**First Friday Hot Issues Summary – February 1, 2019**

[**IMRS Monthly Overview**](https://www.irs.gov/businesses/small-businesses-self-employed/issue-management-resolution-system-imrs)– The IMRS Monthly Overview contains an update of issues opened and closed each month.

* **We Want You to Know**

**[Tax Reform Guidance](https://www.irs.gov/newsroom/tax-reform):**

[Publication 5318, Tax Reform: What’s New for Your Business](https://www.irs.gov/pub/irs-pdf/p5318.pdf" \o "Tax Reform What's New for Your Business (PDF))This electronic publication covers many of the TCJA provisions that are important for small and medium-sized businesses, their owners and tax professionals to understand. Businesses affected by TCJA include corporations, S corporations, partnerships (including limited liability companies or LLCs) and sole proprietorships.

**Due Diligence/EITC Awareness/Practitioner Toolkit:**

The IRS considers tax professionals an essential partner in helping taxpayers to claim credits only when appropriate. The number of individuals claiming the EITC, ACTC/CTC/ODC or the AOTC is high and the number of refundable credit claims paid out in error is significant. IRS estimates the EITC error rate alone to be around 24%, roughly $16 billion paid out in error in 2017. Review the EITC due diligence rules for this filing season. Remember, the Tax Cuts and Jobs Act of 2017 amended code section 6695 to add due diligence requirements for the head of household (HOH) filing status. Our [tax preparer toolkit](https://www.eitc.irs.gov/tax-preparer-toolkit/welcome-to-the-tax-preparer-toolkit) has everything needed to help with claims for the Earned Income Tax Credit, the Child Tax Credit/Additional Child Tax Credit/Credit for Other Dependents and the American Opportunity Tax Credit.

**Review your EFIN, PTIN and CAF:**

Review your EFIN and PTIN for any unusual activity during the filing season and periodically throughout the year to ensure neither are being used by others. If there is a discrepancy in the number of returns filed with your EFIN, contact the e-Help Desk (866-255-0654) immediately. If you prepare less than 50 returns, you still should monitor your PTIN. If there is no data shown, less than 50 returns have been processed with your PTIN. For the CAF, we recommend you review your info yearly to identify outstanding third-party authorizations for people who are no longer clients. Representatives may receive a list of their powers of attorney recorded on the CAF by following the instructions for submitting requests at <https://www.irs.gov/FOIA>per[form 2848 instructions](https://www.irs.gov/pub/irs-pdf/i2848.pdf). Contact the Practitioner Priority Service line to report suspected abuse of your CAF number. Keeping your EFINs, PTINs and CAF number up-to-date and monitored can go a long way toward protecting your clients and yourself.

[Steps to take to protect CAF numbers](https://www.irs.gov/newsroom/irs-offers-tips-to-tax-professionals-to-reduce-caf-number-errors-better-protect-data-from-cyberthieves)

[How to maintain monitor and protect your EFIN](https://www.irs.gov/tax-professionals/how-to-maintain-monitor-and-protect-your-efin)

[Returns Filed per PTIN](https://www.irs.gov/tax-professionals/returns-per-ptin)

**[Taxpayer](https://www.irs.gov/site-index-search?search=disaster+relief&field_pup_historical_1=1&field_pup_historical=1) Advocate:**

Taxpayer Advocate asks for your patience and understanding during this time. Due to the shutdown, they have a backlog of cases but are working as fast as possible.

**Delayed Employer Forms:**

Due to the shutdown, some employers who ordered paper information and employer returns may not have received them in time to meet the Jan. 31 deadline and should consider alternative sources for these forms. See [online-ordering-for-information-returns-and-employer-returns](https://www.irs.gov/businesses/online-ordering-for-information-returns-and-employer-returns) for more information.

**[Twitter and Instagram](http://www.taxpayeradvocate.irs.gov/taxchanges):**

IRS has nice social media graphics that link to various irs.gov webpages. Please consider posting to your social media account. Feel free to share these with any client businesses or organizations who may be interested in posting them on their social media accounts as well.

* **New Issues:**

**Levy notices after Bankruptcy:**

**Issue:** Practitioner states that a trustee continues to receive levy notices for an unpaid balance on an old bankruptcy case that has been fully administered and there are no funds remaining.

**Response:** Call the phone number on the letter to request an end to the erroneous letters. If this doesn’t help, provide a copy of the letter to your local SL who will forward it to the bankruptcy coordinator to stop issuance of the letters.

**Status:** Closed

**PPS won’t talk to taxpayer:**

**Issue:** A tax professional who had no third-party authorization for his taxpayer contacted PPS and had the taxpayer on the line as well. The assistor stated that they do not speak with taxpayers.

**Response:** The PPS lines are available to all tax practitioners with valid power of attorney declarations, tax information authorizations or third-party designee authorizations. If the power of attorney or tax information authorization is not recorded on the Central Authorization File (CAF):

* Valid documentation can be faxed to the toll-free assistor, or
* The taxpayer may provide Oral Disclosure Consent (ODC) to disclose tax information to a tax practitioner in resolving an account-related issue.

[IRM 21.1.3.3.2, Oral Disclosure Consent/Oral TIA](https://www.irs.gov/irm/part21/irm_21-001-003r)

[Practitioner Priority Service® — Your First Point of Contact](https://www.irs.gov/tax-professionals/practitioner-priority-service-r)

[IRM 21.3.10 Practitioner Priority Service (PPS)](https://www.irs.gov/irm/part21/irm_21-003-010)

**Status:** Open

**PPS would not provide unmasked transcript:**

**Issue:** Practitioner reports that the PPS would not provide an unmasked wage and income transcript to his Secure Object Repository (SOR) as requested.

**Response:** Thank you for sharing this information, and we apologize for any inconvenience experienced by your or your client. The IRS is working to resume normal operations after the 35-day government shutdown. The option to have the Wage and Income Transcript sent to the SOR became available starting January 22. Our toll-free personnel are handling a very high volume of calls and have limited read time. We will alert them again to this procedural change. Please try your call again, and we also ask for your patience as we get staff back onboard. Thank you for your message.

[New tax transcript FAQs](https://www.irs.gov/individuals/about-the-new-tax-transcript-faqs)

[Steps for obtaining wage and income transcripts needed for tax preparation](https://www.irs.gov/newsroom/steps-for-tax-professionals-to-obtain-wage-and-income-transcripts-needed-for-tax-preparation)

**Status:** Closed

**PTIN Refund:**

**Issue:** Practitioners wanted to know if we had any idea when those of us who paid our PTIN fee in the year that the fee was rescinded will get our refund?

**Response:** Please refer to <http://www.ptinclassaction.com/> for information regarding the PTIN refund.

**Status:** Closed

**Correspondence for a deceased taxpayer**

**Issue:** POA, who is not the fiduciary, received an underreporter letter for a deceased taxpayer. The letter was addressed to the taxpayer and listed the POA address vs. the taxpayer’s address. The tax had also been previously paid by the taxpayer spouse.

**Response:** Issue will be elevated.

**Status:** Open