June 28, 2023

CPA Continuing Education Society of Pennsylvania

"IRS Updates"

1) ***Hot Topics:***
   ERC Scams, 1099-K Reporting, Written Information Security Plans

2) ***Inflation Reduction Act:***
   Electric Vehicle Tax Credits

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   Avoiding Frauds & Scams

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IRS News Release

IRS alerts businesses, tax-exempt groups of warning signs for misleading Employee Retention scams; simple steps can avoid improperly filing claims

IR-2023-105, May 25, 2023

WASHINGTON — As aggressive marketing continues, the Internal Revenue Service today renewed an alert for businesses to watch out for tell-tale signs of misleading claims involving the Employee Retention Credit.

The IRS and tax professionals continue to see a barrage of aggressive broadcast advertising, direct mail solicitations and online promotions involving the Employee Retention Credit. While the credit is real, aggressive promoters are wildly misrepresenting and exaggerating who can qualify for the credits.

The IRS has stepped up audit and criminal investigation work involving these claims. Businesses, tax-exempt organizations and others considering applying for this credit need to carefully review the official requirements for this limited program before applying. Those who improperly claim the credit face follow-up action from the IRS.

“The aggressive marketing of the Employee Retention Credit continues preying on innocent businesses and others,” said IRS Commissioner Danny Werfel. “Aggressive promoters present wildly misleading claims about this credit. They can pocket handsome fees while leaving those claiming the credit at risk of having the claims denied or facing scenarios where they need to repay the credit.”

The Employee Retention Credit (ERC), also sometimes called the Employee Retention Tax Credit or ERTC, is a legitimate tax credit. Many businesses legitimately apply for the pandemic-era credit. The IRS has added staff to handle ERC claims, which are time-consuming to process because they involve amended tax returns.

“This continual barrage of marketing by advertisers means many invalid claims are coming into the IRS, which also means it takes our hard-working employees longer to get to the legitimate Employee Retention Credits,” Werfel said. “The IRS understands the importance of these credits, and we appreciate the patience of businesses and tax professionals as we continue to work hard to get valid claims processed as quickly as possible while also protecting against fraud.”

The IRS has been issuing warnings about aggressive ERC scams since last year, and it made the agency’s list this year of the “Dirty Dozen” tax scams that people should watch out for.

This is an ongoing priority area in many ways, and the IRS continues to increase compliance work involving ERC. The IRS has trained auditors examining ERC claims posing the greatest risk, and the IRS Criminal Investigation division is working to identify fraud and promoters of fraudulent claims.

The IRS reminds anyone who improperly claims the ERC that they must pay it back, possibly with penalties and interest. A business or tax-exempt group could find itself in a much worse cash position if it has to pay back the credit than if the credit was never claimed in the first place. So, it’s important to avoid getting scammed.

When properly claimed, the ERC is a refundable tax credit designed for businesses that continued paying employees while shut down due to the COVID-19 pandemic or that had a significant decline in gross receipts during the eligibility periods. The credit is not available to individuals.

Warning signs of aggressive ERC marketing

There are important tips that people should be wary of involving the Employee Retention Credit. Warning signs to watch out for include:

- Unsolicited calls or advertisements mentioning an "easy application process."
- Statements that the promoter or company can determine ERC eligibility within minutes.
- Large upfront fees to claim the credit.
- Fees based on a percentage of the refund amount of Employee Retention Credit claimed. This is a similar warning sign for average taxpayers, who should always avoid a tax preparer basing their fee on the size of the refund.
- Aggressive claims from the promoter that the business receiving the solicitation qualifies before any discussion of the group's tax situation. In reality, the Employee Retention Credit is a complex credit that requires careful review before applying.
- The IRS also sees wildly aggressive suggestions from marketers urging businesses to submit the claim because there is nothing to lose. In reality, those improperly receiving the credit could have to repay the credit – along with substantial interest and penalties.

These promoters may lie about eligibility requirements. In addition, those using these companies could be at risk of someone using the credit as a ploy to steal the taxpayer's identity or take a cut of the taxpayer's improperly claimed credit.

How the promoters lure victims

The IRS continues to see a variety of ways that promoters can lure businesses, tax-exempt groups and others into applying for the credit.

- Aggressive marketing. This can be seen in countless places, including radio, television and online as well as phone calls and text messages.
- Direct mailing. Some ERC mills are sending out fake letters to taxpayers from the non-existent groups like the "Department of Employee Retention Credit." These letters can be made to look like official IRS correspondence or an official government mailing with language urging immediate action.
- Leaving out key details. Third-party promoters of the ERC often don't accurately explain eligibility requirements or how the credit is computed. They may make broad arguments suggesting that all employers are eligible without evaluating an employer's individual circumstances.
    - For example, only recovery startup businesses are eligible for the ERC in the fourth quarter of 2021, but promoters fail to explain this limit.
    - Again, the promoters may not inform taxpayers that they need to reduce wage deductions claimed on their business' federal income tax return by the amount of the Employee Retention Credit. This causes a domino effect of tax problems for the business.
- Payroll Protection Program participation. In addition, many of these promoters don't tell employers that they can't claim the ERC on wages that were reported as payroll costs if they obtained Paycheck Protection Program loan forgiveness.

How businesses and others can protect themselves

The IRS reminded businesses, tax-exempt groups and others being approached by these promoters that there are simple steps that can be taken to protect themselves from making an improper Employee Retention Credit.

- Work with a trusted tax professional. Eligible employers who need help claiming the credit should work with a trusted tax professional; the IRS urges people not to rely on the advice of those soliciting these credits. Promoters who are marketing this ultimately have a vested interest in making money; in many cases they are not looking out for the best interests of those applying.
- Don't apply unless you believe you are legitimately qualified for this credit. Details about the credit are available on IRS.gov, and again a trusted tax professional – not someone promoting the credit – can provide critical professional advice on the ERC.
- To report ERC abuse, submit Form 14242, Report Suspected Abusive Tax Promotions or Preparers. People should mail or fax a completed Form 14242, Report Suspected Abusive Tax

Promotions or Preparers, and any supporting materials to the IRS Lead Development Center in the Office of Promoter Investigations.

Mail:

Internal Revenue Service Lead Development Center
Stop MS5040
24000 Avila Road
Laguna Niguel, California 92677-3405
Fax: 877-477-9135

Properly claiming the ERC

There are very specific eligibility requirements for claiming the ERC. These are technical areas that require review. They can claim the ERC on an original or amended employment tax return for qualified wages paid between March 13, 2020, and Dec. 31, 2021. However, to be eligible, employers must have:

- Sustained a full or partial suspension of operations due to orders from an appropriate governmental authority limiting commerce, travel or group meetings because of COVID-19 during 2020 or the first three quarters of 2021,
- Experienced a significant decline in gross receipts during 2020 or a decline in gross receipts during the first three quarters of 2021, or
- Qualified as a recovery startup business for the third or fourth quarters of 2021.

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Small Businesses & Tax-Exempt Organizations:

Beware of Tax Credit Scams!

Don't get conned by Employee Retention Credit scammers

The IRS urges small businesses and tax-exempt organizations to steer clear of scam promoters who promise big money to people who aren't eligible for the Employee Retention Credit.

These **scammers may lie about your eligibility**. They might **charge a big fee** based on the size of the refund to "help" you claim the credit. They line their pockets and leave ***you*** with big tax issues, because **anyone who improperly claims the credit has to pay it back, possibly with penalties and interest**. They may even use your personal information for identity theft.

The IRS doesn't want this to happen to you.

The ads and misinformation are all over radio, TV, social media and the internet. You may even get emails or phone calls about it. These scammers lure you with fast money through their "easy application process." The only way to claim the ERC is on a federal tax return.

Don't let these scam artists con you. Be sure you qualify if you're going to claim the credit – and get reputable help.

Need help?

If you need help claiming the credit, or if you claimed the credit improperly and need help amending your return, find tips for **choosing a tax professional** at **IRS.gov.**

For information on reporting illegal activities relating to the Employee Retention Credit, visit **IRS.gov/ERC**.

Properly claiming the Employee Retention Credit

The ERC is a real and valuable credit, available for tax years 2020 and 2021 for those who qualify.

When properly claimed, the ERC is a refundable tax credit for certain businesses and organizations that:

- continued paying employees despite being shut down due to the COVID-19 pandemic, or
- experienced the required decline in gross receipts during the eligibility periods.

The credit is available to eligible employers that paid qualified wages to some or all employees after March 12, 2020, and before January 1, 2022.

The requirements differ depending on the dates for which you claim the credit.

Find eligibility information at IRS.gov/ERC.

IRS

Publication 5792 (4-2023) Catalog Number 93995W Department of the Treasury **Internal Revenue Service** www.irs.gov

IRS News Release

IRS wraps up 2023 Dirty Dozen list; reminds taxpayers and tax pros to be wary of scams and schemes, even after tax season

IR-2023-71, April 5, 2023

WASHINGTON — The Internal Revenue Service wrapped up the annual Dirty Dozen list of tax scams for 2023 with a reminder for taxpayers, businesses and tax professionals to watch out for these schemes throughout the year, not just during tax season.

Many of these schemes peak during filing season as people prepare their tax returns. In reality, these scams can occur throughout the year as fraudsters look for ways to steal money, personal information, data and more.

To help people watch out for these scams, the IRS and the Security Summit partners are providing an overview recapping this year's Dirty Dozen scams.

"Scammers are coming up with new ways all the time to try to steal information from taxpayers," said IRS Commissioner Danny Werfel. "People should be wary and avoid sharing sensitive personal data over the phone, email or social media to avoid getting caught up in these scams. And people should always remember to be wary if a tax deal sounds too good to be true."

Working together as the Security Summit, the IRS, state tax agencies and the nation's tax industry, including tax professionals, have taken numerous steps since 2015 to warn people about common scams and schemes during tax season and beyond that can increase the risk of identity theft. The Security Summit initiative is committed to protecting taxpayers, businesses and the tax system from scammers and identity thieves.

Some items on this year's list were new and some made a return visit. While the list is not a legal document or a formal listing of agency enforcement priorities, it is intended to alert taxpayers and the tax professional community about various scams and schemes.

2023 Dirty Dozen summary:

Employee Retention Credit claims

Taxpayers should be aware of aggressive pitches from scammers who promote large refunds related to the Employee Retention Credit (ERC). The warning follows blatant attempts by promoters to con ineligible people to claim the credit. The IRS highlighted these schemes from promoters who have been blasting ads on radio and the internet touting refunds involving Employee Retention Credits. These promotions can be based on inaccurate information related to eligibility for and computation of the credit. Additionally, some of these advertisements exist solely to collect the taxpayer's personally identifiable information in exchange for false promises. The scammers then use the information to conduct identity theft.

Phishing and smishing

Taxpayers and tax professionals should be alert to fake communications from those posing as legitimate organizations in the tax and financial community, including the IRS and the states. These messages arrive in the form of an unsolicited text (smishing) or email (phishing) to lure unsuspecting victims to provide valuable personal and financial information that can lead to identity theft. The IRS initiates most contacts through regular mail and will never initiate contact with taxpayers by email, text or social media regarding a bill or tax refund.

Online account help from third-party scammers

Swindlers pose as a "helpful" third party and offer to help create a taxpayer's IRS Online Account at IRS.gov. In reality, no help is needed. The online account provides taxpayers with valuable tax information. But third parties making these offers will try to steal a taxpayer's personal information this way. Taxpayers can and should establish their own online account through IRS.gov.

False Fuel Tax Credit claims

The fuel tax credit is meant for off-highway business and farming use and, as such, is not available to most taxpayers. However, unscrupulous tax return preparers and promoters are enticing taxpayers to inflate their refunds by erroneously claiming the credit. The IRS has seen an increase in the promotion of filing certain refundable credits using Form 4136, Credit for Federal Tax Paid on Fuels.

Fake charities

Bogus charities are a perennial problem that gets bigger whenever a crisis or natural disaster strikes. Scammers set up these fake organizations to take advantage of the public's generosity. They seek money and personal information, which can be used to further exploit victims through identity theft. Taxpayers who give money or goods to a charity might be able to claim a deduction on their federal tax return if they itemize deductions, but charitable donations only count if they go to a qualified tax-exempt organization recognized by the IRS.

Unscrupulous tax return preparers

Most tax preparers provide outstanding and professional service. However, people should be careful of shady tax professionals and watch for common warning signs, including charging a fee based on the size of the refund. A major red flag or bad sign is when the tax preparer is unwilling to sign the dotted line. Avoid these "ghost" preparers, who will prepare a tax return but refuse to sign or include their IRS Preparer Tax Identification Number (PTIN) as required by law. Taxpayers should never sign a blank or incomplete return.

Social media: Fraudulent form filing and bad advice

Social media can circulate inaccurate or misleading tax information, and the IRS has recently seen several examples. These can involve common tax documents like Form W-2 or more obscure ones like Form 8944. While Form 8944 is real, it is intended for a very limited, specialized group. Both schemes encourage people to submit false, inaccurate information in hopes of getting a refund. Taxpayers should always remember that if something sounds too good to be true, it probably is.

Spearphishing and cybersecurity for tax professionals

Phishing is a term given to emails or text messages designed to get users to provide personal information. Spearphishing is a tailored phishing attempt to a specific organization or business.
The IRS is warning tax professionals about spearphishing because there is greater potential for harm if the tax preparer has a data breach. A successful spearphishing attack can ultimately steal client data and the tax preparer's identity, allowing the thief to file fraudulent returns.

Offer in Compromise mills

Offers in Compromise are an important program to help people who can’t pay to settle their federal tax debts. But “mills” can aggressively promote Offers in Compromise in misleading ways to people who clearly don’t meet the qualifications, frequently costing taxpayers thousands of dollars. A taxpayer can check their eligibility for free using the IRS Offer in Compromise Pre-Qualifier tool.

Schemes aimed at high-income filers

- **Charitable Remainder Annuity Trust (CRAT):** Charitable Remainder Trusts are irrevocable trusts that let individuals donate assets to charity and draw annual income for life or a specific period. Unfortunately, these trusts are sometimes misused by promoters, advisors and taxpayers to try to eliminate ordinary income and/or capital gain on the sale of the property.

- **Monetized Installment Sales:** In these potentially abusive transactions, promoters find taxpayers seeking to defer the recognition of gain upon the sale of appreciated property. They facilitate a purported monetized installment sale for the taxpayer in exchange for a fee.

Bogus tax avoidance strategies

- **Micro-captive insurance arrangements:** A micro-captive is an insurance company whose owners elect to be taxed on the captive's investment income only. Abusive micro-captives involve schemes that lack many of the attributes of legitimate insurance. These structures often include implausible risks, failure to match genuine business needs and, in many cases, unnecessary duplication of the taxpayer's commercial coverages.

- **Syndicated conservation easements**: A conservation easement is a restriction on the use of real property. Generally, taxpayers may claim a charitable contribution deduction for the fair market value of a conservation easement transferred to a charity if the transfer meets the requirements of Internal Revenue Code 170. In abusive arrangements, which generate high fees for promoters, participants attempt to game the tax system with grossly inflated tax deductions.

Schemes with international elements

- **Offshore accounts and digital assets:** The IRS continues to scrutinize attempts to hide assets in offshore accounts and accounts holding digital assets, such as cryptocurrency. The IRS continues to identify individuals who attempt to conceal income in offshore banks, brokerage accounts, digital asset accounts and nominee entities. Asset protection professionals and unscrupulous promoters continue to lure U.S. persons into placing their assets in offshore accounts and structures saying they are out of reach of the IRS. These assertions are not true. The IRS can identify and track anonymous transactions of foreign financial accounts as well as digital assets.

- **Maltese individual retirement arrangements misusing treaty**: These arrangements involve U.S. citizens or residents who attempt to avoid U.S. tax by contributing to foreign individual retirement arrangements in Malta (or potentially other host countries). The participants in these transactions typically lack any local connection to the host country. By improperly asserting the foreign arrangement as a "pension fund" for U.S. tax treaty purposes, the U.S. taxpayer misconstrues the relevant treaty provisions and improperly claims an exemption from U.S. income tax on gains and earnings in and distributions from the foreign individual retirement arrangement.

- **Puerto Rican and foreign captive insurance**: U.S. business owners of closely held entities participate in a purported insurance arrangement with a Puerto Rican or other foreign corporation in which the U.S. business owner has a financial interest. The U.S. business owner (or a related entity) claims a deduction for amounts paid as premiums for "insurance coverage" provided by a fronting carrier, which reinsures the "coverage" with the Puerto Rican or other foreign corporation. Despite being labeled as insurance, these arrangements lack many of the attributes of legitimate insurance.

  Where appropriate, the IRS will challenge the purported tax benefits from these types of transactions and impose penalties. The IRS Criminal Investigation Division is always on the lookout for promoters and participants of these types of schemes. Taxpayers should think twice before including questionable arrangements like this on their tax returns. After all, taxpayers are legally responsible for what's on their return, not a promoter making promises and charging high fees. Taxpayers can help stop these arrangements by relying on reputable tax professionals they know and trust.

Help stop fraud and scams

As part of the Dirty Dozen awareness effort, the IRS encourages people to report individuals who promote improper and abusive tax schemes as well as tax return preparers who deliberately prepare improper returns.

IRS News Release

To report an abusive tax scheme or a tax return preparer, people should mail or fax a completed Form 14242, Report Suspected Abusive Tax Promotions or Preparers and any supporting material to the IRS Lead Development Center in the Office of Promoter Investigations.

Mail:

Internal Revenue Service Lead Development Center
Stop MS5040
24000 Avila Road
Laguna Niguel, California 92677-3405
Fax: 877-477-9135

Alternatively, taxpayers and tax practitioners may send the information to the IRS Whistleblower Office for possible monetary reward. For more information, see Abusive Tax Schemes and Abusive Tax Return Preparers.

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IRS announces delay for implementation of $600 reporting threshold for third-party payment platforms' Forms 1099K

IR-2022-226, Dec. 23, 2022

WASHINGTON — The Internal Revenue Service today announced a delay in reporting thresholds for third-party settlement organizations set to take effect for the upcoming tax filing season.

As a result of this delay, third-party settlement organizations will not be required to report tax year 2022 transactions on a Form 1099K to the IRS or the payee for the lower, $600 threshold amount enacted as part of the American Rescue Plan of 2021.

As part of this, the IRS released guidance today outlining that calendar year 2022 will be a transition period for implementation of the lowered threshold reporting for third-party settlement organizations (TPSOs) including Venmo, PayPal and CashApp that would have generated Form 1099Ks for taxpayers.

"The IRS and Treasury heard a number of concerns regarding the timeline of implementation of these changes under the American Rescue Plan," said Acting IRS Commissioner Doug O'Donnell. "To help smooth the transition and ensure clarity for taxpayers, tax professionals and industry, the IRS will delay implementation of the 1099-K changes. The additional time will help reduce confusion during the upcoming 2023 tax filing season and provide more time for taxpayers to prepare and understand the new reporting requirements."

The American Rescue Plan of 2021 changed the reporting threshold for TPSOs. The new threshold for business transactions is $600 per year; changed from the previous threshold of more than 200 transactions per year, exceeding an aggregate amount of $20,000. The law is not intended to track personal transactions such as sharing the cost of a car ride or meal, birthday or holiday gifts, or paying a family member or another for a household bill.

Under the law, beginning Jan. 1, 2023, a TPSO is required to report third-party network transactions paid in 2022 with any participating payee that exceed a minimum threshold of $600 in aggregate payments, regardless of the number of transactions. TPSOs report these transactions by providing individual payee's an IRS Form 1099K, Payment Card and Third-Party Network Transactions.

The transition period described in Notice 2023-10, delays the reporting of transactions in excess of $600 to transactions that occur after calendar year 2022. The transition period is intended to facilitate an orderly transition for TPSO tax compliance, as well as individual payee compliance with income tax reporting. A participating payee, in the case of a third-party network transaction, is any person who accepts payment from a third-party settlement organization for a business transaction.

The change under the law is hugely important because tax compliance is higher when amounts are subject to information reporting, like the Form 1099K. However, the IRS noted it must be managed carefully to help ensure that 1099Ks are only issued to taxpayers who should receive them. In addition, it's important that taxpayers understand what to do as a result of this reporting, and tax preparers and software providers have the information they need to assist taxpayers.

Additional details on the delay will be available in the near future along with additional information to help taxpayers and the industry. For taxpayers who may have already received a 1099-K as a result of the statutory changes, the IRS is working rapidly to provide instructions and clarity so that taxpayers understand what to do.

The IRS also noted that the existing 1099-K reporting threshold of $20,000 in payments from over 200 transactions will remain in effect.

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NTA Blog: Heard Loud and Clear: IRS Postpones Implementation of $600 Form 1099-K Reporting by a Year

NTA BLOG
NATIONAL TAXPAYER ADVOCATE

As a result of taxpayer confusion, lack of clear guidance, concerns about the existing backlog, and impact on the upcoming filing season, industry and stakeholders urged the IRS to postpone the implementation of the new reporting requirements of the Forms 1099-K. Good news: The IRS listened, and on Friday, December 23, the IRS issued Notice 2023-10 delaying the requirement for electronic payment networks to report transactions over $600 to the IRS on a Form 1099-K, Payment Card and Third Party Network Transactions, until 2024.

Key Points:

- The IRS is delaying lowering the threshold for Form 1099-K reporting by a year. ***The $20,000 and 200 transactions thresholds remain in place through December 31, 2023.***
- The rules for reporting income are not changing. Anybody receiving taxable income paid through third-party networks must still track and report their taxable income.

Why does this matter for taxpayers?

A Form 1099-K is an information form typically provided to freelancers or small business owners who receive payments of income from a client via a third-party payment system *(e.g., Venmo, PayPal, or Cash App*) and it is often considered self-employment income. However, with the convenience of Venmo, PayPal, or Cash App, many individuals pay personal expenses as well as payments associated with goods and services with these apps.

For example, think about a group of friends who regularly has lunch or dinner together and one person pays the bill. After the meal, the friends send reimbursement through Venmo. Unless the account or payment is designated as personal, it will trigger a reporting requirement if the annual amount exceeds $600. The person receiving the funds could receive a Form 1099-K, and the IRS will expect to see that income reported on his or her tax return. Payments incorrectly classified as business (goods or services) will trigger a Form 1099-K. If a taxpayer believes it is not taxable and does not include the amount on his or her tax return, it will create a mismatch with IRS systems potentially triggering an IRS notice of adjustments and penalties. If not taxable, taxpayers will be required to provide support as to why the payments should not be included in income. Lowering the threshold from $20,000 to $600 substantially increases the number of Forms 1099-K that will be issued. The postponement should provide taxpayers additional time to familiarize themselves with the rules and, more importantly, to properly identify personal versus business payments to prevent misidentified payments being reported on a Form 1099-K at year-end.

What does this mean for tax year 2022 filings?

Companies such as Venmo, PayPal, and Cash App, known as Third-Party Settlement Organizations (TPSOs), are required to provide annual Forms 1099-K to the IRS and taxpayers. In March 2021, Congress modified the requirements for reporting these transactions by lowering the minimum reporting threshold to any amount over $600 for one or more transactions beginning in 2022. Prior to the change, companies were required to report transactions for a payee if (1) they exceeded $20,000 *and* (2) the number of transactions with that payee exceeded 200.

The Notice creates a transition period of one year, postponing the $600 Form 1099-K threshold until the January 31, 2024 reporting date. In essence, the IRS is taking the rules back to the pre-March 2021 threshold ($20,000 and 200 transactions) for any calendar year beginning before January 1, 2023. The lower reporting threshold (any number of transactions totaling $600) remains in effect for calendar years starting after December 31, 2022. This *one-year delay* does not apply to any of the other Form 1099-K rules not modified by the American Rescue Plan Act.

Why is the IRS postponing this?

This comes in response to serious concerns expressed by the public regarding the ability to comply and taxpayer confusion on how to report Form 1099-K on income tax returns. With little guidance available to the public and a significant increase in the burden on the electronic payment networks, the IRS decided a transition period was necessary.

The IRS states it is aware of public concern about the ability of TPSOs to comply with the $600 Form 1099-K threshold. It also recognizes taxpayers are confused about how to report payments reflected on Forms 1099-K on their income tax returns. The Department of the Treasury, Office of Tax Policy, and the IRS have been receiving numerous calls and letters from the public and Congress about the Form 1099-K reporting changes.

I expect during this transition period the IRS will develop guidance and share information to assist taxpayers in complying with the new rules going forward.

What should taxpayers do?

It is important to note that this delay in the $600 Form 1099-K reporting requirements does not change the rules regarding taxability of income. As before, taxpayers must report all income on their tax return, whether they received a Form 1099 or not. Taxpayers should continue to track and report their taxable income from all sources electronic and nonelectronic.

When using electronic payment systems, such as PayPal, Venmo, and Cash App, make sure personal payments like gifts or reimbursements to friends are properly classified as an amount paid for something other than goods or services. Many TPSOs suggest creating a separate personal and business profile/account to keep business transactions separate from nontaxable personal transactions. Incorrectly classifying personal amounts as business may trigger receiving a Form 1099-K and cause issues when filing your annual tax return.

Where can I get more information?

The IRS has additional guidance at:

- TAS Tax Tip: Use caution when paying or receiving payments from friends or family members using cash payment apps
- IRS News Release IR-2022-189, Reminder: Service providers, others may receive 1099-Ks for sales over $600 in early 2023
- Understanding Your Form 1099-K and Form 1099-K FAQs
- Gig Economy Tax Center and Prior Year Forms and Instructions
- Publication 17, Your Federal Income Tax (for individuals)
- Publication 334, Tax Guide for Small Business
- Publication 525, Taxable and Nontaxable Income.

For more information visit **IRS.gov/1099K**

More taxpayers will be receiving Form 1099-K,

Payment Card and Third Party Network Transactions

New reporting threshold for Form 1099-K will start in tax year 2023.

All third-party payment apps and online market-places are required to issue a Form 1099-K when gross payments for goods or services exceed $600.

There's no change to how the money you earn is taxed

There are no changes to what counts as income or how your tax is calculated. The only change is the threshold amount for when a 1099-K is reported to you and to the IRS.

Personal reimbursements and most gifts are not taxable

If you receive personal gifts through payment applications, or if people use them to pay you back for a personal expense, it doesn't count as income. Be sure to designate these types of electronic transactions as non-business when possible.

What should be reported on a 1099-K?

- If you accept payment cards as a form of payment, you will receive a Form 1099-K for the gross amount of the payments made to you.
- If you accept payments from a third party settlement organization, you will receive a Form 1099-K from that organization if the gross payments to you for goods or services exceeded $600.

Forms 1099-K must be furnished to the payee by January 31. Use this information return with your other tax records to determine your correct tax.

What should not be reported on a 1099-K?

Money received from friends and family as a gift or reimbursement of a personal expense should not be reported on a 1099-K.

The IRS cannot correct inaccurate Forms 1099-K.

If you receive a Form 1099-K in error or it is wrong, contact the payer immediately. Keep a copy of all correspondence with the payer with your tax records.

Publication 5731-A (4-2023) Catalog Number 93686I Department of the Treasury **Internal Revenue Service** www.irs.gov

IRS

Clean Vehicle Credit Reference Chart

Eligibility

	Clean Vehicle Credit	Used Clean Vehicle Credit
Eligible Taxpayers	Individuals and certain commercial taxpayers	Individuals (Limited to one credit every 3 years)
Maximum Credit Amount	**$7,500** **$3,750** for vehicles meeting the critical minerals requirement **$3,750** for vehicles meeting the battery components requirement See Qualifying Vehicles at FuelEconomy.gov	Lesser of $4,000 or 30% of the sales price
Taxpayer's Income Limits	Credit is allowed if modified adjusted gross income (MAGI) for the year the credit is claimed or the prior tax year is less than: ▪ $300,000 (married filing jointly **or** qualifying surviving spouse) ▪ $225,000 (head of household) ▪ $150,000 (all other filers)	Credit is allowed if modified adjusted gross income (MAGI) for the year the credit is claimed or the prior tax year is less than: ▪ $150,000 (married filing jointly **or** qualifying surviving spouse) ▪ $112,500 (head of household) ▪ $75,000 (all other filers)

Vehicle Requirements

	Clean Vehicle Credit	Used Clean Vehicle Credit
Manufacturing Location Requirements	Final assembly must occur within North America (effective 8/16/2022)	Not applicable

Claiming the Credit

	Clean Vehicle Credit	Used Clean Vehicle Credit
VIN Reporting Requirements	Seller must file a seller report with the VIN and other information to the IRS & Taxpayers must report the VIN on their tax return	Seller must file a seller report with the VIN and other information to the IRS & Taxpayers must report the VIN on their tax return
Transferability	Taxpayers can elect to transfer credit to an eligible entity (effective after 12/31/2023)	Taxpayers can elect to transfer credit to an eligible entity(effective after 12/31/2023)
Expiration of Credit	12/31/2032	12/31/2032

www.irs.gov/cleanvehicles

Publication 5724-G (4-2023) Catalog Number 93918J Department of the Treasury **Internal Revenue Service** www.irs.gov

IRS

Commercial Clean Vehicle Reference Chart

Eligibility

	Commercial Clean Vehicle Credit
Eligible Taxpayers	Businesses and tax-exempt entities
Maximum Credit Amount	**$7,500 or $40,000** Credit is limited to the lesser of 15% of the vehicle's cost (30% for vehicles not gasoline or diesel powered) **or** the incremental cost of the vehicle as compared to vehicles powered with a gasoline **or** diesel internal combustion engine.
Taxpayer's Income Limits	Not applicable

Vehicle Requirements

	Commercial Clean Vehicle Credit
Manufacturer	The vehicle manufacturer must be a Qualified Manufacturer.
Price Limits of Vehicle Purchased	Not applicable
Qualifying Vehicles	Clean vehicles and mobile machinery; larger electric vehicles required to have a battery with 15 kWh of capacity; vehicles must be subject to a depreciation allowance (i.e., for business use) except in the case of vehicles used by tax-exempt entities.
Manufacturing Location Requirements	Not applicable

Claiming the Credit

	Commercial Clean Vehicle Credit
VIN Reporting Requirements	Taxpayers must report the VIN on their tax return
Transferability	Not applicable
Expiration of Credit	12/31/2032

www.irs.gov/cleanvehicles

IRS

Home Energy Tax Credits

IRS.gov/homeenergy

If you make energy improvements to your home, tax credits are available for a portion of qualifying expenses. The credit amounts and types of qualifying expenses were expanded by the Inflation Reduction Act of 2022.

Who Can Claim the Credits

You can claim the Energy Efficient Home Improvement Credit and the Residential Clean Energy Credit for the year when you purchase and install qualifying improvements.

Homeowners who improve their primary residence will find the most opportunities to claim a credit for qualifying expenses. Renters may also be able to claim credits, as well as owners of second homes used as residences.

The credits are never available for improvements made to homes that you don't use as a residence.

Energy Efficient Home Improvement Credit

Qualifying Credit Amounts and Expenses

These expenses may qualify if they meet requirements detailed on energy.gov:

- Exterior doors, windows, skylights and insulation materials
- Central air conditioners, water heaters, furnaces, boilers and heat pumps
- Biomass stoves and boilers
- Home energy audits

The amount of the credit you can take is a percentage of the total improvement expenses in the year of installation:

- 2022: 30%, up to a lifetime maximum of $500
- 2023 through 2032: 30%, up to a maximum of $1,200 (water heaters, heat pumps, biomass stoves, and boilers have a separate annual credit limit of $2,000), no lifetime limit

Get details on the Energy Efficient Home Improvement Credit.

*For 2022, biomass stoves and boilers are treated as a Residential Clean Energy Credit with no lifetime maximum.

How to Claim the Credit

File Form 5695, Residential Energy Credits Part II, with your tax return. You must claim the credit for the tax year when the improvement is installed (not purchased).

Residential Clean Energy Credit

Qualifying Credit Amounts and Expenses

These expenses may qualify if they meet requirements detailed on energy.gov:

- Solar, wind and geothermal power generation
- Solar water heaters
- Fuel cells
- Battery storage (beginning in 2023)

The amount of the credit you can take is a percentage of the total improvement expenses in the year of installation:

- 2022 to 2032: 30%, no annual maximum or lifetime limit
- 2033: 26%, no annual maximum or lifetime limit
- 2034: 22%, no annual maximum or lifetime limit

Get details on the Residential Clean Energy Credit.

How to Claim the Credit

File Form 5695, Residential Energy Credits Part I, with your tax return to claim the credit. You must claim the credit for the tax year when the improvement is installed (not purchased).

Publication 5797 (6-2023) Catalog Number 94020W Department of the Treasury **Internal Revenue Service** www.irs.gov

Online Account
IRS.gov/account

Access Your IRS Online Account

Access Tax Records

- View key data from your most recently filed tax return, including your adjusted gross income.
- View payment amounts needed for filing, including Economic Impact Payments and advance Child Tax Credit payments.
- View digital copies of certain notices.

Manage Communications Preferences

- Go paperless for certain correspondence from the IRS.
- Get email notifications to be informed of new account information or activity.

View Your Balance

- View amount owed.
- Get a breakdown by tax year.

Make and View Payments

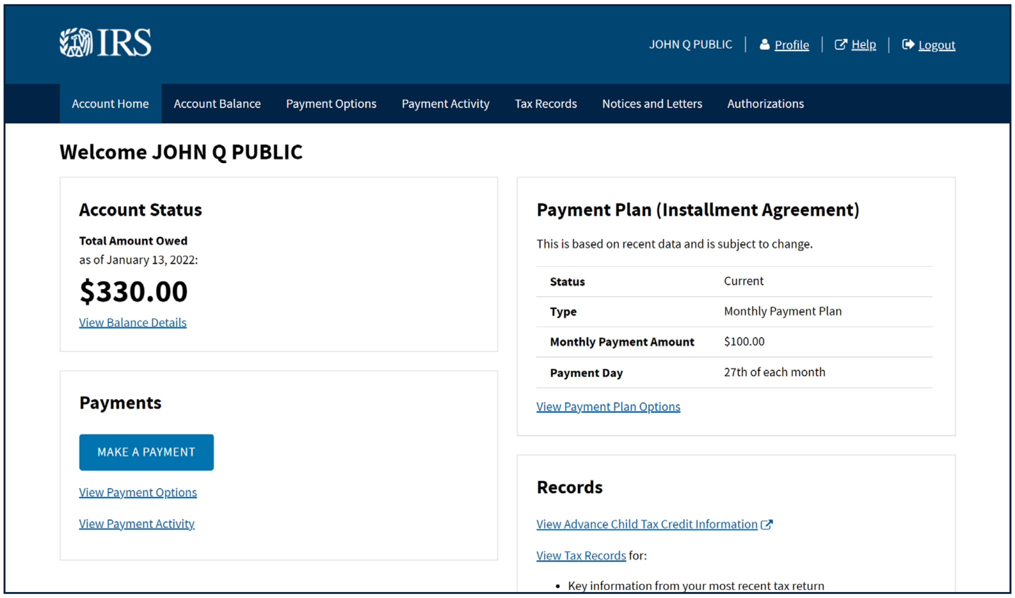
- Make a payment from your bank account or by debit/credit card.
- View five years of payment history, including any estimated tax payments.
- View any pending or scheduled payments.

View or Create Payment Plans

- Learn about payment plan options.
- Apply for a new payment plan.
- View plan details if you have a payment plan.

View Tax Pro Authorizations

- View any authorization requests from tax professionals.
- Approve and electronically sign power of attorneys and tax information authorizations from your tax professional.



Create or access your account at IRS.gov/account.
If you don't have an existing account, have your photo identification ready.

How to Submit Authorizations Using Tax Pro Account and Online Account

1. Steps for the Tax Professional

- Log in to Tax Pro Account at **www.irs.gov/taxproaccount** after validating identity.
- Initiate request for either a power of attorney (POA) or tax information authorization (TIA).
- Enter tax professional's information – name, address, and Centralized Authorization File (CAF) number.
- Enter taxpayer's information – name, address, and tax identification number (TIN).
- Select tax matter(s) and tax period(s).
- Check box as electronic signature (for POA only) and submit authorization for IRS validation and routing to taxpayer's Online Account.
- Inform taxpayer that an authorization request should be pending in their Online Account for their review and approval.

2. Steps for the Taxpayer

- Log in to Online Account at **www.irs.gov/account** after validating identity.
- Select the "Authorizations" tab.
- Review request from tax professional for accuracy.
- Check box as digital signature and approve the request; taxpayer also has the option to reject the request.

3. Most requests record immediately to the CAF database; will show as approved in Online Account and Tax Pro Account.

Tips

- Tax professional and taxpayer names and addresses must match IRS records exactly.
- Tax professional must already have a CAF number and be in good standing with the IRS.
- Tax Pro Account is available to tax professionals and taxpayers with addresses in the United States.
- Prior authorization revoked when new request is recorded for same request type, tax matter and period.
- Taxpayers maintain control over who can represent them before IRS or see their IRS tax records.

Identity Verification for Individual Taxpayers & Tax Professionals

The Internal Revenue Service (IRS) is working with ID.me, an IRS-trusted technology provider, to provide identity verification for IRS applications.

FOR INDIVIDUALS...

With an existing ID.me account:

1. Navigate to the IRS website and select **Sign in with ID.me**.
2. Complete multi-factor authentication (MFA).
3. Follow the on-screen instructions if asked to submit a government ID and/or video selfie.

If the individual is not asked to perform additional steps, they already meet the requirements to access the IRS application and no further action is required.

Without an existing ID.me account:

1. Navigate to the IRS website and select **Create an account with ID.me**.
2. Confirm their email address.
3. Set up multi-factor authentication (MFA).
4. Verify by submitting a Driver's License, State ID, Passport Card, or Passport.
5. Take and submit a video selfie.
6. Enter their Social Security number.
7. Confirm all their information is correct.
8. Select **Allow and continue** to grant the IRS access to their verified information.

If the individual is not asked to perform additional steps, they already meet the requirements to access the IRS application and no further action is required.

All individual taxpayers and tax professionals are required to verify with ID.me to access various IRS online services and applications, including:

- **Online Account**

  Securely access individual account information, including the total amount owed, payment history, Economic Impact Payments, payment plan details and more.

- **Transcript Online**

  Obtain various Form 1040-series transcript types online or by mail.

- **Online Payment Agreement**

  Apply for a payment plan online to pay off a balance over time.

- **Child Tax Credit Update Portal**

  Check enrollment for advance payments, unenroll from advance payments, update bank account information and mailing address, and view payments.

- **Get an Identity Protection PIN (IP PIN)**

  Obtain or retrieve an IP PIN, which is a six-digit number that prevents someone else from filing a tax return using another person's Social Security number or individual taxpayer identification number.

Individual taxpayers and tax professionals unable to verify with ID.me's online verification process may complete their identity verification with an ID.me Trusted Referee.

For those who are under the age of 18 and need to access the IRS, please refer to the alternative options found at the bottom of the application login page within the "What if I can't verify my identity?" section.

For additional assistance, please visit the ID.me help site.

How to Set Up and Protect your ID.me Account with the IRS

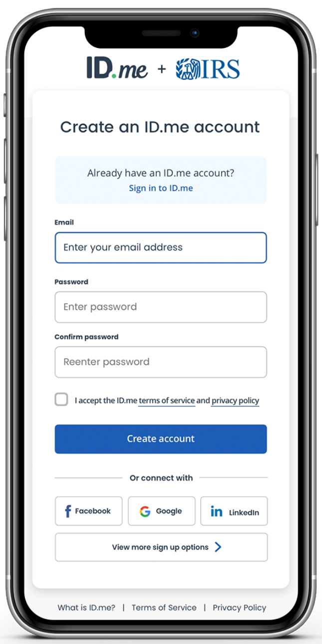
A simple, secure method to access IRS applications

What You'll Need:

- **Mobile Phone with Camera**
- **Email Address**
- **Photo ID (Driver's License, Passport, Passport Card, or State ID)**
- **Social Security Number**
- **Laptop or Computer (optional)**

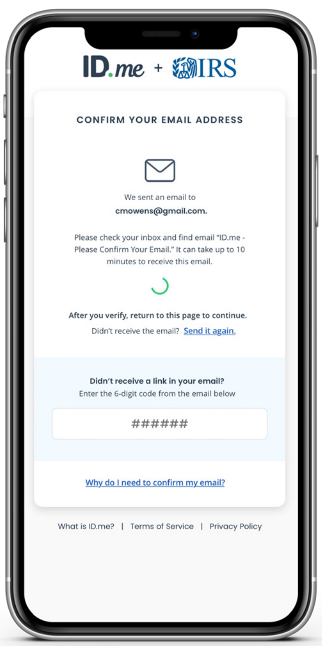
HOW IT WORKS

1 Sign Up



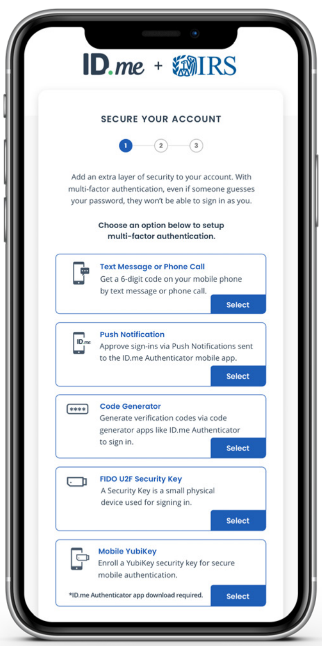
Create your account or, if you already have an ID.me account, simply sign in.

2 Confirm Email



Check your inbox for an email from ID.me and confirm your email address.

3 Secure Account

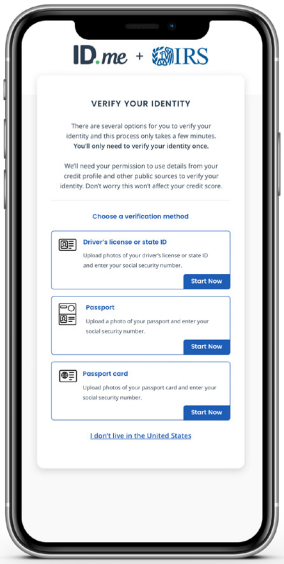


Protect your account. You can receive a passcode via text message or phone call, or choose one of the other listed methods.

How to Verify Your Identity with ID.me

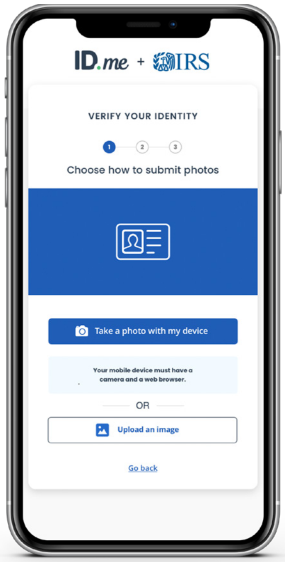
COMPLETE THIS PROCESS ONCE TO ACCESS IRS APPLICATIONS PLUS OTHER ID.ME PARTNERS

4 Choose How to Verify



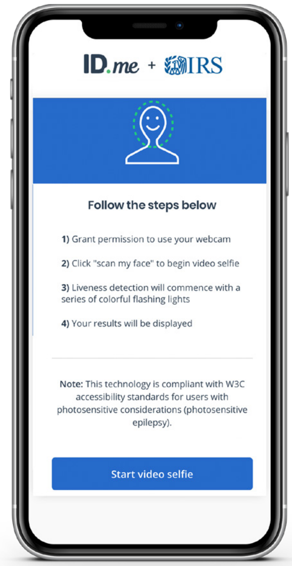
Choose a document type to submit: **driver's license, state ID, passport, or passport card.**

5 Submit Photos of ID



Take photos of your government ID or choose to upload existing photos.

6 Take a Video Selfie

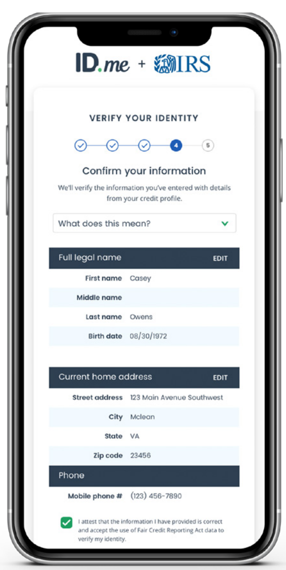


Take a **video selfie** so ID.me can verify that you're you! Simply watch the colors on your phone screen until the selfie is complete.

7 Enter SSN

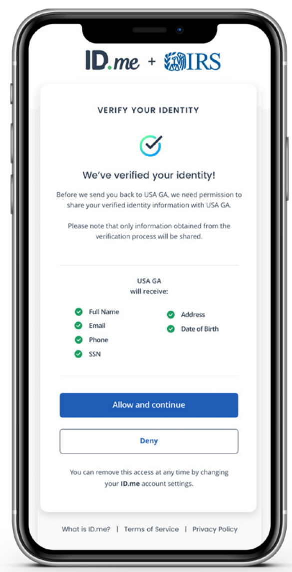
Enter your social security number.
[(Why does ID.me ask for my SSN?)]

8 Confirm Information



Make sure that all your information is **accurate and complete.**

9 Authorize ID.me



Choose "**Allow and continue"** to authorize ID.me to share your verified identity with the IRS so you can access the IRS application.

Success! You're ready to log in.

GET STUCK ALONG THE WAY?

At ID.me we have a No Identity Left Behind mission. If you get stuck along the way, we are here to help. Connect with an ID.me Trusted Referee via video call and we will verify your identity in moments. Or, visit help.id.me and ask our virtual assistant or submit an inquiry.

Verify Your Identity on a Video Call

No Identity Left Behind

Only Do This One Time

Talk to a Real Person

Click this button to get to the finish line!

Verify Identity on a video call

If you see this button when you're completing the ID.me verification, it means that an ID.me employee, called a Trusted Referee, is standing by to help verify your identity.

You'll only have to do this once!

How To Verify Your Identity On A Video Call

WHY AM I SEEING THIS?

ID.me's primary identity verification process consists of several automated checks to protect against identity fraud. However, some people – through no fault of their own – can't get past these checks. There are a number of reasons people might run into issues, including:

1. **ID document photo may be blurry or shadowed**
2. **Data sources – like credit bureaus – may have incorrect or outdated information**
3. **Credit may be nonexistent or frozen**
4. **Phone number may not be associated with your name**

WHAT YOU'LL NEED:

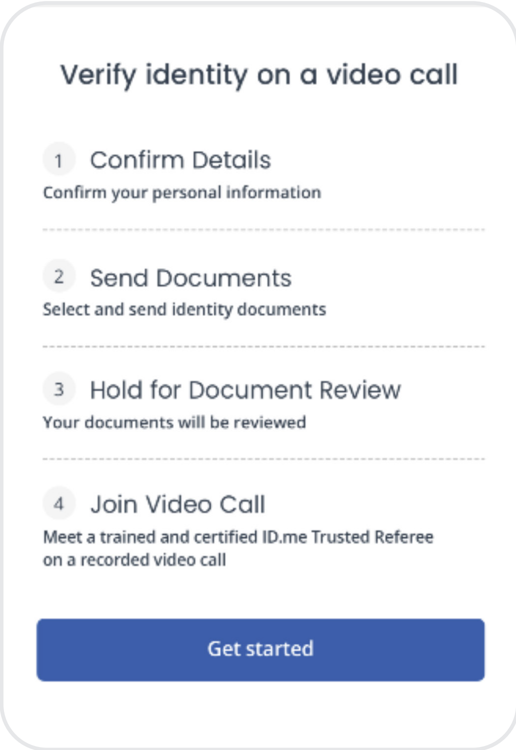
Two primary IDs OR one primary and two secondary IDs
For a list of valid documents, **click here.**

A smartphone or tablet to take photos

Ability to join a video call
(computer with webcam, phone or tablet with camera)

If you're not ready, you can save your progress and return later.

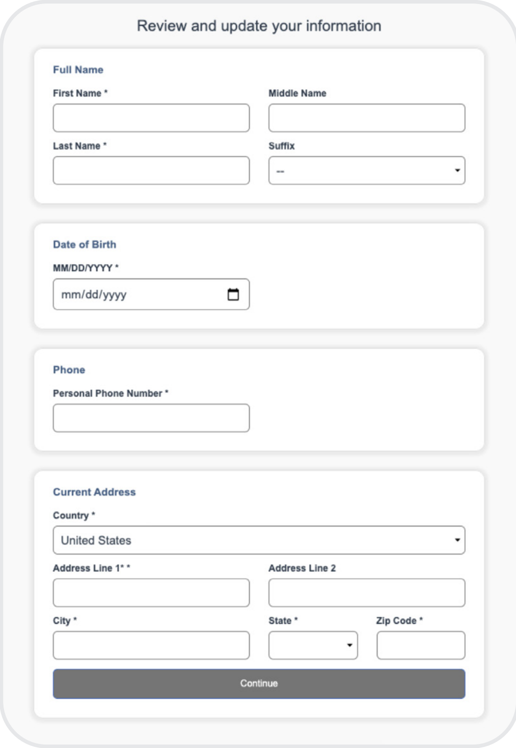
Follow These Steps:



STEP 1

Get Started

If you see a button to verify your identity on a video call, click "Get started" to start the simple process of finishing your verification.



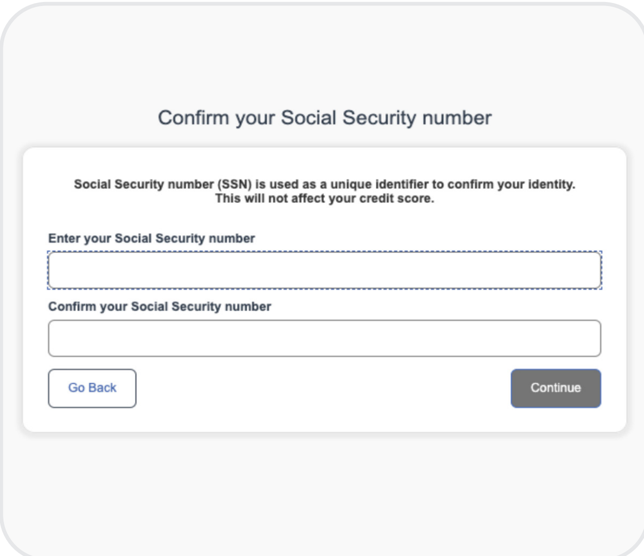
STEP 2

Review and Update Information

Review your personal information to confirm it's accurate in case there was a typo in your previous entry.

NEXT

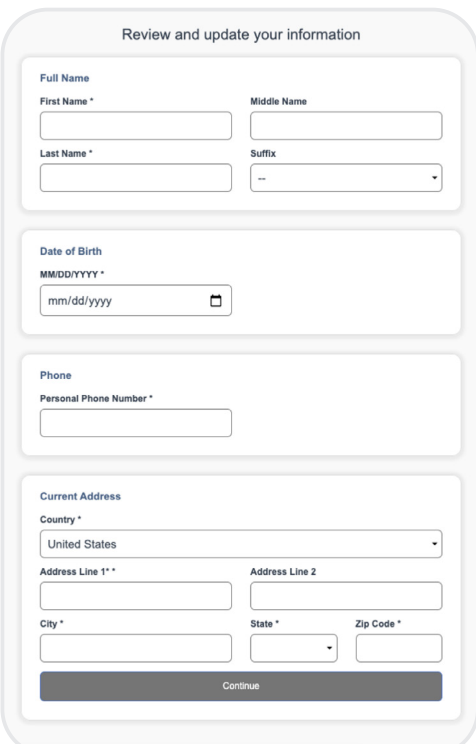
Follow These Steps:



STEP 3

Confirm Your Social Security Number

[Why does ID.me ask for my SSN?]



STEP 4

Gather Your Documents

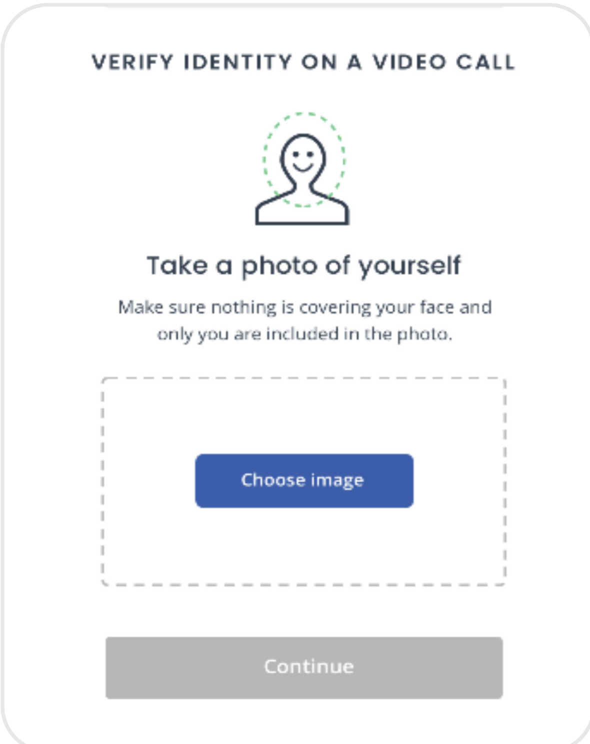
Proving your identity is as simple as uploading a photo of 2 primary documents OR 1 primary and 2 secondary documents.

Additionally you will need to send a photo of yourself (selfie).

NEXT

Follow These Steps:

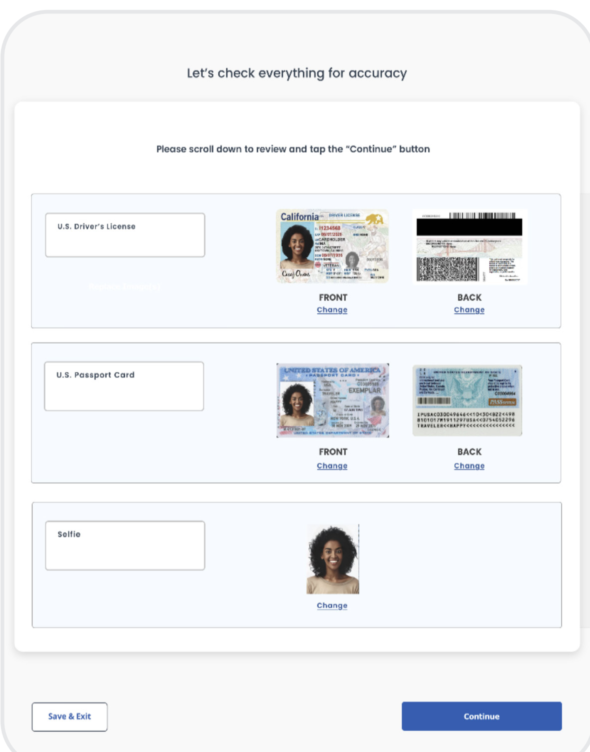
ID.me



STEP 5

Take a Selfie

Follow the instructions to take and submit a photo of yourself. You will have the option to use a mobile phone with a camera or computer with a webcam.



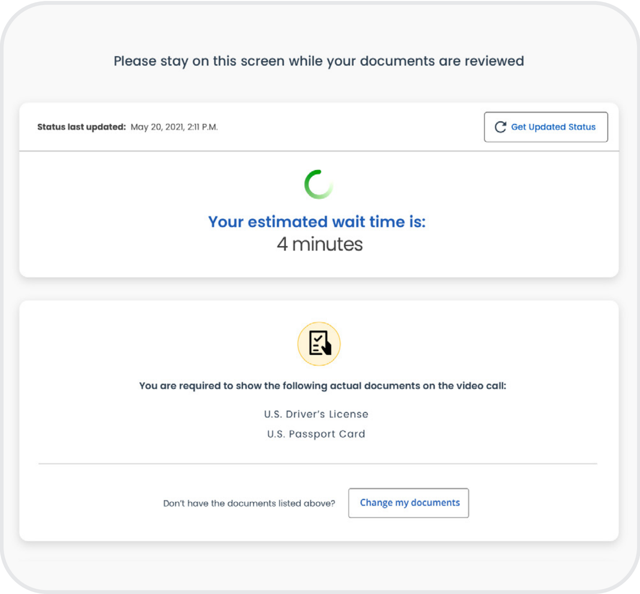
STEP 6

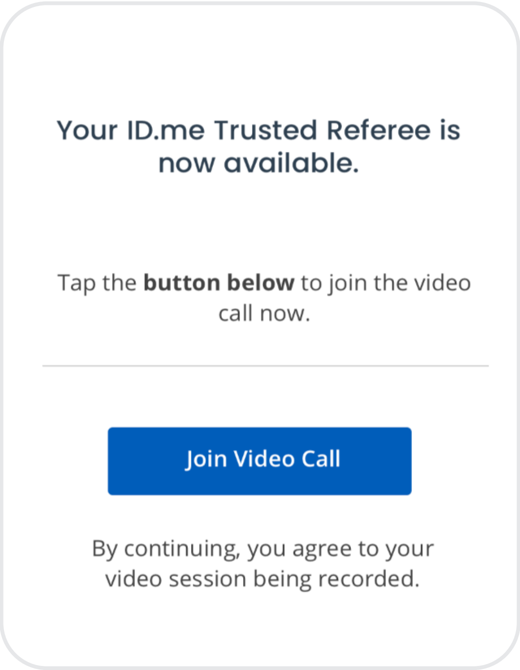
Double Check

Make sure that all your information is **accurate and complete**. If it is, click "Continue."

NEXT →

Follow These Steps:





STEP 7

Confirm You Have Documents

While your documents are under review, you'll see an estimated wait time. If you click "Save and exit", we'll email you once your documents have been reviewed.

When you return, make sure you have your documents before clicking "Join Video Call."

NEXT

Follow These Steps:

ID.me

STEP 8

Finish Up

Start the video call, show the Trusted Referee your documents, and answer a few questions. And that's it – your identity has been verified!

Now you can return to the IRS application to login with your new ID.me credential!

IRS

Basic Security Plan Considerations for Tax Professionals

- Know your customer information (names, addresses, email addresses, bank accounts/routing numbers)
- Have employee protocols
  - New hires (training, accesses, need to know)
  - Departing employees (physical and system accesses, keys/passwords/files/thumb drives)
- Protect passwords (length, upper case/lower case, numbers, special characters, phrases)
- Encrypt files and email; use anti-virus software and establish firewall protections
- Dispose properly (files, computers, printers, thumb drives)
- Know what your insurance covers and know who to contact in event of breach

This document is not intended to be all inclusive, but as a starting point for security plan development. Security plans should be appropriate for the type and size of your business.

IRS

Security Plan Resources Available to Tax Professionals

- IRS Publication 4557, Safeguarding Taxpayer Data
  www.IRS.gov

- NIST Report 7621, Small Business Information Security
  www.NIST.gov

- Federal Trade Commission Safeguards Rule
  www.FTC.gov

Publication 5417 (5-2020) Catalog Number 74530F
Department of the Treasury **Internal Revenue Service** www.irs.gov

IRS

[IRS.gov/payments](https://www.irs.gov/payments)

Expanded IRS voice bot options help taxpayers set up or modify a payment plan

The IRS began using English and Spanish voice bots on some of its toll-free help lines in January 2022. Since then, IRS is continuing to add voice bots to additional toll-free lines, while also expanding what these voice bots can do to help taxpayers.

The newest feature available, for those who are eligible, is to use the voice bot to set up or change a payment plan, while avoiding wait times.

Taxpayer: ***I have a question about an installment agreement.***

Voice bot: ***Sure, I can help you with a payment plan. To use this feature, a taxpayer must be able to authenticate their identity.***

- If a taxpayer received a bill from the IRS, they'll need that bill and a few pieces of basic information to set up a PIN and authenticate their identity.
- They should keep track of their PIN because it can be used again in the future.
- Their payment plan options may include a short-term plan or a long-term plan, also known as an installment agreement.

If a taxpayer has a current payment plan, they may be able to make changes, including updating payment amounts and/or changing payment dates.

If a taxpayer can't resolve their issue through the voice bot, they can ask to speak with an IRS phone assistor.

Taxpayer: ***Can I speak to a customer service agent please?***

Voice bot: ***Please hold while I transfer you to a representative.***

The IRS also has other self-service options available on IRS.gov.

For more information, check out IRS.gov/payments.

IRS

Need to Make a Payment?

Save time by paying online. IRS offers several easy ways to pay your taxes.

Use Your Online Account

Go to IRS.gov/Account to login and make a payment.

Make a tax payment online directly from your checking or savings account.

View your balance, payment history, payment plan details and options, digital copies of certain notices, and more.

Other Ways to Pay

Pay by Card

Processing fees apply

- Pay online or by phone.
- When e-filing pay through tax preparation software.
- Processing fees go to a payment processor and limits apply. IRS does not receive any fees.

Pay by Bank Account

No fees

- Use Direct Pay online to make an individual tax payment from your checking or savings account without registration.
- Register for the Electronic Federal Tax Payment System (EFTPS) to make one-time or recurring payments from your checking or savings account.
- When you e-file with tax software or a tax professional, you can schedule an Electronic Funds Withdrawal (EFW).

Pay with Cash

Processing fees apply

- Get started at **IRS.gov/payments**.
- Generate a payment code.
- Bring it to a participating retail location near you.
- Processing fees go to a payment processor and limits apply.

If you need to make a payment by mail with a check or money order, find additional information on where to send your payment.

Can't pay now? Find information to see if you qualify for a short-term payment plan or monthly installment agreement.

Visit **IRS.gov/payments** for more details or to make a payment.

Publication 5034 (en-sp) (Rev. 1-2022) Catalog Number 59733U Department of the Treasury **Internal Revenue Service** www.irs.gov

Got a tax bill you can't pay?

An IRS payment plan, including an installment agreement, may be an option. And, you may be able to set it up online – it's fast, easy and secure.

Filing your return and paying what you owe on time is always best. That way, you avoid penalties and interest. If you can't pay your bill in full, file on time and pay what you can to keep your penalties and interest to a minimum.

Once you have filed your return, visit IRS.gov to see if you can set up a payment plan for the balance. Generally, individual taxpayers who owe a total of $50,000 or less, and can pay it off in 72 monthly payments or less, can set up their payment plan online using our Online Payment Agreement application. Business taxpayers who owe $25,000 or less from the current and prior calendar year, and who can pay it off in 24 monthly payments or less, may also qualify to use the online application.

In addition to a long-term monthly payment plan (installment agreement), the online application also allows you to set up a short-term payment plan of up to 180 days with no set up fee. Remember, the sooner you pay what you owe the less your penalty and interest charges.

In most cases, you have options for making your payments. You can pay by direct debit from your bank account, through payroll deduction, electronic funds transfer or check. The amount of your liability may require you to make your payments by direct debit.

The direct debit payment option has advantages. For example, the IRS charges a $130 fee to establish a long-term monthly payment plan (installment agreement) using our Online Payment Agreement application (or, if you meet our low-income guidelines, a $43 reduced fee that may be reimbursed if certain conditions are met). But if you use our Online Payment Agreement application and elect to make your payments by direct debit, the fee is only $31 and this fee may be waived if you meet our low-income guidelines. Also, direct debit payments are automatic with no checks to write, no trips to the post office to mail your check and no missed or late payments leading to more penalties.

For more information and to apply online, visit us at **IRS.gov/PaymentPlans** to get started. From there it is three easy steps:

❶ Determine your eligibility, ❷ Gather your information, and ❸ Submit your application

The online application provides immediate notification of whether your payment plan has been approved.

So, if you have a tax bill you can't pay, try the IRS' Online Payment Agreement application. It's fast, it's easy and your information is safe and secure. If you are unable to set up a long-term payment plan (installment agreement) using the Online Payment Agreement application, then for a higher fee you can submit a Form 9465 to request to enter into an installment agreement.

Publication 5123 (Rev. 12-2021) Catalog Number 65543W Department of the Treasury **Internal Revenue Service** www.irs.gov

IRS News Release

IRS unveils Strategic Operating Plan; ambitious effort details a decade of change

42 key initiatives, 190 key projects designed to help taxpayers, the tax community and the nation

IR-2023-72, April 6, 2023

WASHINGTON — Following months of work, the Internal Revenue Service today unveiled its Strategic Operating Plan, an ambitious effort to transform the tax agency and dramatically improve service to taxpayers and the nation during the next decade.

The 150-page report to the Secretary of the Treasury outlines the agency's historic plans to make fundamental changes following funding from last year's Inflation Reduction Act. The plan makes clear that the resources to be deployed over the short and long term will be used to:

- Rebuild and strengthen IRS customer service activities, putting an end to long wait times on the phone, adding capacity to the in-person taxpayer assistance centers around the country, and providing new online tools for those who want to engage with the IRS digitally.
- Add capacity to unpack the complex filings of high-income taxpayers, large corporations and complex partnerships, addressing a growing chasm between the number of experienced compliance personnel at the IRS who audit high-income, high-wealth tax filings for compliance (about 2,600 employees) and the roughly 30,000 individuals making more than $10 million a year, 60,000 large corporations and 300,000 large partnerships and S corps.
- Update various outdated systems in IRS core operations to help ensure the agency has the most modern and robust security in technology to protect taxpayer data.

In IRS customer service initiatives, taxpayers can already see important changes this tax season, and the plan provides a foundation for future efforts. In compliance initiatives, the IRS will ensure that the agency follows Treasury Secretary Yellen's directive not to raise audit rates above historical levels for small businesses and households making less than $400,000. What this means is that over the next number of years, as the IRS moves to implement the Strategic Operating Plan, the agency is focused on pursuing high-income and high-wealth individuals, complex partnerships and large corporations that are not paying the taxes they owe. As a result, the IRS has no plans to increase the audit rate for small businesses and households making less than $400,000.

"The plan is a bold look at what the future can look like for taxpayers and the IRS," IRS Commissioner Danny Werfel said. "Now that we have long-term funding, the IRS has an opportunity to transform its operations and provide the service people deserve. Through both service and technology enhancements, the experience of the future will look and feel much different from the IRS of today. This plan charts the course forward for the IRS and tax administration."

The plan is organized around five objectives:

1. Dramatically improve services to help taxpayers meet their obligations and receive the tax incentives for which they are eligible.
2. Quickly resolve taxpayer issues when they arise.
3. Focus expanded enforcement on taxpayers with complex tax filings and high-dollar noncompliance to address the tax gap.
4. Deliver cutting-edge technology, data and analytics to operate more effectively.
5. Attract, retain and empower a highly skilled, diverse workforce and develop a culture that is better equipped to deliver results for taxpayers.

Each objective will be accomplished through specific initiatives outlined in the plan. The plan contains 42 initiatives designed to achieve IRS goals, each of which includes multiple key projects and milestones to measure progress. The plan covers more than 190 key projects and more than 200 specific milestones. The IRS will identify additional projects and milestones as work continues. The number of projects and milestones will grow significantly over time as the plan evolves to meet the needs of the nation and tax administration.

For each milestone, the plan includes specific timeframes based on year.

Following passage of the law last August, the IRS embarked on this effort to identify the highest-priority opportunities to deliver transformational change. In addition to working with the Department of the Treasury, the IRS received input from tax professionals, partner groups inside and outside of the tax community, taxpayer groups, IRS federal advisory groups and IRS employees. The planning process also built on prior IRS efforts that received feedback, including the Taxpayer First Act Report to Congress.
In addition to the efforts outlined in the plan, the Inflation Reduction Act is already making a difference for taxpayers and tax professionals during the 2023 filing season.

"People can see the first signs of change this filing season following this infusion of funding," Werfel said. "Taxpayers and tax professionals can see the difference as we have dramatically improved our phone service thanks to more staff. More walk-in services are available across the country. New digital tools have been added. And these are just first steps."

The future will bring more improvements, with taxpayers able to get more online access to their tax accounts – simplifying their interactions with the IRS. Detailed information about refunds will be easier to track through improvements to the "Where's My Refund?" tool. Many more service improvements are detailed in the plan.

"For years, the agency has not had the resources to provide the service people deserve. Across all of our operations we've seen the impact. We've lost employees and seen our resources stretched thin with new mandates and an increasingly complex economy," Werfel said. "The IRS looks forward to demonstrating how the actions under this plan will translate into real improvements for taxpayers. Technology as well as in-person assistance will be cornerstones of this effort."

The plan also highlights how the IRS will be working to ensure fair enforcement of the nation's tax laws and compliance with existing laws while respecting taxpayer rights. The IRS will be solely focused on increased efforts on identified compliance issues involving large corporations, larger partnerships and high-wealth individuals.

"Effective enforcement is an important component of this plan," Werfel said. "Revenue collected by the IRS supports everything from the nation's defense to education and roads."

As the IRS begins implementation of this plan, the agency will work with the public, partners and oversight groups to ensure the transformation work meets the needs of taxpayers and the nation.

"This plan is only the beginning of our work," Werfel said. "This is a unique opportunity for the IRS and the nation, and we will continue to work closely with our partners as this effort moves forward. This investment in the IRS is already helping taxpayers this tax season, and this plan shows that historic changes are coming."

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For more information visit **IRS.gov/iris**

Start e-filing Forms 1099 for free with the **Information Returns Intake System**

The advantages of e-filing through IRIS

Accurate

- Auto detects input errors.
- Gives alerts for missing information.
- Make corrections to information returns filed through IRIS.

Convenient

- Create, upload, edit, and view information.
- Download completed 1099s for distribution.
- Submit automatic extensions.

Easy

- Acknowledgement of filings are quick, as early as 48 hours.
- No post office trips.
- Save on paper, postage and physical storage space.

Secure

- Information is safeguarded and protected at all times.
- Saves issuer information from year-to-year and prior year records.

Who can e-file Forms 1099?

All taxpayers are encouraged to e-file through IRIS

- Individuals
- Small businesses
- Large businesses
- Tax exempt organizations
- Government agencies
- Transmitters
- Third party filers

Sign up today to join the millions who file 1099s electronically!

Publication 5731 (12-2022) Catalog Number 93673F Department of the Treasury **Internal Revenue Service** www.irs.gov

Identity Protection PIN
Opt-In Program for Taxpayers

IRS

WHAT'S NEW **You are now eligible to voluntarily get an Identity Protection PIN that will help protect you from tax-related identity theft.**

What is the IP PIN?

The IP PIN is a 6-digit number assigned to eligible taxpayers. It helps prevent identity thieves from filing fraudulent tax returns with stolen Social Security numbers (SSNs). An IP PIN helps the IRS verify taxpayers' identities and accept their electronic or paper tax returns for processing. The IRS issues IP PINs to confirmed identity theft victims once their cases are resolved. This process is unchanged. What is new is that any taxpayers who wants an IP PIN, even if they are not victims of identity theft, may now obtain one.

About the IP PIN Opt-in Program

Here's what you need to know before applying for your IP PIN:

- This is a voluntary program.
- You must pass a rigorous identity verification process.
- Spouses and dependents are eligible for an IP PIN if they can verify their identities.
- An IP PIN is valid for a calendar year.
- A new IP PIN is generated each filing season, which you must obtain using the online tool.
- The IP PIN tool is unavailable generally mid-November through mid-January each year.
- Correct IP PINs must be entered on electronic and paper tax returns to avoid rejections and delays.

How to Get an IP PIN

The fastest, easiest and preferred way is by using the Get an IP PIN online tool. Here's how it works:

- Go to **IRS.gov/IPPIN**, select the Get an IP PIN tool, verify your identity and create an account
- Your IP PIN will be revealed to you.

Can't pass online identity proofing?

There are alternatives but there will be a delay in obtaining an IP PIN. Here's how it works:

- File Form 15227 if you have a valid SSN or ITIN, the adjusted gross income on your last filed return is below $73,000 for Individuals or $146,000 for Married Filing Joint, and access to a telephone. An IRS assistor will call you, validate your identity and ensure that you receive an IP PIN the next filing season.
- If you are ineligible for Form 15227, you may schedule a visit at a Taxpayer Assistance Center to request an IP PIN. You can find the TAC office closest to you with our **Taxpayer Assistance Locator tool** or call (844-545-5640) to schedule an appointment.

IMPORTANT: The IRS will never email, text or call you to request your IP PIN. Do not reveal your IP PIN to anyone but your trusted tax software provider or tax preparer. Neither your provider nor preparer will ask for your IP PIN except to complete your tax return. Protect your IP PIN from theft, especially scams.

Elección de entrar al Programa del *IP PIN*
para los contribuyentes

QUÉ HAY DE NUEVO **Ahora usted es elegible para obtener voluntariamente un Número de Identificación Personal (*PIN*, por sus siglas en inglés) para la Protección de la Identidad que lo ayudará a protegerse del robo de identidad relacionado con los impuestos.**

¿Qué es el *IP PIN*?

El Número de Identificación Personal para la Protección de la Identidad (*IP PIN*, por sus siglas en inglés) es un número de seis dígitos que se asigna a los contribuyentes elegibles. Este número ayuda a evitar que los ladrones de identidad presenten declaraciones de impuestos fraudulentas con números de Seguro Social (*SSN*, por sus siglas en inglés) robados. Un *IP PIN* ayuda al Servicio de Impuestos Internos (*IRS*, por sus siglas en inglés) a verificar la identidad de los contribuyentes y a aceptar sus declaraciones de impuestos electrónicas o en papel para su trámite. El *IRS* emite los *IP PIN* a las víctimas de robo de identidad confirmadas, una vez que se resuelven sus casos. Este proceso no ha cambiado. Lo que es nuevo es que todos los contribuyentes que deseen un *IP PIN* pueden ahora obtener uno aunque no sean víctimas de robo de identidad.

Acerca de entrar al Programa del *IP PIN*

Lo siguiente es lo que tiene que saber antes de solicitar su *IP PIN*:
- Este es un programa voluntario.
- Usted debe aprobar un proceso riguroso de verificación de la identidad.
- Los cónyuges y los dependientes son elegibles para un *IP PIN* si pueden verificar sus identidades.
- Un *IP PIN* es válido para un año calendario.
- Se genera un nuevo *IP PIN* cada temporada de presentación, que usted debe obtener utilizando la herramienta en línea.
- La herramienta del *IP PIN* no está disponible generalmente de mediados de noviembre a mediados de enero de cada año.
- Los *IP PIN* se tienen que anotar correctamente en las declaraciones de impuestos electrónicas y en papel para evitar rechazos y demoras.

Cómo obtener un *IP PIN*

La manera más rápida, fácil y preferida de obtener un *IP PIN* es utilizando la herramienta en línea Obtenga un *IP PIN* (en inglés). Así es como funciona:
- Visitar **IRS.gov/es/IPPIN**, seleccionar la herramienta Obtenga un *IP PIN* (en inglés), verificar su identidad y crear una cuenta
- Se le revelará su *IP PIN*.

¿No puede pasar la prueba de identidad en línea?

Existen alternativas, pero habrá un retraso para obtener un *IP PIN*. Así es como funciona:
- Presente el Formulario 15227(sp) si tiene un *SSN* válido o un *ITIN*, el ingreso bruto ajustado en su última declaración presentada es menos de $73,000 para individuos o $146,000 para casados con presentación conjunta, y tiene acceso a un teléfono. Un asistente del *IRS* lo llamará, verificará su identidad y se asegurará de que usted reciba un *IP PIN* la próxima temporada de presentación de impuestos.
- Si usted no es elegible para el Formulario 15227(sp), puede programar una visita a un Centro de Asistencia al Contribuyente (*TAC*, por sus siglas en inglés) para solicitar un *IP PIN*. Puede encontrar la oficina del *TAC* más cercana a usted con nuestra **herramienta Localizador de Asistencia al Contribuyente** o llamar al (844-545-5640) para programar una cita.

IMPORTANTE: El *IRS* nunca le enviará correos electrónicos, ni mensajes de texto ni le llamará para solicitar su *IP PIN*. No revele su *IP PIN* a nadie excepto a su proveedor de software de impuestos o preparador de impuestos de confianza. Ni su proveedor ni su preparador le pedirán su *IP PIN* excepto para completar su declaración de impuestos. Proteja su *IP PIN*

Tax professionals: Four special events added to the 2023 IRS Nationwide Tax Forums

IR-2023-114, June 12, 2023

WASHINGTON — Tax professionals who attend this summer's IRS Nationwide Tax Forums will see a new series of special events, including sessions focused on practice management, the taxpayer experience and cybersecurity and a town hall meeting with the National Taxpayer Advocate.

Registration is now open for this year's Tax Forums, which take place in five cities, starting in New Orleans July 11 and followed in later weeks by Atlanta, the Washington, D.C. area, San Diego and Orlando. This marks the return to in-person Tax Forum sessions for the first time since 2019. Sessions are filling up quickly, and the IRS encourages tax professionals to sign up early.

In addition to more than 40 continuing education seminars, the Case Resolution Program and the Exhibit Hall, Tax Forum attendees will have access to these special sessions:

Tax Pro & Entrepreneur: Unleashing Your Potential in the Tax Industry
Monday panel discussion from 5 – 6 p.m.
You know how to prepare tax returns and represent your clients. But how well are you running your tax business? Maximize your time at the forum by attending this Monday evening discussion with the nation's leading tax professional associations. This session aims to foster the growth and development of tax professionals whether they have decades of experience or are new to the field.

The Written Information Security Plan
Wednesday workshop from 6:45 - 7:45 a.m.
Fact: The Federal Trade Commission requires every tax professional to have a Written Information Security Plan, or WISP. Have you completed yours? Bring your questions to Jared Ballew, Chair of the IRS Electronic Tax Administration Advisory Committee, who helped author the Security Summit's sample WISP for tax professionals.

Meet National Taxpayer Advocate Erin Collins
Wednesday town hall from 4:30 - 5:30 p.m.
Join the National Taxpayer Advocate (NTA) Erin Collins during the IRS Nationwide Tax Forum's networking reception to discuss emerging issues facing taxpayers and tax professionals. Collins leads the Taxpayer Advocate Service, an independent organization within the IRS. She wants to hear from the tax professional community. The program includes a Q&A session.

The Taxpayer Experience
Lunchtime panel discussion on Thursday from 12:15 - 1:15 p.m.
Engage in this panel discussion with the Council for Electronic Revenue Communication Advancement (CERCA) and the IRS Taxpayer Experience Office. Learn about this new office's mission, hear from the leading voices in the industry and share ideas for improving the taxpayer and tax professional experience during this brown-bag session.

These special events will be available on a first-come, first-served basis and are subject to capacity limits. Room locations for each event will be provided at each Tax Forum location. Please note: Continuing education credit will not be offered for these four special events.

2023 registration details

The 2023 IRS Nationwide Tax Forums will be held in five cities across the country. Attendees will have the opportunity to earn up to 18 continuing education credits. Register by 5 p.m. ET on June 15 to take advantage of the early bird rate of $245 per person. That is a savings of $54 off the standard rate and $135 off the on-site registration price. Standard pricing begins on June 15 after 5 p.m. ET and ends two weeks before the start of each forum.

Location	Forum Dates	Deadline for $299 Standard Rate
New Orleans	July 11 – 13	June 27
Atlanta	July 25 – 27	July 11
National Harbor (Washington, D.C. area)	Aug. 8 – 10	July 25
San Diego	Aug. 22 – 24	Aug. 8
Orlando	Aug. 29 – 31	Aug. 15

Participating association members save an additional $10

Members of the following participating associations can save an additional $10 off the early bird rate if they register by June 15. Those interested should contact their association directly for more information:

- American Bar Association (ABA)
- American Institute of Certified Public Accountants (AICPA)
- National Association of Enrolled Agents (NAEA)
- National Association of Tax Professionals (NATP)
- National Society of Accountants (NSA)
- National Society of Tax Professionals (NSTP)

The IRS Nationwide Tax Forums are the largest and longest-running events dedicated exclusively to the needs of tax professionals. They offer an opportunity to learn from both the IRS and industry experts, network with IRS officials and colleagues, and gain valuable insights into the tax industry. For more information or to register online, visit www.irstaxforum.com.

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IRS Careers

Job Series **0512**

Revenue Agents

As a Revenue Agent you will be responsible for planning and conducting examinations of individuals and businesses to determine Federal tax liability. These examinations are generally conducted at the taxpayer's residence and/or place of business. You will work with taxpayers, their representatives, certified public accountants, and tax attorneys. Your duties will vary based on the area you are assigned and will cover a broad range of tax matters and business issues. We offer Revenue Agent positions that focus on specific tax matters including employment tax, state and local governments, Indian tribal governments, tax exempt bonds, and much more! Join our diverse workforce and enjoy exceptional benefits and a career that grows with your aspirations.

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