



# THE LOUISIANA



# INDEPENDENT ACCOUNTANT

Official Publication of the *Louisiana Society of Independent Accountants*

FEBRUARY 2016

## PRESIDENT'S MESSAGE... Ryan Orgeron



By the time you get this newsletter, you should be well be on your way to preparing your client's tax returns. We are all too familiar with the drill..... make appointments, prepare tax returns, sleep a little and repeat. I say a little sleep because we usually go to bed late and wake up early. Often times, we are woken up in the middle of the night by our brains reminding us of something we forgot to do or that tax situation we were working on suddenly becomes clear to us. Now try to go back to sleep. Good Luck.

During this time, we need to try enjoying the little things in life that make us happy; but won't take us away from work too much. I find these little goals help us to look forward to something other than April 15th.

You could do simple things like seeing a movie, getting together with friends and family, taking a friend or colleague to lunch or maybe start planning your after-tax-season vacation early. I have some tax preparer friends who plan short monthly get-a-ways to break tax season's vicious cycle and give them something to look forward to.

We have to remember to enjoy life and we should not let our work consume us. The stress of tax season is not worth all the harm it can do to us. We all went to our seminars, we studied all the updates, and we prepared all year long for these three and a half months.

When it comes to the problems that pop up during tax season (as they always do!), remember that you will always have friends at LSIA. The person you sat next to at the seminar just might have had the same problem and has the answer. Next time you go to a seminar, try to make a new friend and you will find your network growing.

This is what makes LSIA so special. We are all in the same boat and we are all willing to help a fellow tax preparer. As an organization, someone *will* have the answer to your questions.

Have a blessed tax season and remember ..... *Everyday we open 2 gifts .... our eyes.*

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# 2016 Calendar of Events and Member Information

## SEMINAR INFORMATION

**2016/17**

**Sept. 29 and 30, 2016 - Thurs. & Fri.**

***Corporation/Partnership Seminar***

**Metairie, La.**

**Best Western Plus Landmark Hotel**

**Oct. 6 & 7, 2016 - Thurs. & Fri.**

***Corporation/Partnership Seminar***

**Baton Rouge, La.**

**Embassy Suites Hotel - 225-924-6566**

**Nov. 14 & 15, 2016**

***1040 Workshop Seminar***

**Metairie, La.**

**Best Western Plus Landmark Hotel**

**Monday & Tuesday**

**Dec. 8 & 9, 2016**

***2016 Gear Up 1040 Workshop Seminar***

**Metairie, La.**

**Best Western Plus Landmark Hotel -**

**Thursday & Friday**

**Jan. 5 & 6, 2017**

***1040 Workshop Seminar***

**Baton Rouge, La.**

**Embassy Suites Hotel - 225-924-6566**

**Thursday & Friday**

***The 2016 LSIA Annual Convention  
which is held in June is being planned and  
will be held in Gulfport, MS  
at the Island View Casino.***

***More information will be provided later!***

## **Local Chapter News**

For information on

**THE ACADIANA CHAPTER**

contact L.J. Olivier at (337) 234-2202

**THE BATON ROUGE CHAPTER**

meets the first Tuesday of every other month.

For more information call Marjorie Moore at

(225) 654-7024.

**THE CENLA CHAPTER**

meets the third Tuesday of every month. For more

information about the meetings, please contact

Leonard Harris at (318) 445-9207.

**THE NEW ORLEANS METRO CHAPTER** meets the

second Monday of every month. For more information

about the meetings, please contact Venessa Caldwell at

(504) 454-0999.

For information on

**THE SHREVEPORT/BOSSIER CITY**

**CHAPTER**, contact Jerry Kutz at (318) 742-8843.

**HOUMA/THIBODAUX CHAPTER** meets at

Piccadilly the fourth Monday every other month.

Contact Bob Ledet at (985) 859-6748 or

Glenda Spoon at (985) 876-4024

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*from Your*  
**NSA STATE  
DIRECTOR**

*Danette Daigle, EA, ARA*

It's that time again; tax season at its busiest. I find myself doing more research than ever before. What do you use for research? Hopefully you do more than Google your topic when you don't know what to do! If you belong to the National Society of Accountants (NSA), members have access to the CCH Tax Center which gives you current news, as well as search topics of the latest developments for both Federal and State topics. NSA also has an online discussion group called NSA Tax Talk where practitioners will answer your questions, give you tips, and more. There are some very intelligent people answering your questions and they actually do it for **Free!!** In addition, all members get 5 questions answered **free** by the NSA Tax Research Help Desk each year. So what are you waiting for? If you are not a member, join now! Go to [www.nsacct.org](http://www.nsacct.org) and sign up.

The NSA Scholarship Foundation awards scholarships to undergraduates enrolled in an accounting degree program at an accredited two-or four-year college or university. In 2015, the Scholarship Foundation awarded \$45,875 to 39 individuals. Students can apply for the 2016-2017 scholarships online between January 1 and March 31, 2016. Scholarship guidelines, eligibility requirements and FAQs are online at: <http://www.nsacct.org/about/nsa-scholarship-foundation>.

The 71<sup>st</sup> Annual NSA Meeting and Convention will be held August 17-20 at the Grand Hyatt in Tampa, Florida. I plan on attending and hope some of you will attend as well. NSA has recently posted that there will be two full days of top-notch CPE featuring "the industry's best thought-leaders and influencers. Topics will include SSARS 21, innovative marketing, positioning your practice for growth, retirement, ethics, due diligence, estate planning and more!" I encourage you to plan on attending and help represent our great state.

I'm wishing you all have a profitable and peaceful tax season.

*"All life demands struggle. Those who have everything given to them become lazy, selfish, and insensitive to the real values of life. The very striving and hard work that we so constantly try to avoid is the major building block in the person we are today." - Pope Paul VI*

**January 27, 2016**

**Louisiana Practitioner Liaison Meeting**

Kenner, LA

1:00 p.m. – 4:00 p.m.

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**Attendees: IRS Representatives and Name & Title of Major Organizational Representatives**

- Craig Crews, Area Manager, Stakeholder Liaison, Field, IRS-Virtual
- Earline Brown, Stakeholder Liaison, Field, IRS
- Aaron Steele, Sr. Stakeholder Liaison, Field, IRS
- Sharon Evans, Sr. Stakeholder Liaison, IRS
- Jeanette Lynch, Exam Manager, IRS
- Carla Smith, Exam Manager, IRS
- Tanshenetta Veals, Collection Revenue Officer, IRS
- John Parrozzo, Criminal Investigations Special Agent, IRS
- Ardis Agosto, Louisiana Taxpayer Advocate
- Susan Canavello, Associate Area Counsel, Office of Chief Counsel, IRS
- Melissa Sander, Office of Appeals, IRS
- Willie Jones, Sr. Stakeholder Relationship Tax Consultant, SPEC, IRS-Virtual
- Katherine Young, Revenue Officer, Collection Operations, IRS
- John Kirby, Special Agent, Treasury Inspector General for Tax Administration, IRS
- Barbara Reeves, Louisiana Dept. of Revenue, Practitioner Liaison
- Michelle Galland, Louisiana Dept. of Revenue, Director of Tax Administration

**Thirty-three (69) Louisiana CPA Participants joined via their Virtual GoTo-Meeting.**

**There were (30) Practitioner Participants physically at the Meeting who are members of the following Practitioner Organizations:**

- (5) Louisiana Society of Independent Accountants
- (13) Louisiana Certified Public Accountants
- (11) Louisiana Society of Enrolled Agents
- (1) National Association of Tax Professionals

**There were (14) IRS Employees and (2) LA Department of Revenue Employees**

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**Meeting Summary**

- **Guest Speaker 1 - Craig Crews, Mid South SLF Area Manager**  
**Welcome**

Craig thanked everyone for all being at the LA PLM. He stated he looks forward to working with the LA practitioners as we move forward. Craig stated how this wonderful Go-To Webinar system that the LCPA has allowed us to utilize is an outstanding tool. Craig thanked LCPA members Ann Lupo, Linda Babin, and specifically LCPA Information Manager Laura Murray, for taking the time, once again, for working with us to get this technology to work. Craig went over the agenda and provided some brief information regarding the tax scams that are out there. Craig also said that today's agenda is a really good one. We are fortunate to have folks from just about every part of the IRS to update them. And we have SL Aaron Steele to provide everyone with some information on the Affordable Care Act. Craig completed his welcome by stating, as always, if there is any information that you would like for us to work to get to you, just let us know and we will do our best to do that.

## **Introduction of All**

### **Updates from IRS Divisions:**

#### **Guest Speaker 2 – Tanshenetta Veals, Collection Revenue Officer**

##### Collection Information Statement Summonses:

The CIS summons is not requesting an actual Collection Information Statement. It's requesting the documents to PREPARE a Collection Information Statement. The summonses are usually served upon the taxpayer and Practitioners may not always receive a copy. Attached below is a copy of what will be requested by the summons.

SummonsLanguage.d  
ocx

##### Levy & Levy Release Process:

After a deadline is missed, there is no waiting period required to issue a levy if the applicable notices have already been issued and appeal time frames have expired. We are not required to give an additional grace period OR to suspense actions to allow time for mailing. RO's will usually hold off on actions if advised that requested documents are in the mail and will be received after the established deadline. Communication is the key.

Once a levy is issued, banks are required to hold the funds for 21 days from the date the levy was received. Levies issued upon wages, 1099 income and accounts receivables etc., will usually be transmitted shortly after receipt of the levy. When 1099 income, receivables or banks are levied upon, ALL funds will be frozen or captured UP to the levy amount. These funds will be submitted when applicable if no levy release is received.

After a levy is issued, it is normal practice for the taxpayer or their representative to THEN produce all documents requested in hopes of getting a levy released. However, taxpayers and their representatives should be mindful that Revenue Officers are FIELD officers and are working several other cases. Thus, it may not be feasible for the Revenue Officer to stop ALL other case actions to review the documents that you have now submitted. We actually carve out time for you with the deadline we've established. Therefore, if it's missed, it might be up to 10 days before the Revenue Officer has an opportunity to review what you've submitted. This may delay the levy release process and as a result, funds may be remitted and posted to the account.

Once this is done, those proceeds will not be able to be refunded to the taxpayer unless done so through the Taxpayer Advocate. Also, keep in mind that just because you are now producing the documents that were initially requested, does not mean that a levy release is mandatory or guaranteed. The levy was issued for failure to meet a deadline, which is an action that has already occurred. Thus, release of the levy is at the discretion of the Revenue Officer. Therefore, we encourage you to advise your taxpayers to meet all deadlines established or communicate to the Revenue Officer that additional time is needed.

However, if you find that the levy is causing a hardship, you have the right to request a managerial conference. If that doesn't yield the results you want, you can submit a CAP or submit a form 911 to the Taxpayer Advocate Service. Attachment 2 is a listing of actions that you may appeal under the Collection Appeal Program (CAP). Attached is a copy of the form 911 and Collection actions that can be appealed, in a Word Document.

Collection actions  
that can be appealed

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### **Guest Speaker 3 – Jeanette Lynch, Exam, Manager**

We handle examinations of entities having assets of \$10M or more....Many of these companies are publically held and almost all have audited financials. If one of your clients fits to this category and has been under audit, you have dealt with one of my agents. Or, you may have a client who is an investor in a large entity--a partner in a partnership or shareholder in an S Corp As a matter of general interest--or informational purposes---The Large Business and International Division (LB&I) as well as the service as a whole is dealing with an

- a. Aging workforce--good number of team members are in retirement position (includes me)
- b. No plans for hiring
- c. Cut back budget
- d. Minimal funds for training--essentially now done on a virtual basis.

In response to this, there will be a complete total reorganization effective February 7. Previously LB&I was divided into industries across the nation. Louisiana was in Natural Resources and Construction Industry---under the presumption that a good bit of our work related to the oil and gas and that our examiners had expertise in that area. That distinction was in effect for about 15 years.

Beginning February 7, once again the pendulum will swing, and this will be in response to diminished resources. LB&I will be divided into geographic areas. Louisiana will be in the Central Compliance Area. Our executive, although based out of Houston, is from Houma--Tina Meaux (previously, Tina Samanie). Rather than the traditional audit where the revenue agent determines the audit areas based on large, unusual, or questionable items on the return and a comparative analysis of previously filed returns, examination issues will be selected for us based on items determined to pose the most risk.

This will be done at a national level. There will be various campaigns--such as mergers and acquisitions, corporate distributions and benefits, partnership items. So, it will be the agency determining the issues rather than the revenue agent. As stated previously, this is in an attempt

to deal with decreasing resources as a means of addressing the areas where there is the greatest risk of non-compliance. This will not happen overnight-- it will be eased in over maybe 4 years or so. But that is the plan.

Bottom Line--Our largest companies--the IBMs, the General Motors, the Exxons will be now be examined in much the same way as our smallest taxpayers.

**Guest Speaker 4 - Willie Jones, Sr. Stakeholder Relationship Tax Consultant, SPEC**  
FY 2015 Important Tax Changes

---The due date for the Individual Income Tax Return for Tax Year 2015 is April 18, 2016 because of the Emancipation Day holiday in the District of Columbia that falls on April 15--even if you do not live in the District of Columbia.---The IRS expects more than 70% of taxpayers to again receive tax refunds this year. Last year, the IRS issued 109 million refunds with an average refund of \$2,797.---Despite security improvements to fight identity theft issues, the IRS will still process nine out of 10 federal refunds within 21 days. ---During the 2015 Tax Filing season taxpayers continue to have the opportunity to purchase United States Series I Savings Bonds with their tax refunds. Taxpayers can purchase the bonds in two unique formats. First, is the ability to purchase Savings Bonds for persons other than themselves, (including children and grandchildren). Second, is the ability to purchase Savings Bonds with a portion of the refund and receive the remainder of their refund in the form of a check (negating the previous requirement to have a bank account to purchase Savings Bonds on Form 8888).---The amount of Earned Income Credit has increased as well as the earned income amount. The maximum amount of Earned Income Credit is \$6,242. ---Do not overlook your state credit. If you claim the EIC on your federal income tax return, you may be able to take a similar credit on your state income tax return. ---Health care individual responsibility payment increased. If a taxpayer or someone in their household didn't have qualifying health care coverage or qualify for a coverage exemption for one or more months of 2015, the amount of their shared responsibility payment may be much higher this year than it was last year. IRS.gov/aca features useful information, tips and interactive tools to help taxpayers with the premium tax credit, the individual shared responsibility requirement, and other tax features of the Affordable Care Act (ACA).---In November, the Treasury Department launched myRA account, a new simple way to open a starter retirement account. myRA has no fees, and participants can fund their myRA accounts through a payroll deduction, checking or savings account or their federal tax refund. For more information about myRA, visit [www.myRA.gov](http://www.myRA.gov).

Volunteer Income Tax Assistance (VITA) SITES

Low and moderate-Income taxpayers can get help meeting their health-care requirement and filing their return for free by visiting one of the more than 12,000 community-based tax help sites staffed by more than 90,000 volunteers that participate in the Volunteer Income Tax Assistance and Tax Counseling for the Elderly (VITA/TCE) programs. You may refer taxpayers to VITA Sites if needed. The local number for locating a VITA Site is via link 211.

## Where's My Refund

Taxpayers will be directed to IRS.gov, IRS2go or can call the refund toll-free line (1-800-829-1954) to check on the status of their refund:---if an efiled return was submitted more than 21 days ago, or---a paper return was mailed more than 6 weeks ago. Taxpayers should try to get their basic questions answered from the IRS's web site, [www.irs.gov](http://www.irs.gov). This includes filers who want to check on the status of their refund. People who file paper returns can expect the IRS to take at least one extra week to process their refund. The IRS expects to issue 90 percent of refunds in three weeks or less. While taxpayers may be eager to get their refunds, the IRS urges filers to wait until they have all of their information, including W-2s, 1099s, 1095-A for those affected by the health insurance advance payments. Tax payers are encouraged to check the web site first for any services they might need, including refund status or copies of a prior year's tax return.

- **Guest Speaker 5– Ardis Agosto, Louisiana Taxpayer Advocate**

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS. We help taxpayers with their individual (and business) tax issues. Our main concern is that the rights of taxpayers are not being breached by some action/inaction of the IRS. Although taxpayer rights have always been sprinkled through the Internal Revenue Code, TAS worked diligently to create a list of fundamental rights that should guide all interactions with the IRS. These rights are known as the Taxpayer Bill of Rights (TBOR) and can be found at <http://www.taxpayeradvocate.irs.gov/About-TAS/Taxpayer-Rights>. TAS provides free services to taxpayers by advocating for those taxpayers who are facing a financial hardship, immediate threat of adverse action, or have attempted to repeatedly resolve the matter with the IRS but have not received a response by the date promised, or ever. You can request TAS' assistance locally by completing Form 911, Request for Taxpayer Advocate Service Assistance, and faxing it to 855-822-3418. Please fax us the completed form and your authorization to speak on the taxpayers behalf so that we may contact you directly as CAF has not always processed your authorizations. You can obtain these forms by visiting [www.irs.gov](http://www.irs.gov). In Louisiana, the two issues TAS has assisted a large amount of taxpayers with are identity theft and income verification issues. You may have a taxpayer who approaches you because they have not received their refund. In many of these cases, the release of the refund has been delayed because the taxpayer is the victim of identity theft or the IRS must verify information that is contained on the tax return in order to process the tax return. We thank you for allowing TAS to assist you in resolving the taxpayers' issues and please do not hesitate to contact us at (504) 558-3001 if you have requested our assistance and not heard from someone within seven business days.

- **Guest Speaker 6 - Susan Canavello, Associate Area Counsel, Office of Chief Counsel**

My office represents the Service in Tax Court cases, most of which are settled without trial. We also provide legal advice to Exam, Collection, and Taxpayer Advocate. We encounter a variety of issues, including substantiation of deductions, unreported income, earned income tax credit and other refundable credits, and identity theft. We are beginning to see cases involving the Premium Tax Credit and the Individual Shared Responsibility Payment under the Affordable



Care Act. We cover the state of Louisiana, but sometimes handle cases involving Mississippi taxpayers as well.

### **Guest Speaker 9 – Melissa Sander, Office of Appeals**

#### APPEALS PHILOSOPHY:

The role of Appeals is to settle disputes on a fair and impartial basis that favors neither the government nor the taxpayer. **Independence** is the most important of Appeals' core values. For that reason, Appeals should not perform Compliance actions. Rather, Appeals' role is to attempt to settle a case after IRS compliance functions have made a determination to which the taxpayer does not agree. To fulfill our mission, Appeals must **impartially** balance the interests of the Government and the TP across many different issues and types of cases under changing circumstances. Preserving Appeals' independence is an ongoing effort that requires regular evaluation of Appeals' and Service-wide practices and attentiveness to stakeholder feedback.

In 2012, we initiated the Appeals Judicial Approach and Culture (AJAC) project to ensure that IRS compliance functions are the first finders of fact and Appeals does not take investigative actions. Since all AJAC-related changes have been incorporated into Appeals' policy, we are moving away from using the term AJAC or referring to the changes in terms of a special project. At this point, the changes reflect core Appeals policies. In general, the Appeals policies ensure that the **IRS compliance functions** are the finders of fact and **Appeals does not take investigative actions**. Through conferences with taxpayers, Appeals Hearing Officers resolve cases by objectively and independently assessing the facts, law, and litigating prospects to develop fair and impartial settlements. TP and their representatives are encouraged to fully **cooperate** with IRS compliance functions during the development of the case so a file is **complete** when coming to Appeals. Appeals employees do not investigate or examine. We exercise **unbiased judgment** with respect to the factual and legal disagreements that come before us—taking into consideration the Internal Revenue Code, Treasury Regulations, administrative guidance, and judicial opinions. The introduction of **new information** in Appeals may result in Appeals releasing jurisdiction and returning the file to compliance. This **ensures taxpayers have a true appeal right** – where Appeals reviews a final determination made by a Compliance function.

#### ALTERNATIVE DISPUTE RESOLUTION:

I'd also like to talk briefly about Alternative Dispute Resolution. Expanding use of Fast Track Settlement continues to be a priority for Appeals and one of the most important ways we can improve efficiency and customer service. Settling issues at the earliest possible stage in the Examination or Collection process reduces the burden on TP and IRS resources. Appeals' **Fast Track Settlement** programs are used to resolve factual and legal issues, and provide TPs with an opportunity for quality, accelerated case resolutions by having Appeals employees serve as Mediators while cases are still in Compliance's jurisdiction. FTS is jointly administered by Compliance and Appeals, and may be initiated at any time after an issue has been **fully developed**, but preferably **before the issuance of a 30-day** letter or equivalent notice. I've had very positive feedback from TPs and their POA's, and I encourage you to consider it to resolve your clients' issues. I also encourage you to visit the Mediation Self-Help Tool, on the IRS website, at [www.irs.gov/Individuals/Appeals-Mediation-Self-Help-Tool](http://www.irs.gov/Individuals/Appeals-Mediation-Self-Help-Tool) to learn more about the

FTS process, determine whether your client's particular case meets FTS criteria, and how to request Fast Track. Below, are two Appeals brochures handed out at the PLM.

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pdf

p4227--2013-10-00.  
pdf

### **Guest Speaker 10 - John Kirby, Special Agent, Treasury Inspector General for Tax Administration**

CI Agent Kirby spoke regarding the ongoing Internal Revenue Service Impersonation Scam calls.

The phone fraud scam has become an epidemic, robbing taxpayers of millions of dollars of their money. This is still a matter of high investigative priority. The Treasury Inspector General for Tax Administration (TIGTA) continues to receive reports from thousands of contacts each month in which individuals claiming to be IRS officials make unsolicited calls and "robocalls" to taxpayers and demand they send cash to them. The callers impersonating the IRS are relentless and very aggressive with the taxpayer. Once they have the taxpayers attention, they will say anything to con you out of your hard-earned cash. They will use the following tactics. If you do not agree to pay you will be charged with a criminal violation, a grand jury indictment, arrest, deportation, your assets will be seized, your children will be taken by state child protective services, or loss of a business. It is very critical that we get the message out that taxpayers continue to be wary of unsolicited telephone calls and e-mails from individuals claiming to be IRS and Treasury employees. TIGTA has received reports of roughly 896,000 contacts since October 2013 and has become aware of over 5,000 victims who have collectively paid over \$26.5 million as a result of the scam, in which criminals make unsolicited calls to taxpayers fraudulently claiming to be IRS officials and demanding that they send them cash via prepaid debit cards, money orders, MoneyGram or wire transfers from their bank banks. The number of people receiving these unsolicited calls from individuals fraudulently claiming to be with the IRS is growing at an alarming rate. We urge you to share with your clients the following: This is a crime of opportunity. The best way to protect yourself if someone unexpectedly calls claiming to be from the IRS and uses threatening language if you do not pay immediately, hang up the phone. This is an indicator that this is not the IRS calling. The IRS will not use threatening language, nor will they demand how you pay.

This scam has hit taxpayers in every state in the country. These callers will use voice over internet protocol to spoof phone numbers in order for them to appear to call from a legitimate phone number. The scammers have spoofed phone numbers to

appear to be calling from local police, district attorney offices, local IRS offices, and even the IRS toll free customer service number 1-800-829-1040.

The following is very important to know. The IRS will generally first contact a taxpayer by mail-not by phone- about unpaid taxes and the IRS will not ask for payment using a prepaid debit card, a MoneyGram, money order or wire transfer. The IRS will not ask for a credit card number over the phone.

The following are tactics used by the scammers committing this fraudulent scam.

- Utilize an automated robocall machine
- Use common names and fake IRS badge numbers
- May know the last four digits of the victim's Social Security Number.
- Make caller ID information appear as if the IRS is calling.
- Aggressively demand immediate payment to avoid being criminally charged or arrested.
- Claim that hanging up the telephone will cause the immediate issuance of an arrest warrant for unpaid taxes.
- Send bogus IRS e-mails to support their scam.
- Call a second or third time claiming to be the police or department of motor vehicles, and the caller ID again supports their claim.

If a taxpayer receives a call from someone claiming to be with the IRS asking for a payment, the taxpayer should do the following:

- If you owe Federal taxes, or think you might owe taxes, hang up and call the IRS at 800-829-1040. IRS workers can help you with your payment questions.
- If you do not owe taxes, fill out the "IRS Impersonation Scam" form on the Treasury Inspector General's web page located at [www.tigta.gov](http://www.tigta.gov) or call TIGTA at 800-366-4484.
- The taxpayer can also file a complaint with the Federal Trade Commission at [www.FTC.gov](http://www.FTC.gov). In the comments section of the complaint insert the following statement, "IRS Telephone Scam."

TIGTA encourages taxpayers to be alert to phone and e-mail scams that use IRS name. The IRS will never request personal or financial information by e-mail, text, or any social media. The taxpayer should forward scam e-mails to [phishing@irs.gov](mailto:phishing@irs.gov). It is imperative that you **Do Not** open any attachments or click on any links in these e-mails. They can contain viruses to overtake your computer and steal personnel information. There are also others scams taxpayers should be aware of. These are unrelated scams that consist of lottery sweepstakes winner and solicitations such as debt relief that fraudulently claim to be from the IRS.

## **Guest Speaker 11- Michelle Galland, Louisiana Dept. of Revenue, Director of Tax Administration**

2015 LDR Tax  
Updates as of 1-2011

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## **Guest Speaker 12 – John Galland, Special Agent, Criminal Investigations**

This presentation, below, was developed to foster voluntary reporting of data compromises involving payroll service providers and/or professional preparers. Our goal is to impress upon the audience the need to recognize cyber security in all sizes of organizations and the need to inform IRS upon discovery of a data loss. Payroll service providers and accounting professionals are of particular interest in IRS's battle to combat Stolen Identity Refund Fraud (SIRF). As records they maintain can be used to generate high consistency SIRF claims that can mirror a victimized taxpayer's correct return. Thereby generating a higher probability of bypassing existing analytical filters designed to detect ID Theft claims and succeed in defrauding the US Treasury.

Data Compromises involve a variety of events impacting the improper acquisition of private/secure data. They can involve a disgruntled employee, Account Takeovers using compromised logins and passwords, a burglary or other theft, and via hackers acquiring complete access to IT systems/computers. Data compromises impacting professional preparers, CPAs, and accounting firms, can have severe impact on the Tax eco-system, clients, and future business, as they involve the theft of detailed financial data that can be used for a variety of nefarious means. Previous experience involving payroll and preparer compromises shows that early reporting to the IRS results in minimizing losses and impacts to victimized taxpayers. The alternative results in higher losses and increased victim issues. Recent payroll compromises have shown that ID Theft returns were submitted within a one week period so time is of the essence.

IRS CI Partnering to  
Combat Data Compro

## **Guest Speaker 12 – Earline Brown, Stakeholder Liaison, Field**

SL Brown informed attendees of the new Form 2848 (Power of Attorney) and its instructions (available on IRS.gov and included in handouts).

Some of the changes include the following:

“Registered Tax Return Preparer” (designation i) has been removed from Part II. Also, the description for “Unenrolled Return Preparer” (designation h) has been updated to explain the

requirement for participation in the Annual Filing Season Program in order to have limited practice rights. For returns filed beginning Jan. 1, 2016, unenrolled return preparers should not submit Forms 2848 unless they have met the appropriate Annual Filing Season Program requirements.

#### Related issues:

Unenrolled return preparers may still submit Forms 8821 in order to receive *disclosure authorization* from a client. Additionally, taxpayers may still choose an unenrolled return preparer as their “Third Party Designee” on their Form 1040. This allows the IRS to contact them about any issues during the processing of the return and automatically expires April 15 of the next year.

#### Online IRS Tax Calendar for Businesses and Self-Employed

The Online IRS Tax Calendar for Businesses and Self-Employed allows you to view due dates and actions for each month. You can see all events or filter them by monthly depositor, semiweekly depositor, excise, or general event types. You can also view the Online Calendar on your Smartphone or tablet. Calendar reminders can be sent to your email inbox one or two weeks in advance of when a form or payment is due. The IRS Calendar Connector provides access to tax calendar events right from your desktop, even when you're offline. As new events are added, they will be automatically updated via the desktop tool. For additional information regarding the calendar, visit our website, [www.irs.gov](http://www.irs.gov), and search “Online tax calendar”.

#### Annual Filing Season Program

The Annual Filing Season Program aims to recognize the efforts of non-credentialed return preparers who aspire to a higher level of professionalism. Those who choose to participate can meet the requirements by obtaining 18 hours of continuing education, including a six hour federal tax law refresher course with test. Upon completion of the requirements, the return preparer receives an Annual Filing Season Program – Record of Completion from the IRS. Annual Filing Season Program participants are included in a public database of return preparers on the IRS website. The Directory of Federal Tax Return Preparers with Credentials and Select Qualifications includes the name, city, state, zip code, and credentials of all attorneys, CPAs, enrolled agents, enrolled retirement plan agents and enrolled actuaries with a valid PTIN, as well as all Annual Filing Season Program – Record of Completion holders. Beginning Jan. 1, 2016, there will be changes to the representation rights of return preparers. Attorneys, CPAs, and enrolled agents will continue to be the only tax professionals with unlimited representation rights, meaning they can represent their clients on any matters including audits, payment/collection issues, and appeals. Annual Filing Season Program participants will have limited representation rights, meaning they can represent clients whose returns they prepared and signed, but only before revenue agents, customer service representatives, and similar IRS employees, including the Taxpayer Advocate Service. PTIN holders without an Annual Filing Season Program – Record of Completion or other professional credential will only be permitted to prepare tax returns. For returns prepared and signed after December 31, 2015, they will not be allowed to represent clients before the IRS. Over 44,000 non-credentialed tax return

preparers have elected to participate in the IRS Annual Filing Season Program and received a Record of Completion. This already exceeds last year's 41,000+ participants. The deadline to complete the required continuing education was Dec. 31, but for those who obtained the CE and did not get a Record of Completion, it's not too late. A preparer only needs to renew his or her PTIN and sign the online Circular 230 consent. View a [video tutorial](#) for a demonstration how to sign the C230 consent. After the filing season is over (April 18), preparers will no longer be able to sign and participate in the program for 2016.

### **Guest Speaker 13 - Aaron Steele, Sr. Stakeholder Liaison, Field**

An ACA update of resources available on [www.irs.gov](http://www.irs.gov) for Individual and Business Clients, as well as for Tax Professionals found in the following links. Information for Individual and Business Clients can be found in Hot Topics – Affordable Care Act – Health Care Tax Tips, covering such topics as HCTT 2016 -01 Individual Shared Responsibility Provision and Your 2015 Income Tax Return; HCTT 2016-02 Are You an Applicable Large Employer? Review Your Status Annually; HCTT 2016-05 Five ACA Fact for Applicable Large Employers, to name a few. Information for Tax Professionals can be found in For Tax Pros - ACA for Tax Pros, coverings such topics as Questions and Answers about Health Care Information Forms for Individuals (Forms 1095-A, 1095-B, and 1095-C), ACA Information Center for Tax Professionals, with Affordable Care Act Return Preparer Best Practices, to name a few. Additional information can be Health Care and Taxes, providing information on Health Insurance Companies and Three Tax Considerations during the Marketplace Open Enrollment. Also, the Taxpayer Advocate has an excellent Tool for Estimating Health Care Related Credit and Payments.

### **Issues & Status**

**Below are the responses to the following questions/issues.**

#### **Electronic Account Resolution- Cost effectiveness in bringing it back?**

"There are a lot of electronic options being explored. The Service is looking at ways to authenticate in a very secure way in an electronic environment."

The cost effectiveness of bringing EAR back or something similar hasn't been shared with us; however, they are exploring their options. An answer and/or response may be available later.

#### **1. New W-2 verification process utilizing a 16 digit code**

##### [IRS Tests W-2 Verification Code](#)

IRM [21.3.6.4.7](#) Updated to include temporary guidance regarding W-2 Verification Code test for filing season 2016 – see highlighted items 10-12.

##### [IRM 21.3.6 Toll-Free Procedures for IRS Test on W-2 Verification Code for Filing Season 2016 & Information Return Updates to Include ACA Forms](#)

## **2. IP-PIN for dependents, divorces, etc.**

SERP Alert [16A0039](#) - Dependent IP-PINs

IRM [25.23.2.21.1](#) has a new exception stating, "Dependents are NOT eligible for a replacement IP-PIN. If the taxpayer states they requested an IP-PIN for their dependent but lost, misplaced or failed to receive one, they must file a paper return.

Also: Paper Returns will remain the same as they always have... there is only room for 1 IP PIN on a paper return (for the primary). If the primary has an IP PIN then it should be entered; if they do not it should be left blank.

## **3. Monthly IMRS Third Tuesday Calls**

The Issue Management Resolution System provides an avenue for tax professional and stakeholder organizations to elevate significant issues regarding IRS policies, practices and procedures. When these issues are resolved, SL will not only provide feedback to the one who submitted the issue, but we will also expand the audience. It may be in the form of an alert on IRS.gov, e-News for Tax Pros, IMRS report, etc. There are issues that IMRS does NOT address, and are worked elsewhere in the IRS, including:

Legislative Proposals – These issues involve anything that would require a change to the tax code. IMRS can only forward any suggestions or issues that would require changes to any procedure or policy written in the code.

Also, IMRS cannot address:

Specific taxpayer account issues – Instead, contact the Practitioner Priority Service.

Once a month, the Mid-South Area has a 30 minutes IMRS Third Tuesday Call where we update the Heads of the various practitioner organizations on IMRS issues. We send out a summary of the call and ask those attending to disseminate the information to their members. We try to get at least (2) Representatives from each organization, each of (6) states in the area, to attend. We hope to possibly expand the attendance in the future.

## **5 Frivolous return experience -**

Letter [3175C](#), *Frivolous Correspondence Response*, is sent to the taxpayer in response to frivolous correspondence and explains that the argument used is frivolous and IRS will not respond to subsequent inquiries of a similar nature. Letter [3176C](#), *Frivolous Return Response*, is sent to the taxpayer in response to frivolous returns/claims and explains that the argument used is frivolous, warns of a possible penalty assessment if a corrected return or waiver of claim is not filed and that IRS will not respond to subsequent inquiries of a similar nature. Reference: [IRM 21.5.3.4.16.7](#)

\*Received (3) questions regarding PTINS, IP PINs, and the Authentication Test:

- What about if both taxpayer and spouse have ptins? There is only one box on page two of Form 1040?
- If a 14039 has been filed for previous years and the IP PIN has not been received, what do we do?

- If 50% of taxpayers are failing the authentication test, what to do if they fail?

\*These questions will need to be addressed by calling the Practitioner Priority Line at 1-866-860-4259

### **Next Scheduled Meeting**

**January 2017**



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