

## Area 6 – First Thursday Notes

December 5, 2024

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

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## National Tax Security Awareness Week

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December 2<sup>nd</sup> kicked-off the 9<sup>th</sup> Annual National Tax Security Awareness Week.

Taxpayers should remember these important tips to avoid fraud and tax-related identity theft:

- The IRS will never email, text, or call to request an IP PIN.
- Taxpayers should not reveal their IP PIN to anyone but their trusted tax software provider or tax preparer.
- Neither a tax software provider nor a tax preparer should ask for an IP PIN except to complete a tax return. Individuals should protect their IP PIN from theft, especially scams.
- Taxpayers should enter their IP PIN on any return, whether it is filed electronically or on paper. This includes any amended returns or returns for prior years. Doing so will help avoid processing delays or having the return rejected by the IRS.

Tax pros can review [IRS Publication 5708, How to Create a Written Information Security Plan for Data Safety](#) on IRS.gov for more information on WISPs.

## 1099-K Threshold Update

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Details can be found in:

- IRS News Release: IR-2024-299 - [IRS provides transition relief for third-party settlement organizations; Form 1099-K threshold is \\$5,000 for calendar year 2024](#)
- [IRS Notice 2024-85](#)

Third Party Settlement Organizations (TPSOs) will be required to report transactions when the amount of total payments for those transactions is:

- **more than \$5,000 in 2024**
- **more than \$2,500 in 2025**
- **more than \$600 in calendar year 2026 and after**

Notice 2024-85 also announces for calendar year 2024, that the IRS will not assert penalties under section 6651 or 6656 for a TPSO's failure to withhold and pay backup withholding tax during the calendar year.

TPSOs that have performed backup withholding for a payee during calendar year 2024 must file a Form 945 and a Form 1099-K with the IRS and furnish a copy to the payee.

For calendar year 2025 and after, the IRS will assert penalties under section 6651 or 6656 for a TPSO's failure to withhold and pay backup withholding tax.

## IRS.gov Tax Pro page – Live Chat option

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On the IRS.gov tax professionals page, [Tax professionals | Internal Revenue Service](#), users will find a “chat” bubble which can connect them with a live IRS assistor.

(see screenshot in the IMRS Meeting PowerPoint to locate the Chat bubble)

We are asking tax pros to help spread awareness of this tool and provide feedback on their experience to their IRS Stakeholder Liaison.

# State Revenue Updates

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## Minnesota Department of Revenue

- Upcoming Business Income Tax Education opportunities:

We are offering a new S corporation and partnership class for business owners and tax professionals. Dates have also been released for the Pass-through Entity Tax Webinar in January and February. Link to classes [Business Income Tax Webinars | Minnesota Department of Revenue](#)

## New Mexico Taxation & Revenue Department

- The NM tax department imposes the gross receipts tax on the vendors doing business in NM. If you prepare a personal income tax with a Schedule C, it would be a great customer service to your clients to ask if the clients have filed the NM gross receipts or if they have a business tax account with the tax department. If the taxpayer files a schedule C and there is no gross receipts tax reported to the department, the department will send the taxpayers a notice of intent to assess gross receipts based on the amounts reported on the Schedule Cs. If the taxpayers do not respond to this notice, the department will assess the tax even if the gross receipts are not subject to tax. The taxpayers need to contact the auditor and provide document as evidence to show that the gross receipts are not subject to the tax.
- When a taxpayer has not filed back taxes, the managed audit is the best option to report those non-filer periods <https://www.tax.newmexico.gov/businesses/request-a-managed-audit/>
- The NM Tax department's website provides contact information under the "Contact us" and "About Us" page <https://www.tax.newmexico.gov/>
- <https://www.tax.newmexico.gov/businesses/businesses/taxpayer-advocate/>
- <https://www.tax.newmexico.gov/tax-professionals/tax-practitioner-liaison/> The department has a tax practitioner liaison to assist practitioners who have tried to operate within the normal departmental channel without success

## Wisconsin Department of Revenue

- Tax law update seminar/webinars finished up yesterday, a video will be posted soon on our website.
  - Wisconsin Tax Update Seminars and Webinars page:  
<https://www.revenue.wi.gov/Pages/Training/FallTaxUpdates.aspx>
- Many of the 2024 final instructions have been posted to our website since our last meeting
  - Wisconsin Forms and Instructions page:  
<https://www.revenue.wi.gov/Pages/Form/2024Individual.aspx>

## Questions and Answers:

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**Q:** Regarding IRS News Release 2024-294: IRS will accept duplicate dependent returns with an IP PIN for 2025 filing season.

What justification is the IRS using to allow taxpayers with an IP PIN to automatically get their return processed? Will the refund be processed immediately or will it be reviewed like amended returns.

**A:** IRS will review both returns and require proof for both taxpayers claiming the dependent. See this link: [Claiming a child as a dependent when parents are divorced, separated or live apart | Internal Revenue Service](#)

**Q:** Regarding IRS News Release 2024-294, does the dependent need an IPPIN or just the primary taxpayer?

**A:** Only the primary taxpayer needs an IP-PIN. The spouse (if married filing jointly) and the dependents on the tax return **don't** need to provide an IP PIN if they don't have one.

**Q:** For taxpayers with an IP PIN, can they cancel it or 'opt-out'?

**A:** Maybe. If a taxpayer voluntarily joined the IP PIN program and has not been a victim of tax-related identity theft, then they may opt-out of the IP PIN program. To find out if you are eligible to opt-out, log into your online account. See Question 22: [Frequently asked questions about the Identity Protection Personal Identification Number \(IP PIN\) | Internal Revenue Service](#)

**Q:** What types of questions can practitioners ask on the "Tax Pro page chat"? Client cases or just general questions?

**A:** Elevated this question to IMRS collector issues.

Stakeholder Liaison believes the TaxPro chatbot can be used by tax professionals to reach a live IRS assistor, who will offer a call back. At this time, we are unsure if live assistors can answer taxpayer account questions or assist with taxpayer account issues through the chatbot application. (see [IRM 5.19.5.11\(6\)](#) and IRM 5.19.5.11.1 for details)

**Q:** Anything new on superseded returns?

**A:** This link has additional information: [Did You File a Superseding Return? If So, Read On - TAS](#)

**Q:** Why are clients getting notices for e-filed returns (mostly 2021) that were acknowledged as received, but now we have to re-sign and mail a return with supporting documents to Austin of Pennsylvania?

**A:** Please send a copy of the IRS notice(s) (can redact taxpayer information) to your stakeholder liaison. We can review the notice and research the issue further, but need specifics (notice number, was the original e-filed return processed?, etc.)

**Q:** I am seeing verification required to attend this Microsoft Teams meeting, any information on this?

**A:** This link indicates additional security features have been added to Microsoft Teams to verify e-mail address with verification code before joining a meeting. Here is the link, [Enhance meeting security with Teams Premium's email verification for external meeting participants | Microsoft Community Hub](#)

**Q:** Has the IRS annual e-file closure date(s) been announced?

**A:** The Modernized eFile (MeF) page reports these dates: [Modernized eFile \(MeF\) Operational Status](#)

- 1040 MeF Production Shutdown - begins on Saturday, November 30, 2024, at 11:59 p.m. Eastern time
- Business - Shutdown is scheduled to begin at 11:59 a.m. (noon) Eastern time, Thursday, December 26, 2024.

**Q:** Practitioners have been told by ACS and special compliance that tiered installment agreements are not allowed anymore but we can't find anything in the IRM or irs.gov.

**A:** The IRS terminology for a tiered installment agreement is a Manually Monitored Installment Agreement with irregular payment intervals (see IRM [5.14.9.5 Routine and Manually Monitored Installment Agreement Dispositions](#)). No interim guidance or policy statements that impact or change this Internal Revenue Manual were found.

Tax pros can appeal the rejection of a proposed installment agreement. See Publication 1660 – Collection Appeal Rights (pg. 4) for details:

**(Pub. 1660 excerpt)**

**How do you appeal the rejection of a proposed installment agreement?**

1. Call the telephone number shown on the letter rejecting your proposed installment agreement and explain that you want to appeal the rejection. Your appeal need not be in writing unless the rejection letter was sent by a Revenue Officer, in which case your request for an appeal must be in writing, preferably using Form 9423, Collection Appeal Request. While a conference is recommended, you need not have a conference with a Collection manager before appealing the rejection of a proposed installment agreement.
2. Your request for an appeal of the rejection of a proposed installment agreement must be made on or before the 30th day after the date of the rejection letter (the mailing of a written request, including a Form 9423, must be postmarked on or before such day).

Please also report the scenario to your Stakeholder Liaison with specifics (date/time, IRS employee, how you were notified of the rejection, copy of the IRS notice, etc.)

**Q:** Beneficial Ownership Information (BOI) and Corporate Transparency Act (CTA), any clarification?:

**A:** Official news and information can be found at: [Beneficial Ownership Information Reporting | FinCEN.gov](#)



## Next Meeting

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

**(one week later than usual due to January 1<sup>st</sup> holiday)**

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](#)