

Beacon

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INTERESTING NEWS FROM IRS

2009 is shaping up as a year of change for all of us. We all know what has happened to people in the housing industries and people in the automotive industries.

Another organization that is dealing with major change is the IRS. They have massive challenges right now. All the legislation that has come out of Congress since the Obama inauguration is just part of their change.

IRS is Looking for Employees

Here's a thought for you. IRS is on a substantial hiring push. Maybe, just maybe, you could be One of Them!

IRS hired lots of folks during the expansions of all forms of the Federal Government in the 1970's. Many of those veteran, experienced employees are now retiring.

So the IRS is looking for qualified employees in many areas, including—you guessed it—Taxpayer Audits. The IRS website is a good place to start looking.

Go to www.irs.gov, and enter "jobs" in the Search window in the upper right-hand corner. The first link will be "Careers at IRS".

It's worth a try. And don't forget that they like experienced people starting a second career. It's important to IRS that their people know "what it's like on the other side."

Auditors Are Getting Younger

Two people from our office attended a 3-day IRS Tax Conference last week, and one of the speakers said something very interesting in conjunction with the employment push.

She said that their field auditors—the ones that come out to your business—tend to be younger and less experienced than they were even three years ago. Even with the limited tax representation work that my office does, we can confirm that trend.

The auditors are younger. And the IRS speakers encouraged those of us who do taxes for a living to help teach these new people. Not sure how that is going to work out!

Amended Returns Are Taking Longer

The IRS is experiencing higher than expected inventory levels of Forms 1040X, Amended U.S. Individual Income Tax Returns.

Due to these inventory levels, the processing timeframe is temporarily extended to 12-16 weeks (normal processing time is 8-12 weeks). Contacting the IRS regarding the status of the return is not necessary and the returns will be processed as soon as possible.



Know what is happening here? All those First Time Home Buyers are amending their returns to take advantage of the 2008 Home Buyer Credit, which is much more favorable than was the 2007 Credit.

Offers in Compromise

When you are overwhelmed by tax debt and can't pay the liability, the IRS has two options for you.

The first option is the Installment Agreement. You and the IRS agree on a monthly payment of principal and interest, which is in essence a loan from the IRS to you.

The Service is required to accept Installment Agreements for amounts less than \$10,000, and will stretch these payments out to five years. Agreements for amounts greater than \$10,000 must be worked out with the IRS officer.

Installment Agreements are what they want you to do.

An older form of handling overwhelming tax debt is the Offer in Compromise. You make the offer to pay what you can, and **if** the Service agrees, they **may** reduce the debt in accordance with various regulations.

In recent years, the IRS has discouraged the Offer in Compromise, often known as OIC. At last week's Seminar, they stated that only 11,000 of 44,000 OIC had been approved.

Now some people think that IRS will relax its OIC stance.

Recent comments made by IRS executives appear to indicate that the IRS is more receptive to offer in compromise requests. Fred Schindler, IRS Director of Collection Policy, indicated that the IRS is more willing to work with taxpayers who are unemployed or have filed bankruptcy but still want to make their tax payments. According to Mr. Schindler, the IRS plans to issue guidance in the near future on this issue in particular.



Personally, I wouldn't get my hopes up for an OIC approval.
The wheels of bureaucracy turn slowly.

Final Thought From the Tax Conference

The IRS shared one final, sobering statistic. This one comes from TIGTA—The Inspector General for Tax Administration. TIGTA is the enforcement arm of the Department of Treasury, sort of like Internal Affairs in the Police Department.

TIGTA reports that last year 3,700 criminal cases were prosecuted, mostly against IRS employees.

81% of these cases resulted in incarceration!

IRS jobs are very much worth looking into. But plan to be honest throughout your career.