

First Friday Hot Issues Summary – May 07, 2024

What we Want You to Know

[IRS.gov/disasters](https://www.irs.gov/disasters)

Before the IRS can authorize tax relief for disaster victims, the President must sign a major disaster or emergency declaration. When a disaster occurs a preliminary damage assessment is conducted by the Federal Emergency Management Agency (FEMA) at the request of the governor of the affected State, FEMA will issue a disaster declaration identifying the covered areas for relief.

The IRS will automatically provide administrative disaster tax relief and special tax law provisions that grants additional time for individuals and businesses to file returns, pay taxes, and perform certain other time-sensitive acts to taxpayers affected by a federally declared disaster. Some circumstances may apply.

The administrative disaster tax relief includes the postponement of filing and payment deadlines for eligible taxpayers and is based on preliminary damage assessments by FEMA.

For current tax relief provisions search [Tax relief in disaster situations](#) and visit [Around the nation](#) for IRS disaster relief news releases specific to states affected by disasters.

[irs.gov/taxpros](https://www.irs.gov/taxpros)

IRS Nationwide Tax Forum [registration is open](#). This summer, tax professionals can attend continuing education sessions in five U.S. cities. The forum offers valuable continuing education credits and networking opportunities for enrolled agents, CPAs, attorneys, and other tax professionals. Attendees can earn up to 18 continuing education credits, enhancing their professional development and expertise.

Chicago, IL	July 9 – 11	June 25
Orlando, FL	July 30 - Aug. 1	July 16
Baltimore, MD	Aug. 13 - 15	July 30
Dallas, TX	Aug. 20 - 22	Aug. 6
San Diego, CA	Sept. 10 - 12	Aug. 27

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[The Dirty Dozen:](#)

IR-2024-104, April 10, 2024

WASHINGTON — As part of the Dirty Dozen campaign, the Internal Revenue Service warned wealthy individuals about three tax traps designed for them by dishonest promoters and shady tax practitioners.

For those with high incomes, they can be tempting targets for a variety of schemes and aggressive tax strategies designed to reduce taxes. These can take many different forms, ranging from inflated art donation deductions to aggressive charitable remainder annuity trusts and detailed shelters that maneuver to delay paying gains on property.

"High-income taxpayers can be vulnerable to being pulled into these aggressive schemes and scams," said IRS Commissioner Danny Werfel. "Taxpayers should be extra careful on tax maneuvers that seem too good to be true. Beware of advertisements for seemingly ideal tax structures that distort tax laws and leave victims with civil or criminal tax penalties."

"There's growing risk for taxpayers pulled into aggressive schemes as the IRS continues to accelerate and expand our compliance work involving high-income individuals," Werfel added. "The IRS reminds taxpayers that relying on an independent tax or legal professional can help avoid problems with aggressive promoters."

This marks the tenth day of the special Dirty Dozen series. The annual Dirty Dozen list comprises a list of scams and schemes that can put taxpayers and tax professionals at risk. The list is not a legal document nor a formal enforcement priority. The education effort is designed to raise awareness and protect taxpayers and tax pros from common tax scams and schemes.

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Prior Issues

CAA submissions moratorium has been lifted as of Jan 19, 2024.

[ITIN Acceptance Agent Program changes | Internal Revenue Service \(irs.gov\)](#)

IRS Resumes Acceptance Agent Application Submissions January 19, 2024, the IRS lifted the moratorium on the application submissions. Interested parties can now resume submitting applications to participate in the IRS Acceptance Agent program.

The Acceptance Agent application process has changed significantly and includes modernization efforts that transformed the prior paper application process to an electronic application process. This change results in greater efficiencies and reduces the processing time for properly submitted applications from 120 days to 60 days. You may refer to the [Acceptance Agent FAQs](#) for answers to commonly asked questions on the new application process.

Issue: Tax pro submitted 11 forms 1099-NEC through IRIS. Two came back as "accepted with errors ", with no other explanation except Business Name/TIN must match IRS database.

Response: IRIS users with e-Services accounts, can access the IRIS Business Rules (reject codes) through their SOR. See this information from [irs.gov](#):

How to Get Schemas and Business Rules:

- To receive IRIS schemas and business rules, you must have an [IRIS Transmitter Control Code \(TCC\)](#).
- With an IRIS TCC, you can get schema packages in your e-Services mailbox.
- [Sign into e-Services](#)
Your e-Services mailbox is part of the Secure Object Repository (SOR).
[Instructions to Access the SOR Mailbox](#)

Status: Closed

Issue: With delay in processing ERC claims, is there an extension of time to file amended returns reflecting the ERC? We have seen nothing from IRS about this and the deadlines for amendment are quickly approaching.

Status: Elevated

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New Issues

Issue: TDS Authorization Change - As part of the IRS' effort to continue combatting identity theft and protecting taxpayers' personal information, we're making changes that will impact how tax professionals receive transcripts.

Beginning April 8, 2024, tax professionals must call the Practitioner Priority Service (PPS) to request transcripts to be deposited into their [Secure Object Repository \(SOR\)](#). While PPS has been the primary avenue for these requests, other IRS toll-free lines will no longer offer the SOR as a delivery method.

Additionally, tax professionals need to pass the current required authentication and verify their Short Identification (ID). The Short ID is a unique 8-10 alphanumeric code that is systemically assigned when an IRS account is established. This Short ID is visible when the tax professional logs in to their e-Services SOR. If the identity can't be verified, transcripts will only be mailed to the address of record. PPS assistors cannot resolve issues with ID.Me identity proofing or the status of an ID.Me account.

Response:

Id.Me HELP

[ID.me Help Center](#)
[Contact Support \(id.me\)](#)

If you see a duplicate error, but don't remember creating an ID.me account and don't recognize the email address hint, [contact ID.me Support](#).
[Internal Revenue Service and ID.me – ID.me Help Center](#)

Significant changes obtaining transcripts delivered from IRS phone interactions:

- PPS will require practitioners to provide their Short ID (alphanumeric code) from their e-Services account as another level of authentication before providing transcripts, and then delivered only their Secure Object Repository mailbox.
- Generally, any practitioner who has previously accessed an e-Services application via IRS ID.me should have access to a Secure Object Repository mailbox and their Short ID.
- PPS will no longer deliver redacted transcripts via mail to practitioners – only to a Secure Object Repository mailbox.
 - a. Note: PPS previously discontinued delivery of unredacted Wage & Income transcripts via mail to practitioners – they are delivered to the Secure Object Repository mailbox.

Transcripts requested by practitioners that call PPS who can't provide a Short ID will be mailed to the taxpayer's address of record.

Status: Closed

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Issue: An Elderly client required to verify her identity so that the IRS could process the 1040, required to go in the IRS office since she does not have a copy of the 5071C letter. The client called the number to get an appointment, the Houston area was booked solid for the next 3 months. The next available appointment was secured in Austin. The elderly couple must go to another city.

Response: The Internal Revenue Service has a tremendous responsibility to protect taxpayers from fraudulent tax activities. While we recognize this is a hardship for the elderly couple. Protection of taxpayer information would outweigh the inconvenience.

Status: Closed

Issue: Credit Transfer delay - Effective March 7, 2024, all IDRS Command Codes used in credit transfers will be temporarily unavailable due to technical maintenance.

In this brief interim period, all business units will take steps to document cases where a credit transfer is necessary and suspend cases until credit transfers are available.

Important: If necessary, for taxpayers with valid balance due module(s), steps should be taken to prevent adverse actions (e.g., hold liens, levies, etc.) due to the inability to transfer payments during case disposition, to prevent erroneous notices.

Status: Open

Keep your comments on this issue and others coming. Send them to our team mailbox CL.SL.Area.4@irs.gov.

Please keep your feedback coming. Remember feedback requires identifying barriers AND providing possible solutions. Please send both to Area 4 (AR, FL, GA, LA, MS, PR, SC, TX, and U.S. VI) CL.SL.Area.4@irs.gov

Next Meeting June 07, 2024