MiSEA CONFERENCE

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E- SERVICES FOR THE MODERN REPRESENTATION AND TAX PRACTICE

I was involved in the electronic Tax Practitioner communications system called CASOL in 2001. This was a brainchild of the Philadelphia, PA Service Center Director. The system allowed us to communicate with Practitioner Priority Service employees via the internet. We could request and receive various collection holds, transcripts and other basic functions of PPS. That system was abandoned after about 4 years as the IRS saw the need for these services and created the E-Services platform. E-Services is a portal into the IRS database for vital information about your client's income and return filing details. Access to your client's account via E-Services can be a wealth of information. For example, you may verify 1040ES payments made, verify income received or work on an amended or adjusted 1040.

In order to access E-Services, you need to have an EFIN or be associated with a practice that has an EFIN. Since we all (most of us?) e-file all of our 1040's, this is usually already established. The entity with the EFIN must first register with the IRS E-Services website. Once that process has been approved by the IRS, you must log in as that practice and approve associations with practitioners (such as yourself and other EA's in your organization that will be on a 2848). Once you have registered and selected associations, you can log in 24/7 and access the records of any client that you have a filed F2848 POA for.

You can review this data on your computer and print it right to your own desk (any time of day that you want). The key is to be sure the POA has been posted to the CAF Unit in order to be allowed access. Let's review the possibilities:

1) The client has no idea how many 1099-R's or W-2's they received this year.
2) The client "thinks" they made $3,500 in estimated payments "close" to the due dates.
3) The client contends that the refund you told them was not the amount that they received, but has no IRS letter and does not remember how much they deposited.
4) The client receives a letter from the IRS indicating that they never filed their 2011 1040.
5) The client had their 2012 1040 prepared somewhere else and has no copy of the 1040 and you need to know some important data off that return.
6) The client had been making payments to the IRS on a 2012 1040 liability and now wants a pay off and to verify the payments they made.

I am attempting to relate situations common to a tax preparation practice. If you are working on a CP2000, audit or a collections case, this system becomes a daily tool for the case. The current-year's W-2's and 1099's don't become available (depending on a lot of factors) until mid-May. However, with technology, the recording uploads to the IRS are earlier and earlier. Obviously if an S Corp. does not issue the K-1 until 9/15 of the year, it will not be available until it posts. The IRS does not officially guarantee the income data (IRP or Information Returns Processing); mainly because the IRS cannot verify the actions (or inactions) of various employers.

The attachments (E1 through E4) are screen print outs for E-Service activity.

We will also review some sample IRS Transcript(s) of Account that you would normally print out for yourself. A very simple MFJ, 5 exemptions, refund client is (E5). (E6) is a simple tax filing of a Married, Filing Joint return with 4 exemptions. The IRS issued a refund of $2,075 in this case. Note how the period, Assessed Balance (described here as "Account Balance), AGI and other important facts are given to us.

(E7) is a much more complicated, 3-page Transcript. This individual did not file this return and the IRS made up a return for him, using the IRP document information. What was the ultimate resolution of this "module"?

(E8) is that same taxpayer for 2007's taxes with a complex web of debits, credits and events. What can we do for this client?

No one can deny that technology is becoming more useful in most practices; our biggest associate in this process is the IRS and they are allowing us access-we should grab it. In the not-too-distant future, the client will not need to bring in W-2's or 1099's; our computer will draw those off the internet for "real time" tax preparation as they sit in front of us.