

## Area 6 – First Thursday Notes

February 6, 2025

### Internal Revenue Service – First Thursday Area 6 Stakeholder Liaison Team

Stakeholder Liaison	Email	States Covered
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## **2025 Tax Filing Season**

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Be sure to check out [irs.gov/getready](https://irs.gov/getready) and share with your clients.

## **Reminders**

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Your clients now can go to Online Account for Individuals to obtain lost IPPINs.

For lost IPPINs for minors, go to 800-908-4490.

Go to IR-2025-10 in case you have some people affected by the California Wild Fires.

## **Webinars**

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### **[Webinars for Tax Practitioners:](#)**

- [The ABCs of Foreign Tax Credit for Individuals \(FTC\)](#) (Feb. 19, 2025)
- [Determining an individual's tax residency status](#) (Feb. 26, 2025)
- [U.S. taxation of employees of foreign governments & international organization](#) (March 12, 2025)
- [Tax obligations of U.S. individuals living and working abroad](#) (March 12, 2025)

## **Issue Management Resolutions System Updates**

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1. IRS is seeing estimated payments not showing up for the 4<sup>th</sup> estimated payments. Checks, or on Direct Pay.
2. Spousal Payments IRM 21.5.7.3.2.2 and 21.5.6.3.2.2(1) will systemically post if a return is posted, and a balance due. But IRS is seeing that they do not always get credited. So specifically, if a joint return is to be filed, a best practice would be to post the payment on the primary taxpayer, not the secondary to avoid an IRS notice.
3. When applying to be Certified Acceptance Agent online by e-services, it takes 60 days, and then an acceptance agreement needs to be signed. But the application gets deleted before it can be signed to complete the application on e-services.
4. S-Corporation Status is not timely processed and applicants are seeing issues with the filing of the S-Corporation returns.

Contact your stakeholder liaison if you are also seeing these or other issues. Also, thank you for bringing issues to our attention during the First Thursday calls.

# State Revenue Updates

## Colorado Department of Revenue

To sign up for Colorado Rulemaking: <https://tax.colorado.gov/tax-rules>

Publication for the CO Child tax credit: <https://tax.colorado.gov/income-tax-topics-child-tax-credit> The publication for the CO Family Affordability tax credit: <https://tax.colorado.gov/income-tax-topics-family-affordability-tax-credit>

## Kansas Department of Revenue

No Updates

## Minnesota Department of Revenue

- Annual Tax Pro Webinar materials posted including the recording and the Q&A document will be posted soon. See [Business Income Tax Webinars | Minnesota Department of Revenue](#).
- We are getting a lot of questions about where to put non-taxable income on Schedule M1RENT. Beginning with tax year 2024, non-taxable income no longer is included in household income for renters only, which is why there is no line for it on the schedule.
- If you are receiving CRPs with an incorrect rent amount and the landlord refuses to correct it, we suggest calling us and asking for a Rent Paid Affidavit. You'll need to submit proof of the rent you paid with the affidavit.

## Missouri Department of Revenue

No Updates

## Nebraska Department of Revenue

NE Child Care Refundable Tax Credit information website: [Child Care Refundable Tax Credit | Nebraska Department of Revenue](#)

Electronic filing portal to submit the tax credit application. Applications must be submitted and approved prior to claiming the tax credit on the 1040N: [Centurion OCIO State of Nebraska - Login](#)

## **New Mexico Taxation & Revenue Department**

New Mexico encourages preparers to talk to taxpayers who have to file a Schedule C or report income in the state.

## **North Dakota Office of State Tax Commissioner**

No Updates

## **Oklahoma Tax Commission**

No Updates

## **South Dakota Department of Revenue**

No Updates

## **Utah State Tax Commission**

No Updates

## **Wisconsin Department of Revenue**

- The latest Wisconsin Tax Bulletin was posted last week:  
<https://www.revenue.wi.gov/WisconsinTaxBulletin/228-01-25-WTB.pdf>.
- Our busiest filing deadline of the year for withholding tax was last week, so thank you to all of you who help prepare business returns for getting those in timely. If you have business clients who have not yet filed their WT-7/W-2s, encourage them to get these in as soon as they can. This is especially important, as we match the information employers submit with information reported on individual income tax returns, so missing employer W-2s can delay refunds for employees. We are required by statute to hold refunds until at least March 1 if we don't have the employer W-2s, and after that point, we will usually send a letter asking for a copy from the employee and send a letter to the employer at the same time advising them we seem to be missing W-2s.
- We started accepting and processing individual income tax returns last week, and things are going well. Reminder: the Where's My Refund tool on our website is a great one for you and your clients to use to check on refund status:  
<https://tap.revenue.wi.gov/RefundStatus/>.

## **Questions and Answers:**

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**Q:** ERC claims- filing amended 1040s for the ERC credit. If the ERC claim is for the 2020 tax year, and the client wanted to wait until the ERC claim was received before

they reduced the wage expense by the ERC credit, now the 2020 statute is closed. The IRS sends the amended return back and won't process it even though there is a balance due. Any thoughts?

**A:** IRC 6501 has a three-year statute, or two years from year tax paid for a payment or refund. No exception or exclusion to change that IRC Code. The IRS can assess the amount in three years, and taxpayer can file amended returns within the three years, or amended return will be not accepted outside that three-year statute.

**Q:** MN question: The M1PR instructions say to use your dependent child's CRP as your own on your M1 if you are paying the rent. The question is, do you have to be the one claiming the dependent in order to use their CRP (example is if you let non-custodial parent claim the adult child/college student).

**A:** Yes, you can only include their CRP if you are claiming them as a dependent. and they're living with you.

**Q:** What about someone that has no income or below filing for MN CRP, how do they file? Do they state income is gift, etc?

**A:** If you have even \$1 of income from things like savings interest, gambling winnings, tips, or any other source not listed that contribute to your earnings, you should be able to e-file. If your income is \$0, you'll have to file a paper return.

**Q:** MN question: If someone files CRPs late, are there any penalties that they will accrue?

**A:** There are no penalties for filing late CRPs with the department.

**Q:** 2020 ERC claims are statute is closed, and amended return was sent in. Any idea?

**A:** IRC 6501 has a three-year statute, or two years from year tax paid for a payment or refund. No exception or exclusion to change that IRC Code. The IRS can assess the amount in three years, and taxpayer can file amended returns within the three years, or amended return will be not accepted outside that three-year statute.

**Q:** Is there any way for a tax preparer to remove their name from a filed return? this was raised in our discussion group The issue was the taxpayer had not paid the preparer. We heard at a seminar that if the preparer signs as the PAID PREPARER and wasn't paid, he could request to have his name removed as the Paid Preparer.

**A:** Check with the IRS [Office of Professional Responsibility](#) and the [Return Preparer's Office](#)

**Q:** E-filing POAs on the IRS: What is the update on of the idea of getting a confirmation with the client information of a successfully filed POA form? Can preparers at least get a confirmation e-mailed back? Also, the Form 2848 upload is not working (see below):

IRS

Guide Me  
Please answer the questions below so we can route you to the right place.

**Answered Questions**

- ✔ What type of request would you like to submit?  
Form 2848, Power of Attorney and Declaration of Representative
- ✔ Did the taxpayer electronically sign the form in a remote transaction?  
No
- ✔ In order to route your submission properly, please select one of the following for the taxpayer on line 1 of the form:  
**The taxpayer:**  
has a domestic address

**A:** There are disclosure issues with the IRS identifying the client. Alan Gregerson will submit the confirmation code idea and find out why the Form 2848 Upload Tool is not working.

**Q:** What happens if you file several POA's at one time?

**A:** Another preparer suggested noting the order of the POAs' filed and file the emails with filing confirmation in the order of how they were submitted.

**Q:** Prior to marriage, both taxpayers were in a payment plan. Now married and filing MFJ with a refund. How is the refund divided between the two taxpayers? How can the division of the refund be explained to the IRS? Injured spouse form or Innocent spouse?

**A:** Usually, the refund goes to primary first. Refer to [Injured Spouse - Taxpayer Advocate Service](#) in regards to injured spouse and [Innocent spouse relief | Internal Revenue Service](#) in regards to innocent spouse.

**Q:** On the Form 1040-X, can a [third party designee box](#) be added to the Form 1040-X, like on Form 1040?

**A:** This was a suggestion in previous years and was elevated. The suggestion about a [third party designee box](#) being added to the Form 1040-X for processing questions will once again be elevated.

**Q:** Any hints from the group on filing a POA for a deceased taxpayer?

**A:** Include a copy of the death certificate and the document confirming the person's right to sign a POA, such as a personal representative or estate administrator. You potentially would have to submit the POA a couple of times because not all representatives know how to process such POA. Also, A form 56 for sure needs to be filed, and to be on the IRS account. This link has additional information needed, [Request deceased person's information | Internal Revenue Service](#)

**Q:** ACS has paused automatic lien filings for 5 years now. Will this function be fixed soon?

**A:** As of 2/6/25, IRS employees can only issue a Notice of Federal Tax Lien when establishing an Installment Agreement or CNC Hardship closure. All other issuance of Notice of Federal Tax Liens remains suspended until further notice.

**Q:** Can a block for an incorrect 1099-K on Form 1040 be added? This would be more helpful rather than to input this onto the tax return, and the payer will not have to ask the issuer to correct 1099-K.

**A:** Unfortunately, it is too late to change this year's tax form. Submit comments to the IRS about forms to [IRS.gov/FormsComments](https://www.irs.gov/formscomments). Include "NTF" followed by the form or publication number (for example, "NTF1040) in the body of the message to route your message properly.

**Q:** Is it true about the status of "no hiring" by the IRS?



**A:** Yes. Review USAJOBS.gov for any future hiring announcements.

**Q:** Is there a special unit to handle deceased taxpayer questions?

**A:** There is not a specific unit for everything about a deceased taxpayer. However, some contact information may be found on [Deceased person | Internal Revenue Service](#).

**Q:** Is there any way to go into IMRS to see what the escalated issues are so other practitioners can weigh in and say if they are seeing the same?

**A:** There used to be one on the irs.gov website but it got taken down. Alan Gregerson will elevate it.

## Next Meeting

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**Thursday March 6, 2025  
9:00 a.m. – 10:00 a.m. CT**

Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 241 938 273 298

Passcode: VdxVtm

[Download Teams](#) | [Join on the web](#)

**Or call in (audio only)**

[+1 737-253-8186,,838814991#](#) United States, Austin

Phone Conference ID: 838 814 991#

[Find a local number](#) | [Reset PIN](#)