

Area 6 – First Thursday Notes

May 4, 2023

Internal Revenue Service – First Thursday Area 6 Stakeholder Liaison Team

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Updates to 1099-K

ARPA passed the information return decrease from \$20,000 and 200 transactions to \$600 and any number of transactions. Information from this link, [Understanding Your Form 1099-K | Internal Revenue Service \(irs.gov\)](#) may be new for gig workers and casual sellers.

Tax year 2022 was considered a transition year, administration of the information return threshold change will be begin implemented for 2023 Tax year. IRS will provide additional products to share with your clients and your organizations throughout the summer and fall on the 1099-K.

2019/2020 Tax Return Statutes

2019 tax returns and amended tax returns are due July 17, extension due to COVID-19 laws. Frequently Asked Questions on Amended Returns and returning checks or Direct Deposit might be useful during this time. See links below for additional information.

IR 2023-79

[Time running out to claim \\$1.5 billion in refunds for tax year 2019, taxpayers face July 17 deadline | Internal Revenue Service \(irs.gov\)](#)

Amended Returns Frequently Asked Questions.

[Amended Returns & Form 1040X | Internal Revenue Service \(irs.gov\)](#)

[Topic No. 161, Returning an Erroneous Refund – Paper Check or Direct Deposit | Internal Revenue Service \(irs.gov\)](#)

ID.me Updates

Practitioners will see this message on the e-Services webpage:

“IRS now offers a sign-in option with ID.me, an IRS technology provider.”

Beginning May 17, 2023, the IRS will no longer support the use of existing IRS usernames to access e-Services. If you do not have an ID.me account, you must create a new account to access this service.

E-Services applications will prompt all users to accept the terms of agreement the first time signing in after July 24, 2022.

Questions and Answers

Q: There is a “mumbling” about another 1099-K delay, is there any IRS guidance on this?

A: There is no future delay for the 1099-K implementation that Stakeholder Liaison is aware currently.

Q: Will the 1099-K be incorporated in the tax software for 2023, like 1099-NEC?

A: No details on that, but if it is required, it should be incorporated in the tax software.

Q: Are there still issues signing up for ID.me, and if so, what are the issues that people may have?

A: Practitioners responded that ID.me was smooth. The option to video chat with an ID.me agent to verify identity went smoothly. The user had to upload a picture of their Driver’s License with the front and back. Another practitioner stated they just used ID.me and had no problems.

Q: Letters to Taxpayer – one was for identity theft. When you call the number on the letter, there is no option for identity theft, even though the letter is regarding identity theft.

A: Answer from Stakeholder Liaison data breach team:

If you call 800-908-4490, you get options for identity theft. Right before the tax deadline, many people were calling at the last minute to call the Taxpayer Protection Program (TPP) phone number 800-830-5084 to authenticate from notices they received. This caused an increased call volume of 500%.

This might be related to some feedback received where some practitioners have complained about their clients being disconnected when calling the phone number on identity authentication letters: When they called the number on the letter, they were given option #'s to select such as electric vehicles information, but they were cut off the line if they did not make a selection and authentication was not one of them.

If you experience this issue with one of your clients/taxpayers, please report this to your Stakeholder Liaison and send a copy of the taxpayer’s IRS notice. It appears that line is working fine currently.

Q: Practitioners are receiving IRS letters indicating they have prepared client tax returns incorrectly due to underpayment penalty(s). Will that be resolved?

A: If you experience this and the IRS letters/notices appear incorrect, please report this to your Stakeholder Liaison for additional research. Please include the copy

of the IRS letter/notice you received and a brief written explanation of the items that are incorrect. This issue is being worked currently with additional information requested from the practitioner.

Q: Any updates on the IRS CP50x series will be restarted?

A: We have not heard of any dates to those notices being re-instated. These notices in previous year have been suspended, but Stakeholder Liaison is not aware of when they will be sent out again.

Q: Is IRS hiring?

A: Click on [IRS Careers](https://www.jobs.irs.gov) | from <https://www.jobs.irs.gov> on future hiring opportunities.

Q: Will PTIN applicants also begin requiring ID.me?

A: Stakeholder Liaison team called the PTIN help line at 877-613-7846 to test this. Was told that ID.me is not used in PTIN renewals. PTINs are renewed by Username, Password, and the 6-digit authentication. ID.me is not used in the PTIN process.

Q: Offer-in-Compromise (OIC) office is having challenges in answering phones. Practitioners are reporting long delays and/or no responses to voicemails left on the OIC phone lines.

A: If practitioners experience this, please report details to your stakeholder liaison: date/time of call(s), copy of the notice, etc. This issue is currently being worked with additional information from the practitioner.

State Revenue Updates

Colorado Department of Revenue

- The Department has published several income tax guidance publications that may be of interest:
 - [Colorado Impact of CARES Act Tax Law Changes](#). This publication has been updated to reflect the decision by the Colorado Court of Appeals in *Anschutz v. Department of Revenue*. We previously published related guidance on the unemployment exclusion on our website (<https://tax.colorado.gov/2020-unemployment-compensation-exclusion>).
 - [Income Tax Topics: Credit for Taxes Paid to Other States](#).
- The Department adopted two corporate income tax rules of interest regarding foreign source income and net operating losses. Information on these rules can be found on our website (<https://tax.colorado.gov/tax-rules>).
- There will be changes to our EFT options (PayConnexion) coming this month. The press release will go out on Friday May 5, and it will also be posted to our website <https://tax.colorado.gov/newsroom>
- Colorado's general assembly will be completing the 2023 legislative session on Monday, May 8, 2023. CDOR expects a number of bills impacting taxes, including bill proposals related to future year improvements/enhancements to partnership/S-Corp return reporting as well as a large number of new income tax credits (or other credits and exemptions) for activities supporting the increased use of alternative fuels and renewable energy. You can follow Colorado's GA directly at leg.colorado.gov or you can sign up to receive updates from CDOR as bills become law at <https://tax.colorado.gov/email-sign-up> by filling out the form for "[Legislation Updates](#)". You can also sign up for other tax updates by tax type or by topic.

Minnesota Department of Revenue

- We are continuing to monitor legislation on the omnibus tax bill. The House and the Senate have each passed their own bills and differences are currently being worked out in committee. Session is set to adjourn on May 22.
- Just a reminder that when payments are scheduled with software for April 15, it may take up to 10 days to process the direct debit from your client's bank account

Nebraska Department of Revenue

During the meeting today I discussed common errors we are seeing when claiming the property tax credits for Nebraska. We are seeing a number of returns that are claiming the incorrect tax year, incorrect county number, and/or incorrect parcel ID number. A

question was asked about how PTC credit is claimed when a property is sold during the year and property taxes are handled at the closing. The best answer for this can be found in Frequently asked questions on our [website](#) or they may contact our taxpayer assistance line at 800-742-7474 or me at 402-471-5645. I also discussed that if a return needs to be corrected for property tax only we have a simplified form PTCX that can also be found on our [website](#).

I also discussed that Nebraska did receive a number of non-electronic payments, returns, and estimated payments, reminded everyone that Nebraska does have electronic options for [filing and payments](#).

North Dakota Department of Revenue

Legislative session completed, law enforcement updates, adoption tax credit, other credits. Brackets reduced from five to three.

Wisconsin Department of Revenue

A new Wisconsin Tax bulletin was posted last week; it can be viewed here:

<https://www.revenue.wi.gov/WisconsinTaxBulletin/221-04-23-WTB.pdf>

Tax practitioners are encouraged to watch recent and upcoming training webinars at:

<https://www.revenue.wi.gov/Pages/Training/Home.aspx>

Topics include: MyDORGov Annual Refresher, Temporary Events Operating Reporting, and My Tax Account for New Users.

Idaho Department of Revenue – No updates this meeting

Kansas Department of Revenue – No updates this meeting

Missouri Department of Revenue – No updates this meeting

New Mexico Department of Revenue - No updates this meeting

Oklahoma Department of Revenue - No updates this meeting
