

Hot Issues

July 1, 2007

Various Dates on 30-day Letters (Issue 07-0000523)

Practitioners reported that the L1058/L11 (Notice of Intent to Levy and Notice of Your Right to a Hearing) date on the taxpayer's was often different than the date on the copy sent to Power of Attorney (POA). This could result in the POA missing a CDP deadline. This happened because the letters were printed from two different files because they were mailed in two different ways (Certified Return Receipt Request for the TP and first class mail for the POA). However, beginning July 1, 2007 the letters will be printed from the same file and will have the same date.

Third Party Authorizations – Who is entitled to receive what?

There continues to be a lot of confusion about who can receive notices, information, etc. To help with all of this, we've published a lot of guidance on IRS.gov and even prepared a quick-reference table. *Publication 4019, Third-Party Authorization, Levels of Authority* is available on line and gives mainly "Yes/No" information in an easy-to-use matrix. Headliner 181, FAQs and other helpful information can be at found on IRS.gov at <http://www.irs.gov/businesses/small/content/0,,id=108383,00.html>.

Scanned POAs (Issue 07-0000467)

While we're talking about POAs – We've been asked about e-mailing scanned POAs to IRS personnel. There are currently no legal issues with the IRS receiving Forms 2848/8821 electronically. We're already looking at a variety of technologies that will enable us to receive and deliver electronic images of documents, such as Forms 2848 and 8821, to the desktop of employees such as those in our CAF units. We still have a way to go because in addition to securing the necessary software and programming, we also have to ensure these technologies meet the required rigorous security and privacy standards for IRS.

Using Retirement Funds to Start a Business (Issue 07-0000374)

There are a lot of news articles promoting the use of retirement funds to start a business. Do these violate IRC 4975? Unfortunately, there is no simple answer. While the Service is able to assert that a particular self-directed IRA will lose its tax-exempt status to the beginning of the taxable year in which a prohibited transaction took place, as a result of Reorganization Plan No. 4 of 1978, 1979-1 C.B. 480, the final interpretive authority as to whether a given transaction is a prohibited transaction rests with the Department of Labor (DOL). DOL issued two advisory opinions that should give individuals some idea of how DOL treats an IRA investing in a business: DOL Advisory Opinion 2000-10A (July 27, 2000) (<http://www.dol.gov/ebsa/regs/AOs/ao2000-10a.html>), and DOL Advisory Opinion 2006-01A (January 6, 2006) (<http://www.dol.gov/ebsa/regs/aos/ao2006-01a.html>).

ACS Large Case Check Sheet On IRS.gov (Issue 07-0000546)

ACS developed a check sheet to help expedite the resolution of accounts with a balance due of \$100,000 or more. It's on IRS.gov at <http://www.irs.gov/taxpros/article/0,,id=99008,00.html>