

TAG Update

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South Carolina Department of Revenue
Past TAG Chair

FTA Technology Conference
August 2008

TAG History

- **What is TAG**
 - Charter formed in 2003
 - 6 States and Key IRS Executives
 - TIGERS Liaison
 - Focus on E-Initiatives
 - State Priorities
 - Start up and Oversight

Focus of TAG

- **E-Commerce projects, primarily E-file**
 - Transitioning from Legacy systems to Modernized
 - IRS approached TAG to mobilize forces for 1120, 1120S and 1065
 - Current focus on state readiness for MeF 1040

Advancing Efile Study

- IRS initiative to take them to goal of 80%
- TAG participated in creation of study outline
- Looking at non-paper, non-efile approaches such as 2D barcode
- Looking at direct hosted efile
- Leverage state experience in predicting both costs and results

TAG Success Stories

- **Fed State 1120, 1120 S and 1065**
- **MLI – (Multi Language Initiative)**
- **States Telefile Strategies**
- **Joint Marketing**
 - Fed/State Ads
 - Best Practices for e-file marketing
- **ERO's – (Electronic Return Originator)**

Current Projects - Fed/State Withholding Payments Electronic Federal Tax Payment System - EFTPS

- **Phase 1 went live January 2007**
- **Evaluating future of program**
- **Pilot effort: IRS, FMS, BofA, IL**

TAG Security Committee

- **Hosted the first-ever FTA Computer Security Conference**
- **Oversight for Secure Data Transfer rollout**
- **Instrumental in providing state input and high level policy review for new Publication 1075**
- **State information security officers**

Limited Focus on Compliance/Other Issues

- **Not many compliance e-initiatives addressed**
 - Fraudulent Prisoner Returns
 - GL inquiry on W-2 Lockout letters
 - Testing with North Carolina, South Carolina and Kansas.

Future TAG Initiatives State Survey

- TAG ask Commissioners and Senior Staff of states to prioritize direction of future TAG initiatives through survey.
- To identify contact points who can participate in teleconferences and brainstorm.
- Provided survey and asked to provide contact points and level of interest.

State Survey

- Audit (**Computer Assisted, abusive tax shelters, audit productivity tools, discovery, non-filer, RAR, CP 2000**)
- Collections (**offer in compromise programs, collection techniques, risk scoring**)
- Criminal Enforcement (**criminal proceedings, marketing prosecutions, etc.**)
- Data Matching/Data Mining/Data Warehousing
- Improving Agency Performance (**efficiency and effectiveness**) tools, work process improvements, etc.

State Survey

- Internal Operations (return processing, exception returns, workflow technology products)
- On-Line Filing or E-filing (mandates and non-mandates, marketing, Free File and non-Free File states, ethnic islands)
- Technology (architecture, hardware and software)
- Voluntary Compliance (education, forms, training, media, advocate, taxpayer assistance, etc.)

State Survey – Commissioner Responses

1. On-Line Filing or E-filing
2. Data Matching/Data Mining/Data Warehousing
3. Voluntary Compliance
4. Internal Operations
5. Audit
6. Improving Agency Performance
7. Collections
8. Technology
9. Criminal Enforcement

E-file Survey Teleconference

- **Joint Fed/State Extension Project.** The suggestion would allow a taxpayer to submit an electronic submission for Federal and state extension.
- **W-2 Informational Filing Program for Employers.** This project would allow single point employer filing of w-2's.
- **1041 Modernized E-file program for Fed/State.** Would allow for e-filing of Fed/State fiduciary returns.

Next Steps

- TAG will begin initiating the remainder of the conference calls
- Discuss with IRS on prioritization of IRS and State e-initiatives
 - Goal - Must be mutually beneficial

Welcome to TaxExchange! - Microsoft Internet Explorer

Address: http://www.taxexchange.org/member/

tax exchange

an oasis for tax administration information

Research/Information Exchange | Interstate/FedState Coordination | Compliance/Audit Issues | Find People/Directories

Publications/Reports
 STEAL-IT
 Listserv Responses
 Special Projects
 Federal Legislation
 IRS/Federal Agencies
 Legal Issues
 Tobacco Tax Section
 Research/Tax Policy
 Electronic Tax Administration
 Motor Fuel Section
 Exchange Agreement
 MTC News

hot topics

ICT Paper on Economic Stimulus
 [Includes Design Issues for Implementing Individual Tax Rebates]

IRS Pub. 1075 -- Safeguard and Security Guidelines for Federal Return Information
 [ETA Bulletin 03/08 on New Pub. 1075] [January 2008]

Nominations Accepted for FTA Awards
 [in Leadership, Technology, and Research]

New Listserv Responses Posted
 [10 New Responses Added] [January 8, 2008]

Survey of State Statistical Sampling Audit Practices [ETA Survey] [Updated May 2007]

IRS - The Budget in Brief - FY 2009
 [IRS - February 2008]
 [more IRS information]

Meetings

FTA Midwinter Commissioners' Meeting, Chandler, AZ, Feb. 8-9, 2007

FTA Compliance Workshop, San Diego, CA, Feb. 24-27, 2008

FTA/IRS Safeguard Workshop, St. Louis, MO, Mar. 31-Apr. 2, 2008

FTA/IRS Computer Security Workshop, St. Louis, MO, Apr. 2-3, 2008

[more on Meetings](#)

Publications

TaxExpress - February 19, 2008
 LAST WEEK ON THE HILL

Start | Novell GroupWise - ... | Microsoft PowerPoin... | FTA Home Page - Mic... | Welcome to TaxEx... | 10:53 AM

Address: http://www.taxexchange.org/member/projects/projects.html

tax exchange

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SPECIAL PROJECTS

hot topics
 suspicious filer project
 streamlined sales tax project
 fta performance measures
 refund offset implementation
 efil task force
 customs data
 FTA/IRS Tactical Advisory Group (TAG)
 links

Go

hot topics

Suspicious Filer Exchange of Information Program
[Presentation Describing the Program](#)

FTA/IRS Tactical Advisory Group

Refund Offset Implementation
 State Collections Total \$227 Million Through August
 Refund Offset Contact List Updated [2007]
[\[more on Refund Offset Program\]](#)

FTA Customs Data Project
 Updated List of Tariff Codes
[\[more on Customs Project\]](#)

FTA Performance Measures Project

Internet

Recruitment Announcement

- **Executive level participation in setting direction for Fed/State e-initiatives**
- **Three face meetings each year**
- **Three new states on TAG every year**
- **If your state is interested, please contact Jonathan Lyon, FTA**
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Contacts for Questions or Comments

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