Field Collection Emphasis
and how it impacts the tax practitioner community
North Atlantic Area - Collection

New Jersey – 10 duty posts
New England – 20 duty posts
New York – 20 duty posts

399 Revenue Officers
Topics

• Safety
• Conducting business “In the Field”
• Employment Tax Compliance
• Passport Legislation
• Private Debt Collection
• Withholding Calculator
Initiatives to mitigate impersonation concerns

- Two (2) forms of identification
- Special call in # for verification
- Press releases – types of contact
  - “unannounced” field visits
- Law enforcement verification line
• Unannounced visits and scheduled interviews
  —home, business or POA’s office
• Importance of face-to-face financial interview
  —Conduct a comprehensive interview with open dialog.
  —Secure and verify financial information.
  —On the spot analysis and identification of anticipated resolution.
Employment Tax Compliance

US REVENUE COLLECTION 2016

- Business Income Taxes: 0.70%
- Income Taxes Withheld by Employer: 10.40%
- Income Taxes Paid (Individual, Estates, and Trusts): 32.20%
- Payroll Taxes Withheld by Employer: 38.00%
- Estate and Gift Taxes: 16.50%

70% from Withholding

Over two-thirds of revenue collected by employers
Employment Tax Compliance

$67.6 Billion: Amounts due from Forms 941 unpaid, as of June 30, 2017,
Source: IRS CFO
Early Interaction Initiative - improve FTD Alerts

- **Pre 2015**
  Alerts issued in the last week of quarter
- **2015-2016**
  FTD Alert Pilot – Accelerated the timing of Alert issuances and worked to identify business best suited for early intervention
- **Post Pilot**
  Alerts issued: 5th, 9th, and 13th week of quarter
- **Future**
  Within 72 hours of missed payment
  Email notifications from EFTPS?
Early Interaction Initiative
Benefits

• Expand early interaction program, educate taxpayers and modify taxpayer behavior to enhance compliance
• Improve collection case selection and assignment
• Enable data-driven decisions regarding taxpayer contacts
Beyond Early Interaction for Non-Compliant Employers

- Levy of bank accounts, receivables
- Seizure of property
- Disqualified Employment Tax Levy (DETL)
- Trust Fund Recovery Penalty (IRC 6672)
- Suits for Injunctive Relief
- Criminal Referrals
FAST Act

Fixing America’s Surface Transportation Act
-Signed into Law – December 2015

Passport Denial/Revocation

Private Debt Collection
Section 32101 requires the denial and authorizes the revocation of passports of taxpayers certified to the State Department as having a seriously delinquent tax debt.

- Implementation – January 2018
- Seriously Delinquent Debt - $50,000+ owed
Passport Denial/Revocation

• IRS will certify to the State Department (taxpayers with seriously delinquent debt)

• IRS will notify taxpayers of the certification by letter

• The State Department will take action to deny or revoke passports

• IRS will notify the State Department when an account is no longer considered seriously delinquent

• Taxpayers may bring civil action against the United States in District or Tax Court.
Passport Denial/Revocation

- Call site will work cases $250,000 or less
- Field will work $250,000 or more
Section 32102 of the Fixing America’s Surface Transportation Act (FAST Act) requires the IRS to use private collection agencies for the collection of outstanding inactive tax receivables.

IRS selected 4 companies as Private Collection Agencies (PCAs)
- CBE Group (Cedar Falls, IA)
- Conserve (Fairport, NY)
- Performant (Livermore, CA)
- Pioneer (Horseheads, NY)
Private Debt Collection

- Taxpayers will receive 2 letters advising them of case transfer
  - Case transfer letter from IRS with 10 digit PIN
  - Letter from PCA confirming transfer
- PCA will call taxpayer and reconcile 10 digit PIN
- Full pay or installment agreement options
- Payments made payable to “United States Treasury” and sent to IRS, not the PCA.
- Currently not collectible or unable to contact cases sent back to IRS.
Private Debt Collection

- PCAs work inactive cases only
- PCAs cannot take enforcement action (No Liens or Levies)
- If a taxpayer does not wish to work with the assigned PCA they must submit a request in writing to the PCA
The IRS encourages everyone to use the Withholding Calculator to perform a quick “paycheck checkup.” This is even more important this year because of recent changes to the tax law for 2018.

irs.gov Home page
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