

## ELECTRONIC FILING SYMPOSIUM

# FTA-IRS Tactical Advisory Group (TAG)

Tuesday, May 4, 2010

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## What is TAG

Chartered in 2003 with these objectives:

- Improve communication between state tax agencies and the IRS on e-initiatives.
- Increase IRS and state understanding of each other's challenges regarding e-initiative development and implementation.
- Enhance cooperation between states and IRS when considering e-initiative priorities and strategies.
- Provide recommendations to assure that cooperation in e-government efforts maximizes business value for both the IRS and state tax administrations while reducing burden and increasing service for taxpayers.



## Who is TAG

- **Co- Chairs:** Doreen Warren, State of Idaho  
and Diane Fox, IRS
- **Six State Representatives:** AL-CO-CT-ID-UT-WV
- **Key IRS Representatives:** Electronic Tax  
Administration, Government Liaison, Security  
Services, Office of Safeguards...
- **State Co- Chair of the TIGERS:** Terry Garber
- **FTA Staff Member:** Jonathan Lyon
- **IRS Staff Member:** Cassandra Daniels

Best Contact: [jonathan.lyon@taxadmin.org](mailto:jonathan.lyon@taxadmin.org)



## TAG Success Stories

- Fed State 1120, 1120S, 1065, and 1040
- Multi-Language Initiative (MLI)
- Joint Marketing
  - Fed/State Ad campaigns
  - Best Practices for eFile marketing
- Electronic Return Originator (ERO)
- Secure Data Transfer



## What's on the Radar Now

- **Modernized eFile Advancing eFile Study**
- **Security and Secure Messaging**
- **Suspicious Filer Program**
- **State Reverse File Match Initiative (SRFMI)**
- **Modernized Internet EIN**
- **W2 Compliance**
- **SSN Elimination and Reduction**



## Modernized eFile (MeF)

- **1040: In production**
- **1120, 1120S, 1065: Established and Growing**
- **TIGERS ongoing cooperation**

IRS: <http://www.irs.gov/efile/content/0,,id=171945,00.html>

FTA: <http://www.statemef.com/index.shtml>



## **Security**

- **IRS Publication 1075**
- **Safeguard and Security Workshops**
- **State Information Security Officers**



## **Suspicious Filer Program**

- **FTA facilitates the electronic exchange of suspicious filer info between participating states.**
- **FTA Sponsored – State Participants**
- **IRS Participation**



## **State Reverse File Match**

- **State Matches Against Federal Data**
- **State Sends Discoveries to IRS**



## **Modernized Internet EIN**

- **Launched September 2007**
- **Pilot States: NY, SC**
- **Links from State web sites**
- **Passes data from State to IRS**



## **W2 Compliance**

- **Obtain W2 Data from Social Security Administration**
- **Identify Under Withholding**
- **Letter to Employer/Employee**
- **Lock Withholding at Single, No Exemptions**



## **Advancing eFile Study**

- **Congress is Encouraging E Filing**
- **IRS Commissioned to Look at Options**
- **TAG Members Provided Input Into the Study and Plan**



## **SSN Elimination and Reduction**

- **Confidentiality issues**
- **IRS initiative**
- **TAG and state concerns**



## **Secure Messaging**

- **IRS hopes to implement in the near future**
- **Web-based with self-registration**
- **End-to-end encryption solution**



## TAG Initiatives – State Survey

- TAG asked Commissioners and Senior Staff of states to prioritize the direction of future TAG initiatives through a 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.)



## 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**



## Survey Teleconference (eFile)

- **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 employer electronic filing of W-2's.
- **1041 Modernized E-file program for Fed/State.** Would allow for e-filing of Fed/State withholding returns.

The screenshot shows the TaxExchange.org website in a Mozilla Firefox browser window. The page features a blue header with the 'taxexchange' logo and navigation tabs for 'Information Exchange', 'Instruments/Fed/State Coordination', 'Compliance/Audit Issues', and 'Field People/Directions'. A left sidebar contains a navigation menu with categories like 'Publications/Reports', 'STEAL-IT', 'Letters/Responses', 'Special Projects', 'Federal Legislation', 'IRS/Federal Agencies', 'Legal Issues', 'Taxpayer Tax Services', 'Research/Tax Policy', 'Electronic Tax Administration', 'Master Fuel Section', 'Exchange Agreement', and 'MTC News'. The main content area is titled 'hot topics' and lists several news items with dates and links for more information. A red arrow points to the 'Instruments/Fed/State Coordination' tab in the header.

**hot topics**

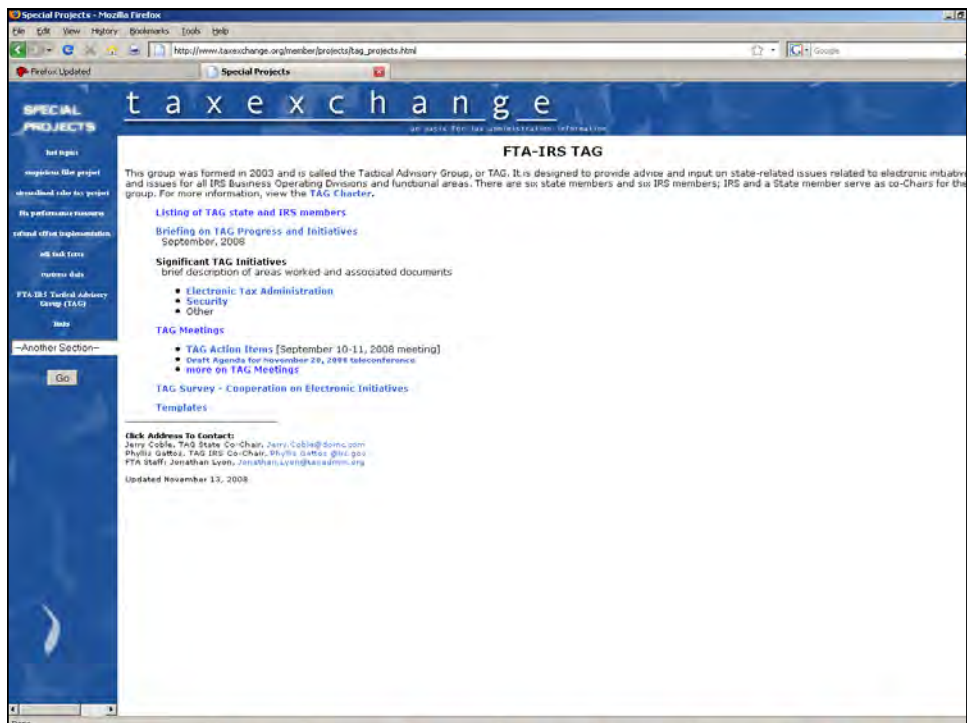
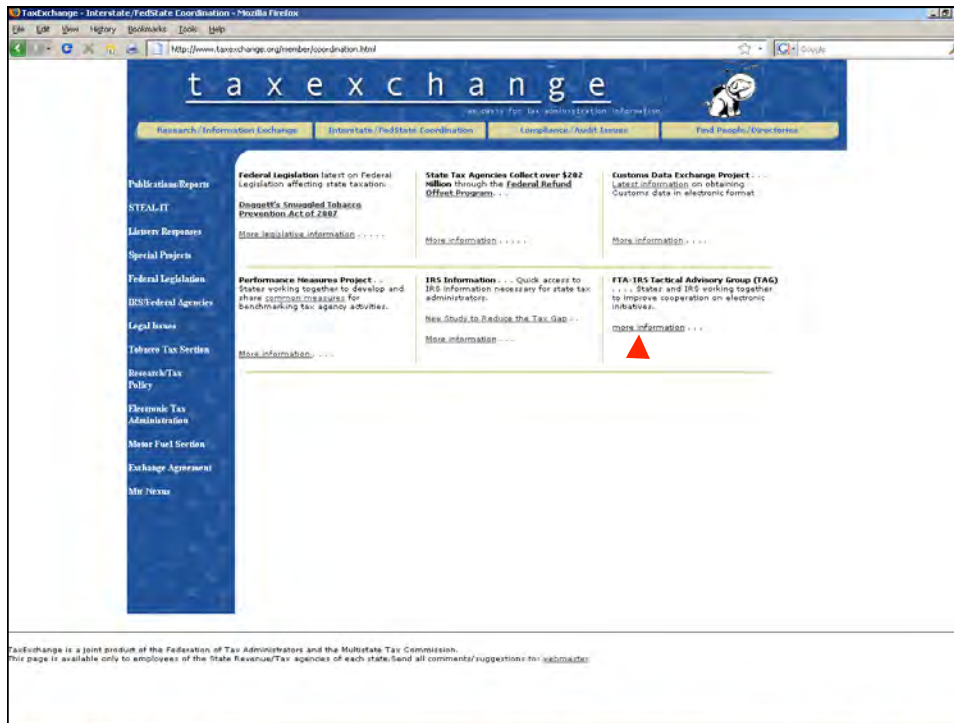
- [State Income Tax Filing Statistics](#)  
[March 25, 2009]
- [Washington Wins FTA Award for Outstanding Training](#)
- [Washington & California BOE Win FTA Award for Taxpayer Service & Education](#)
- [State & Local Government Sales Tax Losses from Electronic Commerce](#)  
[Issue, Fee & Form] [April 15, 2009]  
[more research papers]
- [UDITPA Revision Debate Continued; Study Committee Chair Resigns](#) [Daniel Schibley, CCH]  
[March 31, 2009]  
[more legal issues]
- [FTA Testifies of VOIP Legislation](#) [March 21, 2009]  
[more on Federal legislative issues]
- [IRS Marketing Tools for State EFile Programs](#)  
[January 22, 2009]  
[more IRS information]
- [Annual Supreme Court Review](#)  
[more legal issues]
- [ETA Taxation of Services Survey - 2007](#)  
[All Data is now online]
- [Update on IRS/Federal Data Exchange Programs](#)  
[Briefing Paper from Board Meeting] [October 2008]
- [New Listerv Responses Posted](#)  
[5 Nov Responses Added] [April 14, 2009]

**Meetings**

- [FTA Annual Meeting](#) Denver, CO, May 31-Jun 3, 2009
- [FTA Fed/State Electronic Filing Symposium](#) San Diego, CA, May 3-6, 2009
- [FTA Technical Conference and Exhibition](#) August 2-7, Boise, ID
- [2009 FTA Meeting Calendar](#)  
[more on Meetings](#)

**Publications**

- [TaxExpress](#) - April 13, 2009  
[CONTRIBUTOR GUIDELINES](#)
- [State Tax Monthly](#) - April 10, 2009
- [FTA Indiana Report](#) - October 2008
- [FTA bulletins](#)
- [By the Numbers Newsletter](#) February 2009
- [back issues of discontinued newsletters](#)
- [Directory of State Tax Administrators, 2008](#)  
[more Publications](#)





## **Recruitment Announcement**

- **Executive level participation in setting direction for Fed/State e-initiatives**
- **Up to three face meetings each year**
- **Three new states on TAG every year**
- **If your state is interested, please contact Jonathan Lyon, FTA**
- **Jonathan.Lyon@taxadmin.org**
- **Phone 202-624-5894**