


**2018 Tax Practitioner Institutes**



**Stephen Connor**  
IRS Stakeholder Liaison

42nd Annual Delaware Federal & State Tax Institutes  
December 10, 11, & 13, 2018

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**Learning Objectives**

- Implement a security system to safeguard taxpayer data
- Understand the role of the Security Summit
- Recognize potential scams and report them
- Register or reregister for IRS e-Services
- On Line Accounts
- Understand who may represent a taxpayer through a power of attorney and recognize the revisions to Form 2848,



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**Learning Objectives (cont'd)**

- Power of Attorney and Declaration of Representative
- Explain when a passport may be denied or revoked for failure to pay taxes
- Understand the IRS voluntary certification program for professional employer organizations
- Practitioner Priority Service (PPS)
- IRS Key Messages



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**Issue 1: Duty to Safeguard Data**

- Designate persons to coordinate data security program
- Identify Risks
- Design and implement safeguards
- Maintain appropriate safeguards
- Evaluate and Adjust



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**Protect your EFIN**

- IRS reviewing improvements to EFIN safeguards
  - Stepped up efforts to expel EFIN abusers;
  - Increased on-site visits as part of monitoring process
- EFIN holders should review return numbers during filing season
  - e-Services Account updated weekly
  - Excessive numbers can be reported to e-Help Desk



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**Steps to protect client data**

- Read Pub. 4557, Safeguarding Taxpayer Data
- Review current security measures
- Create a security plan
  - Use top-notch software security
  - Educate all employees
  - Use strong passwords
  - Secure Wi-Fi
  - Encrypt PII emails
  - Backup files



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**Issue 2: Security Summit Initiatives  
- 2016**

- Shared data elements from return
- Required stronger password protocols
- Agreed on stronger cybersecurity framework
- Agreed on ISAC



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**Security Summit Initiatives - 2017**

- Fewer Reports of Identity Theft
- Fewer Fraudulent Returns Were Processed
- Reduced Backlog of Identity Theft Reports



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**Security Summit Initiatives - 2018**

- W-2 Verification Box
- ID Theft protections for Form 1120 and 1041 Series



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### Issue 3: Examples of Scams

- Hotmail User Scam
- W-2 Scam
- IRS Refunds Scam
- IRS TAC Scam
- Professional Association Scam
- Ghost Preparers
- IRS-Impersonation Telephone Scams




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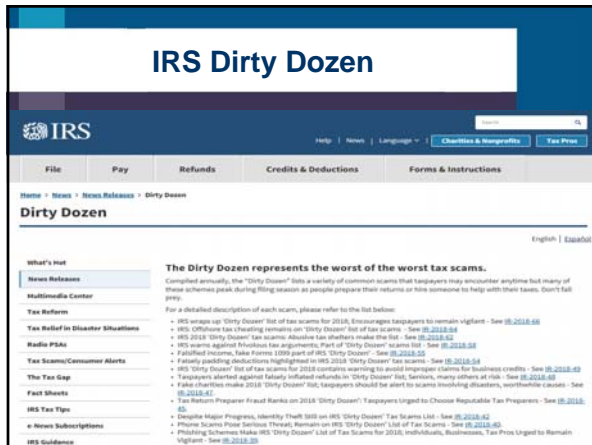
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### IRS Dirty Dozen



The Dirty Dozen represents the worst of the worst tax scams. Compiled annually, the "Dirty Dozen" lists a variety of common scams that taxpayers may encounter anytime but many of these schemes peak during filing season as people prepare their returns or hire someone to help with their taxes. Don't fall prey.

For a detailed description of each scam, please refer to the list below:

- IRS warns on "Dirty Dozen" list of tax scams for 2018. Encourages taxpayers to remain vigilant. - See [IR-2018-09](#)
- IRS: Offshore tax cheating remains on "Dirty Dozen" list of tax scams. - See [IR-2018-08](#)
- IRS 2018 "Dirty Dozen" tax scams: Absolute tax shelters make the list. - See [IR-2018-02](#)
- IRS warns against frivolous tax arguments, part of "Dirty Dozen" annual list. - See [IR-2018-01](#)
- Falsified income, fake Forms 1099 part of IRS "Dirty Dozen". - See [IR-2018-05](#)
- Falsely padding deductions highlighted in IRS 2018 "Dirty Dozen" tax scams. - See [IR-2018-04](#)
- IRS "Dirty Dozen" list of tax scams for 2018: companies warning to avoid improper claims for business credits. - See [IR-2018-09](#)
- Taxpayers alerted against falsely inflated refunds in "Dirty Dozen" list, services, many others at risk. - See [IR-2018-03](#)
- Fake charities make 2018 "Dirty Dozen" list, taxpayers should be alert to scams involving disaster, worthwhile causes. - See [IR-2018-07](#)
- Tax Return Preparer Fraud Rank on 2018 "Dirty Dozen": Taxpayers Urged to Choose Reputable Tax Preparers. - See [IR-2018-05](#)
- Despite Major Progress, Identity Theft Still on IRS "Dirty Dozen" Tax Scams List. - See [IR-2018-02](#)
- Phone Scams Pose Serious Threat, Remains on IRS "Dirty Dozen" List of Tax Scams. - See [IR-2018-09](#)
- Phishing Schemes Make IRS "Dirty Dozen" List of Tax Scams for 2018, Individuals, Businesses, Tax Pros Urged to Remain Vigilant. - See [IR-2018-06](#)

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### 2018 IRS Dirty Dozen

- Phishing
- Phone scams
- Identity theft
- Return preparer fraud
- Fake charities
- Inflated refund claims




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### 2018 IRS Dirty Dozen (cont'd)

- Excessive claims for business credits
- Falsely padding deductions on returns
- Falsifying income to claim credits
- Frivolous tax arguments
- Abusive tax shelters
- Offshore tax avoidance



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### Identity Theft

- We tell you –
  - Suspicious return generates Letter 4883C or Letter 5747C to verify identity by phone or in person
  - If taxpayer did not file return, it is removed from account; IP PIN generated
  - No need to file a Form 14039



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### Issue 4: IRS Online Tools e-Services Registration

- Developed Secure Access Authentication
  - Two-step authentication for returning user
    - Credentials (username/password)
    - Security code text
  - Meets OMB and NIST standards
  - Protects Get Transcript Online and IP PIN tools
  - Risk assessment conducted on other IRS.gov tools



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### Issue 5: IRS Online Accounts

Key features now available allow taxpayers to:

- View amount of tax owed as of today's date
- See the balance for each tax year for which they owe tax
- Pay by bank account, debit or credit card
- Set up an online payment agreement



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### IRS Online Accounts (continued)

- Review up to 24 months of tax payment history
- Access Get Transcript to view, print or download tax records
- Get key information including adjusted gross income and filing status from the current year tax return as originally filed



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### Issue 6: Form 2848, Power of Attorney

For returns filed after December 31, 2015:

- Only Annual Filing Season Program participants will have limited practice rights
- Other PTIN holders will only have authority to prepare tax returns
- Attorneys, CPAs, and enrolled agents will continue to have full practice rights



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**Form 2848 Revisions**

- Intermediate Service Providers
- Partnership Representatives
- Representative Designations



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**Resources**

- Publication 947 - Practice Before the IRS and Power of Attorney
- IRS.gov
  - About Form 2848, Power of Attorney and Declaration of Representative
  - The Centralized Authorization File (CAF) - Authorization Rules



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**Issue 7: Passport Revocations and Denials**

- Legislation review
- Implementation date
- Roles of IRS and Department of State
- Avoiding passport denial/revocation



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## Issue 8: Certified Professional Employer Organizations

### Voluntary Certification Program for Professional Employer Organizations (CPEOs)

**Enrolled Agents**

**Annual Filing Season Program Participants**

**Enrolled Retirement Plan Agents**

**Certified Professional Employer Organization (CPEO)**

What You Need to Know

About the CPEO Program

CPEO Public Listings

How Do I Apply?

CPEO Customers

Help

**Enrolled Actuaries**

**Self-Insured**

**Planned Outage: Sept. 13-14, 2018**

This service will be unavailable from approximately 7 p.m. Eastern time on Thursday, Sept. 13, 2018, until approximately 7 a.m. Eastern time on Friday, Sept. 14, 2018, due to planned maintenance. We apologize for any inconvenience.

**Notification**

The online registration system was recently offline to deploy of number of changes to the CPEO application process. As a result, several of the CPEO pages on IRS.gov have been updated to address the changes.

**What is the CPEO Program?**

The Tax Increase Prevention Act of 2014, enacted Dec. 19, 2014, requires the IRS to establish a voluntary certification program for professional employer organizations (PEOs). PEOs handle various payroll administration and tax reporting responsibilities for their business clients and are typically paid a fee based on payroll costs.

[Log in or register](#)

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## Issue 9: IRS.gov/tax-reform

### Tax Reform

**What's Hot**

**News Releases**

**Multimedia Center**

**Tax Relief in Disaster Situations**

**Tax Reform**

News

Guidance

Forms and Instructions

Resources

**Radio PSAs**

**Tax Scams/Consumer Alerts**

**The Tax Gap**

**Fact Sheets**

**IRS Tax Tips**

**News Subscriptions**

**New 20 percent deduction for passthrough businesses**

Many owners of sole proprietorships, partnerships, trusts and S corporations can deduct up to 20 percent of their **qualified business income**.

The IRS is working on implementing the **Tax Cuts and Jobs Act (TCJA)**. This major tax legislation will affect individuals, businesses, tax exempt and government entities.

**Information for...**

**Individuals**

From estimated taxes to withholding, tax reform has a significant effect on your taxes.

- **Payroll Checkup**
- **Standard Deduction Increase**

**Businesses**

Whether you are a small or large business, tax reform may affect your company.

- **Deduction for qualified business income**
- **Depreciation and Expensing**

**Tax Exempt Entities**

Tax reform affects retirement plans, charities and governments.

- **Retirement Plan Loan Offset**
- **Gift Tax Recharterizations**

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## TAS Tax Reform Changes Website

TAX REFORM CHANGES

Learn more about the changes  
and how they will affect you

[TaxpayerAdvocate.irs.gov/taxchanges](http://TaxpayerAdvocate.irs.gov/taxchanges)

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**Topic 10: Practitioner Priority Service**

- Practitioner Priority Service is a nationwide toll-free, account related service available to tax practitioners
- PPS serves tax practitioners as the first point of contact for assistance regarding their clients' account related issues
- Available to tax practitioners with valid Form 2848, Form 8821, Form 8655 or other third party designee authorizations



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**Practitioner Priority Service**

The following account related services are offered in all Accounts Management locations.

—Resolving taxpayer account problems by:

- Locating and applying payments
- Explaining IRS communications
- Providing general procedural guidance and timeframes
- Providing transcripts of taxpayer accounts
- Securing taxpayer income verification



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**Practitioner Priority Service**


Services that are Out of Scope for Accounts Management PPS Assistors

—Tax Law questions

—Accounts assigned to:

- Automated Collection Services (ACS)
- Automated Under Reporter (AUR)
- Correspondence Examination or Revenue Officers

—Calls for specific employees



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### Issue 11: IRS Key Messages

- Paycheck Checkup
- Withholding Calculator
- Form W-4



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### Why a Paycheck Checkup?

- Protect against having too little tax withheld and facing an unexpected tax bill or penalty at tax time next year.
- Avoid too much withholding; you can receive more in your paychecks.
- Some law changes in the Tax Cuts and Jobs Act may affect your withholding.



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### IRS.gov/withholding



### Do a "Paycheck Checkup"

Use the Withholding Calculator to make sure you have the right amount of tax...

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**Contact Information**

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