IRS NEWS FOR BUSINESSES
August 2014

► TOP NEWS - EVENTS

Health Care Webinar Series - Health care continues to be an important issue for small business owners. The Small Business Administration, Department of Health and Human Services, and Small Business Majority are committed to helping businesses navigate the changes and opportunities in health care through the Affordable Care Act 101 webinar series. The Webinars are available in English and Spanish. Register


Subscribe to IRS e-News for Small Businesses for bi-weekly federal tax information for business owners.

Information about IRS webinars for small business owners and operators can be found at http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Webinars-for-Small-Businesses-1.

In an effort to combat fraud and identity theft, new IRS procedures effective January 2015 will limit the number of refunds electronically deposited into a single financial account or pre-paid debit card to three.

7-24-2014 – How to Apply for Tax Exempt Status Webinar. Information to register and Attend is included in the Flyer.

► TOP NEWS - WEB TIPS

Learn about federal tax topics through video and audio presentations at http://www.irsvideos.gov/

Watch informational videos on the IRS YouTube Channel

Learn more about the Dirty Dozen tax scams in this new YouTube video.

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TOP NEWS – EMPLOYERS

The U.S. Small Business Administration announced the launch of SupplierPay. It’s a new project dedicated to giving America’s entrepreneurs access to affordable, consistent working capital. It’s about paying them on time and keeping their interest rates low, so they can invest in new equipment, new products and new people. Find out more at http://www.sba.gov/community/blogs/official-sba-news-and-views/open-business/new-strategy-%E2%80%9Cdrive%E2%80%9D-small-business-growth-

Publication 3780 (SP) , Tax Information for Small Construction Businesses, covers several issues that may cause problems for small construction business owners.

TOP NEWS - RETIREMENT PLANS


To have retirement plan information sent directly to your email inbox, you can subscribe to IRS retirement plan newsletters at http://www.irs.gov/Retirement-Plans/Newsletters.

Sign up now for this July 28 Phone Forum and join experienced IRS representatives from Employee Plans Technical and Guidance for an overview of the latest developments in the 403(b) world. The overview will primarily focus on the 403(b) Pre-Approved Plan Program. This will include a discussion of program details as well as some of the issues the IRS is encountering as it begins to implement the program.

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TOP NEWS - TAX-EXEMPT ORGANIZATIONS

7-24-2014 – How to Apply for Tax Exempt Status Webinar. Information to register and Attend is included in the Flyer.


The Internal Revenue Service introduced a new, shorter application form to help small charities apply for 501(c)(3) tax-exempt status more easily.

Revenue Procedure 2014-40 sets forth procedures for applying for and for issuing determination letters on the exempt status under § 501(c)(3) of the
Internal Revenue Code (Code) using Form 1023-EZ, Streamlined Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code. This revenue procedure is generally available for certain U.S. organizations with assets of $250,000 or less and annual gross receipts of $50,000 or less.

►GUIDANCE – IRS TAX TIPS AND IRS FACT SHEETS

Top 10 Reasons to Visit IRS.gov this Summer
Summertime Tax Tip 2014-05, July 14, 2014

Avoid Summertime Tax Scams
Summertime Tax Tip 2014-04, July 11, 2014

What to do if You Get a Notice from the IRS
Summertime Tax Tip 2014-01, July 2, 2014


Offshore Income and Filing Information for Taxpayers with Offshore Accounts
FS-2014-7, June 2014 — U.S. citizens, resident aliens and certain nonresident aliens are required to report worldwide income from all sources including foreign accounts and pay taxes on income from those accounts at their individual rates.

IRS Offshore Voluntary Disclosure Efforts Produce $6.5 Billion; 45,000 Taxpayers Participate
FS-2014-6, June 2014 — For several years, a top priority of the IRS has stopping offshore tax cheating and bringing individuals, especially high net-worth individuals, back into the tax system.


►GUIDANCE - IRS STAKEHOLDER PARTNERS’ HEADLINERS
IRS Stakeholder Headliners are intended to provide alerts or reminders to taxpayers and tax professionals about tax matters and issues. You can find the current list of headliners on irs.gov at http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/IRS-Stakeholder-Partners-Headliners.

There were no new headliners for the month.
GUIDANCE - ISSUE MANAGEMENT RESOLUTION SYSTEM (IMRS)

The IRS Communications and Stakeholder Outreach function has established the Issue Management Resolution System, a streamlined and structured process that facilitates stakeholder issue identification, resolution and feedback.

IMRS captures, develops and responds to significant national and local stakeholder issues. When stakeholder organizations notify the IRS of concerns about IRS policies, practices and procedures, analysts research and respond to the issues.

Business owners should forward significant issues regarding IRS policies, practices and procedures to their Stakeholder Liaison (SL) Local Contacts.


GUIDANCE - IMRS HOT ISSUES REPORT


IMRS MONTHLY OVERVIEW

The IMRS Monthly Overview provides synopses of some of the issues received and/or closed by the Issue Management Resolution System staff during the past month. The Monthly Overview informs the public about the work of IMRS and highlights issues that we think would be of most interest to external stakeholders. You can find the information at http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Issue-Management-Resolution-System-IMRS.

IMRS INDUSTRY ISSUES QUARTERLY REPORT

IMRS Issue 13-0001826 & 14-0001909 – Transcripts requested for financial purposes

Issue: Confusion exists around the availability and type of transcripts the IRS issues for mortgage lenders, student loans, etc.

Response: Taxpayers can receive return transcripts for the most recent year they’ve filed once the return has been processed. The time frame in which a return is processed depends on many factors including when a taxpayer files the return, whether the return is filed on paper or electronically, and whether the return shows a balance due. For example, tax returns with balances due, whether filing electronically or on paper, are not processed until the last cycle of the filing season (April 15), and traditional transcripts using the Transcript
Delivery System are unavailable until the returns are posted. Returns are processed in fewer than 21 days for more than nine out of 10 taxpayers. Effective Jan. 10, 2014, Title 12 of the Code of Federal Regulations [12 CFR § 1026.43(c)(4)] allows mortgage companies and other lenders requiring proof of income to use earning statements and other financial records from taxpayers in lieu of tax return transcripts.

**IMRS 13-0001831 – USDA Conservation Reserve Program payments incorrectly reported**

**Issue:** Practitioners are incorrectly reporting USDA Conservation Reserve Program (CRP) payments. Some report CRP payments correctly on Schedule F of Form 1040, making the payments subject to self-employment tax. Others report CRP payments on Form 4835, Farm Rental Income and Expenses, and circumvent SE tax. By using Form 4835 to report CRP payments, an underpayment of SE tax results.

**Response:** CRP “annual rental payments” are not rental income for federal tax purposes. Although the payments are called “annual rental payments” for purposes of the CRP, these payments are not rental payments for federal tax purposes. Generally, a rental payment is an amount paid for the use or occupancy of property. Courts have held that the government does not use or occupy the land covered by a CRP contract. Morehouse v. Commissioner, 140 T.C. No. 16 (2013), appeal docketed, No. 13-3110 (8th Cir. Sept. 23, 2013). Search Agriculture Tax Center on IRS.gov for more information.

►**INTERNAL REVENUE SERVICE NEWS RELEASES**


Subscribe to IRS Newswire to get news releases via e-mail from the IRS.


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►**INTERNAL REVENUE SERVICE ANNOUNCEMENTS**

An announcement is a public pronouncement that has only immediate or short-term value. For example, announcements can be used to summarize the law or regulations without making any substantive interpretation; to state what
regulations will say when they are certain to be published in the immediate future; or to notify taxpayers of the existence of an approaching deadline.


All Internal Revenue Service Announcements are ultimately published in the Internal Revenue Bulletin (IRB). You can access the IRB through irs.gov by searching on “Internal Revenue Bulletin” or by going to http://www.irs.gov/irb/

► INTERNAL REVENUE SERVICE NOTICES

A notice is a public pronouncement that may contain guidance that involves substantive interpretations of the Internal Revenue Code or other provisions of the law. For example, notices can be used to relate what regulations will say in situations where the regulations may not be published in the immediate future.


All Internal Revenue Service Notices are ultimately published in the Internal Revenue Bulletin (IRB). You can access the IRB through irs.gov by searching on “Internal Revenue Bulletin” or by going to http://www.irs.gov/irb/

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► INTERNAL REVENUE SERVICE REVENUE RULINGS

A revenue ruling is an official interpretation by the IRS of the Internal Revenue Code, related statutes, tax treaties and regulations. It is the conclusion of the IRS on how the law is applied to a specific set of facts.


All Internal Revenue Service Rulings are ultimately published in the Internal Revenue Bulletin (IRB) for the information of and guidance to taxpayers, IRS personnel and tax professionals. You can access the IRB through irs.gov by searching on “Internal Revenue Bulletin” or by going to http://www.irs.gov/irb/

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► INTERNAL REVENUE SERVICE REVENUE PROCEDURES
A revenue procedure is an official statement of a procedure that affects the rights or duties of taxpayers or other members of the public under the Internal Revenue Code, related statutes, tax treaties and regulations and that should be a matter of public knowledge.

While a revenue ruling generally states an IRS position, a revenue procedure provides return filing or other instructions concerning an IRS position. For example, a revenue procedure might specify how those entitled to deduct certain automobile expenses should compute them by applying a certain mileage rate in lieu of calculating actual operating expenses.


All Internal Revenue Service Procedures are ultimately published in the Internal Revenue Bulletin (IRB) for the information of and guidance to taxpayers, IRS personnel and tax professionals. You can access the IRB through irs.gov by searching on “Internal Revenue Bulletin” or by going to http://www.irs.gov/irb/.

► FINAL OR TEMPORARY REGULATIONS (TREASURY DECISIONS) AND PROPOSED REGULATIONS

A regulation is issued by the Internal Revenue Service and Treasury Department to provide guidance for new legislation or to address issues that arise with respect to existing Internal Revenue Code sections. Regulations interpret and give directions on complying with the law. Regulations are published in the Federal Register https://www.federalregister.gov/.

Generally, regulations are first published, in the Federal Register, in proposed form in a Notice of Proposed Rulemaking (NPRM). After public input is fully considered through written comments and even a public hearing, a final regulation or a temporary regulation is published as a Treasury Decision (TD), again, in the Federal Register.


All Internal Revenue Service Regulations are also published in the Internal Revenue Bulletin (IRB). You can access the IRB through irs.gov by searching on “Internal Revenue Bulletin” or by going to http://www.irs.gov/irb/.

**TD 9672** – Provides final regulations on the tax credit available to certain small employers that offer health insurance coverage to their employees.