

**January 16, 2015**

**Practitioner Liaison Meeting**

**Oklahoma City, Oklahoma**

Time: 9:00 a.m. – 12:00 p.m.

**Attendees:**

- James R. Adelman, Oklahoma Society of Enrolled Agents
- Les Armstrong, Oklahoma Society of Enrolled Agents
- Sandra H. Hall, Oklahoma Society of Accountants
- Robin Byford, Oklahoma Society of Certified Public Accountants
- Alan Holloway, Oklahoma Bar Association
- Jim Nolen, Oklahoma Society of Accountants
- Chris Busby, Oklahoma City Community Foundation
- Janet Gifford, Oklahoma Society of Certified Public Accountants
- Judy Akin, Oklahoma Society of Enrolled Agents
- Peggy Johnson, Oklahoma Society of Accountants
- Shelly Harry, Oklahoma Society of Certified Public Accountants
- Sean Reed, Oklahoma Society of Enrolled Agents
- Jeffery Stoermer, Oklahoma Bar Association
- Ed Moore, Oklahoma Society of Enrolled Agents
- Dean Taylor, Oklahoma Society of Accountants
- Blaine Peterson, Oklahoma Society of Certified Public Accountants
- Mike Hardin, Oklahoma Society of Enrolled Agents
- Lee Weeden, Oklahoma Society of Accountants
- Adam Roberts, Oklahoma Society of Enrolled Agents
- Steve Wade, Oklahoma Society of Certified Public Accountants
- Jana Johnston, Oklahoma Society of Certified Public Accountants
- Jim Fourcade, Oklahoma Tax Commission
- Susan Gentry, SBSE Examination Territory Manager
- Greg Butler, Appeals Team Manager
- Tracy Foster, Treasury Inspector General for Tax Administration (TIGTA)
- \* Craig Crews, SBSE Stakeholder Liaison
- Ed LaGrave, Taxpayer Assistance Center Manager
- \*Kathleen Fox, SBSE Stakeholder Liaison
- \*Eden Simpson, SBSE Stakeholder Liaison
- \*Melody Green, SBSE Stakeholder Liaison
- Anita Douglas, Senior Stakeholder Liaison

\* Attended Via LiveMeeting

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**Meeting Summary:**

**Anita Douglas, Senior Stakeholder Liaison**, welcomed and thanked everyone for attending the meeting. She explained the purpose of having these meetings. Anita introduced and thanked Chris Busby and the

Oklahoma City Community Foundation for hosting the meeting. Anita also thanked the Oklahoma Society of Accountants for providing the refreshments for today's meeting.

**Chris Busby, Oklahoma City Community Foundation**, provided a brief [overview](#) on the Foundation and their involvement in the Oklahoma City community.

**Susan Gentry, SBSE Examination Territory Manager**, discussed new letters being used due to the Appeals Judicial Approach and Culture (AJAC) changes. These letters have a similar appearance as Examination's Letter 950 commonly known as a thirty day letter. The three new letters are:

1. Letter 5262 - Generally provides 15 days to respond. This letter begins by stating:

As of the date of this letter, we haven't received some or all of the information we requested on Form 4564, Information Document Request (IDR), to resolve the issues identified during the examination. If you don't provide the information requested on the enclosed Form 4564 or contact me to confirm you have no additional information to provide by the response due date listed above, we will close your examination based on the information we have now. If you don't agree, you won't be able to appeal within the IRS before we issue a notice of deficiency. We may have included more than one Form 4564. If so, be sure to review each one and provide the information requested on each.

2. Letter 5441- Generally provides 10 days to respond. This letter's first paragraph discusses that the information provided in response to the Letter 5262 did not satisfy the Form 4564 and advises what was revised based on the information that was submitted.
3. Letter 5351- Generally provides 10 days to respond. This letter states at the top of the second page:

**If you don't agree with the proposed changes in the report**

Contact me by the response due date. Publication 3498, The Examination Process, also explains what to do if you don't agree with the proposed changes. For Appeals to have enough time to consider your case, you must agree to extend the period for assessment. We sent a request for your consent to extend the period for assessment with Form XXX and Publication 1035, extending the Tax Assessment Period. The consent to extend the statute will be sent in a separate envelope either prior to the Letter 5351 or issued at the same time as the Letter 5351.

All of the letters are issued with a report reflecting adjustments as of the date of the letter. Susan responded to questions from attendees.

**Greg Butler, Oklahoma Appeals Team Manager**, provided an overview on the Appeals Judicial Approach and Culture. Greg stated the purpose of the ADJAC Changes include clarifying the independent and impartial role of Appeals Hearing Officers; to clarify the distinction between the roles of Compliance and Appeals; and to emphasize a quasi-judicial approach to dispute resolution. Appeals employees will not raise new issues or reopen issues on which the taxpayer and Compliance reached an agreement during the examination. Only new issues raised by Appeals would be computational issues. Greg reviewed the AJAC Guidelines on Statutes that consist of the following changes: (1) New Receipts from Compliance: In general, all new case receipts in Appeals from Compliance must have at least 365 days remaining on the statute of limitations (SOL) when received in Appeals. (2) Cases Returned to Compliance by Appeals when the TP provides new information/evidence that requires analysis and/or warrants investigation must have at least 210 days remaining on the SOL when received by the originating function. (3) Cases Returned from Compliance to Appeals (when the case was previously returned for analysis and/or investigation of new information or evidence) must have at least 180 days remaining on the SOL when received by Appeals. (4) The following cases must have at least 270 days remaining on the Statute of Limitation: Estate Tax; and IRC Section 6206 (Excessive Refund Claims). Greg stated that any new item or document related to a disputed issue that the taxpayer did not share with Exam and merits additional analysis will be returned to Exam for their review and consideration. Greg also provided an overview of their policy changes relating to Large Business and International Cases (LB&I). See attached power point.

**Tracy Foster, Treasury Inspector General for Tax Administration (TIGTA)**, stated IRS Impersonators are targeting taxpayers by phone to intimidate taxpayers into providing their personal financial information and sending them money. She reported the impersonation schemes are being perpetrated outside of the United States and have been ongoing since November 2013. She reported that people from all walks of life have become victims by sending money to the scammers. Tracy highlighted the [TIGTA Website](#) and went over how practitioners can help educate their clients and communities so they will not become victims and provided information on how to [report incidents](#) to TIGTA. Tracy responded to questions from the Attendees.

**Ed LaGrave, W & I Taxpayer Assistance Center Manager**, gave an overview of the services and resources taxpayers and tax practitioners can expect to receive during the 2015 Filing Season. Customer Service Representatives in the Taxpayer Assistance Centers (TAC) can help you with services such as: Inquiries or adjustments to your tax account; Questions about IRS letters and notices; and Payment plans if you or your clients owe and cannot pay the full amount. Ed also mentioned information and resources that are available online at [1040 Central](#). He also provided information about the Practitioner Priority Service Help Line and the changes that became effective in January 2014. Ed responded to questions from Attendees. See [Handout](#).

**Jim Fourcade, Director of Compliance, Oklahoma Tax Commission (OTC)**, provided an update on their compliance initiatives. Jim stated in December of 2008 the OTC purchased a Data Warehouse tool that will allow them to convert data from various sources and integrate that information into their mainframe system. Sources of information come from IRS tapes, Oklahoma Secretary of State; Oklahoma Employment Securities Commission, Veterans Death File; and Customs Data. They plan to obtain data from the State Withholding Information if the Oklahoma Legislature will approve; Oklahoma Beer/Wine/Low Point Beer/Spirits; Cigarette and Other Tobacco Products. Jim also provided an update on their OTC Discovery Programs Implemented in 2009. If an entity provides to the State of Oklahoma with a sales tax return – Did that same entity file a corporate return or include a schedule C with their individually filed return? They will review any parent/subsidiary relationships and determine if the entity has nexus with the State of Oklahoma. If an entity has employees in the State of Oklahoma – Did that entity file a corporate return with the State? With regard to their Non-Filer Program they will determine if an entity/individual filed a 1099 and verify if the taxpayer/entity filed an Oklahoma Tax Return. OTC will also conduct a Federal Adjusted Gross Income Match to determine if an individual/entity filed with the IRS but failed to file with Oklahoma and if they resided in Oklahoma. OTC also reviews Form 1098 Mortgage Interest Statements to validate if the taxpayer/entity that lives out of state but owns a residence in Oklahoma if they filed an Oklahoma Return with Oklahoma. They also validate taxpayers that a file Schedule C if they also filed an Oklahoma Sales Tax Return. OTC also validates if an entity filed W-2 information with the Oklahoma Employment Security Commission and if an Oklahoma Return is in their system; and if Oil and Gas Companies are reporting their sale of assets as required verifying that the appropriate forms have been filed and if not, assessing taxes based on average prior filings. Jim provided an update on their Under-Filer Program. Jim stated they conduct matches with the Federal Adjusted Gross Income to validate information on the Oklahoma Return. They also review IRS Revenue Agents Reports; Professional and State Employee Validation which is a non-filer and under-filer program aimed specifically at State Employees and those

taxpayers holding a professional license within Oklahoma; and they validate the W-2G to see if taxpayers had a requirement to file in Oklahoma since the income is from Oklahoma Sources. Jim provided some information on the outcome of their programs: Number of Lead Letters sent in 2014 - 67,106 letters; Received 200,152 payments due to Lead Letters sent; Beginning in December 2008 have collected in 2014 \$53,645,548.58. Jim provided an update on their new Form 1099-K software that has the capacity to take large amounts of data and set up tables which is new for the OTC. Jim responded to questions from the audience. See attached power point

**Anita Douglas, Senior Stakeholder Liaison**, provided a packet that included: an Agenda, Power Points for Speakers, the [Oklahoma Practitioner Directory](#), [January 2015 Issue Management Resolution System \(IMRS\) Hot Issues](#); [November 2014 IMRS Monthly Overview](#) and a Resource Document. Anita shared information about upcoming Events scheduled in January; [January 20, 2014 – Webinar](#) co-sponsored by Oklahoma Society of Enrolled Agents and IRS on the 5000A Individual Shared Responsibility Provision; and the [January 21, 2015 Central Area IMRS Quarterly Webinar](#). Due to time, Anita was not able to provide updates on the [Opening of the 2015 Tax Filing Season](#); [2015 Direct Deposit Limitations](#); [Direct Pay Online Application for Individuals](#); [the ACA Information Center for Tax Professionals](#); Updates to the [Identity Theft Program](#); or the [IRS Online Tax Calendar](#).

### **Round Table Discussion:**

Anita thanked everyone for their candid feedback. The [Issues and Concerns](#) raised will be input into the IMRS System. All of the issues are national in scope and will have to be researched and if appropriate submitted for a response. Anita reminded everyone that even though we have identified concerns and issues, it is up to the Business Operating Divisions to adopt and/or resolve them. Our function as Stakeholder Liaison is to make the issues and concerns known to the responsible Business Operating Division.

Anita stated the Minutes will be distributed and asked all organizations to please continue sharing with their members and network by email, electronic newsletter and posting on their website.

### **Next Meeting Date:**

The next scheduled meeting is tentatively scheduled for Wednesday, May 20, 2015 at the Kansas City Campus from 9:00 a.m. to 12 noon. Anita will contact the responsible representatives to confirm the date and time. Kansas Senior Stakeholder Liaison, Eden Simpson will coordinate the meeting.