

## IRS NEWS FOR TAX PROFESSIONALS

APRIL, 2011

● Flooding may be an issue in many parts of the country this year. Check out [Disaster Assistance and Emergency Relief for Individuals and Businesses](#), There, you will find information on [Preparing for Disasters](#), as well as a [Disaster Self-Study](#) course and a [Disaster Relief Resource Center for Tax Professionals](#).

- Businesses will no longer get Form 941, Employer's Quarterly Federal Tax Return and [other business forms](#) in the mail. All IRS forms, schedules and related instructions are available on IRS.gov.
- The [draft Form 941](#) with a new line 5e, Section 3121(q) Notice and Demand—Tax due on unreported tips, is now on IRS.gov.
- This month's [IMRS Hot Issues](#) answers questions about Form 941 versus Form 944 filing requirements and more.

■ Register for webinars and phone forums. To get timely notice of planned events, subscribe to [e-News for Tax Professionals](#) or go to [IRS Video Portal](#) [IRS Live](#) [Practitioner Events](#)

Presentations ( <i>planned</i> )	Topic
<a href="#">YouTube</a>	<a href="#">Tax Preparers</a>
March 24, 2011	<a href="#">Form 5330</a>
March 29, 2011	<a href="#">Schedule C</a>
March 30, 2011	<a href="#">Tax Preparers</a>
April 7, 2011	<a href="#">Starting a Small Business retirement Plan</a>
<i>April 27, 2011</i>	<i>FOIA</i>
<i>May 18, 2011</i>	<i>Business</i>
<i>May 25, 2011</i>	<i>Liens</i>

- [Register](#) now for the 2011 National Tax Forums, to be held  
Atlanta, GA June 28-30  
Orlando, FL July 12-14  
Dallas, TX July 26-28  
San Jose, CA August 9-11  
Las Vegas, NV August 16-18  
Washington, DC August 30- September 1

▪ [IR 11-19](#) IRS Holds Saturday Open Houses on March 26 to Help Taxpayers

● [IR 11-25](#) Information about the 2011 Offshore Voluntary Disclosure Initiative (OVDI) for those taxpayers with undisclosed offshore accounts is available in eight languages. [IR 11-14](#)

● [IR 11-23](#) IRS Debunks Frivolous Tax Arguments. Employing any of these arguments could result in a \$5,000 penalty.

### WEB TIP OF THE MONTH

▪ An on-line tool helps your clients figure out "[Did I Receive a 2010 Economic Recovery Payment?](#)"

▪ Tax practitioners whose clients owe the IRS a large amount of back income taxes can use the [Practitioner Check Sheet](#) to make sure they have all the information needed when contacting the ACS Large Dollar Unit for payment arrangements.

- [Recent tax tips](#) include information about health insurance benefits for the self-employed, mortgage debt forgiveness, bartering, the adoption credit, energy credits, rental income, alternative minimum tax, capital gains and losses, scams, and more.
- As your customers begin filing their taxes, you can help them find answers through the [Interactive Tax Assistant](#) on IRS.gov. Simply go to ITA, select a topic, and answer a series of questions to get the latest information on most tax issues.
- Install the [IRS Calendar Connector](#) and access Important Tax Dates for Small Businesses right from your desktop, even when you're offline. As new events are added, they will be automatically updated via the desktop tool. This customizable tool allows you to specify what types of events you wish to view (general, employer, excise, or all) and how you want them displayed (by day, week or month).

## RECENT TECHNICAL GUIDANCE

- Starting with 2010 tax returns, taxpayers must submit documentation with their tax return to claim the adoption credit. Copies of adoption-related documents must be attached to the tax return and mailed to the IRS for processing. A recent IRS [Tax Tip](#) describes Seven Facts about the Expanded Adoption Credit.
- The newest release of redesigned taxpayer notices includes 12 tax collection notices featuring the Service's new design and plain language standards. [More information](#) about notices and view samples of these and other notices is available on line.

The IRS wants blind or visually impaired taxpayers to know about accessible tax forms in a new [YouTube video](#). Watch this and other videos on the [IRS's YouTube Channel](#).

- View the current newsletter for tax-exempt organizations. [2011-3](#)
- [IR 11-13](#) Free tax preparation sites will be open nationwide this year providing vital tax preparation services for low- to moderate-income and elderly taxpayers.
- Russell Research will be conducting a [survey](#) for the IRS of tax preparers on tax preparation software. This survey focuses on individual tax returns. All responses will be completely confidential.
- [Prior sanctions](#) may not affect your ability to get a PTIN.
- The 2011 Allowable [Living Expense Standards](#) have been released. These are used to in determining what a taxpayer may claim as basic living expenses in discussing tax payment installment agreements
- [Amended Returns, Form 1040X](#), been changed back to the three-column format. Processing time is currently 12 to 16 weeks. [Form 1040X](#) [Inst. 1040X](#)
- Effective March 14, 2011, [Freedom of Information Act](#) requests (FOIA) for Illinois and Wisconsin should be mailed to: Internal Revenue Service, Disclosure Scanning Operation, 4800 Buford Hwy, Mail Stop 93A, Chamblee, GA 39901-0093.
- See the latest Retirement News for Employers.▪ IR 11-20 Major changes made to the lien process: The IRS announced a series of new steps to help people and businesses pay back taxes and avoid tax liens. IR 11-20SP

- [Announcement 11-19](#) provides conditions under which certain municipal bond issuers that have purchased their own bonds may enter into a voluntary closing agreement with respect to the extinguishment of such bonds.
- [Announcement 11-20](#) advises hospital organizations described in § 501(c)(3) to delay filing their 2010 Form 990 until July 1, 2011. Hospital organizations with return due dates prior to August 15, 2011 have been granted automatic three-month extensions of time to file and these affected hospital organization may rely that no late filing penalties under § 6652(c)(1)(A)(i) will apply if they file by their extended due dates.
- [Announcement 11-21](#) designates Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits, as the form to be used to satisfy the reporting requirements of § 6057(a) of the Internal Revenue Code for plan years beginning on or after January 1, 2009, and sets forth the due dates for filing the Form 8955-SSA for the 2009 plan year and subsequent plan years.
- [Notice 11-14](#) providing guidance on the federal tax consequences of payments made to or on behalf of financially distressed homeowners under programs established pursuant to the Treasury Department's Housing Finance Agency Innovative Fund for the Hardest-Hit Housing Markets and the Department of Housing and Urban Development's Emergency Homeowners' Loan Program. This notice also provides guidance on the information reporting requirements for these payments.
- [Notice 11-17](#) informs the public of the effect of Emancipation Day, a legal holiday in the District of Columbia, on the filing deadline for all tax forms required to be filed on April 15, including the Form 1040 series tax returns.
- [Notice 11-18](#) provides transitional relief from information reporting requirements in section 6045B that apply to issuers of stock with respect to organizational actions that affect the basis of the stock.
- [Notice 2011-19](#) provides guidance regarding when securities of the employer are readily tradable on an established securities market or readily tradable on an established market for purposes of certain provisions of the Internal Revenue Code relating to employer securities held by certain qualified retirement plans.
- [Notice 11-23](#) addresses the requirements for tax-exemption for qualified nonprofit health insurance issuers described in Internal Revenue Code section 501(c)(29), providing guidance on the annual filing requirement for organizations that intend to apply for recognition of exempt status under section 501(c)(29) as well as the effective date of exempt status for certain applicants. The notice also includes a request for public comments.
- [Revenue Ruling 11-7](#) provides guidance clarifying how the section 403(b) plan termination provisions apply. Final regulations under § 403(b) were published in 2007. Under the regulations a § 403(b) plan is permitted to contain provisions that provide for plan termination and that allow accumulated benefits to be distributed on termination. This revenue ruling provides guidance clarifying how the section 403(b) plan termination provisions apply.
- [Revenue Ruling 11-9](#) concludes that if a business receives a life insurance contract in a tax-free exchange for a life insurance contract that is excepted from the pro rata interest disallowance rule of § 264(f)(1), the new contract received in the exchange must be tested to determine whether it, too, is excepted from that rule. Exception from the pro rata interest disallowance rule is not an attribute that carries over to a contract received in a tax-free exchange.

- [Revenue Procedure 11-20](#) provides information to any individual who failed to meet the eligibility requirements of section 911(d)(1) of the Code because adverse conditions in a foreign country precluded the individual from meeting those requirements for taxable year 2010.
- [Revenue Procedure 11-21](#) provides the depreciation deduction limitations for owners of passenger automobiles (including trucks and vans) first placed in service during calendar year 2011 and the amount to be included in income by lessees of passenger automobiles first leased during calendar year 2011.

### **Multi Lingual Materials**

- IRS's [Multi-Lingual gateway](#) has information and tax glossaries in Spanish, Chinese, Vietnamese, Russian, and Korean.

[IR 11-14](#) *Second Special Voluntary Disclosure Initiative Opens; Those Hiding Assets Offshore Face Aug. 31 deadline*

[IR 11-14SP](#) *Se Abre Segunda Iniciativa Especial de Divulgación Voluntaria; Aquellos Escondiendo Bienes en el Extranjero Enfrentan Fecha Límite del 31 de Agosto*

[IR 11-20](#) *IRS Announces New Effort to Help Struggling Taxpayers Get a Fresh Start; Major Changes Made to Lien Process*

[IR 11-20SP](#) *IRS Anuncia un Nuevo Esfuerzo para Ayudar a Contribuyentes en Dificultades a Obtener Nuevo Comienzo; Cambios Notables al Proceso de Embargos*

[IR 11-21](#) *IRS Has \$1.1 Billion for People Who Have Not Filed a 2007 Income Tax Return*

[IR 11-21SP](#) *IRS Tiene \$1.1 Mil Millones para Personas Que No Han Presentado una Declaración de Impuestos del 2007*

[Publication 1779](#) *Independent Contractors*

[Publication 1779-SP](#) *Contratista Independiente*