Welcome to the 10th South Jersey Working Together Conference
Rowan University 6/2/16

AGENDA
7:15am Registration & Continental Breakfast
8:00am Introductions & Program Overview
8:15am Examination - Indirect Methods
9:30am Collections
10:30am Morning Break
10:45am Keynote Speaker: Darren Gulliot,
Director of Field Collection
12:00pm Lunch
12:45pm Identity Theft/Data Breach
2:45pm Afternoon Break
3:00pm ACA & Other Hot Topics
4:30pm Adjournment

Moderator
Charles Montecino, CPA
Montecino & Ciaccia, P.A., Pitman, NJ

Exam Indirect Methods
Matt Hutchinson
Field Exam Manager, Cherry Hill, NJ
Jo-ann Weiner, CFE, EA, NTPI
Fellow
J. L. Weiner and Associates, LLC, Marlton, NJ

Field Examination Updates
Matt Hutchinson
June 2nd, 2016

Fiscal Year 2016 Field Examination Program Updates
- Flow-through entities
- Offshore tax evasion - OVDI
- National Research Programs
- Preparer visits and examinations
- Fast Track Settlement Program
Flow-through Coverage

- Increase in flow-through entities
  - Partnership filings
  - Complex partnership structures

National Research Program

Preparer Visits and Examinations

- SB/SE supports visits for:
  - Return Preparer Office
  - Earned Income Tax Credit Office

Fast Track Settlement Program

- Now Offered Nationwide
  - Launched nationwide on July 1, 2013
  - IRM 4.10.7, Issue Resolution
  - Benefits include;
    - Reduced overall case time
    - Reduced interest costs
    - Reduces taxpayer burden

Field Examination

Questions and Answers

INDIRECT METHODS OF PROVING INCOME
IRM 4.10.4

By Jo-Ann Weiner, EA, CFE
LESSON OBJECTIVES

• DEVELOP AN UNDERSTANDING OF THE CONCEPTS OF INDIRECT METHODS
• DISCUSS THE USES OF INDIRECT METHODS AND WHEN EACH IS MOST APPROPRIATE FOR USE
• CALCULATE A SIMPLE INDIRECT METHOD OF PROOF

MINIMUM INCOME PROBES

• Done on every audit
• You should perform one as well
• Consider Cash T/Source and Application of Funds
• Consider non-taxables
• When reconciling deposits for gross receipts reconcile 14 months
• Determine why excess funds exist
• Are funds co-mingled?

INDICATORS USED TO INITIATE AN INDIRECT METHOD OF PROVING INCOME

• BOOKS AND RECORDS DON’T RECONCILE TO THE RETURN OR THE BOOKS AND RECORDS DON’T EXIST
• EXCESS UNEXPLAINED DEPOSITS
• NO METHOD TO THE RETURN OR THE RECORDS OR THE METHOD USED DOES NOT REFLECT INCOME
• INADEQUATE INTERNAL CONTROLS
• CO-MINGLING OF FUNDS
• NO INCOME ON DEPOSIT
• USES CASH INSTEAD OF DEPOSITING – HOW DOES T/P KEEP TRACK?

INDICATORS (CONTINUED)

FINANCIAL ACTIVITIES DO NOT APPEAR IN BALANCE TO RETURN

GROSS PROFIT % CHANGES ON PRIOR AND SUBSEQUENT REVIEWS ARE INCONSISTENT

MATERIAL UNDERSTATEMENT

• DISCUSSION WITH MANAGER BY TECHNICIAN IS MANDATORY WHERE UNDERSTATEMENT IS $10,000 OR MORE

• Fraud considerations

INADEQUATE RECORDS LETTER

• EXISTS – ANOTHER DISCUSSION
IN DEPTH EXAM OF INCOME

RECOMMENDED WHEN:
• INCOME DOES NOT RECONCILE TO BOOKS/RECORDS
• UNEXPLAINED DEPOSITS
• LACK OF INTERNAL CONTROL
• INDICATION OF UNREPORTED INCOME (VS. A FIRM INDICATION OF UNREPORTED INCOME)
• NOTE AN IN DEPTH EXAM INCLUDES THE USE OF 3RD PARTIES (T/P SHOULD BE GIVEN THE CHANCE TO VERIFY FIRST)

another discussion

SPECIFIC ITEMS VS. INDIRECT METHODS

• SPECIFIC ITEMS AND DIRECT EVIDENCE IS PREFERRED OVER INDIRECT METHODS
• INDIRECT METHODS REQUIRE A LIKEY SOURCE OF CASH
• SPECIFIC ITEMS ARE NOT EASY TO IDENTIFY; FOR EXAMPLE, IN A GROCERY STORE

REMINDEERS

• WHEN RECONCILING DEPOSITS TAKE OUT NON-TAXABLES, TRANSFERS, LOANS, GIFTS, INHERITANCES – BE READY TO VERIFY ITEMS
• REMEMBER CASH HOARD

TYPES OF INDIRECT METHODS

• SOURCE AND APPLICATION OF FUNDS METHODS
• BANK DEPOSITS AND CASH EXPENDITURES METHODS
• MARKUP METHOD
• UNIT AND VOLUME METHOD
• NET WORTH METHOD

IRC 446(b)

• Neither the Code or Regulations define or specifically authorize use of indirect methods.

IRC 446(b) PROVIDES THAT IF NO METHOD OF ACCOUNTING HAS BEEN REGULARLY USED BY THE TAXPAYER OR IF THE METHOD USED DOES NOT CLEARLY REFLECT INCOME, THE COMPUTATION OF TAXABLE INCOME SHALL BE MADE AS, IN THE OPINION OF THE SECRETARY, DOES CLEARLY REFLECT INCOME.

BURDEN OF PROOF IN UNREPORTED INCOME CASE

• SERVICE HAS THE BURDEN TO PROVE ITS CASE.
• LOOK FOR ERRORS SUCH AS DUPLICATIONS
• WAS CASH HOARD CONSIDERED?
FINANCIAL STATUS AUDIT TECHNIQUES

• PER IRC 7602(e) IRS CAN'T USE “FINANCIAL STATUS AUDIT TECHNIQUES” UNLESS THERE IS A REASONABLE INDICATION THAT THERE IS UNREPORTED INCOME

STATEMENT OF ANNUAL ESTIMATED PERSONAL AND FAMILY EXPENSES

• CAPTURES PERSONAL LIVING EXPENSES
• TAXPAYER TO PROVIDE INFORMATION REGARDING EXPENSES
• BLS BUREAU OF LABOR STATISTICS CAN BE ACCESSED AT www.bls.gov

CASE LAW FOR USING STATISTICAL DATA

• MILLER V COMMISSIONER
• PORTILLO V COMMISSIONER
• SENTER V. COMMISSIONER

SELECT PROPER METHOD TO USE

• WHEN INCOME IS NOT DEPOSITED, A BANK DEPOSIT ANALYSIS IS NOT APPROPRIATE
• WHEN CASH OUTLAYS CANNOT BE DETERMINED SOURCE AND APPLICATION OF FUNDS MAY NOT BE THE PREFERRED METHOD

SOURCE AND APPLICATION OF FUNDS METHOD

• ANALYSIS OF CASH FLOWS
• COMPARISON OF ALL KNOWN EXPENDITURES TO ALL KNOWN RECEIPTS FOR THE PERIOD
• NET INCREASES AND DECREASES IN ASSETS AND LIABILITIES ARE CONSIDERED ALONG WITH NONDEDUCTIBLE EXPENDITURES AND NONTAXABLE INCOME
• EXCESS EXPENDITURES OVER INCOME IS THE ADJUSTMENT TO INCOME
• ADJUST FOR ACCRUALS

BANK DEPOSITS AND CASH EXPENDITURE METHOD

• DEPOSITS AS RECONCILED
• LESS NONTAXABLES
• PLUS CASH EXPENSES
• ADJUST FOR ACCRUALS
Collections
- Christopher Clonan
  Supervisor Revenue Officer, Edison, NJ
- Sherry Diamond, EA
  Tax Stop, Cherry Hill, NJ
- Leonard Steinberg, EA, CMC
  Steinberg Enterprises, LLC, West Windsor, NJ

NEW JERSEY WORKING TOGETHER
- Discussion Issues
  - Installment Agreements that Cover More than 1 year
  - Defaulted Installment Agreements due to additional balances due from Current Year Filing

NEW JERSEY WORKING TOGETHER
- Business vs. Estimated Taxes and How they affect Collection Issues like the OIC and Installment Agreements
- SFRs – Procedures for Amending and the effects on Collection Issues

NEW JERSEY WORKING TOGETHER
- Non-Filers and Aggregating Multiple Liabilities
- IRS Forms 1099-B and How They Affect the SFRs (Basis of Stock)
- Differences between CAP and CDP Hearings and When to Use Each

NEW JERSEY WORKING TOGETHER
- Statute of Limitations Issues
  - Ending During an Installment Agreement
  - Extending the Statute by Waiver
  - Using the 433-A and 433-B to Establish a Case as Currently Not Collectible

Keynote Speaker
- Darren Guillot, Director of Field Collection, Washington, DC
Field Collection Operations’ Employment Tax Compliance Efforts

Darren John Guillot
Director, IRS Field Collection Operations

June 2016

FY 2016 Field Collection Operations

38% Decline

$59 Billion: Amounts due from Forms 941 unpaid, as of September 2015,
Source: IRS CFO

Over Two-Thirds Withheld by Employers

Operating a business is challenging, those not paying taxes withheld in trust gain an unfair advantage over compliant businesses.

Early Interaction Initiatives

Federal Tax Deposit Alert System

- FTD Alert X Coded Pilot
  - Tests whether accelerating the timing of alerts increases impact and identifies which taxpayers benefit most from alerts
  - Implementation: April, 2015
- EFTPS Early Alerts
  - Modifies the FTD payment platform to create a near real-time system to identify variances in FTDs that will enable/expand treatment streams
  - Implementation: 2017
Early Interaction Initiatives Benefits

- Expand early interaction program, educate taxpayers and modify taxpayer behavior to enhance compliance
- Improve collection case selection and assignment
- Enable data-driven decisions regarding taxpayer contacts

Outsourcing Payroll

Many employers outsource some or all of their payroll and related tax duties to third-party payroll service providers.

- Third-party payer services include:
  - Withholding Social Security, Medicare and income tax from wages
  - Timely submitting federal tax deposits
  - Preparation and timely filing of payroll tax returns
  - Preparation and timely filing of information returns

Risks of Using Third-Party Payers

In rare instances use of a third-party payer can expose a business to risk of:

- Payroll tax fraud
- Late or unfiled tax returns
- Underreported tax liabilities
- Late or undeposited tax payments
- Limited notification if a problem arises

Initiatives to Mitigate Risks of Using Third-Party Payers

- Dual Notice Initiative – Risks associated with address changes
- Electronic Federal Tax Payment System enhancements
  - Inquiry PINs
  - Email confirmation of scheduled payments

Initiatives to Mitigate Risks of Using Third-Party Payers

- Creation of Form 14157, Return Preparer Complaint
  - Used by taxpayers to report suspected fraudulent activity and abusive tax schemes
- Federal Tax Deposit Alerts
  - Early Interaction initiatives
- Trust Fund Recovery Penalty - IRC § 6672

Beyond Early Interaction for Non-Compliant Employers

- Levy of bank accounts, receivables
- Seizure of property
- Disqualified Employment Tax Levy (DETL)
- Trust Fund Recovery Penalty (IRC 6672)
- Suits for Injunctive Relief
- Criminal Referrals
Identity Theft/Data Breach

- Glenn Gizzi, Sr Stakeholder Liaison, Stakeholder Liaison Field, Edison, NJ
- Robert Glantz, PIO, Criminal Investigation Division, Freehold, NJ
- Maggie Romaniello, Supervisory Tax Specialist, Stakeholder Liaison Field, Mid-Atlantic Area, Hartford, CT

David P. Lyons, CPA

www.theridgefieldpress.com
(search phrase “David Lyons”)

“HACKER BREAKS INTO LOCAL ACCOUNTING FIRM”
(May 13, 2013)

New Jersey U.S. Attorney’s Office press release (9/30/13)

BULGARIAN CITIZEN EXTRADITED TO U.S. TO FACE INDICTMENT CHARGING SALE OF STOLEN PAYMENT CARD DATA, ACCOUNTING FIRM HACKS
Two Schemes Allegedly Caused More Than $56 Million in Losses

www.washingtontimes.com

BULGARIAN MAN ADMITS ROLE IN $6 MILLION TAX RETURN SCHEME

Vanyo Minkov
Monetary Losses to Lyons & Lyons

$250,000 (total losses incurred)
-$100,000 (insurance coverage)
= $150,000 out of pocket losses

“Collateral Damage”

- Mortgage applications
- FAFSA Applications
- Credit election issues
- Social security (benefits) - medicare premiums
- State tax audits
- Erroneous estimated tax penalties

What is tax-related identity theft?

Tax-related identity theft occurs when someone uses your Social Security Number (SSN) to file a tax return claiming a fraudulent refund.

General Scope of Identity Theft

- Identity theft costs U.S. victims more than all property crimes combined
- Identity theft remains number one issue reported to Federal Trade Commission
- New identity theft victim occurs every two seconds
- More than 1 billion personal records stolen in 2014
Scope of Tax-Related ID Theft

- 19 million suspicious returns identified from 2011-2014
- $63 billion in fraudulent refunds stopped from 2011-2014
- 4.5 million suspicious returns 2015 through September; 1.2 million confirmed IDT returns
- $9.5 billion total confirmed refund fraud protected 2015 through September

How identity theft occurs

Identity theft most often occurs from the following sources:

- Dumpster diving
- Skimming
- Phishing
- Address changes
- Theft of records
- Pre-texting
- Trojan Horses
- Spyware
- Data breaches

IRS Strategy

The IRS combats identity theft with a multi-pronged strategy:

- Prevention
- Detection
- Victim Assistance

IRS Efforts Against Tax-Related Identity Theft

The IRS has:

- Increased number of filters to 200 from 11
- Limited refunds to a single account
- Locked nearly 29 million deceased taxpayer accounts
- Improved cooperation with local law enforcement
- Worked to reduce internal use of SSNs

IRS Efforts Against Tax-Related Identity Theft Continued

The IRS has:

- Reduced prisoner tax fraud
- Established “external leads” program with financial institutions
- Recovered $3 billion in erroneous refunds
- Helped convict about 2,000 identity thieves in recent years; Criminal Investigation has 1,700 open investigations
- Curbed EFIN abuse
Victim Assistance

Warning signs:
• E-filed return rejected as a duplicate
• IRS notice that more than one tax return was filed for taxpayer(s)
• Individuals may owe additional tax, have a refund offset or have collection actions taken against them
• IRS records indicate taxpayer(s) received wages from an employer unknown to them

Recommended steps for IDT victims

Steps recommended by FTC for all identity theft victims:
• File a police report
• File a complaint with the FTC
• Contact one of the three credit bureaus to place a “fraud alert”
• Close any account opened without your permission

Victim Assistance Process

Victims of tax-related identity theft should take these additional steps:
• Submit IRS Form 14039, Identity Theft Affidavit
• Respond immediately to IRS notices and letters
• Continue to file and pay taxes even if by paper
• Visit IRS.gov/identitytheft

Victim Assistance Process

• IRS issues a CP01 notice
• Before the next filing season, the IRS generally assigns the taxpayer a unique Identity Protection PIN to use when filing.
• If the IRS identifies the taxpayer as deceased, the account is locked to prevent future filings from being processed.

Recommended steps for IDT victims

Victim Assistance Process

• The IP PIN is a six-digit number assigned annually to:
  o A validated identity theft victim or
  o A taxpayer who voluntarily opt in to an ongoing pilot project
• The IP PIN is used as a supplement to the taxpayer’s SSN to identify the taxpayer as the valid owner of the SSN and related tax account.
Types of IRS notices

- **CP01** – Notifies the taxpayer that the IRS has resolved IDT issues and that an identity theft indicator has been placed on their account.
- **CP01A** – An annual notice that contains the latest IP PIN.

Maintaining a well-trained workforce

- IRS has trained 37,000 employees who work with taxpayers over the phone, in person or through case work.
- The training emphasizes:
  - How to recognize signs of identity theft
  - How to help victims of identity theft
  - The importance of empathy when dealing with taxpayers who face this frustrating situation.

Preventing online identity theft

- Don’t respond to suspicious IRS emails, texts, or faxes
- Secure your computers (i.e., firewalls, anti-virus/anti-phishing/anti-spam, etc.)
- Use strong passwords
- Back up critical personal information
- Limit the personal information you provide on social media
- Never answer ‘yes’ to pop-up screens
- Visit onguardonline.gov

FBI Statistics

<table>
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<th>Overall 2013</th>
<th>35% Web Application Breaches</th>
<th>8% Insider Misuse</th>
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<tbody>
<tr>
<td>Finance</td>
<td>27% Web Application Breaches</td>
<td>7% Insider Misuse</td>
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</table>

IRS-CI Tracking over 200 Preparer and Payroll Service Compromises in 2015

The Cyber Crime Threat

Cyber criminals have adapted to today’s technology in exploiting the cyber arena.

These groups continually attack systems for monetary gain

- Malware
- Botnets
- Spam and phishing
- Extortion
- Identify theft
- Online fraud and unauthorized transactions
Suspicious IRS-related communication

If you or a client receive a suspicious communication claiming to be the IRS:

- Go to IRS.gov, scroll to the bottom of the homepage and click on ‘Report Phishing’
- Report all unsolicited email claiming to be from the IRS to phishing@irs.gov
- BEWARE – Phone scam is ongoing

Passaic man, leader of extensive tax refund scheme, gets 7-year sentence

JULY 21, 2015
BY JANE FRITSCH
STAFF WRITER

A 50-year-old Passaic man was sentenced Tuesday to seven years in prison for his role as the leader of a taxpayer identity theft and mortgage fraud scheme that brought in more than $5 million.

Julio Cesar Concepcion, a father of 10, also was ordered to pay more than $5 million in restitution to the IRS and the Federal Housing Authority.

Concepcion and his co-conspirators pleaded guilty in December to conspiring to steal government funds and to wire fraud.

With relatives filling the benches in a Newark courtroom, Concepcion told U.S. District Judge Kevin McNulty that he was “very ashamed” of everything he did. "I apologize to the United States and to all of my family," he said.

McNulty said Concepcion was the "architect and leader" of the scams — which involved getting fraudulent tax refund checks and mortgages — and had embarked on them after a "calculation of the likelihood of being caught."

The details of the case provide an unusual inside look at a type of financial fraud that is growing rapidly as more personal information is stored online and more hackers — domestic and foreign — find ways to access it.

Bulgarian hacker admits role in $6M IRS refund scheme, feds say

By Thomas Zambito | NJ Advance Media for NJ.com

NEWARK
A Bulgarian national on Monday admitted his role in a $6 million IRS tax refund scheme that involved hacking into the computer networks of major accounting firms.

Vanyo Minkov, 32, pleaded guilty to a single count of conspiring to file fraudulent tax returns during an appearance Monday before U.S. District Court Judge Jose Linares.

Federal prosecutors say Minkov and others hacked into the networks of four major accounting firms so they could steal 2011 tax filings for more than 1,000 clients.

They either used the stolen information to file phony 2012 tax returns or sold it to others, they say.

An investigation by the U.S. Secret Service and the IRS criminal investigation division turned up more than $4 million in phony claims, prosecutors say.

Protecting your business and clients

Physical safeguards

- Lock rooms and cabinets.
- Store records in secured area.
- Protect against destruction and damage.
- Inventory hardware.
- Dispose of information and hardware securely.
Protecting your business and clients

System safeguards:
• Use strong passwords: Minimum of eight alphanumeric characters
• Change passwords periodically
• Use timed, password-activated screen savers
• Don’t post or share passwords
• Encrypt sensitive data when:
  ○ Transmitting over networks
  ○ Storing on servers or media
• Encrypt entire computers, media

Protecting your business and clients

More system safeguards -
• Don’t store sensitive data on a machine with an internet connection
• Back up system(s) periodically on secure media
• Maintain updated firewalls, anti-virus, software updates, security patches, anti-spyware and anti-adware
• Provide central management security tools and passwords/security protections

Protecting your business and clients

If you have a security breach:
• Notify law enforcement
• Notify the Federal Trade Commission (www.FTC.gov)
• Notify customers and business partners
• Take corrective actions
• Prevent other breaches

Actions When Compromised

Contact IRS Stakeholder Liaison When Compromise Detected
- Stakeholder Liaison will refer Information within IRS (i.e. Criminal Investigations, Return Integrity & Compliance Services)
Follow State Reporting Requirements (i.e. State Attorney General, State Consumer Protection Bureaus, State Police)

Security Summit Actions for 2016

• Agreed on new “trusted customer” standards for use of tax software
• New password standards
• Lockout features
• Out-of-band features
• Identified more than 20 new data elements for submission
• Improved information sharing
• Testing a W-2 Verification Code

Security Summit Actions

Agreed on three new working groups:
• Financial Services Work Group will focus on tax-time products such as debit cards
• Communications Work Group will work to increase security awareness among taxpayers
• Tax Preparers Work Group to bring industry into the dialogue
Summit partners reviewing additional steps for 2017
Dealing with Data Breaches

Additional information
- Identity theft information
  - Individual identity theft
  - Business identity theft
  - Additional Resources
  - Taxpayer Guide to Identity Theft
  - Publication 5027 for taxpayers
  - Publication 5199 for tax preparers

Summary
- Identity theft presents a burden to individuals and a challenge to many businesses, organizations and governmental agencies, including the IRS. But, we are making progress.
- Fighting identity theft is an ongoing battle that requires a collaborative effort among the IRS, practitioners, and taxpayers.

ACA & Other Hot Topics
- Richard Furlong, Sr Stakeholder Liaison, Stakeholder Liaison Field, Philadelphia, PA
- Donald L. Joyce Jr., CPA
- Berlin, NJ
- Christopher Thornton, EA, E
- Tax Services LLC, Princeton, NJ
Practitioner Priority Service is a nationwide toll-free, account related service available to tax practitioners.

- PPS Account Service is available to tax practitioners (individuals and businesses) who provide tax advice, prepare income taxes or act on the taxpayer’s behalf and are calling in regards to an account related issue before the IRS.

PPS serves tax practitioners as the first point of contact for assistance regarding their clients’ account related issues.

- Improves overall consistency and quality of taxpayer service.
- Available to tax practitioners with valid Form 2848, Form 8821, Form 8655 or other third party designee authorizations.
- Hours of Service
  - 7:00 a.m. to 7:00 p.m. local time
  - Alaska & Hawaii follow Pacific Time
  - Puerto Rico practitioners—8:00 a.m. to 8:00 p.m. local time.

PPS Toll-Free Line is staffed in 7 locations that handle Individual Accounts and 3 that specialize in Business Account issues.

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<th>Business Accounts</th>
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<td>Pittsburgh</td>
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The following account related services are offered in all Accounts Management locations.

- Resolving taxpayer account problems by:
  - Locating and applying payments
  - Explaining IRS communications (i.e., notices and letters)
  - Providing general procedural guidance and timeframes
  - Making account adjustments
  - Securing taxpayer income verification
  - Providing transcripts of taxpayer accounts
Service Limitations

- Account related issues are limited to five clients per call.
- Transcript requests are limited to ten per call. If more than ten transcripts are needed the caller is advised to use form 4506-T or Transcript Delivery System (TDS), if eligible.

Other PPS voice options

- Option 1 – Tax Law questions
- Option 2 – Individual Accounts not in collection or examination status
- Option 3 – Business Accounts not in collection or examination status
- Option 4 – Automated Collection System (ACS) status
- Option 5 – Automated Under Reporter (AUR) status
- Option 6 – Correspondence Examination

Professional Responsibility

§10.22 Diligence as to Accuracy (Circular 230)

- Should make reasonable inquiries when client provides information suggesting participation in overseas transactions/accounts subject to FBAR and Form 8938
- Should advise client of potential penalties associated with noncompliance of FBAR and Form 8938 requirements

FBAR / F8938 Comparison Chart

Streamlined FOREIGN Offshore Procedures

Eligibility:

- Meet non-residency requirements
- Failed to report income/pay tax on foreign financial assets
- Failure resulted from non-willful conduct

Penalties:

- For eligible and qualifying U.S. taxpayers, all penalties will be waived
Delinquent FBAR Submission Procedures

Procedures:
• Review FBAR instructions
• Include statement explaining why you are filing the FBARs late
• File FBARs electronically through BSA E-Filing System
• For assistance, contact FinCEN Regulatory Helpline 1-800-949-2732

ACA - Reporting Coverage

✓ Check box and leave entry space blank if everyone on the return had coverage for the full year

Information Statements

• Marketplace - Form 1095-A, Health Insurance Marketplace Statement
• Insurers - Form 1095-B, Health Coverage
• Large Employers – Form 1095-C, Employer-Provided Health Insurance Coverage and Offer

1095-A Health Insurance Marketplace Statement

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1095-C Employer-Provided Health Insurance Offer and Coverage

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1095-B Health Coverage

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IRS Future State
An evolving effort to meet taxpayer needs

Richard Furlong Jr.
South Jersey Working Together Conference
June 2, 2016

The Taxpayer Component
A central concept of the Future State focuses on taxpayers and how to provide the services they need in the way that works for them.

The Taxpayer Component

• A more complete online experience
• Freeing up resources for those who need 1-on-1 assistance
• More up-front issue identification when the return is filed
• Improved authentication to prevent fraudulent returns using stolen identities

Ongoing Activities
Several projects underway will help us identify areas where we can become more effective, more efficient and/or generate savings to reinvest in the future.

Common Themes / Focus Areas
1. Aligning IRS resources with priority programs
2. Increasing work stream agility and efficiency
3. Selecting the highest value work
4. Making the best use of employee skills
5. Improving customer service and reducing taxpayer burden
6. Providing taxpayers online options for meeting their tax compliance responsibilities
7. Identifying and deterring non-compliance at the earliest possible time

Example Ongoing Initiatives
• Security Summit Group
• Taxpayer Assistance Centers Appointment-Based System
• Improved Online Services
• Compliance Realignment
• Identity Theft Victim Assistance
• Enterprise Records Management
Example Ongoing Initiatives

- Early Interaction Initiative (Payroll Taxes)
- Online Payment Agreements

Operational Efficiencies
Several projects underway will help us identify areas where we can become more effective, more efficient and/or generate savings to reinvest in the future.

Key Themes

- A well-equipped and efficient workforce
- Analytics / data-driven decisions
- More flexible work environment
- Better coordination with internal and external stakeholders

Additional Information
For more information, search using keywords “Future State” on IRS.gov

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