

First Friday Hot Issue Summary – December 3, 2021

We Want You to Know

National Tax Security Awareness Week (NTSAW): The 6th Annual NTSAW took place November 29 to December 3. This year's focus was on taxpayers protecting sensitive financial information and urging increased security measures against identity thieves as fraudsters exploit COVID-19 concerns. [NTSAW 2021 | Internal Revenue Service \(irs.gov\)](#)

IRS Operations During COVID-19:

Visit [IRS Operations During COVID-19: Mission-critical functions continue](#) for updates on current IRS actions.

Get up-to-date status on affected [IRS operations and services](#). For example:

- [Filed a Tax Return \(updated December 3, 2021\)](#)
- [Requested an ITIN \(Updated November 5, 2021\)](#)
- [Victims of Identity Theft \(updated November 12, 2021\)](#)

Advance Child Tax Credit (AdvCTC):

One more advance child tax credit payment will be issued in December 2021. Effective 11/30/2021 all update functionality (AGI, Bank Account, Mailing Address & Unenrollment Updates) has been disabled.

In January 2022, the IRS will send [Letter 6419](#), Reconciliation Statement, to provide the total amount of advance Child Tax Credit payments disbursed during 2021. [Letter 6419](#), provides a summary of the advanced payments. Taxpayers can also obtain their payment amount via the on-line portal.

Economic Impact Payment 3 (EIP3) and the 2021 Recovery Rebate Credit (RRC):

In early 2022, the IRS will send Letter 6475 that contains the total amount of the [third Economic Impact Payment and any Plus-Up Payments](#) received. Individuals can also log into their [IRS.gov Online Account](#) to securely access their Economic Impact Payment amounts. This letter can be used to determine eligibility to [claim](#) the recovery rebate credit.

Steps you can take now to make tax filing easier in 2022:

Act now if you need to create an account. Use [online account](#) to securely access the latest information available about your federal tax account and see information from your most recently filed tax return on IRS.gov.

A Closer Look:

A Closer Look highlights *National Tax Security Awareness Week* and outlines simple steps that can be taken to protect sensitive tax and financial information and prevent identity theft. See [National Tax Security Awareness Week: Tips to Help Protect Taxpayers](#).

Tax Withholding Estimator:

The IRS reminds taxpayers that the last quarter of 2021 is a good time to check withholding. The IRS [Tax Withholding Estimator](#) makes it easier for everyone to have the right amount of tax withheld. This is especially important for anyone who faced an unexpected tax bill or a penalty when they filed this year, or whose jobs or tax circumstances have changed during the year.

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Taxpayer Advocate Update:

The Advocate is currently not accepting cases for delayed processing of amended returns; there are no actions they can take to speed this process.

NTA Blog: IRS Initiates New Favorable Offer in Compromise Policies.

<https://www.taxpayeradvocate.irs.gov/news/nta-blog-irs-initiates-new-favorable-offer-in-compromise-policies/>

IRS Webinars:

Tax Changes from a Forms Perspective - Tax Year 2021: Live Q&A and overview of the following:

- Knowledge of major income tax changes for individual taxpayers for tax year 2021
- Knowledge of major employment tax changes for tax year 2021
- Knowledge of major tax form changes from 2020 to 2021
- Knowledge of new tax forms for tax year 2021
- Knowledge of tax products available for limited English proficiency (LEP) taxpayers

CE: Tax Professionals - **Earn up to 1 CE Credit** - Category: Federal Tax Update.

Registration: To register for the event, visit the IRS webinar [registration](#) website

Sponsored By: IRS Stakeholder Liaison

Date: January 13, 2022 **Time:** 2 p.m. (ET), 1 p.m. (CT), 12 p.m. (MT), 11 a.m. (PT and Arizona), 8 a.m. (Hawaii)

Bankruptcy and the IRS: 100-minute webinar for Tax Professionals and Industry will explain:

- Roles of IRS Specialty Collection – Insolvency
- How to properly notify the IRS of a bankruptcy filing
- Effect of bankruptcy on taxes and tax liabilities
- How to contact the IRS and resolve bankruptcy and tax issues
- Plus a live Q & A

CE: Tax Professionals - **Earn up to 2 CE Credits**. Category: Federal Tax

Registration: To register for the event, visit the IRS webinar [registration](#) website.

Sponsored By: IRS Stakeholder Liaison

Date: January 25, 2022 **Time:** 2:00 p.m. (ET); 1:00 p.m. (CT); 12:00 p.m. (Mountain); 11:00 a.m. (Arizona and Pacific), 8:00 a.m. (Hawaii)

What Practitioners want you to know:

IRS e-Service users will have to eventually set up an ID.me Account.

I submitted an 8821 Withdrawal via the Online Portal and got notification 29 days later - Best turnaround time I have seen since the start of the pandemic!

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Prior Issues:

Transcript increase from 10 to 30

Issue: In May 2021, Area 4 FF practitioners requested an increase in the number of transcripts that can be obtained. Issue was elevated.

Response:

[Tax professionals can now order more transcripts from the IRS.](#) Effective Nov. 15, 2021, tax professionals are able to order up to 30 Transcript Delivery System (TDS) transcripts per client through the [Practitioner Priority Service®](#). This is an increase from the current amount of 10 transcripts per client. The limit of five (5) clients per contact will remain. Tax practitioners requesting both IDRS internal transcripts and TDS transcripts are limited to a total of 30 combined transcripts per client with up to 10 of the 30 transcripts being IDRS internal transcripts. Tax practitioners calling the toll-free line will be subject to the same limitations as calling PPS.

Status: Closed

New Issues:

Confusion about ID.me

Issue: TaxPros not sure they understand ID.me.

Response:

ID.me is a verification service. The new process is part of the IRS' ongoing commitment to ensure taxpayer data is only provided to the person who has a legal right to it. Folks who already have IRS usernames may continue to use their credentials from the old system to sign-in until summer 2022; however, these users are encouraged to create an ID.me account as soon as possible.

The IRS will transition e-Services tools for tax professionals to this new sign-in system in the summer of 2022.

- [New identity verification process to access certain IRS online tools and services | Internal Revenue Service](#)
- [New online identity verification process for accessing IRS self-help tools](#)
- [ID.me IRS Help Site](#)

Status: Closed

How to Appeal EFIN removal

Issue: How to appeal the removal of an EFIN.

Response: Refer to [Publication 3112](#), IRS e-file Application & Participation, which highlights the Administrative Review Process Overview. Contact the e-help desk at [866-255-0654](tel:866-255-0654) (6:30 a.m. to 6 p.m. CT) to find out additional information or visit [Information for IRS e-file Providers](#) on IRS.gov if you have questions or concerns in regards to your EFIN.

- [8.7.13 Array | Internal Revenue Service \(irs.gov\)](#)
- [E-file Providers EFIN FAQs](#)

Status: Closed

Late notices on Deferred Payment of Social Security Taxes

Issue: Clients are receiving late notices for taxes that were extended due to COVID, i.e., late notices on payroll deposits

Response: In October, IRS started sending taxpayers a courtesy reminder notice that they may have an amount due on December 31, 2021 if they have deferred the payment and deposit of certain social security taxes incurred from March 27, 2020 to December 31, 2020 under CARES ACT.

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For more information on making payments of deferred social security tax amounts, refer to:

- The form instructions for the appropriate tax return
- The topic [What employers need to know about repayment of deferred payroll taxes](#)
- The topic [How self-employed individuals and household employers repay deferred Social Security tax](#)

Status: **Closed**

IRS won't work with taxpayer to pay debt

Issue: Taxpayer has a debt assigned to a private debt collection agency. Customer Service Representative states the IRS won't work with taxpayer to set up an installment agreement.

Response: Taxpayers have several payment options available on www.irs.gov/payments. If the taxpayer wants to set up an installment agreement, he/she must work directly with the [PCA](#). If a taxpayer does not wish to work with their assigned private collection agency to settle their overdue tax account, they must submit this request in writing to the PCA.

<https://www.irs.gov/businesses/small-businesses-self-employed/private-debt-collection>.

Status: Closed

CP/80/080 Notices

Issue: Tax Pro has Agricultural taxpayers who filed Form 943. Taxpayers are receiving [CP80/080](#) notices that state a credit is on the account but a tax return has not been received. Tax Pro does not want IRS to refund the credit and assumes the IRS hasn't processed the paper filed tax returns. Tax Pro requests the status of Form 943 processing and would like to prevent refunds from being sent until returns are processed.

Response: Taxpayers should respond with a newly signed return attaching all schedules and other documents. The notices are going out correctly. This may cause some duplicate filings but IRS favors having two returns in this instance vs. none at all from the taxpayer.

Status: Closed

Appeal a rejected proposed installment agreement

Issue: Practitioner states taxpayer's proposed installment agreement was rejected and the [CP523](#) letter does not provide an address to file a Form 9423 for an appeal.

Response: To start the appeals process, you must first call the telephone number shown on the CP523 letter or contact the Revenue Officer you are working with.

- [Preparing a Request for Appeals | Internal Revenue Service \(irs.gov\)](#)
- [Collection Appeal Rights - Pub 1660](#)
- [Form 9423](#)

Status: Closed

Can't get thru to the Identity protection line.

Issue: Tax Pro states it is impossible to get through to the Identity Verification Unit.

Response: The line is operable. Please continue to call the number provided on the letter received or validate identity online using ID.me. <https://www.irs.gov/identity-theft-fraud-scams/identity-verification-for-irs-letter-recipients>

Status: Closed.

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How to get a copy of an SFR

Issue: Tax Pro states taxpayer received a tax liability for a SFR and would like a copy of the SFR.

Response: The SFR the IRS prepares is the proposed assessment. IRS sends a Notice of Deficiency CP3219N (90-day letter) proposing a tax assessment. Contact IRS at 1-866-681-4271 or the number on the letter for questions about the income.

- [Filing Past Due Tax Returns | Internal Revenue Service \(irs.gov\)](#)
- [IRS increasing focus on taxpayers who have not filed tax return | Internal Revenue Service](#)

Status: Closed

e-signatures for 990 or 990-EZ

Issue: TaxPro states IRS accepts e-signatures on forms 8879-EO; are e-signatures allowed for forms 990/990-EZ?

Response: Form 8453-EO is used for electronic signature for forms 990 and 990-EZ. The IRS has updated its [temporary policy](#) on using e-signatures for certain forms. This policy has been extended to Oct. 31, 2023. In addition, Form 1042 has been added to the list of forms eligible for e-signature. See the [fact sheet](#) for more details.

- [About Form 8879-EO, IRS e-file Signature Authorization for an Exempt Organization | Internal Revenue Service](#)
- [About Form 8453-EO, Exempt Organization Declaration and Signature for Electronic Filing | Internal Revenue Service \(irs.gov\)](#)
- [Frequently Asked Questions for IRS efile Signature Authorization | Internal Revenue Service](#)
- [Details on using e-signatures for certain forms | Internal Revenue Service \(irs.gov\)](#)

Status: Closed

Transcripts show no assessment

Issue: Tax Pro states client received an assessment; however, the transcript shows a zero balance with no return filed.

Response: Transcripts for electronic returns are generally available two to three weeks after a return has been accepted. Transcripts for a paper filed return are usually available two to three weeks after the return has been processed.

Status: Open