

Tax Practitioner Liaison Meeting

Oregon Department of Revenue – Fishbowl meeting room

Friday, May 30, 2008

9 a.m. - 11 a.m.

MINUTES

Welcome and Introductions

All

Introduction of new Policy & Systems staff:

Dee Brinlee – on a temporary work assignment from Salem Audit as the Booklet Coordinator.

Matt Derby – on a temporary work assignment from Medford field office as a Tax Auditor 1. He will be authoring forms and publications for the booklet process.

Adam Morrison – on a temporary work assignment from Eugene field office as a Tax Auditor 1. He will be authoring forms and publications for the booklet process.

Sofia Parra – Accepted a promotion to the Tax Auditor 2 position (formerly Deanna Mack who has been promoted to a position in another area).

Introduction of the Disclosure/IRS Liaison Staff:

Julie Anderson and Janni Kailuweit are the two new Disclosure/IRS Liaison Staff members.

Oregon Treatment of Federal Rebate

Sofia Parra

The stimulus rebate that the IRS is issuing is not taxable at the federal level, but it will affect the Oregon return. The federal tax subtraction on the Oregon return is limited to the federal tax paid. The rebate is a refund of 2008 federal tax, so it reduces the 2008 federal tax subtraction. The rebate may be received during 2008 or it may be claimed as a credit on the 2008 federal return.

Q: How will it affect the federal tax subtraction on the Oregon return?

A: Sofia gave an example:

Taxpayer has an \$8,000 federal tax liability after credits on their 2008 federal tax return (not including the rebate). A \$1,200 rebate was received in 2008. The 2008 tax refund (stimulus rebate) must be subtracted from the federal tax shown on the federal return to determine the federal tax subtraction for Oregon. The result is \$6,800, but the federal tax liability subtraction is limited to \$5,500 for 2008 Oregon return. In this case there is no effect.

If a taxpayer is close to or under the limit, it will affect their federal tax subtraction on their Oregon return. For example, a taxpayer with a federal tax of \$6,000 who received a \$1,200 stimulus rebate would have a federal tax liability subtraction of \$4,800 on their 2008 Oregon return.

Processing Center

Sharon Johnston

As of today, we have processed approximately 300,000 2D returns, 1,034,000 e-filed returns, and 300,000 paper returns. We have also processed 8,000 2D amended returns, 150 e-filed amended returns, and 2,000 amended paper returns. e-filed and 2D bar-coded returns go through the system quicker and cleaner and there is a lower suspense rate for this type of return.

Q: Is there a mandate for tax preparers to e-file?

A: No, there is no mandate in the foreseeable future.

Suspense: Currently working on paper returns with tax due received in January. There are 76,000 returns that need to be processed this includes amended returns. Paper and e-filed returns with refunds are current.

Gary gave a brief update on the modernized e-file platform DOR hopes to have this up and running in August 2009.

Corporation E-file

Barbara Stoenner (503) 945-8481

Barbara Stoenner who is the current Corp Modernized e-file coordinator. The software providers who currently support Oregon for corporation modernized e-file are: Ultra Tax CS(Creative Solutions), CS Professional (Tax Wise) and ProSystemFX(CCH).

IRS Update

John Blakeman

Regarding the Economic Stimulus Payment (ESP), call volumes remain at the April 15th level. IRS has links to the ESP information on their website including "Where's my stimulus payment?" By entering the SSN, filing status, and number of exemptions from the 2007 tax return, you can see the amount and date a stimulus payment was sent. IRS is treating preparer fees taken out of the refund as a payment. This means ESP will be a paper check in those cases. If you have taxpayers with issues, or need information about ESP call the rebate hotline at (866)234-2942.

Board of Tax Practitioners

Ron Wagner

The Board has experienced some staff changes. There are three vacant positions. Monica Walker has been promoted to Senior Investigator. Ron is in the process of filling the Examine & Education Coordinator and an Administrative Specialist position. He hopes to have these filled by the end of June. There is an Office Specialist vacancy that will be filled at a later date.

LTC renewals were due May 30th. There will be a \$35 reactivation fee for renewals post marked after May 30th. The consultant fees have increased. LTC fees are \$95 for the LTC and \$110 for the business, if you purchase them together there is a discount of \$50.

Credit hours must have been turned in by May 30th. May credit hours can be carried over to next year if necessary to meet the quota.

Today is Donna Gilmore's last day sitting on the board. She has been a long-time member. Jan Solisbury replaced her as of May 31, 2008. There is a Board meeting scheduled for July 10, 2008 starting at 9 a.m., this meeting is open to the public.

Q: What is the processing timeframe for license applications that are faxed in?

A: This depends on the payment method. Applications are processed in the order received. The payment must be processed before the license can be issued.

Thank you, OATC for providing the coffee

Next Meeting: *Please note, meeting date change, the June meeting will be held on the 20th at the same location (Oregon Dept of Revenue Fishbowl Conference Room) and a processing center tour is on the agenda.*