be just as effective.</p>

TAP Issue ID: 26772 Elevated Date: 10/21/2013	Committee Name: Toll-Free
Status: Closed	Outcome: Project/Assignment Completed
Title: Transcript Requests for FASFA	
Issue or Project Statement	<p>Many taxpayers are not aware that it is not required to request a transcript to apply for the Free Application for Federal Student Aid (FAFSA). This project identifies two situations where:</p> <ol style="list-style-type: none"> 1. Full transcripts are not needed for FASFA; and 2. Provides guidance on obtaining any needed information. <p>The committee reviewed the current IRS website content to improve access to these solutions.</p>
Project Goal Statement	<p>The goal of this project is to suggest a means for conveying this information clearly to taxpayers. If taxpayers are made aware that they do not need a transcript for their online FAFSA Application, they will not place a request for their transcript. This will result in less wait time for other taxpayers. As a side benefit, it may also cut down on traffic to the IRS Taxpayer Assistance Centers, as some taxpayers may decide to go in person to get a transcript.</p>

Proposed Solution or Task

As shown in Addendum A, there is a step by step illustration of how students can use the IRS Data Retrieval Tool to complete a FAFSA Application without having to contact the IRS to obtain a copy of their transcript. All changes would occur on the irs.gov Order Transcript page (<http://www.irs.gov/Individuals/Order-a-Transcript>)

1) In step 1, hyperlink "TAX ACCOUNT TRANSCRIPT" same as "tax return transcript" to show an example of both. Currently the link "Tax Return Transcript" redirects to the same page (i.e. it has no function). The same information is not hyperlinked in the Spanish version of the page. Alternatively, remove the non-functional hyperlink on the English page.

2) Instead of bullets use letters:

3) On the irs.gov under "order transcript" for step 3, add option/info with hyperlink to the form, provide options for mail in, and fax #.

4) Change the note as follows:

Note:

- To send your transcript to a different address, complete and send Form 4506-T. your online request for a transcript cannot be processed if you need transcripts mailed to an address other than the one on file.

- Transcripts requests for FAFSA purposes can be made directly within the FAFSA application at <http://www.fafsa.ed.gov/>.

- If an account has a payment amount due, the transcript will not be available until after June 30.

- If an amended return was filed, online requests cannot be processed.

5) Make the equivalent changes to the Spanish version of the page, and remove the request to call the main IRS Toll Free Line on the Spanish version (bolded below).

"Para solicitar el envío de su transcripción a un domicilio distinto, llene y envíe el Formulario 4506-T o, llámenos al 1-800-829-1040."

6) When a transcript is not available, add a dialog box: Reason why the transcript is not available and further actions needed by taxpayer.

7) Make the transcript request system "live on demand". Upon taxpayer request and verification make the transcript available to taxpayer via email or on the screen.

IRS Initial Response

We are in the process of launching a web application called Get Transcript that will provide the taxpayer a view/print option of any of the 5 types of transcript 24/7 free of charge. It is scheduled for January 2014, at which time, Order a Transcript will be rebranded as the mail option of Get Transcript. The new functionality should serve the needs of most taxpayers and in particular, will be a convenience to FASFA applicants.

TAP Issue ID: 20026 Elevated Date: 02/11/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Proposal Rejected
Title: Tax Forms and Pubs - 1040 Inst Booklet	
Issue or Project Statement	<p>Chart C of the Instructions for Form 1040 state the other conditions in which one must file a return. There are four listed at the current time. One that should be added concerns the importance of filing a return, even if there is no other requirement to file, in the situation wherein a capital loss has been incurred in the current year, but for which there is no benefit in the current year. Therefore, it can be carried forward to a future year. But if it has not first been claimed in the year incurred, one may not be able to claim the carryforward of such a loss. If one claims it in the year incurred, it may more easily be claimed as a loss in a future year</p>
Project Goal Statement	Add a new condition 5 to the list already shown in Chart C (on page 9 of the 1040 Instructions).
Proposed Solution or Task	Add this language to Chart C: "5. You had a capital loss that may be carried forward to a future year. Even if there is no current benefit from such a loss, it is important to claim it in the year incurred so it may be properly claimed in a future year's return."
IRS Initial Response	A taxpayer is not required to file a return for the sole purpose of establishing or maintaining a capital loss carryforward. It may be in the best interest of a taxpayer to do so, but it is not a filing requirement. Chart C is designed to ensure that a return is filed when it is required, not just when it would be beneficial to the taxpayer to file one.

TAP Issue ID: 23507 Elevated Date: 02/12/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: SAMS - Rejected
Title: Tax Forms and Publications--Form 8949	
Issue or Project Statement	Form 8949, Sales and Other Disposition of Capital Assets, is proving to be a very difficult form for taxpayers to fill out effectively and successfully. The Final Report of the Focus Group Testing of Form 1040 . . . Form 8959, on page 10, confirmed the difficulty of this form by stating that "Only one participant in all four cities [with groups testing the form] correctly completed the forms according to the scenario." This fact clearly indicates that the form is not helping taxpayers comply with tax law and reporting. Having possibly to fill out six forms (and then another one for Schedule D) where one used to have to fill out no more than two pages is requiring too much of the average taxpayer.
Project Goal Statement	The Internal Revenue Service (IRS) should simplify Form 8949 to make it more usable by all taxpayers.
Proposed Solution or Task	Add a new column to Form 8949, with the letters (A), (B), or (C) to be entered. These letters indicate the nature of the transaction: (A) reported on Form 1099 B with basis reported to the IRS, (B) reported on Form 1099-B but basis not reported to the IRS, and (C) not eligible for (A) or (B). By adding this new column, one could have one form for short-term transactions and another form for long-term transactions. Consequently, the potential for six forms would be reduced to two.
IRS Initial Response	Five of ten recommendations made will be accepted by the IRS. See File 27784 to see details. We have carefully considered this suggestion and feel that it is unlikely to be implemented given that it would require a redesign of a form that has recently undergone a number significant changes and that significant reprogramming of the IRS processing system would likely be required. TF&P cannot unilaterally agree or disagree with the suggestion. We will present the suggestion for consideration as any additional changes are discussed among the internal IRS stakeholders regarding the 2014 revision of the form.

TAP Issue ID: 23725 Elevated Date: 10/23/2013	Committee Name: Taxpayer Communications
Status: TAP Reviewing IRS Response	Outcome:
Title: Website: IRS Chat Feature	
Issue Statement	There is a chat feature available on the Internal Revenue Service (IRS) website; however, its location is not readily apparent and thus difficult to access. For those taxpayers who do find the location and use the feature, wait times are often long and frustrating.
Goal Statement	Assist taxpayers' use of the chat feature of the IRS website by placing it in a visible and easy-to-access position on the IRS homepage.
Proposed Solution	Move the chat feature on the IRS website to a more prominent position such as near the social media link on the homepage. In addition, reduce the wait time for the service by adding staff and extended operating hours - especially during tax season.

TAP Issue ID: 24010 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Tax Forms & Publications: 1040 Inst - PO BOX	
Issue Statement	Change the instructions of the Form 1040 series to allow the use of Post Office Boxes in the address field.
Goal Statement	Currently, the instructions to all the Form 1040 series (Form 1040, Form 1040A and Form 1040EZ) indicate under the title of "P.O. Box" to "enter your box number only if your post office does not deliver mail to your home." The IRS should allow the use of P.O. Boxes as they offer more security and could be a deterrent to identity theft.
Proposed Solution	Delete the references in all Form 1040 series instructions discouraging the use of a "P.O. Box" except when mail is not delivered to a taxpayer's home address and instead allow the use of P.O. Boxes under all circumstances if elected by the taxpayer once the IRS institutes restrictions on the number of refund checks issued to a single address.
IRS Initial Response	Thank you for your recommendation. We have researched the policy behind discouraging the use of a Post Office Box. As a result, we are working with internal stakeholder groups to coordinate the revision to all Form 1040 series instructions. We expect to implement the final internal stakeholder determination in the TY2014 Instructions to the impacted Form 1040 series. In the interim, when a taxpayer uses a Post Office Box as a mailing address, the return will be processed.
Issue Statement	Change the instructions of the Form 1040 series to allow the use of Post Office Boxes in the address field.
Goal Statement	Currently, the instructions to all the Form 1040 series (Form 1040, Form 1040A and Form 1040EZ) indicate under the title of "P.O. Box" to "enter your box number only if your post office does not deliver mail to your home." The IRS should allow the use of P.O. Boxes as they offer more security and could be a deterrent to identity theft.

TAP Issue ID: 24745 Elevated Date: 10/23/2013	Committee Name: Tax Forms and Pubs
Status: Monitoring IRS Action	Outcome:
Title: Direct Deposit of Form 1041 Refunds	
Issue or Project Statement	Form 1041, U.S. Income Tax Return for Estates and Trusts, does not provide the opportunity for a trustee to request the direct deposit of refunds in the same manner provided on Form 1040, U.S. Individual Income Tax Return, and Form 1120, U.S. Corporation Income Tax Return.
Project Goal Statement	Allow overpayments being refunded from Form 1041 to be directly deposited into bank accounts in the same way that refunds from Form 1040 and Form 1120 can be.
Proposed Solution or Task	Revise Form 1041, line 29, to include the same lines found on the Form 1040 (lines 74a, b, c, and d) to record the routing number, the account number and the type of account (checking or savings) where the refund can be deposited. Revise Form 1041 instructions to reflect the changes to Form 1041. Revise Form 8888, Allocation of Refund, to allow the splitting of the refund among more than one account.
IRS Initial Response	IRS responds: "We adopt this in concept and will work with our internal stakeholders to implement this in the future."
IRS Final Response	IRS Response Detail: We adopt this in concept and will work with our internal stakeholders to implement this in the future.

TAP Issue ID: 25051 Elevated Date: 02/11/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Tax Forms & Pubs - Form 1040 - Additional Line for	
Issue or Project Statement	An additional line is needed in the payments section (i.e., Lines 62-72 on Tax Year 2011 Form 1040) for other payments submitted prior to the filing of the return and which are not estimated tax payments. Although it is acceptable to list a prepayment on the same line designated for estimated tax payments, it would be a lot clearer and less confusing for taxpayers to have a line for a prepayment (not currently named on the form) than to guess where to list it. In cases of balance due returns, there is no way to show a partial payment was made prior to the return's filing. Lastly, the 1040 Instructions do not address prepayments; only estimated tax payments, amounts applied from the previous tax year and withholding amounts.
Project Goal Statement	To ease the taxpayers' burden in determining on which line to list a prepayment and add a line or space on the Form 1040 where it can be entered or amend the Form 1040 instructions as suggested in Proposed Solution(s) below..

Proposed Solution or Task	<p>Add a line or space in the payments section of Form 1040 specifically for payments made just prior to filing the return. An additional solution would be to add verbiage in the Instructions for Form 1040 that a prepayment (or payment other than for estimated tax) made prior to the filing of the return (electronically or on paper) may also be listed on the line for estimated tax payments. (It was Line 63, Form 1040 in 2011.)</p>
IRS Initial Response	<p>Thank you for your suggestion. There is very limited space on Form 1040 and to add a new line for prepayments we would likely have to delete a line that is already on the Form. Therefore, because the issue of reporting prepayments is not one that presents a critical taxpayer filing issue, we do not plan to add the new line to capture this information.</p>
TAP Counter Response	<p>IRS' rejection of the proposal to add another line on Form 1040 for other payments cites limited space on Form 1040 as the reason for it not going forward. However, an alternative solution that was included in TAP's proposal was not addressed in the IRS' response, to wit: "add verbiage in the instructions for Form 1040, payments section, to list a prepayment on the estimated tax payments line."</p> <p>Using page 47 of the 2012 Form 1040 instructions as an example, recommended wording in the first small paragraph under Line 63, 2012 Estimated Tax Payments, would read as follows: "also enter any other payments on this line that were made prior to filing this return."</p> <p>In addition, 2012 Estimated Tax Payments would now read "2012 Estimated Tax and Other Payments."</p> <p>These small changes would mean the end to guesswork as to where to list prepayments and, importantly, less time spent by already overburdened taxpayers in completing their tax returns.</p> <p>Therefore, we request that you reconsider this proposal and add the suggested verbiage to the Form 1040 instructions.</p> <p>Thank you for reading and considering this request. We look forward to your response.</p>
IRS Final Response	<p>IRS Rebuttal Response: We will add language in the instructions for line 71 instructing taxpayers that if they have other payments that are prepayments and do not belong on any other line, to include those payments on line 71 and to check Box d on that line.</p>

TAP Issue ID: 25463 Elevated Date: 07/02/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Form 8586, Low-Income Housing Credit	
Issue or Project Statement	Form 8586, Low-Income Housing Credit, has two reference points to Form 3800, General Business Credit that appear to be confusing to the reader. The confusion would be eliminated by inserting clearer reference points.
Project Goal Statement	To ensure Form 8586, Low-Income Housing Credit, has clear references to Form 3800's, General Business Credit, Part and Line numbers.
Proposed Solution or Task	Expand reference points to include Part III, General Business Credits or Eligible Small Business Credits. 1) Line 7 should read: "Report this amount on Form 3800, Part III, Line 1d". 2) Line 14 should read: "Report this amount on Form 3800, Part III, line 4d".
IRS Initial Response	Form 8586 was last revised in December 2011. We agree that the recommended changes would eliminate a source of confusion. We plan to make the requested changes on the next revision.

TAP Issue ID: 26204 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on Form 4684, Casualties and Theft	
Issue or Project Statement	A focus group was conducted to examine Form 4684, Casualties and Theft.
Project Goal Statement	The focus group addressed the layout and content of the Form and its instructions.
Proposed Solution or Task	Nineteen recommendations on Form 4684 and instructions were provided to the Program Owner that will make the Form clearer to those who need to complete it and file it with the tax return. Please refer to proposal with recommendations found in File#32800 for details.
IRS Initial Response	The IRS will adopt nine of the nineteen recommendations and will consider four for implementation.

TAP Issue ID: 26205 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on Publication 523, Selling Your Home	
Issue or Project Statement	Focus group was held to examine the current IRS Publication 523, Selling Your Home.
Project Goal Statement	A focus group was conducted by the Program Owner to examine the current 2011 Publication 523, Selling Your Home, and provide input on how to make it a better publication. Another version of Publication 523 was also provided for examination. This other version was produced by a private vendor. The committee was asked to select the preferred version.
Proposed Solution or Task	The Committee reviewed and examined the current 2011 version of Publication 523. The Program Owner asked question on the layout and the content. A second version of the Publication that was produced by a vendor was also reviewed. When asked, the Committee preferred the IRS' version to that of the vendor. Nineteen recommendations were provided in the focus group. Please refer to File #32797 to see details.
IRS Initial Response	IRS Response Detail: We received your request for changes to be made to Publication 523, Selling Your Home, and have taken them under consideration. We will not be incorporating any of the suggested changes in the 2013 publication because time was too short. However, numbers 7, 9, 11, 14, 15 and 17 are under consideration for the 2014 publication. At this time, we anticipate the 2014 Publication 523 would be available around December 31, 2014.

TAP Issue ID: 26207 Elevated Date: 08/06/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on form 8941, Credit for Small Employe	
Issue or Project Statement	A focus group was held to examine Form 8941 and its instructions. We reviewed the layout and the clarity of the content and completed the Form using a scenario provided to us by the Program Owner.
Project Goal Statement	The Form 8941 was examined for its layout and intructions to ensure they were clear to the user and facilitate the Form's completion.
Proposed Solution or Task	The Committee provided the Program Owner with fourteen suggestions that would make the Form 8941 and its instructions clearer to the taxpayer.
IRS Initial Response	Six of the fourteen recommendations will be implemented by the IRS by the end of 2013.

TAP Issue ID: 26381 Elevated Date: 09/19/2013	Committee Name: Taxpayer Communications
Status: Monitoring IRS Action	Outcome:
Title: Taxpayer Communications-HTML Format	
Issue or Project Statement	There are Publications and Instructions in Hyper Text Markup Language (HTML) format available on the Internal Revenue Service (IRS) website; however they are not very noticeable; the Portable Document Format (PDF) format is more visible to taxpayers. The IRS should make the HTML format more accessible by placing them beside the PDF links.
Project Goal Statement	Assist taxpayers in finding the HTML instructions and publications on the IRS website by placing them in a prominent and easy-to-access location.
Proposed Solution or Task	Place the HTML links for the Publications and Instructions next to their respective PDF link on the IRS website.

TAP Issue ID: 26391 Elevated Date: 10/21/2013	Committee Name: Toll-Free
Status: Closed	Outcome: Issue Partially Implemented
Title: Employees & IVR directing TP to IRS.gov	
Issue or Project Statement	<p>The Internal Revenue Service (IRS) has invested resources to implement Web (irs.gov) and Interactive Voice Response (IVR) portion of the Customer Voice Portal (CVP) applications for taxpayers.</p> <p>IRS Customer Account Services (CAS) asked the Taxpayer Advocacy Panel (TAP) to identify opportunities to increase utilization of existing CVP and Web applications and/or to identify additional applications to place on the Web or in IVR/CVP. The TAP's scope of review included the IRS System line of 800-829-1040 (the Telephone Assistance for Individuals Toll-Free line) and a group of associated communications like "Information Request" cover letters, Customer Service Representative (CSR) communications, CVP applications, etc.</p>

Project Goal Statement

The goal of this project is to identify procedures and tools that the IRS can implement or modify to give taxpayers more information about using Web and CVP applications for self-service.

1. Include specific references and instructions directing taxpayers to appropriate website or phone self-service applications in all IRS responses, including IRS written information request cover letters, CSR communications and CVP applications. For example, when taxpayers request a transcript via phone or letter (or have other communications where a transcript could be of assistance), they should be directed to the appropriate specific page of irs.gov that provides an application that supports transcript requests, i.e. the CVP message, CSR conversation, or the cover letter from the IRS to the taxpayer should include a statement that says:

“To request an account transcript please go to <http://www.irs.gov/Individuals/Order-a-Transcript> and complete the simple steps online.” In addition, written communications should include directions to use automated request features of the IVR, e.g. “or call 1-800-829-1040 and follow the automated instructions”. (See Appendix A).

2. Implement additional voice controlled self-service features in the Toll-Free CVP to allow taxpayers to receive specific instructions for completing their task online.

Members of this committee discovered that there were a large number of applications in the Toll Free IVR where additional information/direction to the web could be helpful.

The Committee decided that noting each application individually would make the referral too cumbersome. As a result, the decision was made to organize the applications into groupings as a means of providing more clarity to this document.

The groupings are as follows:

Often Used Call Types:

- A) Individual Tax Identification Number (ITIN)
- B) Individual Master File Refund
- C) Federal Tax Deposits Orders
- D) Injured Spouse
- E) E-File Personal Identification Number (PIN)
- F) ID Theft

Grouped Topics:

1040 TAX FORM QUESTIONS:

- A) Schedule D Sale of Home (Sch D Soh)
- B) Individual Retirement Account (IRA) Pension

INDIVIDUAL TAX ISSUES:

- A) Complex Individual Tax issues
- B) Advanced Individual Issues

PRACTITIONERS PRIORITY SERVICE ISSUES:

- A) PPS Roa Pi Ord
- B) PPS IMF Account C)
- PPS BMF Account

INTERNATIONAL ISSUES:

- A) INTL EIN & EIN Terr
- B) INTL Tax Law
- C) INT US Cert

TAX EXEMPT AND GOVERNMENTAL ENTITY ISSUES (TEGE):

- A) TEGE Basic
- B) TEGE Adv TI
- C) TEGE Ge Ep Txl
- D) TEGE Ge Ep Txl

<p>Proposed Solution or Task</p>	<p>Members would like to see information that directs callers to irs.gov added at the end of each voice prompt that corresponds to all the above mentioned groupings at a minimum. The TAP would also encourage the IRS to expand on these actions independently, if they believe they can identify other applications where the extra verbiage would be helpful to taxpayers and assist in reducing call volume (See Appendix B).</p> <p>The exact change requested under this recommendation is simple and straightforward. There are two types of additions that would be satisfactory to TAP.</p> <p>A) At the end of all the above applications, add wording to show the exact URL that will take the taxpayer directly to the section that contains the information specific to their need, i.e. www.irs.gov/ [add in the application page address].</p> <p>B) The second option would be to include instructions on how to obtain their information via using the search tool on irs.gov, i.e. “for more information please go to irs.gov and search for [keyword or words] using the search function on the top right of the webpage.” Some of the applications in the queue list already include what is being proposed here, for example: [#10 IMF BAL DUE (7357)], at the end of the voice message it states the web address is: www.irs.gov/e-pay.</p> <p>Similarly, [#42 EIN (7236)] contains the wording: “You can obtain an EIN immediately by using the online EIN application. Go to the IRS.gov website and type in keyword EIN.”</p> <p>The Toll Free committee is requesting these be expanded to at least the applications mentioned in this referral.</p> <p>3. The CVP does not currently have the capability to automatically send an email to a taxpayer from a DONOTREPLY email address that provides instructions on how to complete tasks online. CSR’s should be provided with the knowledge and ability to send taxpayers pre-formatted, no return address emails with instructions on how to accomplish their tasks online. Taxpayers would receive an e-mail response with their instructions, immediately or shortly after speaking with a CSR. As stated, the e-mail would contain a typical “no –reply” address similar to what other business and government entities use.</p> <p>4. Conduct additional training for CSRs on a regular basis to make them aware of new IRS.gov and CVP messages, to refresh them with existing capabilities, and to familiarize them with any new job aides that are implemented to help them direct taxpayers to IRS.gov for self-service.</p>
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<p>IRS Initial Response</p>	<p>The IRS agrees that this is a valid recommendation; however current budget constraints do not allow such changes to take place at the current time. However, these recommendations will be considered for future initiatives and projects as the budget allows. Accounts Management is actively involved in identifying ways to direct customers to automated tools on the phone and on irs.gov. In-queue announcements have been deployed to alert callers to online tools on most; if not all applications where we would anticipate the customer might have a need. Some of the many tools we highlight are Online Payment Agreement, Get Transcript, Where's My Refund, Where's My Amended Return, Online EIN, etc. We regularly assess where additional tools might be highlighted. Accounts Management is working with the Office of Taxpayer Correspondence to more prominently display the irs.gov website on notices. For script simplicity and customer ease of use, we simply refer customers to IRS.gov. The home page has links to the most common tools prominently displayed enabling customers to reach any needed tool with one or two mouse clicks. By providing the IRS home page (IRS.gov), there is less chance that a customer will incorrectly transcribe a lengthy tool name/address. CSRs may assist a taxpayer by directing them straight to the tool on a telephone call but if the taxpayer is not online at the time of the call, having the CSR direct the customer to IRS.gov should be just as effective.</p>
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<p>TAP Issue ID: 26409 Elevated Date: 09/06/2013</p>	<p>Committee Name: Taxpayer Communications</p>
<p>Status: Monitoring IRS Action</p>	<p>Outcome: Issue Partially Implemented</p>
<p>Title: Technology for Outreach and Education</p>	
<p>Issue Statement</p>	<p>Communications and Stakeholder Outreach (CSO) is pursuing increased virtual outreach and education that emphasizes additional technology avenues to communicate with stakeholders in lieu of solely face to face interactions. CSO is interested in learning what technologies are available for use and how they can be optimized for outreach and education.</p>
<p>Goal Statement</p>	<p>Provide feedback that presents options and ideas for enhancing outreach through technology.</p>

Proposed Solution	<p>The Taxpayer Advocacy Panel (TAP) subcommittee members provided the following oral feedback to the CSO over a series of periodic meetings:</p> <ul style="list-style-type: none"> • Work with software vendors - bundle IRS products to be distributed when practitioners purchase their software • Increase the practice of software vendors providing Continuing Professional Education (CPE) updates • As connectivity moves away from personal computers, allow people options to get information in their preferred medium: Smartphones, tablets, etc. • Provide information to customers how they want it, what they want, and when they want it. • Record WebInterpoint Seminars and have them available for viewing when it's convenient for practitioners • Use the share feature on the Small Business Taxes: The Virtual Workshop site to notify partners of the link to the new workshop, who can then share with their contacts, and so on. The site can be accessed at the following link: www.irsvideos.gov/smallbusiness taxpayer/virtualworkshop
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TAP Issue ID: 26417 Elevated Date: 09/19/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Issue Partially Implemented
Title: Increase Use of Online Payment Agreement	
Issue or Project Statement	The Online Payment Agreement (OPA) application is a fully automated interactive web tool on IRS.gov used for creating installment agreements (IA) for taxpayers. The IRS is investigating options, including marketing and updates to the application, to increase the number of users.
Project Goal Statement	Increase taxpayer and practitioner use of the OPA application to establish payment plans.

Proposed Solution or Task	<p>1. Improve Training on the availability of OPA.</p> <ul style="list-style-type: none"> • Notify Preparer Tax Identification Number (PTIN) holders of OPA by emailing a reminder regarding the OPA option. • Include OPA awareness information in routine IRS news releases, in IRS e-news releases, and on social media sites, especially near the end of tax season. • Ensure that OPA is subject matter covered in the Enrolled Agent examination. <p>2. Improve Instructions in Volunteer Income Tax Assistance / Tax Counseling for the Elderly (VITA/TCE) Training Materials.</p> <ul style="list-style-type: none"> • IRS Publication 4491, VITA/TCE Training Kit, should be updated to include a detailed explanation of the OPA option. These instructions should include terms, conditions, eligibility requirements, and information needed to apply online. All volunteers should be required to watch the OPA video as a standard component of training. • The IRS Publication 4012, Volunteer Resource Guide, section “Balance Due Returns” under – “what if the taxpayer cannot pay?” should be updated to include the following link: www.irsvideos.gov/individual/PayingTaxes/OPA. <p>This link is intended to give the taxpayer and other interested parties the opportunity to view the video which outlines OPAs. It explains most if not all the terms and conditions that taxpayers need to know in order to determine their eligibility to participate in this service and to submit an application if they qualify.</p> <p>3. Provide Easy to Find OPA Links</p> <ul style="list-style-type: none"> • Include an easy to find link on Form 1040, U.S. Individual Income Tax Return, Line 76 “Amount You Owe” and determine if the Free File Alliance would include a hyperlink in its tax software to the OPA option on the “Amount You Owe” line. • In addition, the IRS should encourage all commercial software companies to insert a hyperlink to OPA. <p>4. Define acronyms and terminology and list all required information needed on landing page for OPA.</p> <ul style="list-style-type: none"> • Update http://www.irs.gov/Individuals/Online-Payment-Agreement-Application to include hyperlinks for the acronyms. • Have each hyperlink spell out the acronym and explain where to find it. • When there is a request for information from a particular tax year include a hyperlink to explain which tax year. • Explain on the PIN link that if the taxpayer does not already have one the OPA application includes an option to obtain one. • List that additional information required during application process includes: spouse Social Security number (SSN), balance owed, bank routing number and bank account number. <p>5. Toll-Free Scripts</p> <ul style="list-style-type: none"> • Ensure that all toll-free scripts explain the options of the OPA as in Queue Announcement #3, included as Appendix 1.
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TAP Issue ID: 26418 Elevated Date: 09/19/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Project/Assignment Completed
Title: ID Theft of Business Taxpayers	
Issue or Project Statement	<p>In an examination of employment tax non-filers the IRS found instances of business identity (ID) theft. Specifically, perpetrators prepare fictitious Forms W-2, Wage and Tax Statement, using existing, defunct, or fictitious business Employer Identification Numbers (EIN) to report false federal income tax withholding and wages. This subverts checks and balances used to match W-2s to returns, making individual taxpayer refund fraud easier. There have also been cases where a business uses another company's EIN to obtain refundable tax credits. The IRS is considering procedures for identifying, addressing, and preventing these types of occurrences.</p>
Project Goal Statement	<p>Provide feedback to improve procedures to identify identity theft and ensure that any such procedures have the intended results and do not increase the burden for legitimate business taxpayers.</p>
Proposed Solution or Task	<p>Nothing specific except to report any examples of possible business ID theft to the IRS.</p>

IRS Initial Response	<p>Shelia Andrews, TAP National Director,</p> <p>Please thank the TAP members for their diligence in researching 2013 TAP Issue 26418, Business Identity Theft. Although, TAP made no formal recommendation, they did provide insight on the need for continued discussion on inhibiting Business ID Theft. SB/SE realizes this is a new issue that has yet to be fully explored and appreciates that at this time the TAP has no specific recommendations.</p> <p>When TAP refers issues to SB/SE, we see opportunities for us to step back and evaluate our systems and procedures. More importantly, TAP recommendations create a dialogue among IRS staff managing day to day programs and policy decision makers who all need to understand the taxpayers' perspective in tax compliance.</p> <p>Please express SB/SE's sincere appreciation to the TAP members for their work on the Small Business Identity Theft issue. We value the TAP's insight and unique viewpoint.</p> <p>Should you or your staff have any questions or need additional assistance, you may contact Brianne Wilner, Chief, at (240) 613-6597 or Carolyn Sanders-Walsh, TAP Lead at (813) 315-2445.</p> <p>Best regards,</p> <p>Karen Karen M. Taylor Director, CSO Headquarters Operations Communications and Stakeholder Outreach SB/SE 240-613-6560 (desk) 202-431-5551 (cell)</p>
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TAP Issue ID: 26529 Elevated Date: 11/27/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Where to File Return Requesting a Refund	
Issue or Project Statement	<p>The Instructions for mailing Forms 1040, 1040A and 1040EZ do not state where to file the return when the taxpayer is requesting a refund. The "Where to File" section of the Instructions only addresses those situations where no payment is enclosed or where there is a payment enclosed. The absence of information regarding a request for a refund leads to taxpayer confusion as to where to file a tax return requesting an income tax refund. Publication 17 (Your Federal Income Tax) and the information online (see http://www.irs.gov/uac/Where-To-File-Addresses-for-Tax-Professionals) by state do not specifically address where to file returns requesting a refund. Using currently available information in print and online, the taxpayer is left to assume a request for refund is to be filed at the address where no payment is enclosed with the return.</p>

Project Goal Statement	<p>To ease taxpayer confusion regarding where to file a tax return requesting a refund, the Service should expand the “Where to File” section of the Instructions for Forms 1040, 1040A and 1040EZ and Publication 17 to expressly include information for where to file returns requesting a refund. By adopting this suggested revision, taxpayers will have easy access to information on where to file their income tax return to request a refund and calls to the IRS Hotline or other points of contact will thereby be reduced.</p>
Proposed Solution or Task	<p>The Service should expand the “Where to File” section of the Instructions to add the words “requesting a refund”. Those words would eliminate confusion on where to file a claim for refund and facilitate more rapid processing of claims for refund.</p> <ol style="list-style-type: none"> 1) The Instructions for Form 1040 (“Where Do You File?”), Page 108 (2012 version), need to be changed from “IF you live in... THEN use this address if you: Are not enclosing a check or money order...” to “If you live in... Then use this address if you: Are requesting a refund or are not enclosing a payment...” 2) The Instructions for Form 1040A (“Where Do You File?”), Page 96 (2012 version) and page 87 (2013 draft version), need to be changed from “IF you live in... THEN use this address if you: Are not enclosing a check or money order...” to “If you live in... Then use this address if you: Are requesting a refund or are not enclosing a payment...” 3) The Instructions for Form 1040EZ (“Where Do You File?”), Page 46 (2012 version and 2013 draft version) need to be changed from “IF you live in... THEN use this address if you: Are not enclosing a check or money order...” to “If you live in... Then use this address if you: Are requesting a refund or are not enclosing a payment ...” 4) The “Where to File” section of Publication 17, Page 289 (2012 version), needs to be changed from: <ol style="list-style-type: none"> a. “AND use the zip code below according to the form you are filing and whether you are enclosing payment” to “AND use the zip code below according to the form you are filing and whether you are enclosing a payment or requesting a refund”; and b. Columns titled “No payment enclosed” to “No payment enclosed or filing for a refund”. 5) The IRS website (www.irs.gov) should be updated with regard to state specific information. The “Where to File Addresses” on the website need to be changed from “and you ARE NOT ENCLOSING A PAYMENT, then use this address...” to “and you are requesting a REFUND or ARE NOT ENCLOSING A PAYMENT, then use this address...”

IRS Initial Response	<p>Recommendation 678, 679, 680, and 681 were accepted. Recommendation 682 was rejected.</p> <p>Response to 682 We disagree with this recommendation. Information regarding "Where to File" is contained under the tab heading titled "Filing".</p> <p>Generally, when a taxpayer requests a refund on their tax return, the taxpayer does not owe tax and does not enclose a tax payment. In this case the taxpayer should use the address listed under "ARE NOT ENCLOSING A PAYMENT". However, if the taxpayer does enclose a payment, even if their tax return requests a refund, the return with payment should be sent to the address listed under "ARE ENCLOSING A PAYMENT".</p>
IRS Final Response	Tax Forms & Publications will make this change in the 2014 Form 1040A instructions.

<p>TAP Issue ID: 26553 Elevated Date: 10/21/2013</p>	<p>Committee Name: Notice Improvement</p>
<p>Status: Closed</p>	<p>Outcome: Project/Assignment Completed</p>
<p>Title: Revise 2273C Letter</p>	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve notices and general correspondence letters.</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification, delaying issue resolution, and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	<p>The goal of this project is to recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.</p>
	<ol style="list-style-type: none"> 1. Reduce letters to one page, whenever possible, with more white space. 2. Clearly separate the date from other information in the top right corner. 3. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 4. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter" next to that comment. Currently the letter just has a line that says "reason for this notice," with nothing typed next to it stating the reason.

Proposed Solution or Task

5. Remove all content that is general in nature from the basic letter. Readers should be directed to a corresponding website landing page or add enclosures. Just like it has been done with Notices, provide a landing page in the same format as the Notices Landing Pages that includes such information as:
 - General Information on Installment Agreements;
 - Form 13844/How to Qualify for Reduced User Fee;
 - General Federal income tax information (including information tax rates, income tax withheld, and estimated payments);
 - A toll free number to call if further assistance is needed; and
 - Frequently Asked Questions (FAQs.)
6. Use consistent language. Sometimes the letter uses “account”; sometimes it uses “tax assessment.” The term should be “Installment Agreement” when used for the first time in the letter and then “Agreement” should be used throughout the rest of the letter.
7. Group the letter into different sections. These sections should include:
 - Payment Options;
 - Penalties and Interest; and
 - Exceptions and Waivers.
8. Emphasize the IRS must receive the payment “by the payment due date” to avoid ambiguity about when payment must be sent.
9. Highlight information about the tax lien, make it bold.
10. Do not require FULL Social Security Numbers on any correspondence or checks, due to ID theft concerns. Suggest using last four of Social Security Number.
11. Add impact information concerning “If You Miss a Payment” and list the contact information for the Local Taxpayer Advocate.
12. IRS contact information (Address & Telephone) should be in one place. Do not write “contact the IRS or us” without specific contact information.
13. Add a sentence suggesting the Taxpayer should retain a copy for their records.
14. Add a sentence to “Please include a copy of this letter with all written correspondence along with a phone number where you can be reached.”
15. Include a copy of the new/modified Installment Agreement that replaces all previous agreements/attachments when the agreement is modified.
16. Add another selection for the opening paragraph (items E, F, G, and H) that reads: “This letter confirms our conversation on [date].”
17. Change the second sentence of Paragraph N to read “Your new monthly payment of...”
18. Decompose the paragraph following Paragraph V into 2 selections. One selection requesting the taxpayer to write last four of their Social Security Number on their check if the taxpayer is an individual. The second selection requesting the taxpayer to write their Employer Identification Number on their check if the taxpayer is an employer.
19. Include a section that clearly states the following:
 - Total amount owed;
 - Agreed upon payment amount;
 - Date that payments are due to IRS; and
 - Total amount the taxpayer will have paid or incurred including penalties and interest, if this agreement runs to term.

The length of the letter is determined by the number of paragraphs used to compose the correspondence. Depending upon the conditions present on the account the letters are of varying lengths. The limitations of the Correspondex system used for letter production do not allow for programming of white space. The Correspondex system used to generate the Letter 2273C does not have the capability to separate the date from the other information in the letter.

The Correspondex system used to generate the Letter 2273C does not have the capability to produce an IRS letterhead similar to that used by the Notices, which are produced via a different composition tool.

The Correspondex system used to produce the Letter 2273C does not have the capability to provide formatting similar to that found on Notices, which are produced via a separate composition tool.

A "FAQ" page exists for the Letter 2273C on irs.gov. The current revision of the Letter 2273C does not adequately direct recipients to that FAQ page. The Letter 2273C will be revised to provide more specific direction to the page.

IRS is unable to find any use of the term "tax assessment" in the Letter 2273C.

Systemic limitations in the Correspondex system used for production of the Letter 2273C do not allow the "grouping" described in the recommendation.

There is no evidence of ambiguity in the language currently used in the Letter 2273C, which provides a payment due date for the monthly installment.

Systemic limitations in the Correspondex system used in production of the Letter 2273C do not allow for bolding or other emphasis in text.

The IRS has efforts underway to redact Taxpayer Identification Numbers from correspondence. Currently that initiative is limited to Notices, due to systemic limitations in the Correspondex system used to produce Letters such as the Letter 2273C.

Paragraphs "K" and "V" of the Letter 2273C already address this information.

IRS contact information is contained in each Letter 2273C when it is generated. The phrase "contact the IRS or us" is not present in the letter.

This information is already present in the "closing" section of the Letter 2273C.

The following text is already present in the "Closing" section of Letter 2273C:

"When you write, include a copy of this letter and provide in the spaces below your telephone number with the hours we can reach you. "

There is no literal paper agreement. The agreement is entered systemically by IRS and the Letter 2273C is generated to inform the taxpayer of the agreement.

This information is already present on the Letter 2273C in Paragraph "H".

Paragraph "N" of Letter 2273C already contains this information.

The language as currently presented is clear. There is no indication that the language as currently written is leading to taxpayer burden or confusion.

Systemic limitations in the Correspondex system used to produce the Letter 2273C do not allow for the information recommended to be displayed on the letter. The total amount owed as well as the payment amount and due date of the payment are shown on the letter in Paragraph "N" and "R".

TAP Issue ID: 26554 Elevated Date: 10/21/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Revise 3217C Letter	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve notices and general correspondence letters.</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification, delaying issue resolution, and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	<p>The goal of this project is to recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.</p>
	<ol style="list-style-type: none"> 1. Reduce letters to one page, whenever possible, with more white space. 2. Clearly separate the date from other information in the top right corner. 3. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 4. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter" next to that comment. Currently the letter just has a line that says "reason for this notice", with nothing typed next to it stating the reason. 5. Remove all content that is general in nature from the basic letter. Readers should be directed to a corresponding website landing page or add enclosures. Just like it has been done with Notices, provide a landing page in the same format as the Notices Landing Pages that includes such information as: <ul style="list-style-type: none"> • General Information on Installment Agreements; • Form 13844/How to Qualify for Reduced User Fee; • General Federal income tax information (including information tax rates, income tax withheld, and estimated payments;) • A toll free number to call if further assistance is needed; and • Frequently Asked Questions (FAQs.) 6. Use consistent language. Sometimes the letter uses "account"; sometimes it uses "tax assessment". The term should be "Installment Agreement" when used for the first time in the letter and then "Agreement" should be used throughout the rest of the letter.

Proposed Solution or Task	<p>7. Group the letter into different sections. These sections should include:</p> <ul style="list-style-type: none"> • Payment Options; • Penalties and Interest; and • Exceptions and Waivers. <p>8. Emphasize the IRS must receive the payment “by the payment due date” to avoid ambiguity about when payment must be sent.</p> <p>9. Highlight information about the tax lien, make it bold.</p> <p>10. Do not require FULL Social Security Numbers on any correspondence or checks, due to ID theft concerns. Suggest using last four of Social Security Number.</p> <p>11. Add impact information concerning “If You Miss a Payment” and list the contact information for the Local Taxpayer Advocate.</p> <p>12. IRS contact information (Address & Telephone) should be in one place. Do not write “contact the IRS or us” without specific contact information.</p> <p>13. Add a sentence suggesting the Taxpayer should retain a copy for their records.</p> <p>14. Add a sentence to “Please include a copy of this letter with all written correspondence along with a phone number where you can be reached”.</p> <p>15. Include a copy of the new/modified Installment Agreement that replaces all previous agreements/attachments when the agreement is modified.</p> <p>16. The payment voucher should be located at the bottom of the first page, identifying it as the “First Payment Voucher”, with exactly how much is due with this first payment.</p> <p>17. Page 1, Paragraph 1:</p> <ul style="list-style-type: none"> • Add “including all interest and penalties” at the end of the sentence that states: “Thereafter, send us that amount owed to arrive by the 5th of each month, until you’ve paid the full amount you owe;” • Give options to taxpayers who wish to pay the Agreement in full • Add “One Time \$105 User Fee;” and • Change the phrase “you may wish” to “should you wish” or “if you would like to”, to make it more conditional or a perceived option to the taxpayer. <p>18. Page 2 (numbers 1-5), change “you will” to “you must”.</p> <p>19. Page 3, number 8, add “therefore, you must continue to make your monthly payments” to the end.</p> <p>20. Page 3, number 10, include what circumstances the IRS can file a lien.</p>
IRS Initial Response	Received IRS responses with varied responses.
IRS Final Response	Received IRS responses with varied responses.

<p>TAP Issue ID: 26555 Elevated Date: 10/21/2013</p>	<p>Committee Name: Notice Improvement</p>
<p>Status: Closed</p>	<p>Outcome: Project/Assignment Completed</p>
<p>Title: Revise 4458C Letter</p>	
<p>Issue or Project Statement</p>	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve notices and general correspondence letters.</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification, delaying issue resolution, and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
<p>Project Goal Statement</p>	<p>The goal of this project is to recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.</p>
	<ol style="list-style-type: none"> 1. Reduce letters to one page, whenever possible, with more white space. 2. Clearly separate the date from other information in the top right corner. 3. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 4. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter" next to that comment. Currently the letter just has a line that says "reason for this notice", with nothing typed next to it stating the reason. 5. Remove all content that is general in nature from the basic letter. Readers should be directed to a corresponding website landing page or add enclosures. Just like it has been done with Notices, provide a landing page in the same format as the Notices Landing Pages that includes such information as: <ul style="list-style-type: none"> • General Information on Installment Agreements; • Form 13844/How to Qualify for Reduced User Fee; • General Federal income tax information (including information tax rates, income tax withheld, and estimated payments;) • A toll free number to call if further assistance is needed; and • Frequently Asked Questions (FAQs.) 6. Use consistent language. Sometimes the letter uses "account"; sometimes it uses "tax assessment". The term should be "Installment Agreement" when used for the first time in the letter and then "Agreement" should be used throughout the rest of the letter. 7. Group the letter into different sections. These sections should include: <ul style="list-style-type: none"> • Payment Options; • Penalties and Interest; and • Exceptions and Waivers. 8. Emphasize the IRS must receive the payment "by the payment due date" to avoid ambiguity about when payment must be sent. 9. Highlight information about the tax lien, make it bold.

<p>Proposed Solution or Task</p>	<p>10. Do not require full Social Security Numbers on any correspondence or checks, due to ID theft concerns. Suggest using last four of Social Security Number.</p> <p>11. Add impact information concerning "If You Miss a Payment" and list the contact information for the Local Taxpayer Advocate.</p> <p>12. IRS contact information (Address & Telephone) should be in one place. Do not write "contact the IRS or us" without specific contact information.</p> <p>13. Add a sentence suggesting the Taxpayer should retain a copy for their records.</p> <p>14. Add a sentence to "Please include a copy of this letter with all written correspondence along with a phone number where you can be reached".</p> <p>15. Include a copy of the new/modified Installment Agreement that replaces all previous agreements/attachments when the agreement is modified.</p> <p>16. Page 1, Paragraph 1:</p> <ul style="list-style-type: none"> • Change "Our records indicate that you missed an installment agreement payment..." to "Our records indicate that you missed a second installment agreement payment." The dates of your missed payments were {insert date} and {insert date}." This would reduce confusion as the intent and allow the taxpayer to see the dates and check their records in case there is a disagreement/discrepancy; and • Third sentence: move "We understand you may..." to lower in the letter. The taxpayer should concentrate on their next step which is under the "What you need to do immediately" heading. <p>17. Page 1, "What you immediately need to do" heading: change the wording from "...ignore this notice if you have already paid," to "If you've already made your monthly payment, thank you. No further action is required."</p> <p>18. Page 1, "If We Don't Hear From You" heading: Add "If you miss a third payment, the installment agreement will be cancelled. Missing the payment will result in additional enforcement actions, and filing of a notice of intent to levy." This clearly and accurately communicates that it is the third payment missed that automatically cancels the agreement.</p> <p>19. Page 1, "Additional Information" heading: Add "We understand that during these uncertain financial times, you may have difficulty in meeting the terms of your installment agreement."</p>
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TAP Issue ID: 26591 Elevated Date: 09/06/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Issue Partially Implemented
Title: Letter 2273C Frequently Asked Questions	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notice and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve IRS Letter 2273C Frequently Asked Questions Landing Page, hereinafter, "Letter 2273C Landing Page."</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification; delaying issue resolution; and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	To make recommendations to the Letter 2273C Landing Page that provides additional information for taxpayer education and clarification.

What is this letter telling me?

1. Change first question from “What is this letter telling me?” to “What is this letter and why am I receiving it?”
2. Change “This letter is telling you that we have accepted your oral or written request to pay what you owe the IRS in installments” to “This letter confirms that we have accepted your oral or written request to pay what you owe the IRS in installments.”
3. Change “The letter will also provide instructions on how to apply for the Low Income Fee Reduction (if you qualify)” to “The letter provides instructions on how to apply for the Low Income Fee Reduction (if you qualify).”

What do I have to do?

4. Replace “You should mail your payment to us 5 days prior to the due date” with “You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the payment due date.”

How much time do I have?

5. Remove “The letter is usually mailed 4 to 6 weeks before your first payment due” to “The letter will tell when your first payment is due.”

Who should I contact?

6. The answer provided does not match the question.
7. Answer in this section should contain “Call IRS at xxx-xxx-xxxx or email at xxxxx@irs.gov.” There should be some specific contact information in this section.

Add the following questions with answers:

8. When do I need to provide a financial statement and what information is needed?
9. What is an electronic payment?
10. When can the IRS file a tax lien?

Background, Research, and Analysis:

Taxpayers continue to exhibit anxiety, frustration, and apprehension toward the IRS and its correspondence (notices and letters). The IRS sends confusing, vague, and inconsistent instructions. Landing Pages are critical in answering taxpayer questions regarding letters and notices. By providing clear and comprehensive information on the Landing Pages, taxpayers could achieve higher compliance frequency.

The TAP Notice and Correspondence Project Committee worked with IRS Program Owners (Notices Office) to improve Letter 2273C Landing Page. The TAP committee read and reacted to the submitted Landing Page. TAP then documented their reactions as feedback and submitted suggestions for improving clarity, understanding, and tone.

1. Change first question from “What is this letter telling me?” to “What is this letter and why am I receiving it?”
2. Change “This letter is telling you that we have accepted your oral or written request to pay what you owe the IRS in installments” to “This letter confirms that we have accepted your oral or written request to pay what you owe the IRS in installments.”
3. Change “The letter will also provide instructions on how to apply for the Low Income Fee Reduction (if you qualify)” to “The letter provides instructions on how to apply for the Low Income Fee Reduction (if you qualify).”

IRS Response Detail:

IRS agrees with this recommendation and will make the necessary changes to the letter

4. Replace “You should mail your payment to us 5 days prior to the due date” with “You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the payment due date.”

IRS accepts this recommendation and will implement the change.

5. Remove “The letter is usually mailed 4 to 6 weeks before your first payment due” to “The letter will tell when your first payment is due.”

IRS accepts this recommendation and the change to the letter has already been completed.

6. The answer provided does not match the question.

7. Answer in this section should contain “Call IRS at xxx-xxx-xxxx or email at xxxx@irs.gov.” There should be some specific contact information in this section.

IRS accepts this recommendation and will revise the letter to reflect the recommendation.

8. When do I need to provide a financial statement and what information is needed?

9. What is an electronic payment?

10. When can the IRS file a tax lien?

This information is already contained in the letter and/or in the attachments provided with the letter.

IRS Initial Response

TAP Issue ID: 26621 Elevated Date: 08/27/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Tax Form 1040a Instructions - Update for line 9a.	
Issue or Project Statement	Form 1040A, US Individual Income Tax Return, instructions for line 9a directs the user to enter the total ordinary dividends on line 9a. This amount should be shown in box 1a of Form(s) 1099-DIV. No exceptions to this instruction were noted.
Project Goal Statement	Add the TIP item noted in the Form 1040, line 9a instructions located on page 22 to the Form 1040A line 9a instructions located on page 22.
Proposed Solution or Task	Add Form 1040 line 9a instructions TIP item to Form 1040A noting dividends on insurance policies are a partial return of the premiums paid. Do not report them as dividends. Include them in income on line 21 only if they exceed the total of all net premiums paid for the contract.
IRS Initial Response	Taxpayers cannot file Form 1040A if they receive dividends on insurance policies in excess of the net premiums paid for the contract (see item 1d under When Must You Use Form 1040? in the instructions for Form 1040A). Even if taxpayers overlook this instruction to use Form 1040, they should not try to report these distributions on Form 1040A, line 9a. The instructions for Form 1040A, line 9a, refer only to the amount in box 1a of Form 1099-DIV. Distributions from insurance policies are not reported on Form 1099-DIV. They are generally reported on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. The line 9a instructions refer taxpayers with non-dividend distributions to Form 1040, which includes the TIP. Taxpayers needing more information are referred to Pub. 550, which also includes the information contained in the TIP.

TAP Issue ID: 26623 Elevated Date: 08/28/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Form 1040a Instructions and Publication 721	
Issue or Project Statement	<p>1) Form 1040, US Individual Income Tax Return, instructions for lines 16a and 16b, Pensions and Annuities, needs to be updated to incorporate a change to Simplified Method Worksheet as reported in Publication 721 (2012).</p> <p>2) Form 1040A, US Individual Income Tax Return, instructions for lines 12a and 12b, Pensions and Annuities, needs to be updated to incorporate a change to Simplified Method Worksheet as reported in Publication 721 (2012).</p>

Project Goal Statement	Publication 721, Tax Guide to U.S. Civil Service Retirement Benefits, was updated February 01, 2013. The update incorporated a change to Simplified Method Worksheet A on page 8 whereby line 11 was added. Line 11 reported the balance of the pension cost to be recovered. Instructions for Forms 1040 and 1040A still have the old worksheet excluding line 11 and needs to be updated.
Proposed Solution or Task	1) Update Form 1040 instructions Simplified Method Worksheet- Lines 16a and 16b on page 27 with Publication 721's (2012) Simplified Method Worksheet on page 8 excluding the numeric examples. 2) Update Form 1040A instructions Simplified Method Worksheet- Lines 12a and 12b on page 26 with Publication 721's (2012) Simplified Method Worksheet on page 8 excluding the numeric examples.
IRS Initial Response	The recommendations of updating the instructions to the Form 1040 and Form 1040A were accepted separately. See details in Files # 34320 and 34321.

TAP Issue ID: 26731 Elevated Date: 06/07/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Publication 4681, Cancellation of Debt	
Issue or Project Statement	On page 5 column 3 of Publication 4681 under the Insolvency heading it has a TIP which instructs the taxpayer to find the insolvency worksheet on page 6. The worksheet is actually found on page 8.
Project Goal Statement	Change the reference from page 6 to page 8 in that sentence. To read, "You can use the worksheet on page 8 to help calculate the extent that you were insolvent immediately before the cancellation. Because it is the only thing on page 8 it could also be included on page 1 in the Contents under the Exclusions section as Insolvency Worksheet 8
Proposed Solution or Task	Change the reference in the "TIP" on page 5 of the Publication from "page 6" to "page 8" to correct this discrepancy. The "TIP" should state: "You can use the worksheet on page 8 to help calculate the extent that you were insolvent immediately before the cancellation." Because the Insolvency Worksheet is the only item on page 8 it also should be included on page 1 of the Publication in the Contents under the "Exclusions" section as: Insolvency Worksheet 8

IRS Initial Response	<p>Thank you very much for reviewing Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments.</p> <p>The Insolvency Worksheet does not appear on page 6, as indicated in Publication 4681; rather it appears on page 8.</p> <p>We are in the process of revising the publication for the 2013 tax year and will remedy this in the 2013 revision.</p> <p>Thank you for taking the time to inform us of this issue.</p>
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TAP Issue ID: 26772 Elevated Date: 10/21/2013	Committee Name: Toll-Free
Status: Closed	Outcome: Project/Assignment Completed
Title: Transcript Requests for FASFA	
Issue or Project Statement	<p>Many taxpayers are not aware that it is not required to request a transcript to apply for the Free Application for Federal Student Aid (FAFSA). This project identifies two situations where:</p> <ol style="list-style-type: none"> 1. Full transcripts are not needed for FASFA; and 2. Provides guidance on obtaining any needed information. <p>The committee reviewed the current IRS website content to improve access to these solutions.</p>
Project Goal Statement	<p>The goal of this project is to suggest a means for conveying this information clearly to taxpayers. If taxpayers are made aware that they do not need a transcript for their online FAFSA Application, they will not place a request for their transcript. This will result in less wait time for other taxpayers. As a side benefit, it may also cut down on traffic to the IRS Taxpayer Assistance Centers, as some taxpayers may decide to go in person to get a transcript.</p>

<p>Proposed Solution or Task</p>	<p>As shown in Addendum A, there is a step by step illustration of how students can use the IRS Data Retrieval Tool to complete a FAFSA Application without having to contact the IRS to obtain a copy of their transcript. All changes would occur on the irs.gov Order Transcript page (http://www.irs.gov/Individuals/Order-a-Transcript)</p> <p>1) In step 1, hyperlink "TAX ACCOUNT TRANSCRIPT" same as "tax return transcript" to show an example of both. Currently the link "Tax Return Transcript" redirects to the same page (i.e. it has no function). The same information is not hyperlinked in the Spanish version of the page. Alternatively, remove the non-functional hyperlink on the English page.</p> <p>2) Instead of bullets use letters:</p> <p>3) On the irs.gov under "order transcript" for step 3, add option/info with hyperlink to the form, provide options for mail in, and fax #.</p> <p>4) Change the note as follows:</p> <p>Note:</p> <ul style="list-style-type: none"> • To send your transcript to a different address, complete and send Form 4506-T. your online request for a transcript cannot be processed if you need transcripts mailed to an address other than the one on file. • Transcripts requests for FAFSA purposes can be made directly within the FAFSA application at http://www.fafsa.ed.gov/ . • If an account has a payment amount due, the transcript will not be available until after June 30. • If an amended return was filed, online requests cannot be processed. <p>5) Make the equivalent changes to the Spanish version of the page, and remove the request to call the main IRS Toll Free Line on the Spanish version (bolded below). "Para solicitar el envío de su transcripción a un domicilio distinto, llene y envíe el Formulario 4506-T o, llámenos al 1-800-829-1040."</p> <p>6) When a transcript is not available, add a dialog box: Reason why the transcript is not available and further actions needed by taxpayer.</p> <p>7) Make the transcript request system "live on demand". Upon taxpayer request and verification make the transcript available to taxpayer via email or on the screen.</p>
<p>IRS Initial Response</p>	<p>We are in the process of launching a web application called Get Transcript that will provide the taxpayer a view/print option of any of the 5 types of transcript 24/7 free of charge. It is scheduled for January 2014, at which time, Order a Transcript will be rebranded as the mail option of Get Transcript. The new functionality should serve the needs of most taxpayers and in particular, will be a convenience to FAFSA applicants.</p>

TAP Issue ID: 27015 Elevated Date: 06/05/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Issue Fully Implemented
Title: Small Business Taxes - Virtual Workshop Review	
Issue or Project Statement	<p>The Taxpayer Communications Project Committee was asked to review the Small Business Taxes - Virtual Workshop. Review the workshop's overall design - does it enhance the learning experience; the lessons appearance; the lesson functionality. Provide suggestions for design and functional enhancements to SB/SE. There are nine lessons and the introduction itself. Small Business Taxes: The Virtual Workshop Lesson 1 What you need to know about Federal Taxes and your new business (32:45) Lesson 2 What You Need to Know about Schedule C and Other Small Business Taxes and Tax Forms (23:21) Lesson 3 How to file and pay your taxes electronically (17:50) Lesson 4 What you need to know when you run your business out of your home (42:10) Lesson 5 How to set up a retirement plan for yourself and your employees (21:16) Lesson 6 What you need to know about federal taxes when hiring employees or contractors (29:46) Lesson 7 How to manage payroll so you withhold the correct amount from employees (27:00) Lesson 8 How to make tax deposits and file a return to report your payroll taxes (18:42) Lesson 9 Hiring People Who Live in the U.S. but Who Aren't U.S. Citizens (31:07)</p>

<p>Project Goal Statement</p>	<p>Virtual Small Business Tax Workshop Observations</p> <p>Overall Design:</p> <ol style="list-style-type: none"> 1. How does the design fit the goal of the workshop – teaching a new small business owner about their tax rights and responsibilities? 2. Does the design enhance or detract from the learning experience of the new small business owner and why? <p>Appearance and Functionality:</p> <ol style="list-style-type: none"> 1. Does the description / link / location of the workshop lesson make you want to see the lesson? 2. Is the interface intuitive? Does it do what you think it should do? 3. Is there any function that needs an explanation? 4. Were you able to access features without significant problems? 5. Is there anything you could not make work as desired? 6. Did the lesson flow and sync appropriately on your computer? <p>Observations and Recommendations:</p> <ol style="list-style-type: none"> 1. Do you have any additional recommendations for making the look and feel and/or functionality better; either for the workshop as a whole or for a particular lesson? 2. Do you have any other comments?
<p>IRS Initial Response</p>	<p>Carolyn Sanders Walsh, SB/SE Senior Tax Analyst said the feedback provided was great. They already implemented a lot of changes and will do others in the future.</p> <p>The workshop is now live on the IRS video portal at: http://www.irsvideos.gov/SmallBusinessTaxpayer/virtualworkshop</p> <p>In the future you will be able to scroll the “tear off” and will be able to view the video and the transcript at same time. The full-screen option is still not available but will be in the future. The type face has been upgraded to more professional style. The search option is not available. We have gone to progressive downloads so you cannot click on a specific portion of the video – for now. If you have a lack of bandwidth, you can download the video. We fixed the error in the references and fixed the sound as well. The comments work now too. Look at screen below the video; if you turn off the transcript and view only, the lessons will show all the publications referenced. We are also working on updating the lesson structure. Future upgrades planned:</p> <ul style="list-style-type: none"> an alert that advises the user that a tax law or procedure has changed as of a certain date; Spanish and Mandarin translations, Other languages will follow, including Vietnamese, Korean, Russian, Cantonese and French; a design for classroom delivery; a feature to play other video from the IRS video portal to enhance learning on a topic; and accessibility across a variety of platforms, including tablets and smart phones.

TAP Issue ID: 27033 Elevated Date: 09/10/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Review of 2012 Pub 544, Sales of Assets and Other	
Issue or Project Statement	Review Publication 544, Sales of assets and Other Dispositions, that will be used to file 2012 tax returns to ensure accuracy and clarity to those taxpayers who use the publication
Project Goal Statement	Review Publication 544- line by line- to ensure clarity
Proposed Solution or Task	The Committee made 27 recommendations on the review of 2012's Publication 544 that will improve the clarity of its reading. See File #32804 for detailed recommendations.

TAP Issue ID: 27532 Elevated Date: 09/10/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Project/Assignment Completed
Title: Focus Group on Tax Software and E-filed Forms	
Issue or Project Statement	On May 30, 2013 the Tax Forms and Publications (TFP) Committee participated in a focus group to evaluate Tax Software and E-filed Tax Forms and provide feedback to the Internal Revenue Service (IRS) stakeholder. The TFP Program Owner, Patty Wagner of the IRS Wage & Investment Division, facilitated the focus group.
Project Goal Statement	The TFP focus group provided a critique from the perspective of a diverse cross-section of taxpayers, some of whom are also tax practitioners. Its report will provide a timely transcript of the proceedings to the IRS stakeholder working team. The transcript will accurately communicate the results of the focus group's response in a format that corresponds to the IRS working team's agenda. This referral form and the transcript will also serve as the official TAP record of project work performed by TFP for its IRS stakeholder sponsor which has been successfully submitted to the IRS.
Proposed Solution or Task	The IRS stakeholder's working team will consider the information contained in the attached summary transcript as a resource in the development and analysis of tax software and e-filed tax forms. See detailed recommendations on File 29877

TAP Issue ID: 27624 Elevated Date: 10/23/2013	Committee Name: Tax Forms and Pubs
Status: Closed	Outcome: Issue Partially Implemented
Title: Review of Publication 555, Community Property	
Issue or Project Statement	Review Publication 555, Community Property, to ensure the information contained therein is clear to readers.
Project Goal Statement	Review Publication 555, Community Property, to ensure the information contained therein is clear to readers.
Proposed Solution or Task	Review Publication 555, Community Property, to ensure the information contained therein is clear to readers.
IRS Initial Response	The IRS has agreed with four of the 8 recommendations. See File 35455 for complete details on each recommendation.

TAP Issue ID: 27746 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Revise Letter 96C	
Issue or Project Statement	The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notice and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP. TAP previously partnered with the Internal Revenue Service (IRS) to make suggestions to IRS Letter 96C.
Project Goal Statement	To recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.

1. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices.
2. Put the reason for the Letter after the addresses (just like in a Notice). State "Reason For This Letter". Currently the letter has no subject header giving the reason for this notice
3. Paragraph K, change sentence to read: "After reviewing the information you provide, no further action was necessary on your account."
4. Paragraph O, second sentence change to: "Please allow up to 60 days for processing."
5. Paragraph P is confusing. Is the second sentence necessary? If so, change to: "You have protected your rights by filing your claim on time. For further information on taxpayers rights, please visit."
6. Paragraph S
 - First paragraph, second sentence replace: "You should pay now because..." with "Penalties and interest will continue to build until the balance is paid in full." Second paragraph first sentence change to: A general explanation has been provided of the possible penalties and/or interest included in the current balance due on your account.
 - Under Paying Late – IRC Section 6651 (d) second paragraph, add first sentence: "If a Notice of Intent to Levy is issued and the balance due isn't paid within 10 days from the date of the notice, the penalty increases to 1% a month."
 - Under Filing and Paying Late – IRC Section 6651 change first sentence to read: "A 5% combined penalty of 4 ½% for filing late and ½% for paying late will be charged when a return is filed late and the tax is not paid by the due date of the return." Change third sentence after late, the ½% late paying penalty will continue to be charged for each month or part of a month for as long as the tax is unpaid, but not for more than 25%. Change fourth sentence to: "The maximum penalty that can be charged is 47 ½% (22 ½% late filing plus 25% late paying)."
 - Under Interest – IRC Section 6601 change to read: "Interest is charged when tax is not paid on time. Interest is figured from the due date of the return (regardless of extensions) to the date we receive full payment or the date of the notice."

Proposed Solution or Task

TAP Issue ID: 27747 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Letter 0147C	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to make suggestions to IRS Letter 0147C.</p>
Project Goal Statement	To recommend improvements in IRS letters sent to taxpayers that provide clear purpose and simple direct instructions as to the course of action to take.
Proposed Solution or Task	<ol style="list-style-type: none"> 1. Change letterhead so that it is consistent to Notices letterhead. All correspondence from the IRS should look consistent whether they are letters or notices. 2. Put the reason for the Letter after the addresses (just like in a Notice). State the specific "Reason For This Letter". Currently the letter just has no subject header giving the reason for this notice 3. Paragraph J: add sentence to advise the taxpayer of what action is being taken. For example, "We are processing your return using this EIN." 4. Paragraph K: remove the word "therefore" in the third sentence. This will make the statement more businesslike. 5. Paragraph P: break the sentence where the line about relocating the business is separate. 6. Paragraph Q: add that the taxpayer should use the new number from then on. 7. Paragraph 6: look at a final product as an example to see if the list of numbers and taxpayers are the incorrect data or the correct data. The language of the paragraph should state this. 8. In general when a form SS-4 is necessary, provide the taxpayer with a link to the form and instructions. These are currently at two separate locations on the IRS website, one for the form and one for the instructions. We suggest combining the form and instructions in one location and stating that in the letter. 9. The various paragraphs make extensive use of personal pronouns. These serve to make the letter more like a discussion than an effort to assist the taxpayer in resolving a problem which until he/she receives the letter they may not know exists. If this is not intentional, consider changing some of the phrasing. For example, where paragraph D says "call us", it could say "contact this office".

TAP Issue ID: 27807 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Closed	Outcome: Project/Assignment Completed
Title: Letter 3217C Frequently Asked Questions	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to review, update, and improve IRS Letter 3217C Frequently Asked Questions Landing Page, hereinafter, "Letter 3217C Landing Page."</p> <p>Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification; delaying issue resolution; and issuing additional follow-up notices. This contributes to inefficient productivity.</p>
Project Goal Statement	To make recommendations to the Letter 3217C Landing Page that provide additional information for taxpayer education and clarification.
Proposed Solution or Task	<p>What is this letter telling me?</p> <ol style="list-style-type: none"> 1. Change first question from "What is this letter telling me?" to "What is this letter and why am I receiving it?" 2. Change "This letter is telling you that we have accepted your oral or written request to pay what you owe the IRS in installments" to "This letter confirms that we have accepted your oral or written request to pay what you owe the IRS in installments." <p>What do I have to do?</p> <ol style="list-style-type: none"> 3. Replace "You should mail your payment to us 5 days prior to the due date" with "You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the payment due date." <p>How much time do I have?</p> <ol style="list-style-type: none"> 4. Remove "The letter is usually mailed 4 to 6 weeks before your first payment due" to "The letter will tell when your first payment is due." <p>Who should I contact?</p> <ol style="list-style-type: none"> 5. Answer in this section should contain "Call IRS at xxx-xxx-xxxx or email at xxxxx@irs.gov." There should be some specific contact information in this section. <p>Add the following questions with answers:</p> <ol style="list-style-type: none"> 6. What if I don't agree or have already taken corrective action? 7. When do I need to provide a financial statement and what information is needed? 8. What is an electronic payment? 9. When can the IRS file a tax lien?

TAP Issue ID: 27808 Elevated Date: 09/12/2013	Committee Name: Notice Improvement
Status: Monitoring IRS Action	Outcome:
Title: Letter 4458C Frequently Asked Questions	
Issue or Project Statement	<p>The Taxpayer Advocacy Panel (TAP) requested re-establishment of the Notices and Correspondence Committee because taxpayers continue to submit this topic as unresolved issues to TAP.</p> <p>TAP previously partnered with the Internal Revenue Service (IRS) to determine if an IRS Letter 4458C Frequently Asked Questions Landing Page for Letter 4458C, hereinafter "Letter 4458C Landing Page" is necessary. Taxpayers remain confused as to the actions they should take and/or timeframes to be followed. This causes repeated contacts with the IRS for clarification; delaying issue resolution; and issuing additional follow-up notices. This contributes to inefficient productivity. Therefore, TAP recommends the creation of a Landing Page for Letter 4458C.</p>
Project Goal Statement	To make recommendations for the creation of website landing page corresponding to Letter 4458C that provide additional information for taxpayer education and clarification.
Proposed Solution or Task	<p>The Letter 4458C Landing Page should include the following content:</p> <p>Letter 4458C Frequently Asked Questions (FAQs)</p> <p>What is this letter and why am I receiving it?</p> <p>This letter notifies you that our records indicate that you missed a second installment agreement. The dates of your missed payments are included in this letter, should you wish to check your records for disagreement or discrepancy.</p> <p>What do I have to do?</p> <p>We must receive the next payment by the agreed PAYMENT DUE DATE. You should mail your payment in sufficient time (allow 5-7 business days) to reach us by the PAYMENT DUE DATE. If you miss a 3rd payment, the installment agreement will be cancelled.</p> <p>What happens if I don't take any action?</p> <p>If you fail to make your payments, the IRS can begin enforcement action by (1) placing a levy on your bank account or wages or (2) file a lien on personal property.</p> <p>Who should I contact?</p> <p>If you are unable to make your monthly payment, you should contact IRS as soon as possible. Expedient contact prior to your payment due date may temporarily stop enforcement actions. The person who answers the phone will assist you. Call IRS at xxx-xx-xxxx or email us at xxxxxxx@irs.gov.</p> <p>What if I don't agree or have already taken corrective action?</p> <p>You should contact us at least 10 days prior to your payment due date.</p> <p>Add the following questions with answers:</p> <p>When do I need to provide a financial statement and what information is needed?</p> <p>What is an electronic payment?</p> <p>When can the IRS file a tax lien?</p>

TAP Issue ID: 28429 Elevated Date: 11/06/2013	Committee Name: Taxpayer Communications
Status: Closed	Outcome: Issue Fully Implemented
Title: Tax Forum - Bring Back Case Work Resolution	
Issue or Project Statement	This memorandum is submitted by TAP members who participated in the 2013 IRS Nationwide Tax Forums. Nine TAP members conducted outreach sessions to inform attendees at the Tax Forums about TAP and to listen to current issues taxpayers are experiencing with IRS services and products. Based on our collective experience at the Forums, as well as the comments received from nearly 200 Forum attendees, we urge the IRS to reinstate the case resolution sessions at the 2014 Forums.
Project Goal Statement	Reinstate Case Resolution sessions at the 2014 IRS Nationwide Tax Forums
Proposed Solution or Task	The Case Resolution sessions have an impressive record of success and deserve to be preserved as a valuable component of Tax Forums. We urge the IRS to reinstate case resolution sessions at the 2014 Tax Forums.
IRS Initial Response	May 30, 2014 Response Received: As of late last week, we have approval and are moving forward with the Case Resolution Program at all five venues! You can mark this one down as a success!