

# IRS NEWS FOR TAX PROFESSIONALS

## February 2018

### ► UPCOMING WEB CONFERENCES

We will offer web conferences in February, but as of the date of publication, we don't have registration information. Please check [HERE](#) in early February for National and Local webinars for Tax Professionals for February 2018.

Click [HERE](#) for webinars and videos recently posted to the IRS Video Portal.

### ► NEWS

#### [Resources for Tax Law Changes](#)

- Check this page for updates and resources. Major [tax changes](#) approved by Congress became law on December 22, 2017. The IRS is working on implementing this major tax legislation that will affect both individuals and businesses. We will provide information and guidance to taxpayers, businesses and the tax community as it becomes available.

#### [Updated 2018 Withholding Tables Now Available; Taxpayers Could See Paycheck Changes by February](#)

- The IRS released [Notice 1036](#), which updates the income-tax withholding tables for 2018 reflecting changes made by the tax reform legislation enacted in December 2017.

#### [Check IRS.gov Before Mailing Tax Returns](#)

- Mailing addresses for federal tax returns change regularly. If you need to mail a tax return, check the [where to file paper tax returns](#) page on IRS.gov to find the correct address.

#### [Tax Refund Offsets Pay Unpaid Debts](#)

- The Treasury Offset Program will use all or part of a federal tax refund to settle certain unpaid federal or state debts.
- [Tax Topic Number: 203 - Refund Offsets for Unpaid Child Support, Certain Federal and State Debts, and Unemployment Compensation Debts](#)

#### [Travelers Requiring Passports to Pay Back Taxes or Enter into Payment Agreements](#)

- The IRS encourages taxpayers who are "seriously delinquent" on their taxes – those who owe more than \$51,000 in back taxes, penalties and interest -- to pay what they owe or enter into a payment agreement with the IRS. Seriously delinquent taxpayers risk losing their passports or having their passport applications or renewals denied.

#### [National Taxpayer Advocate Delivers Annual Report to Congress](#)

- National Taxpayer Advocate Nina E. Olson released her 2017 Annual Report to Congress, describing challenges the IRS will face as it implements the recently enacted tax reform legislation and unveiling a new publication, "The Purple Book," that presents 50 legislative recommendations intended to strengthen taxpayer rights and improve tax administration.

### ► Your Practice

## [Tax Preparers: Tips for Hiring a Cybersecurity Professional](#)

- To protect their offices and client data, many tax preparers hire a cybersecurity professional. Because every tax office is unique, preparers should consider specific concerns they have. They should present those to their cybersecurity professional, which will help safeguard both the preparer's business and their clients' data.
- The IRS provides four things for tax preparers to consider when evaluating and selecting a cybersecurity professional that fits their situation or business.

## [Six Questions Preparers Should Ask Themselves about Office Security](#)

- Tax professionals can protect their clients' data by simply looking around the office. Look for places where data is kept or stored and assess whether that data is secure. Keep in mind that unsecured data will not always be on a computer. In fact, securing office space is as important as securing computers.

## **► [TAXES. SECURITY. TOGETHER. \(Identity Theft\)](#)**

### [IRS, States and Tax Industry Warn Employers to Beware of Form W-2 Scam; Tax Season Could Bring New Surge in Phishing Scheme](#)

- Number of victims in 2016: 100
- Number of victims in 2017: 200, which translated into hundreds of thousands of employees who had their identities compromised.
- By alerting employers now, the IRS hopes to limit the success of this scam in 2018.

### [Tax Pros Urged to Step Up Security as Filing Scheme Emerges, Reminded to Report Data Thefts](#)

IR-2018-17, Feb. 2, 2018 – Seeing the emergence of a new filing season scam, the Internal Revenue Service today urged tax professionals to step up security and beware of phishing emails that can secretly download malicious software that can help cybercriminals steal client data.

## **► EMPLOYERS AND BUSINESS OWNERS:**

### [Five Signs of Small Business Identity Theft, New Protection Methods](#)

- Small business identity theft is a big business. Just like individuals, businesses can be victims too. Thieves use a business's information to file fake tax returns or get credit cards.
- Identity thieves are more sophisticated than they used to be. They know the tax code and filing practices and how to get valuable data. The IRS has seen a sharp increase in fraudulent business tax forms. These include Forms 1120, 1120S and 1041, as well as Schedule K-1. These affect business, partnership, estate and trust filers.

## **Combined Annual Wage Reporting (CAWR)**

- The Social Security Administration (SSA) and the IRS have an agreement to exchange employment tax data. SSA shares Form W-2 data with the IRS and the IRS shares Form 941, 943, 944, 945 with SSA. More details here:
- [Combined Annual Wage Reporting Missing Form W-2 Inquiries](#)
- [Combined Annual Wage Reporting Employment Tax Problem Inquiries](#)

## ► Affordable Care Act

- [Notice-2017-74](#) provides that Individuals who are not eligible for coverage under an eligible employer-sponsored plan and who lack access to affordable coverage should not be denied the use of the affordability exemption under § 5000A(e)(1) of the Code and § 1.5000A-3(e) of the Regulations merely because they reside in an area served by a Marketplace that does not offer a bronze-level plan.

## ► Exempt Organizations Update

### Revised [Form 1023-EZ](#), Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

- A text box was added to Part III requesting a brief description of the organization's mission or most significant activities. This change was recommended by the IRS National Taxpayer Advocate and is designed to provide a better understanding of the most significant activities that an organization engages in to further its exempt purposes.
- Questions about annual gross receipts, total assets and public charity classification were added to the Form 1023-EZ. These questions are also on the Form 1023-EZ Eligibility Worksheet in the Instructions for Form 1023-EZ that organizations must certify they have completed.
- Question 29 on the Form 1023-EZ Eligibility Worksheet now requires that an automatically revoked organization applying for reinstatement must seek the same foundation classification they had at the time of automatic revocation to be eligible to use the Form 1023-EZ. Organizations that are not seeking that same foundation classification must file a full Form 1023.
- These revisions make it easier for organizations to select the correct form when applying for tax-exempt status and help the IRS make the correct determinations on tax-exempt status.
- See [Tax Information for Charities & Other Non-Profits](#)

### [Revenue Procedure 2018-10](#)

- Revenue Procedure 2018-10 modifies Rev. Proc. 2018-5 by applying the procedures for Exempt Organizations determination letters to new Form 1024-A, Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code. Revenue Procedure 2018-10 will be in IRB 2018-07, dated 2/12/2018.

## ► Tools for Tax Professionals

- [Subscribe to e-News for Tax Professionals](#)  
Preparers can register to get this electronic newsletter. It's one of the best ways for tax professionals to get the latest national and local IRS news. (Editor's note: most of the articles in this monthly newsletter come from e-News for Tax Professionals.)
- [Quick Alerts](#)  
Preparers can subscribe to receive alerts about events that affect Authorized IRS e-file providers, issuers and payers, transmitters, and software developers.
- [Understanding Your IRS Notice or Letter](#)

Want to see if the letter your client got is really from the IRS? Many (but not all) IRS letters and notices listed here.

- [Practitioner Priority Service](#)  
Hours? Who can use it? What are the menu options?
- [Deceased Persons – Probate, Filing Estate and Individual Returns, Paying Taxes Due](#)  
How to get information? How to file? How to get the refund? Form 1310, 56 and 2848.
- [Basic Tools for Tax Professionals](#)  
So. Many. Things.
- [IRS Guidance](#)  
Code, Regulations, Internal Revenue Manual, Advance Notices, IRS Written Determinations and Electronic Reading Room
- [Tax Scams / Consumer Alerts](#)  
We send out emails each time there's a new tax scam. It gets confusing to remember all of them. You don't have to! This page lists ALL scams targeting taxpayers, tax professionals and others
- [Disaster Relief Resource Center for Tax Professionals](#)
- [Small Business and Self-Employed Tax Center](#)  
Loads of info here, including:
  - [Employer ID Numbers \(EINs\)](#) and
  - [Publication 1635, Understanding Your EIN](#)
- [Identity Protection: Prevention, Detection and Victim Assistance](#)
  - [IRS Identity Theft Victim Assistance: How It Works](#)
  - [Data Breach: Tax-Related Information for Taxpayers](#)
    - Not every data breach results in identity theft, and not every identity theft is tax-related identity theft.
  - [Identity Protection PIN \(IP PIN\)](#)

## ► NEWS FROM OTHER AGENCIES

### [Top 10 SBA Blogs of 2017](#)

From tax responsibilities to running a home-based business, SBA blogs cover a variety of topics. If you're thinking about starting or growing a business, check out SBA's blogs to help you reach your business goals.

***(MORE GOOD STUFF ON THE NEXT PAGE)***

### Federal Trade Commission:

- **Individuals:** <https://www.identitytheft.gov/>
- **Business:** <https://www.ftc.gov/tips-advice/business-center/privacy-and-security/data-security>