

# IRS NEWS FOR TAX PROFESSIONALS

## September 2019

### ► UPCOMING WEBINARS

#### Thursday October 17 - Two webinars on the same day

- **Tax Obligations of U.S. Individuals Living and Working Abroad**
  - 11:00 a.m. Eastern, 10:00 a.m. Central, 9:00 a.m. Mountain (MDT), 8:00 a.m. Pacific, 5:00 a.m. Hawaii
  - Register here: <https://www.webcaster4.com/Webcast/Page/1148/31118>
- **An Overview of the Foreign Tax Credit**
  - 2:00 p.m. Eastern, 1:00 p.m. Central, 12:00 p.m. Mountain (MDT), 11:00 a.m. Pacific, 8:00 a.m. Hawaii
  - Register here: <https://www.webcaster4.com/Webcast/Page/1148/31117>

### ► IRS VIDEO PORTAL

#### Recently posted to the IRS Video Portal:

- **[Understanding an Offer in Compromise](#)**

This webinar will give an overview of the IRS Offer in Compromise program. Topics will include:

  - Offer in Compromise (OIC) and why it is used as a Collection tool
  - General overview of OIC Calculation including special circumstances
  - Discussion around the Offer in Compromise Pre-Qualifier Tool on IRS.gov and how it works.
- **[Foreign Earned Income Exclusion](#)**

This webinar provides an overview of and answers the questions: What is the Foreign Earned Income? Explain the concept of tax home and the foreign earned income exclusion.
- **[U.S. Taxation of Employees of Foreign Governments & International Organizations](#)**

This webinar provides an overview of: determining whether compensation from a foreign government or international organization is subject to U.S. tax, the effect of U.S. tax residency status and/or visa type on U.S. taxation.
- **[U.S. Territories - Self Employment Tax](#)**

This webinar provides an overview of and answers the questions: What is the self-employment? How to calculate net self-employment income for U.S. self-employment tax purposes? Penalties?
- **[Determining Tax Residency Status](#)**

This webinar provides an overview of the impact of residency status on U.S. taxation, differentiate residency status under U.S. immigration law versus U.S. tax law.

## ► NEWS

### [IRS automatically waives estimated tax penalty for eligible 2018 tax filers](#)

- The IRS is automatically waiving the estimated tax penalty for the more than 400,000 eligible taxpayers who already filed their 2018 federal income tax returns but did not claim the waiver.
- The IRS will apply this waiver to tax accounts of all eligible taxpayers, so there is no need to contact the IRS to apply for or request the waiver.

### [Failure To Cash a Distribution Check From a Qualified Retirement Plan](#)

- Revenue Ruling 2019-19 concerns individuals who receive a distribution check from a qualified plan and do not cash the check.

### [Taxpayers with expiring ITINs should renew them now](#)

- Taxpayers with expiring individual taxpayer identification numbers should renew their number ASAP. There are nearly 2 million ITINs set to expire at the end of 2019. Taxpayers with an expiring number should renew before the end of this year. This will help avoid unnecessary delays related to their tax refunds next year.

### [Second drafts of 2020 Form W-4 and Pub 15-T available now](#)

- The [second early release draft of the 2020 Form W-4](#), Employee's Withholding Allowance Certificate, is available now. The [second draft of the new Publication 15-T](#), Federal Income Tax Withholding Methods, is available as well.
- The IRS will issue final versions of the 2020 Form W-4 and Pub 15-T in November after receiving the annually adjusted values used in these products.
- See [FAQs](#) on the early release of the 2020 Form W-4 for more information.

### [Truncation of Social Security numbers on Forms W-2 and W-2c now allowed](#)

- On July 9, 2019, the IRS [finalized regulations](#) regarding truncation of Social Security numbers (SSNs) on Forms W-2, Wage and Tax Statement and Forms W-2c, Corrected Wage and Tax Statement in efforts to prevent identity theft.
- The new rules allow employers to voluntarily truncate employees' Social Security numbers on copies of these forms that they give to their employees (Copies B, C and 2).
- This voluntary truncation is allowed on Forms W-2 and W-2c issued to employees after December 31, 2020.
- It's important to note, that truncation of SSNs is not allowed on the information filed on paper or electronically with the Social Security Administration.
- A truncated SSN shows asterisks or Xs for the first five digits and shows the actual last four digits of the SSN. (\*\*-\*\*-1234 or XXX-XX-1234) The regulations also call these Truncated Taxpayer Identification Numbers (TTINs).

## [Private Debt Collection](#)

- This page was recently updated. Check it out!

## ► TAX REFORM

### [IRS, Treasury issue guidance on making or revoking the bonus depreciation elections](#)

- The IRS has issued a revenue procedure allowing a taxpayer to make a late election, or to revoke an election, under section 168(k) for certain property acquired by the taxpayer after September 27, 2017, and placed in service by the taxpayer during its taxable year that includes September 28, 2017.
- [Revenue Procedure 2019-33 \(PDF\)](#) applies to these elections for the taxable year that includes September 28, 2017. If a taxpayer did not make these elections timely for that taxable year, the Revenue Procedure allows the taxpayer to make late elections by filing an amended return or a Form 3115 for a limited period of time. If a taxpayer did make these elections timely for that taxable year, the revenue procedure also allows the taxpayer to revoke the elections by filing an amended return or a Form 3115 for a limited period of time.

## ► EMPLOYERS AND BUSINESS OWNERS

### [These tax tips can help new business owners find success](#)

- Starting a business can be very rewarding. It can also be a little overwhelming. From business plans to market strategies, and even tax responsibilities...there are many things to consider. Here's what new business owners can do to help get off to a good start.

## ► THE BEST OF IRS.GOV

(Three articles about the improved withholding calculator. Use the one that you like best.)

### [Improved tool on IRS.gov helps taxpayers check their withholding](#)

- All employees should make sure their employers are withholding the correct amount of tax from their paychecks. The best way for employees to do this is to use the new IRS Tax Withholding Estimator on IRS.gov.

### [Taxpayers can follow these three steps to use new Tax Withholding Estimator](#)

- All taxpayers should use the new Tax Withholding Estimator to do a Paycheck Checkup. This tool helps people make sure their employers are taking out the right amount of tax from the employee's paychecks. The money withheld from an employee's paychecks throughout the year should cover the amount of tax they owe.

### [Here's what taxpayers should know about the new IRS Tax Withholding Estimator](#)

- Taxpayers who haven't yet checked their withholding this year should do so ASAP. All taxpayers can do this by using the new mobile-friendly Tax Withholding Estimator. This new tool can be used by workers, as well as retirees, self-employed individuals and other taxpayers. It's a user-friendly step-by-step tool to help taxpayers effectively adjust the amount of income tax they have withheld from wages and pension payments.

## ► IDENTITY THEFT / DATA THEFT / SCAM ALERTS

### [Security Summit warns of new IRS impersonation email scam; reminds taxpayers the IRS does not send unsolicited emails](#)

- The IRS and its Security Summit partners today warned taxpayers and tax professionals about a new **IRS impersonation scam campaign spreading nationally on email**.
- The IRS this week detected this new scam as taxpayers began notifying phishing@irs.gov about unsolicited emails from IRS imposters. **The email subject line may vary, but recent examples use the phrase "Automatic Income Tax Reminder" or "Electronic Tax Return Reminder."**
- The emails have links that show an IRS.gov-like website with details pretending to be about the taxpayer's refund, electronic return or tax account. The emails contain a "temporary password" or "one-time password" to "access" the files to submit the refund. But when taxpayers try to access these, it turns out to be a malicious file.
- This new scam uses dozens of compromised websites and web addresses that pose as IRS.gov, making it a challenge to shut down. By infecting computers with malware, these imposters may gain control of the taxpayer's computer or secretly download software that tracks every keystroke, eventually giving them passwords to sensitive accounts, such as financial accounts.

## ► YOUR PRACTICE

### [FOIA Awareness for PTIN Holders](#)

- Under FOIA, certain information submitted to the IRS by an individual with an active preparer tax identification number (PTIN) must be disclosed by the IRS and the individual cannot opt out of the disclosure.
- To maintain the privacy of your personal information, PTIN holders can update contact information.
  - [Instructions for online account holders](#)
  - [Instructions for paper account holders](#)

### [Tax pros should review new checklist with steps to protect data](#)

- Despite major progress against identity and data theft, these threats still happen. They continue to put tax professionals and their clients at risk. To help combat this, the IRS and its Security Summit partners created a new Taxes-Security-Together Checklist. The checklist includes things tax pros can do now to prevent and recognize data theft. It also gives steps tax preparers can follow if they do experience a data breach.

### [IRS Lead Development Center Combats Abusive Tax Schemes and Abusive Tax Return Preparers](#)

- The IRS Lead Development Center (LDC) is working to combat tax abuse by stopping abusive promoters and tax return preparers as early as possible. The LDC follows up on internal and external referrals that provide information on tax schemes and abusive tax return preparers. The LDC also ensures that cases involving abusive tax schemes and improper tax return preparation are appropriately sent for further IRS action, including sending cases to Criminal Investigation.

## ► e-NEWS SUBSCRIPTIONS and SOCIAL MEDIA

### [e-News Subscriptions](#)

- The IRS offers several e-News subscriptions on a variety of tax topics. Click above for information about subscribing.

### [IRS Social Media](#)

- The IRS uses social media tools to share the latest information on tax changes, scam alerts, initiatives, products and services. Connect with the IRS through social media tools.

## ► HOW TO SHARE IRS INFO ON SOCIAL MEDIA

When you find an article you want to share, click on the “Share” link. Like so:

- Scroll to the bottom of any page on IRS.gov. Look for “Share / Print”



- Click on Share
- You can share on Facebook, Twitter, or LinkedIn.

## ► TAX EXEMPT ORGANIZATIONS

### [Redesigned Charities and Nonprofits landing and associated webpages launched](#)

- Various [Charities and Nonprofits](#) webpages have been redesigned to improve organization, design and navigation using data analytics and user testing.

## ► NEWS FROM OTHER AGENCIES

**From the FDIC:**

### [Protect yourself from fake check scams](#)

- Even in today’s digital and mobile world where electronic money transfers are common, consumers and businesses may still prefer the assumed security of paper cashier’s checks or official bank checks for large or major payments. Recipients generally prefer one of these checks over a personal check because the financial institution presumably has already collected the funds from the party purchasing the cashier’s checks or official bank checks. This means the payment is guaranteed, unless the check is counterfeit, so there are risks to consumers and businesses from these types of paper instruments, as well.