

## **We Want You to Know**

### **IRS Operations During COVID-19:**

Visit [IRS Operations During COVID-19: Mission-critical functions continue](#) for updates on current IRS actions. To save this link as a favorite, from the [IRS](#) home page, scroll down to the bottom to *News & Announcements*, click the blue arrow and look for “IRS Operations Status.”

### **Local Stakeholder Liaison Contacts:**

Contact your local [Stakeholder Liaison](#) for assistance. It’s not necessary to wait for the IMRS calls to raise an issue.

### **Special Saturday Hours - Taxpayer Assistance Centers (TACs):**

[Special Saturday hours](#) at Taxpayer Assistance Centers (TACs) across the country from 9 a.m. to 4 p.m., on April 8 and May 13. Offices in dozens of states will be open during this special event, with no appointments required.

The IRS encourages everyone to first check [IRS.gov](#) for information about these special openings before traveling to an office. They may even find an online resource to resolve their tax concern to avoid a trip. The IRS's [Contact Your Local Office](#) site lists all services provided at specific TACs. Refer to [IRS announces special Saturday hours for face-to-face help; dozens of Taxpayer Assistance Centers open across the nation.](#)

### **2023 IRS Nationwide Tax Forums**

Registration for this summer's 2023 IRS Nationwide Tax Forums is now open. The forums return to an in-person format in five cities across the nation for the first time since 2019.

The IRS Nationwide Tax Forums are designed specifically for tax professionals -- enrolled agents, certified public accountants, certified financial planners, and Annual Filing Season Program participants, as well as uncredentialed tax professionals. Attendees may earn up to 18 continuing education credits.

In addition to continuing professional education, attendees get access to the popular Case Resolution Program as well as dozens of exhibitors in the forum expo hall. Participants can also participate in focus groups and network with colleagues.

Tax professionals can [register now](#). For additional information, see [2023 IRS Nationwide Tax Forums to be held in five cities.](#)

### **IRS begins new Digital Intake initiative**

As part of ongoing transformation efforts, the Internal Revenue Service announced the successful expansion of digital scanning.

In the new Digital Intake scanning initiative, the IRS has already scanned more than 120,000 paper Forms 940 since the start of 2023, this is a twenty-fold increase compared to all of 2022. This effort will expand soon to include scanning of Forms 1040 as well as Forms 941. The scanning effort is part of a multi-form, multi-solution scanning initiative known as Digital Intake.

Digital scanning is part of a larger effort underway at the IRS to transform the agency and make improvements for taxpayers. As part of the Inflation Reduction Act, the IRS has taken steps to improve service, including hiring more than 5,000 new [telephone assistors](#), adding staff to IRS Taxpayer Assistance Centers and [holding special Saturday hours](#), expanding the [Document Upload Tool](#) and other features.

The vast majority of tax returns are now filed electronically. But millions of forms are still filed by paper, which means a time-consuming process of manually handling and transcribing of these tax returns. By

providing a capability to scan and electronically process paper returns, the IRS will be able to shorten the processing time for taxpayers who file paper returns. For additional information, see [IRS begins new Digital Intake initiative; Form 940 scanning process off to strong start; other forms to start soon](#)

### **Medical expenses related to nutrition, wellness and general health**

Internal Revenue Service posted [frequently asked questions](#) that address whether certain costs related to nutrition, wellness and general health are medical expenses that may be paid or reimbursed under a health savings account (HSA), health flexible spending arrangement (FSA), Archer medical savings account (Archer MSA) or health reimbursement arrangement (HRA).

Generally, a deduction is allowed for expenses paid during the taxable year for medical care if certain requirements are met. Alternatively, medical expenses are eligible to be paid or reimbursed under an HSA, FSA, Archer MSA or HRA. The FAQs address issues such as whether the cost of nutritional counseling, weight-loss programs, gym memberships and treatment for substance use disorders are considered medical expenses that may be paid or reimbursed under an HSA, FSA, Archer MSA or HRA.

For more information about whether costs related to nutrition, wellness and general health are medical expenses, see [Publication 502, Medical and Dental Expenses PDF](#), and [Tax Topic 502, Medical and Dental Expenses](#). Refer to [IRS addresses questions about medical expenses related to nutrition, wellness and general health](#)

### **2023 Dirty Dozen warning about Employee Retention Credit claims**

Internal Revenue Service added widely circulating promoter claims involving Employee Retention Credits as a new entry in the annual [Dirty Dozen](#) list of tax scams.

For the start of the annual Dirty Dozen list of tax scams, the IRS spotlighted Employee Retention Credits following blatant attempts by promoters to con ineligible people to claim the credit. Renewing several earlier alerts, the IRS highlighted schemes from promoters who have been blasting ads on radio and the internet touting refunds involving Employee Retention Credits, also known as ERCs. These promotions can be based on inaccurate information related to eligibility for and computation of the credit.

The IRS is stepping up enforcement action involving these ERC claims, and people considering filing for these claims – only valid during the pandemic for a limited group of businesses – should be aware they are ultimately responsible for the accuracy of the information on their tax return. The IRS Small Business/Self-Employed division has trained auditors examining these types of claims, and the IRS Criminal Investigation Division is on the lookout for promoters of fraudulent claims for credits.

Tax professionals have reported receiving undue pressure from clients to participate and claim the ERC, even when the tax professional believes the client is not entitled to the credit. The IRS encourages the tax professional community to continue to advise clients not to file ERC claims when the tax professional believes they do not qualify.

### **Reporting tax-related fraud and scams**

Employers should report instances of fraud and IRS-related phishing attempts to the IRS at [phishing@irs.gov](mailto:phishing@irs.gov) and to the [Treasury Inspector General for Tax Administration](#) at [800-366-4484](tel:800-366-4484). To report an abusive tax scheme or a tax return preparer, people should mail or fax a completed [Form 14242, Report Suspected Abusive Tax Promotions or Preparers PDF](#) and any supporting materials to the IRS Lead Development Center in the Office of Promoter Investigations. Alternatively, taxpayers and tax practitioners may send the information to the [IRS Whistleblower Office](#) for possible monetary reward. For more information, see [IRS opens 2023 Dirty Dozen with warning about Employee Retention Credit claims; increased scrutiny follows aggressive promoters making offers too good to be true.](#)

## IRS revises frequently asked questions about Form 1099-K

Internal Revenue Service revised frequently asked questions (FAQs) for Form 1099-K, Payment Card and Third Party Network Transactions, in Fact Sheet [FS-2023-06](#) [PDF](#).

### **Past Issues:**

#### **Bulk vs Single Requests from Practitioners for Disaster Relief**

**Issue:** Practitioner raised question on the process for submission of bulk vs. single requests from practitioners for California disaster relief.

**Resolution:** The procedures that are outlined in IRM 21.5.6.4.37 [-S Freeze](#), are the correct procedures for Tax Professionals with bulk requests. Although the website [Bulk Requests from Practitioners for Disaster Relief](#), is no longer updated and marked Historical Content, the information contained on the website has been verified as being correct and in concert with the IRM. Further research to be conducted to determine webpage update.

**Status:** Closed

### **New Issues:**

#### **Payment Date for CA Disaster Area**

**Issue:** Practitioner raised question on payment deadline date as result of extended filing due date for CA disaster areas.

**Resolution:** Other Practitioners indicated that some tax software allows them to input the specific date you want to pay while others default to due date. Local Taxpayer Advocate provided clarification and applicable links: [Pay Taxes by Electronic Funds Withdrawal](#) and [IRS announces tax relief for victims of severe winter storms, flooding, landslides, and mudslides in California](#). Discussed different IRS options for [Payments](#).

**Status:** Closed

#### **Question on 401K**

**Issue:** Questioned raised on 401K plans and clarification requested on eligible automatic contribution arrangement and businesses with employees and sole proprietors.

**Resolution:** This issue is being reviewed and researched by local Stakeholder Liaison.

**Status:** Open

#### **Deceased Taxpayers**

**Issue:** Practitioners discussed different issues when handling deceased taxpayers' transcripts, filings, and responding to IRS. Question asked on mailing of Form 1310.

**Resolution:** If electronic filing of Form 1310 was not completed with filing of return, mail form to same IRS Service Center where the original return would be filed. For more general information, see [Deceased Person \(irs.gov\)](#)

**Status:** Closed

#### **Unable to get CAF**

**Issue:** Practitioner raised issue on obtaining Centralized Authorization File (CAF).

**Resolution:** There may be an issue with the information included on the Form 2848 submitted to IRS. Requested a copy of transmitted Form 2848 for review by local Stakeholder Liaison. [The Centralized Authorization File \(CAF\) - Authorization Rules](#).

**Status:** Closed

**NEXT MEETING: Wednesday, April 26, 2023**

## **Local Stakeholder Liaisons (by coverage area)**

### **California**

#### **Northern California / Bay Area**

- Alexa Lam / [Alexa.W.Lam@irs.gov](mailto:Alexa.W.Lam@irs.gov)  
– San Francisco and San Mateo Counties
- Eryka Nolen / [Eryka.Nolen@irs.gov](mailto:Eryka.Nolen@irs.gov)  
– Contra Costa and Marin Counties
- Keith Kershner / [Keith.D.Kershner@irs.gov](mailto:Keith.D.Kershner@irs.gov)  
– Fresno and Santa Clara Counties
- Rena Newell / [Rena.Newell@irs.gov](mailto:Rena.Newell@irs.gov)  
– Alameda and Sonoma Counties
- Susan Du / [Susan.Du@irs.gov](mailto:Susan.Du@irs.gov)  
– Sacramento, Solano, and Napa Counties

#### **Southern California / Los Angeles**

- Lionel Carrillo / [Lionel.A.Carrillo@irs.gov](mailto:Lionel.A.Carrillo@irs.gov)  
– South Bay (Los Angeles), San Gabriel, San Fernando Valley, and Riverside Counties
- Lisa Hamilton / [Lisa.A.Hamilton@irs.gov](mailto:Lisa.A.Hamilton@irs.gov)  
– Riverside, Imperial, and San Bernardino Counties
- Lourdes Jimenez / [Lourdes.Jimenez@irs.gov](mailto:Lourdes.Jimenez@irs.gov)  
– Los Angeles, Antelope Valley, San Gabriel, Santa Clarita, Ventura, San Fernando Valley, and Santa Barbara Counties
- Roy Chaney / [Roy.A.Chaney@irs.gov](mailto:Roy.A.Chaney@irs.gov)  
– Los Angeles (South Bay and West Los Angeles) Counties

#### **Southern California / San Diego and Orange County**

- Christella Sanchez / [Christella.A.Sanchez@irs.gov](mailto:Christella.A.Sanchez@irs.gov)  
– Orange County and San Diego
- Kenji Chavez / [Kenji.Chavez@irs.gov](mailto:Kenji.Chavez@irs.gov)  
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### **Hawaii**

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### **Idaho**

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### **Montana**

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### **Nevada**

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### **Wyoming**

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