



LAND GRANT UNIVERSITY TAX EDUCATION FOUNDATION

2024 National Income Tax Workbook



Learning Objectives

After completing this session, participants will be able to perform the following:

- Discuss when income tax and estate and gift tax liens arise
- Know how to help a taxpayer respond to an IRS lien
- Know the new functionality of IRS business tax accounts
- Understand new e-filing requirements and when a waiver or exemption may apply
- Know how long to retain records
- Know how the Taxpayer Advocate Service can resolve tax issues
- Understand the activities of the IRS Stakeholder Liaison
- Know how to recognize and avoid current tax scams



Issue 1: Tax Liens



FEDERAL TAX LIENS

- **Statutory Lien**
- **Notice of Federal Tax Lien (NFTL)**
- **NFTL filing**
- **Lien priority**



- **NFTL Duration (Collection Statute – CSED)**
- **Lien release**
- **NFTL refile**



- **Appeal Rights**
- **Collection Due Process (CDP)**
- **Collection Appeal Program (CAP)**



Complex Lien Issues

- **Discharge (Publication 783)**
- **Subordination (Publication 784)**
- **Withdrawal**



Issue 2: IRS Business Tax Account



IRS Business Tax Account

Access your Business Tax Account

Do more with a Business Tax Account

- View and pay your tax balance or make a Federal Tax Deposit
- View your payment history for recent transactions
- Request a tax compliance check
- View the business name and address on file with the IRS
- View and download select digital notices or transcripts for payroll, income and excise tax returns

Discover if you qualify to use a Business Tax Account at [IRS.gov/businessaccount](https://www.irs.gov/businessaccount)

Publication 5904 (Rev. 9-2024) | Catalog Number 145790 | Department of the Treasury | Internal Revenue Service | www.irs.gov

Publication 5904 IRS Business Tax Account

Sole proprietors

- View business information on file
- Manage business users
- View balance due
- Make same-day and scheduled payments
- View payment history
- View tax account transcripts
- View tax compliance report
- View tax certificate for award use
- Notices and letters
- Registration for clean energy credits (if eligible)

Partnerships and S corporations

- View business information on file
- View balance due
- Make same-day and scheduled payments
- View payment history



How to Access Business Tax Account

www.irs.gov/businesses/business-tax-account

An official website of the United States Government

IRS

Help | News | English ▾ | Charities & Nonprofits | Tax Pros

File | Pay | Refunds | Credits & Deductions | Forms & Instructions

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Individuals

Businesses and self-employed

Business tax account

Small business and self-employed

Large business

You can view your tax information on record with the IRS and do more with a business tax account.

[Watch our video to learn more](#)

Sign in

If you have an online account: Use the same sign-in.

[Create account or sign in](#)

If you don't have an account, have your photo ID ready to verify your identity.



Who can Use Business Tax Account

Who can use this

Sole proprietorship: Sole proprietor who files returns with an employer identification number (EIN).

Partnership: Individual partners with a Social Security number or individual tax ID number (ITIN) **and** a Schedule K-1 on file from 2012-2023 (limited access). A full access Designated Official (DO) role is planned for the future.

S corporation: Individuals who are members of an S corporation can access their business information based on their role within the company:

- Individual shareholder (limited access): An individual who has a Social Security number or an individual tax ID number (ITIN) **and** a Schedule K-1 on file from 2006-2023, or
- Designated Official (DO) (full access): An individual who is a corporate officer or managing member authorized to legally bind the business or entity **and** is a current employee who received a W-2 for the most recent tax filed year.

C corporation: Designated Official (DO) (full access): An individual who is a corporate officer or managing member authorized to legally bind the business or entity **AND** is a current employee who received a W-2 for the most recent tax filed year.

Single-member limited liability companies (SMLLC): Depending on how you elected to treat the SMLLC, you may have access as an individual partner or shareholder.

Additional SMLLC access roles, including Designated Official (DO), will be added in future releases.



Business Tax Account Services

Sole proprietorship with an EIN:

You can access these features:

Profile

View business information on file

Manage business users

Account balance and payments

View balance due

Make same-day and scheduled payments

View payment history

Tax records

View tax transcripts

View tax compliance report

View tax certificate for award use

Other features

Notices and letters

Registration for clean energy credits (if eligible)

Individual partner or shareholder:

If you're an individual partner or shareholder, you can access these features for the tax years when you received a Schedule K-1 (more tax years coming soon):

Profile

View limited business information on file

Account balance and payments

View balance due

Make same-day and scheduled payments

View payment history



- IRS News Release 2024-196 (July. 25, 2024)

...With the latest expansion, **Business Tax Account** is now available in Spanish. In addition, eligible business taxpayers can see their balance due and make the payment all in one place. Previously, the balance due had to be viewed in a separate place from where the payment was made, adding another complicating step for businesses making payments. Sole proprietors can now download business entity transcripts from their Business Tax Account. This transcript shows entity information like business name, address, location address and more for the Employer Identification Number on file...



Issue 3: E-Filing Requirements and Exceptions



E-file Requirements for Specified Returns

The final regulations:

- Reduce the 250-return threshold enacted in prior regulations to generally require electronic filing by filers of 10 or more returns in a calendar year.
- Calculating the number of returns (*subject to the e-file requirement*) ... at least 10 returns of any type, including information returns (for example, Forms W-2 and Forms 1099), income tax returns, employment tax returns, and excise tax returns.

Treasury Decision 9972



The final regulations also:

- **Eliminate the e-filing exception for income tax returns of corporations that report total assets under \$10 million at the end of their taxable year, and**
- **Require partnerships with more than 100 partners to e-file information returns**
- **Require partnerships that are required to file at least 10 returns of any type during the calendar year to e-file their partnership return.**

Treasury Decision 9972



Using the IRIS system, you can:

- **Electronically prepare (create, edit, and view) and file information returns**
- **Download and print the recipient copy of information returns for distribution to payees**
- **Maintain a record of completed, filed and distributed information forms**
- **Perform basic validation of data before submission**
- **File up to 100 forms per submission**
- **Request automatic extensions; and**
- **File certain corrected information returns**



⊖ Processing year 2024

Taxpayer Portal and A2A

- **Tax year 2022:** Forms 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-DIV, 1099-G, 1099-INT, 1099-K, 1099-LS, 1099-LTC, 1099-MISC, 1099-NEC, 1099-OID, 1099-PATR, 1099-Q, 1099-QA, 1099-R, 1099-S, 1099-SA and 1099-SB.
- **Tax year 2023:** Forms 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-DIV, 1099-G, 1099-INT, 1099-K, 1099-LS, 1099-LTC, 1099-MISC, 1099-NEC, 1099-OID, 1099-PATR, 1099-Q, 1099-QA, 1099-R, 1099-S, 1099-SA and 1099-SB.

Starting July 1, 2024: Forms being added to the Taxpayer Portal only

- **Tax Year 2023:** Forms 1097-BTC, 1098, 1098-C, 1098-E, 1098-F, 1098-Q, 1098-T, 3921, 3922, 5498, 5498-ESA, 5498-SA and W-2G.



- **FIRE System is accessed at <http://fire.irs.gov>**
- **FIRE System is used to electronically file the following information returns: Forms, 1042-S, 1097, 1098, 1099, 3921, 3922, 5498, 8027, 8596, 8955-SSA and W-2G**
- **Information returns are:**
 - **Tax documents**
 - **Required by Internal Revenue Code (IRC)**
 - **Used to report certain financial transactions to IRS**

Note : Form W-2 is filed with SSA not IRS



Issue 4: Record Retention



Period of Limitations for Income Tax Returns

- 1. Keep records for 3 years from the due date of the return or when it is filed, whichever is later if situations (2), (3), and (4) below do not apply to you.**
- 2. Keep records for 6 years if you do not report income that you should report, and it is more than 25% of the gross income shown on your return.**
- 3. Keep records indefinitely if you do not file a return.**
- 4. Keep records indefinitely if you file a fraudulent return.**
- 5. Keep employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.**



Period of Limitations for Refund Claims

- **The later of 3 years or 2 years after the tax was paid**
- **7 years for filing a claim for an overpayment resulting from a bad debt deduction or a loss from worthless securities**



- **When and how you acquired the asset.**
- **Purchase price.**
- **Cost of any improvements.**
- **Section 179 deduction taken.**
- **Deductions taken for depreciation.**
- **Deductions taken for casualty losses.**
- **How you used the asset.**
- **When and how you disposed of the asset.**
- **Selling price.**
- **Expenses of sale.**



Keep all records of employment taxes for at least 4 years. Records related to qualified sick leave wages and qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021, and records related to qualified wages for the employee retention credit paid after June 30, 2021, should be kept for at least 6 years. These should be available for IRS review. Your records should include the following information.



- **Record or List**
- **Due Diligence Requirements**
- **Electronic Return Originator**



Issue 5: Taxpayer Advocate Service



There are two types of authorities:

- **Statutory**
- **Delegated**



- **Experiencing or about to suffer economic harm**
- **Facing immediate threat of adverse IRS action**
- **Will incur significant cost if relief is not granted**
- **Will suffer irreparable injury or long-term adverse impact**



- **Delay of more than 30 days past normal processing time**
- **No response by promised date**
- **Systemic or procedural failure**



- **Best interest of the Taxpayer**

The way in which the tax laws are being administered raises considerations of equity or has impaired or will impair the taxpayer's rights

- **Public Policy**

The National Taxpayer Advocate determines compelling public policy warrants special assistance to an individual or group of taxpayers



- **Taxpayer or Representative can file Form 911, Request for Taxpayer Advocate Service Assistance or call the NTA Case Intake Line: 1-877-777-4778**
- **The case is assigned to a Case Advocate**



When TAS does not have delegated authority to take actions necessary to resolve taxpayer issues, TAS must use Form 12412, Operations Assistance Request (OAR) process to request actions from IRS operating divisions or functions.



- **If the Operating Division complies with our request, relief is granted to the taxpayer.**

- **If the Operating Division does not comply, the Local Taxpayer Advocate has the authority to issue a Taxpayer Assistance Order to obtain relief for the taxpayer.**



- **Taxpayer Assistance Order (TAO)**
- **Taxpayer Advocate Directive (TAD)**



Issue 6: IRS Stakeholder Liaison



Stakeholder Liaison: What We Do

Stakeholder Liaison establishes and manages relationships with the tax professional community and partners that serve small businesses, multilingual, rural and underrepresented communities to promote two-way dialogue in helping taxpayers understand and meet their tax responsibilities.





Stakeholder Liaison Local Contact

STAKEHOLDER LIAISON LOCAL CONTACTS		
Stakeholder Liaison Area	Phone	Email
Area 2 CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT	(412) 404-9151	cl.sl.area.2@irs.gov
Area 3 AL, D.C., IA, IL, IN, KY, MI, NC, OH, TN, VA, WV	(405) 982-6807	cl.sl.area.3@irs.gov
Area 4 AR, FL, GA, LA, MS, Puerto Rico, SC, TX and U.S. Virgin Islands	(216) 415-3518	cl.sl.area.4@irs.gov
Area 5 CA, HI, ID, MT, NV, WY	(203) 492-8630	cl.sl.area.5@irs.gov
Area 6 AK, AZ, CO, KS, MN, MO, ND, NE, NM, OK, OR, SD, UT, WA, WI	(206) 946-3703	cl.sl.area.6@irs.gov

www.irs.gov Search: Stakeholder Liaison



Your Connection with IRS Information





Please reach out to Stakeholder Liaison if you have:

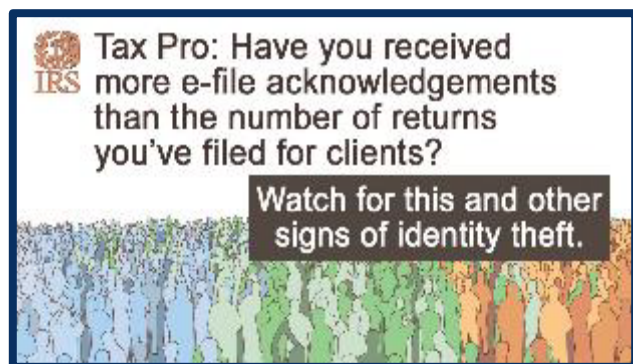
- A systemic issue with policies, practices or procedures OR
- A significant issue that impacts a large number of taxpayers and/or tax pros.





Reporting a Data Breach or Ransomware Attack

- Contact your local Stakeholder Liaison (SL)
 - Provide details promptly
- Follow the guidance from your SL, Pub 5293, Pub 4557 and the IRS Data Breach webpage
- Take steps to discover the cause of the attack
- Notify local and other federal agencies based on the type of attack





Issue 7: Tax Scams



New Client Scam E-mail

Here's an example of a current new client scam being seen:

Subject: 2024 Tax Submission

Hello,

My name is (name can vary), I am searching for another CPA to help handle my taxes.

Is it safe to say that you are accepting new clients for the 2024 tax season? Do you additionally assist with IRS representation?

I figured I may have an issue with last year's return. (Click) [HERE TO VIEW MY CREDENTIAL](#) [Link to a phishing web address]



Upon your approval, we can arrange a physical or virtual meeting to discuss my situation and also provide my tax documents amongst others.

Kindly prompt how you plan to push ahead.

Best Regards,

(Name varies)



EFIN Verification

Dear [recipient_email_address],

Help us protect you.

Because many Electronic Filing Identification Numbers (EFINs) are stolen each year and used to file fraudulent tax returns, the IRS has asked software vendors, such as Software A, to verify who the EFIN owner is by getting a copy of the IRS issued EFIN document(s). Our records show that we do not have a document for one or more of the EFINs that you transmit with.

What this means for you: Until your EFIN is verified, you will be unable to transmit returns. Please provide a copy of your EFIN Account Summary from IRS e-Services, with a status of 'Completed', to Software B for verification.

To send us your EFIN Summary document:

1. Fax to Software B at 631-995-5984



PLEASE NOTE THAT YOUR PREPARER TAX IDENTIFICATION NUMBER (PTIN) APPLICATION CANNOT BE USED AS DOCUMENTATION FOR YOUR EFIN.

If you do not have the above documentation you can get a copy of your IRS Application Summary from IRS e-Services by following the below steps or call the IRS e-Services helpline at 866-255-0654.



IRS DIRTY DOZEN TAX SCAMS



**Don't let
tax scams or
schemes distort
your view.**

irs.gov/dirtydozen





#1 PHISHING AND SMISHING SCAMS



Beware of phishing
scams designed
to steal your
identity through
fraudulent emails
and text messages.



irs.gov/dirtydozen





#2 EMPLOYEE RETENTION CREDIT CLAIMS



Beware of schemes promoting improper claims of the Employee Retention Credit



IRS

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#3 SCAMMERS OFFERING “HELP” WITH IRS ONLINE ACCOUNT



**Offers to
help with your
IRS Online Account
may hide
other intentions.**

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#4 THIRD-PARTY PROMOTERS OF FALSE FUEL TAX CREDIT CLAIMS

Beware of false Fuel Tax Credit claims that will leave you on empty.



IRS

irs.gov/dirtydozen

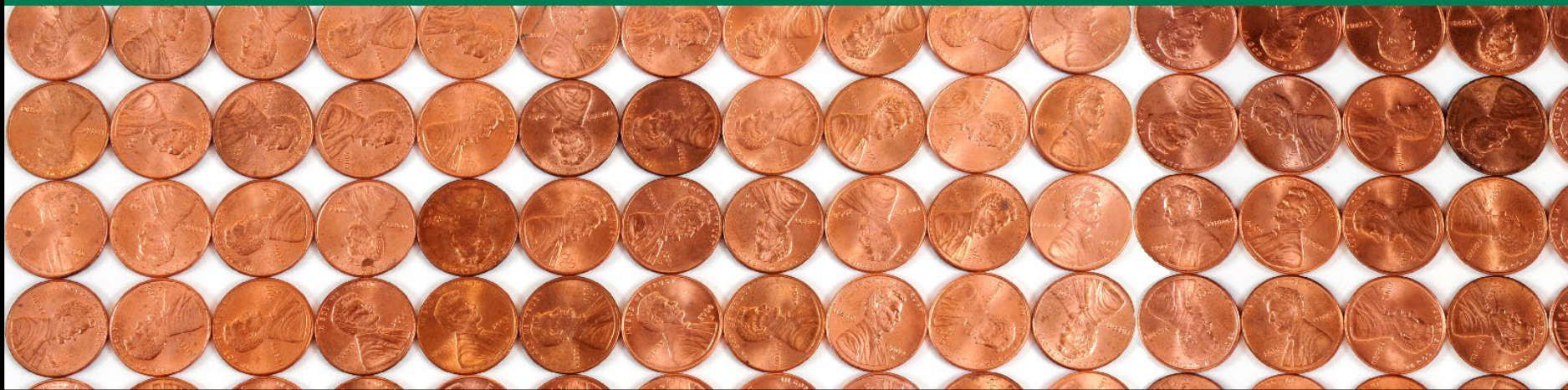


#5 OFFER IN COMPROMISE 'MILLS'

**Beware of misleading offers
to settle your tax debt
for pennies on the dollar.**



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#6 SCAMMERS USING FAKE CHARITIES

**Beware of fake groups
masquerading as
charities.**



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#7 UNTRUSTWORTHY TAX PREPARERS

Don't fall for ghost preparers ...



If you pay
someone to
prepare your tax
return, **make sure
they sign it.**

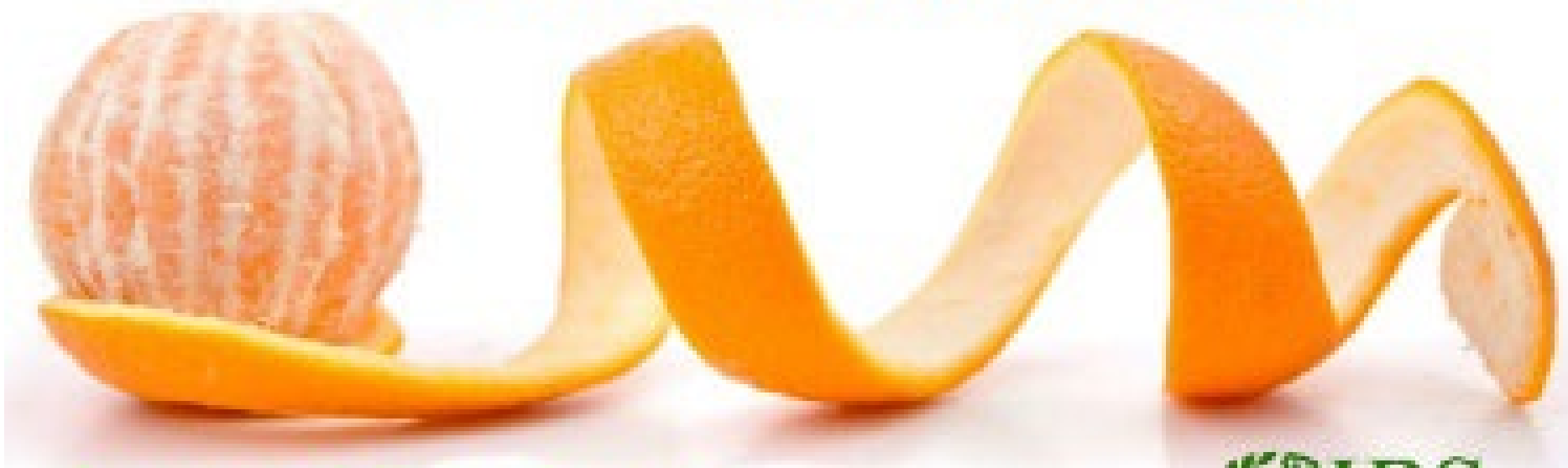
irs.gov/dirtydozen





#8 TAKING TAX ADVICE ON SOCIAL MEDIA CAN BE BAD NEWS FOR TAXPAYERS

**Social media is not the best place
for relationship advice
or to address tax issues.**



irs.gov/dirtydozen





#9 BEWARE OF SPEARPHISHING



One spearphishing attack can compromise your business and the tax security of your entire client list.

irs.gov/dirtydozen





#10 SCHEMES AIMED AT HIGH-INCOME FILERS



irs.gov/dirtydozen



Abusive arrangements aimed at high-income filers are a hot item among the Dirty Dozen tax scams.





#11 ABUSIVE TAX AVOIDANCE SCHEMES &
#12 SCHEMES WITH INTERNATIONAL
ELEMENTS



**Beware of
those who try
to tempt you with
tax avoidance
schemes.**

irs.gov/dirtydozen





HOW TO REPORT AN ABUSIVE TAX SCHEME

- Visit [IRS.gov/scams](https://www.irs.gov/scams)
- Complete [Form 14242, Report Suspected Abusive Tax Promotions or Preparers](#)
- Submit [online](https://www.irs.gov/dmaf/form/14242) www.irs.gov/dmaf/form/14242 or
- Mail/fax to the IRS Lead Development Center
Internal Revenue Service Lead Development Center
Stop MS5040
24000 Avila Road
Laguna Niguel, CA 92677-3405
Fax: 877-477-9135
- Visit [www.IRS.gov/DirtyDozen](https://www.irs.gov/DirtyDozen) for more detailed information



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