

# Tax Practitioner Liaison Meeting

Oregon Department of Revenue – Fishbowl meeting room

Friday, May 25, 2007

9:00a.m. - 11:00 a.m.

## MINUTES

### **Introductions**

All

Ron asked each person to make an introduction.

### **Processing Center Updates**

#### *General Updates*

Year to date there have been 1,476,000 returns processed. As of today there are approximately 55,799 returns in processing. This includes present, current and previous years.

We are working on returns that were received on April 23, 2007. By May 28, 2007 all returns in house should be out of Mail Processing and have started their way through the processing system. Refunds should be received within 2 weeks from processed date.

Earlier this month there was a billing notice issue. The State Economists asked DOR to provide statistics for the next year's forecast. In order to meet their timeline we pushed returns more quickly through the return processing system. This triggered tax due returns to be processed before the payment was applied to the liability. Billing notices were sent to taxpayers in error. This issue has been corrected; the penalty and interest for the effected taxpayers were reversed and taxpayers may receive notices stating that the payment was received and applied.

PO Box addresses changed. There was a question as to why the PO box for 2D barcode returns changed this year. Answer: It did not change. We will bring a list of all PO boxes to the next meeting. We have also received a suggestion that the labels DOR sends out should have the title of what the PO Box is for example DOR-Refund and then the address. This would make life easier for the preparers and cut down on the misdirected mail on DOR's end.

### **2D Barcode Update**

**Tom Boettger (947-2174)**

A 2D Barcode returns is a paper return that has a barcode similar to a UPC code that you would find in the grocery store. The barcode, the size of a credit card, captures all keyed information off the return. Once DOR receives a 2D barcode return, the barcode is scanned with a wand similar to the scanner at the grocery store check out. DOR is able to scan approximately 2,000 to 3,000 2D returns per hour vs. 100 returns per hour of the standard manually hand-keyed paper returns.

A mandate was put into place this year that requires software vendors include a barcode on all printed-paper returns. There are 26,000 left to process (this is about two days worth of work).

We have processed 328,060 2-D returns year-to-date. 187,269 returns were processed for all of last year.

**Question:** Is DOR having issue with reading the barcode on photocopied returns?

**Answer:** No, not that we are aware of.

**Question:** Is there any federal information that is transferred onto the Oregon 2D return?

**Answer:** Yes there is some information that flows through to the Oregon return.

### **ELF Update**

**Mark Ruth (503) 945-8731**

So far this year DOR has received 925,423 returns. Last year DOR received/processed 861,737 returns. E-filing now makes up more the 60% of all form types filed. DOR expects that there will be close to 1 million returns E-filed by the end of the 2006 tax year season.

**Question:** A few years ago the practitioners were told that E-filing would be mandated. Why hasn't that happened yet?

**Answer:** DOR has the option of mandating E-filing via administrative rule. The voluntary use of ELF software has been extremely positive. Ron thinks that because of this it has not deemed necessary to require the mandate.

**Question:** Doesn't DOR receive the IRS schedules when a return is electronically filed?

**Answer:** DOR should be receiving all data that is submitted to the IRS but that is not always the case. This is a software issue. However, a lot of software vendors do not include this information because Oregon DOR does not require this to be attached to the original return. DOR made a decision many years ago not to have taxpayers submit all federal information to the return during the initial filing. This is because DOR has to retain all the paper information that it receives for seven years. There is a space issue. Instead DOR has asked taxpayers to only attach a copy of the front and back of the IRS return. In the event that additional schedules or information is needed to process the return the taxpayer will be contacted. The suggestion was made that maybe the practitioners could talk to the vendors as DOR has no control over the national standards that have been put into place for vendors. The case where the taxpayer has taken the federal standard subtraction on their federal return but itemized for Oregon only, this schedule A (marked OR only) can be faxed to the Suspense unit (503-945-8786) ahead of time to speed up the processing time.

**Question:** When is DOR going to offer ELF for Corporations, partnerships, Estates, and Trusts?

**Answer:** Ron is not sure when this will be available. Next month we will have representatives from the corporation and Estate section.

***Tax Services and Withholding updates were not given, as there were not representatives available.***

Ron asked if there were enough people interested from the Portland area that maybe DOR could hold two meetings a month. The first meeting could be at DOR and the second meeting could be in

the Portland area. There a number of practitioners that like this idea and think that it would be beneficial. Ron will talk to the management team and see if this could be an option.

*Thank you OATC for the coffee.*

*Next meeting will be held: Friday June\_29, 2007 in the Fishbowl conference room located at the Oregon Department of Revenue.*