Today our presenter is Kareem Williams, Director of Collection Policy of the IRS Small Business and Self-Employed Division. Kareem?

Kareem Williams: All right, thank you. Good afternoon, everybody. As stated, my name is Kareem Williams, and I am the Director of Collection Policy for the Internal Revenue Service. I would like to welcome you all to this part of the National Tax Forum presentations.

As we're all aware, 2020 was a very challenging year for everybody. The pandemic has had a profound and unprecedented impact on America's economy, on the IRS, on you the practitioners, and on the taxpayers that we all serve.

Today we would like to share with you some information that we hope you will find helpful as you continue to assist the taxpayers in working with the Internal Revenue Service. Next slide, please.

Collection Flexibilities During Difficult Economic Times. The general topics that we're going to discuss today

are focused on the options available to taxpayers when they are faced with a tax bill that they believe they cannot pay. The areas that we will cover today will help you to help your clients. I'm going to talk to you in specific about five items.

The first will be the first-time penalty abatement and general penalty abatement. Second, how to make payments to the IRS. Third, we will talk about payment plans, including installment agreements, the

Online Payment Agreement portal, referred to as OPA. Fourth, currently not collectible status, and what that means. We will cover the pros and cons of being put into currently not collectible status. And lastly, we will close out our discussion on how to avoid owing again in 2021. It is important that, even if the taxpayer runs into a situation where they may have a balance, and you are working to assist them working through that with the Internal Revenue Service,

it is important that we do all we can to educate them so they don't owe again in 2021, and we will talk about some of that at the end of the presentation. Next slide, please.

So, at the end of the presentation, you will be able to explain how to apply for first-time penalty abatement and general penalty abatement. You will be able to list the ways of making payments to the IRS.

You will be able to discuss the options for payment plans that will include installment agreements. You will be able to explain the criteria that the IRS uses to determine when a case is CNC -- again, that stands for "currently not collectible." And lastly, you will be able to instruct your client or a taxpayer on how to avoid owing again in 2021. Next slide, please.

The first area that we want to explore is on the topic of abatement of penalties. I am sure most, if not all of you, have had a client who has been assessed a failure to file, or a failure to pay penalty at some point. As the tax debt ages, both the penalties and interest that accrue can become substantial, right? So, remember, not only does the interest accrue on the unpaid tax liability, but it also accrues on the penalties that have been assessed.

Understanding this, a taxpayer, your clients may come to you and ask about possible penalty abatement options and how they would go about applying for them. This particular slide will talk about the first one, which is first-time penalty abatement. We will also talk about what we call "Reasonable Cause Abatement".

The IRS may provide administrative relief for a penalty under first-time penalty abatement policy. Taxpayers may qualify for administrative relief from penalties for failing to file a tax return, not paying on time, and/or not depositing taxes when due if -- there are three criteria that are listed here. In order for a taxpayer to be eligible for first-time penalty abatement these three criteria must be met.

One: no return was required to be filed, or there are no penalties for the three tax years prior to the tax year in which the penalty is proposed. Two: all currently required tax returns have been filed, or an extension of time to file has been filed; and third: all payments or arrangements to pay any tax due have been made.

Again, there's three criteria that must be met in order for any taxpayer to be able to apply for first-time penalty abatement. Next slide.

Now that we've talked about first-time penalty abatement, I said at the opening we would talk also about reasonable cause penalty abatement, what that means and when it might be applicable.

Taxpayers may request penalty abatement under the reasonable cause criteria and here are some examples.

I'm not going to read each one, but there are a number of reasons: elderly, illness, it could be issues with the mail. There could have been tax law changes they were unfamiliar with or didn't understand. There could be embezzlement. There also are mitigating circumstances, and some of the examples that I'm going to walk through -- for example, there are times when the taxpayer does not file or pay for a reason that's beyond that taxpayer's control.

For example, a taxpayer may have suffered some sort of issue where all their tax records may have been destroyed by a fire or flood. We understand that there's storm seasons and more and more of that's taking place across the country. In addition, perhaps funds were embezzled by someone in their office, and it was not discovered, despite the fact that the business owner exercised a level of oversight that showed due diligence. The business owner did everything that they could do;

unfortunately, embezzlement still took place and impacted them being able to file or pay timely. And lastly, it is also possible that a taxpayer was in a hospital or physically incapacitated and could not file or pay timely. Again, as we spoke at the outset, the impact the pandemic has had, issues where folks have been physically incapacitated or in the hospital may have arisen. And again, that may qualify for reasonable cause abatement of certain penalties.

To request penalty relief for either one: reasonable cause or a first-time penalty abatement, simply call the phone number on the notice -- and I want to, again, highlight that these are only guidelines; this is not an exhaustive list. There may be other circumstances where this type of assistance may be available. Next slide, please.

So, we come to our first poll question:

A taxpayer was assessed a failure to file or failure to pay penalty for tax year 2019. You review the taxpayer's past payment compliance and you see that this taxpayer does not have any penalties assessed for 2018, 2017 or 2016. However, this taxpayer paid late in 2015 and was assessed and paid a failure to pay penalty.

This taxpayer has now filed all required returns and has paid, or arranged to pay, all balances due. Would this taxpayer qualify for a first-time administrative abatement of the failure to pay penalty for 2019? Two options: a) no, this taxpayer will not qualify for first-time abatement for 2019, or b) yes, the taxpayer would qualify for first-time abatement for 2019.

Announcer 2: And it looks like just about 90 percent of us said "B." Back to the presenter.

Kareem Williams: All right, those 90 percent: the correct answer is B. Yes, the taxpayer will qualify for the first-time penalty abatement because the taxpayer has met the following three criteria: the taxpayer paid all balances due; the taxpayer has filed all required returns; and the taxpayer had no penalties assessed for the three tax years prior to tax year 2019.

Good job. All right, next slide.

We talked about first-time penalty abatement; we've also talked about reasonable cause criteria and abatement; and we've also talked about how you would apply by calling the number on your notice for either type. We will now move on to the next topic about methods of making payments to the IRS.

The fact is it's never been easier for your client to make a payment. There was a time long past where taxpayers or your client would have to write a check and put it in the mail to the IRS. We work very hard as an agency to make it as convenient as possible for taxpayers to make their payment. There are multiple options to pay electronically, such as direct pay. That's coming from a bank account and is directly on a link on IRS.gov and it's free.

There is also the debit and credit card option; again, there's a link on IRS.gov for that option, however there are third party processing fees that will apply. Third, the electronic federal tax payment system (EFTPS). Enrollment is required to use this option. Taxpayers can do a same-day bank wire; again, bank fees may apply.

Taxpayers can make electronic funds withdrawal during e-filing. If they're filing their tax return on an e-platform they can request to have funds electronically withdrawn from a specific account. Taxpayers can still do check or money order and mail it to the IRS if they so choose. And lastly, as always, taxpayers can make their payment in cash, again if they so choose.

You can go, or a taxpayer can go to IRS.gov/payments to view all of the payment options available to them. Next slide, please.

That brings us to our second poll question:

So, you have a client; that client wishes to pay their taxes due using a credit card and asks you if that is possible. Your response is -- a) yes, IRS accepts credit card payments using third party processors.

b) no, IRS only accepts debit cards; or c) no, that is something IRS may consider doing in the future.

Announcer 2: And it looks like 97 percent said A. Back to the presenter.

Kareem Williams: All right, doing even better than the first poll question. So those who said A, that is the correct answer: yes, a taxpayer may use a credit card to pay their taxes due. Again, IRS.gov contains a link and instructions for how a taxpayer would do so.

Again, if they use a credit card those third-party payer processing fees may apply. Next slide, please.

So, we covered reasonable cause abatement; we covered first-time penalty abatements; and we've covered different options that are available to a taxpayer to make their payments to the IRS. There's a number of electronic options; there are also paper, check and cash options as well.

Now we will move on to another topic that almost all practitioners assisting taxpayers need to know and be familiar with: that is the topic of payment plans or installment agreements. It is important to understand that installment agreements and payment plans come in all shapes and sizes. Some types of plans are available to individuals and some are exclusively available to businesses. They range from a short-term payment plan, anywhere from 120 to 180 days,

some of which we will discuss in detail here shortly, to a longer-term payment plan that will call for monthly payments. They can be paid directly, debited from a bank account, or your client may mail in a check if they choose to, or the client may be able to go online and pay, as previously discussed, if they're in a certain type of installment agreement.

Again, which one is right and best for your client will depend on his or her specific tax situation. There is no one-size fits all when we're talking about payment plans and installment agreements.

Obviously, a full payment is first and preferred choice. It is preferred for a number of reasons, but most importantly, as we will discuss it is important because penalties and interest continue to accrue. For taxpayers who cannot full pay, although that's the preferred option, everybody may not be able to pay in full; the IRS recognizes that and tries to provide other options.

For those who cannot pay in full there are installment agreement options which may be the best solution. We are going to discuss various types of installment agreements, along with the qualifying criteria; again, it's not one-size fits all.

One thing I would like to stress at the beginning here is that penalties and interest do not stop accruing until the liability is paid in full. Penalties and interest will continue to accrue throughout the life of the installment agreement.
That is primarily why full payment, if available and possible, is the preferred option.

Now let's talk about specific payment plans that are available to individual taxpayers. Again, your client's specific tax situation will determine which payment options are available if full payment is not possible.

Other payment options may include a short-term payment plan, which is defined as a payment plan due within 180 days if it is being applied for via the phone. Currently, taxpayers that apply online can only pay within 120 days. We are currently working on modifications and updates to the online payment agreement portal to make it 180 days, but as of today

a short-term payment plan, if applied for by phone, is 180 days; if applied for through the online payment agreement portal that is 120 days for a long-term payment plan option, which is an installment agreement that requires monthly reoccurring payments.

For OPA, or the online payment agreement portal, both individuals and their power of attorneys may qualify to apply online if two criteria are met:

it's a long-term payment plan, the balance due is $50,000 or less in combined tax penalties and interest, and all required returns have been filed.

Right, so again, the taxpayer -- the balance must be $50,000 or less, including penalties and interest, and again, all returns must be filed.

The short-term payment plan, which is up to 120 days, currently online, is applicable if the balance due is less than $100,000, and that includes combined tax, penalties, and interest. For more information you can always visit IRS.gov/paymentplans. Next slide, please.

So, we've talked about payment plans for individuals; now we will proceed on to talking about payment plans for businesses.

Your client's specific tax situation, again, will determine which payment options are available to them if full payment is not possible. Other payment options, again, such as the short-term payment plan, due within 180 days when applying by phone, or a long-term payment plan, which again is an installment agreement that the taxpayer will make reoccurring monthly payments towards.

There is a single criteria if it is a business taxpayer applying through the online payment agreement portal. First, businesses must have a balance due of $25,000 or less in combined tax, penalties and interest and all required returns have been filed.

When talking about payment plans, whether as an individual or a business, it is very important for the powers of

Attorney and the practitioners, to remember a couple of things: one, as we said earlier, penalties and interest will continue to accrue throughout the life of the installment agreement until that liability is satisfied in full.

In addition to that, for some payment agreements, or a payment plan at certain levels of liability, the amount the taxpayer may owe, individual or business, a financial statement with supporting documentation may be needed. Additionally, a Notice of Federal Tax Lien may be filed under certain agreements.

Lastly, most payment plans will incur a user fee, not all, but most do. So those are important things that, as a practitioner, you must consider when advising your client. Penalties and interest will continue to accrue, and for some installment agreement and at certain levels of the liability,

they may need to supply a financial statement with supporting documentation, and very important: in certain situations, a notice of federal tax lien may be filed. All right, next slide.

All right, so we said in most payment plan scenarios there may be a user fee. So here I'm going to discuss what those user fees are and how they look for different types of plans.

So those short-term plans that we discussed are specific to individual taxpayers, some business taxpayers, some other business taxpayers, and are good for 180 days. Another thing that must be considered there is that that short-term payment option is only available if a previous payment plan, short-term plan, has not been granted. So, if we previously granted the taxpayer short-term

payment plan within that 180 days, and something happened, and it didn't go to completion, they cannot reapply for that same type of payment plan moving forward.

With the payment plan setup fees, the short-term payment plans, the 180-day options there are no setup fees at all. A regular installment agreement that is not a direct debit installment agreement --

so, this is an agreement that's longer-term, there would be a monthly requirement for the taxpayer to make some type of monthly payment, and it is not directly debited from their bank account.

If the taxpayer applies through the OPA or online payment agreement portal, or will be called voice balance due, which is basically automated phone system, there is a setup fee of $149. There is a low-income setup fee of $43.

If the taxpayer applies for that same type of agreement but they do it through the phone -- not the automated option but through a live person, they do it via mail or they apply in person, that setup fee is then $225. And again, the low-income setup fee is still $43.

Now, if a taxpayer is setting up a direct debit, or DDIA, as it's referred to, if they go online to set up that type of payment plan the setup fee is $31; the low-income fee is waived completely.

If they apply for a direct debit agreement the taxpayer applies through the phone, mail or in person that regular setup fee is $107.

Again, if the taxpayer qualifies as low income that fee will be completely waived.

So, in summary the lowest-cost option, excluding low-income taxpayers -- the lowest-cost option is to apply for a direct debit installment agreement through online payment agreement. That fee is $31; that's the lowest option.
Before we move to the next poll question, I'd like to share that the IRS.gov has a lot of valuable online resources. We've talked about a number of types of agreements, how much the user fees are and which portal or which option a taxpayer may be able to apply through. There is a Payment Plan FAQ page on IRS.gov that provides a lot of information that we discussed today and much more.

Also, on IRS.gov account web page, your client can securely access

their individual account information through online account through that portal. If they go through online account and use that portal there are a number of things that the taxpayer will be able to see: they will be able to see how much they owe. It's updated to the current calendar day, so it's pretty accurate. There's a breakdown by year that the taxpayer will be able to see. The taxpayer will be able to see their payment history and any scheduled or pending payments that they may have.

They will be able to see key information for their most recent tax return. If they have a payment plan, they will be able to see the payment plan details. They will be able to see how much is due, when the next payment is due, etc., all that information. They will be able to see digital copies of select notices that they may have received from the Internal Revenue Service. Again, not all notices are yet in this portal but there are some notices available to the taxpayer through this portal.

They will be able to see their economic impact payments, if any, if it's applicable to them, and they will also be able to see the current address that the IRS has for them on file.

In addition to being able to see that information, they will be able to make a payment through that portal and they can also see payment plan options and request a payment plan via the online payment agreement portal.

So again, IRS.gov, lots of good information to be shared and seen if a taxpayer visits their online account, all available 24 hours a day. Next slide.

The third poll question:

Are there any advantages to applying for a payment plan, including installment agreements, using the online payment agreement (OPA) system? Three options: Option A; yes, the setup fees are less, immediate approval and no phone call to the IRS is needed; option B: no, there are no advantages to using OPA; or option C: no, OPA should only be used if you cannot reach a live person at the IRS.

Kareem Williams: All right. Well, for all those who selected A, that is the correct answer. Good job. Using the OPA, or online payment agreement system will result in lower setup fees, it will result in an immediate approval response and it will also save you time since no phone call will need to be made to the IRS. So again, good job. Next slide.

Okay. Now we have covered first-time penalty abatements, we've covered reasonable cause penalty abatements; and we've covered a multitude of options through which a taxpayer can make a payment to the IRS, some electronic, some not. We've also covered payment plans and installment agreements. We've covered short-term plans; we've covered long-term plans. We've talked about plans for individuals; we've talked about plans for businesses, and we've also covered the setup fees that will come with each type of plan.

Now we will move on to what's called CNC, or currently not collectible. This is an option that exists if a taxpayer cannot full pay, that taxpayer does not have enough income to support a payment plan, and the taxpayer has no equity and assets that can be sold or borrowed against. Under some circumstances -- again, it's on a case-by-case basis; there is no one-size fits all here -- an account may be temporarily closed as currently not collectible.

Again, it is very important that it's a temporary solution; it is not a permanent solution.

So, if the IRS determines that a taxpayer cannot pay any of the tax debt, the IRS can report that account as currently not collectible. In the next slide or so we will discuss the pros and cons. On the surface it may seem like the thing to try to do, be currently not collectible, but there are a number of cons that come along with being in currently not collectible status.

Next, the IRS established standard amounts for basic living expenses, and those amounts will vary according to the unique circumstances of the individual taxpayer. Again, no one-sized fits all; there are certain criteria that outlines the basic living expenses of a person. That criteria is used when we talk about placing the taxpayer into currently not collectible status.

Next, the unique circumstances do not include the maintenance of an affluent or luxurious standard of living. That is a very important bullet to understand. The circumstances that we are talking about cannot, again, be for the maintenance of an affluent or luxurious standard of living.

For example, if someone has country club dues that is not something that the IRS will consider or allow for when calculating whether or not a taxpayer meets currently not collectible hardship status.

While your account is in currently not collectible or CNC status, the IRS will temporarily delay collections until the financial condition of that taxpayer improves. So that's the four things, the four criteria that we consider when we talk about this temporary status.

One, we determine that you cannot pay any part of your tax debt; two, there is the basic living standards that we will apply the taxpayer's expenses towards; three, affluent maintenance and a luxurious standard of living will not be considered; and four, it's just a temporary solution, temporary status; it is not a permanent solution. Next slide, please.

So, at the outset when we started talking about this topic, I said that there are pros and cons of being in currently not collectible status. For a taxpayer who the IRS determines meets this criteria it can seem like a big plus. However, that taxpayer still owes the tax;

the taxpayer still owes the penalties and interest, and those penalties and interest will continue to accrue while the taxpayer is in this status.

In addition, a Notice of Federal Tax Lien will likely be filed. So, the taxpayer still owes the tax, the penalties and interest will continue to accrue, and it is likely that the IRS will file a Notice of Federal Tax Lien.

It is important to note that this is not the first or even the second option; this is the last option. We will consider all other options and if there is just nothing there, that is when we get to the currently not collectible status. Again, since penalties and interest continue to accrue in this status, your client's balance will grow daily. Every day the taxpayer will owe a little bit more. Again, CNC is not a permanent solution. If your client is able to make any voluntary

payments during this time you should strongly encourage him or her to make them. It can only help because, again, the penalties and interest will continue to accrue, they will accrue daily; the balance will grow.

So, pros and cons, as listed on the slide. Really the only pro is the fact that most of that collection activity is suspended. As we talk about in the cons, the Notice of Federal Tax Lien is likely to still be filed.

The tax is still owed, so the tax balance, that liability does not go away. The penalties and interest will continue to accrue, and it's not a permanent solution. Again, I cannot stress that enough. Next slide, please.

All right, poll question four:

If my account is placed in a currently not collectible status, I will no longer owe the tax. A, true; B, false.

Announcer 2: And it looks like about 97 percent of us said false. Back to the presenter.

Kareem Williams: All right. Again, good job. The correct answer is B: if your account is placed in currently not collectible status the taxpayer will still owe the tax. In addition to that, the penalties and interest will continue to accrue. And lastly, although it's not here on this slide, as talked about it is also likely that a Notice of Federal Tax Lien will be filed on the taxpayer. All right, next slide.

All right, so we've covered penalty abatements, reasonable cause, first-time, we've covered payment options, both electronic, non-electronic, we've covered installment plans, short-term, long-term, individual, business, and we've talked about currently not collectible, what the criteria is for that status, what the IRS will look at when we talk about expenses, what it means to the taxpayer to be in that status, and the fact that if a taxpayer is in that status the penalties and interest will continue to accrue.

Now we will talk about how to avoid owing again in 2021. The IRS is trying to provide relief, where applicable,

again, as we all understand what happened in 2020 and the impact it had on this country and the economy. The payment options are making it as easy as possible for a taxpayer to make a payment to us when needed. For those taxpayers who cannot pay in full we are trying to make it as easy as possible through various installment agreements, there's different ways to apply fees -- that some have lower user fees than others. We try to even make short-term plans to have no user fees.

In addition to that, when all else fails there is the currently not collectible status that is a last option where the IRS can temporarily place an account. But once all those options are thoroughly explored and a solution is determined, moving forward it is very important that you as the practitioners work with us to help taxpayers understand what must be done to keep them from owing again in the future.

There are four specific things that can greatly help a taxpayer from owing the IRS again in the future, so that none of those previous options even need to be explored.

First, the simplest thing is to increase their withholding. If the taxpayer is having withholding come out of their salary, out of their paycheck but they continue to owe it is likely that the withholding is not sufficient, so we would ask you to speak with your clients and ask them to increase that withholding amount.

Second, to make estimated tax payments or federal tax deposits if it's a business.

Federal tax deposits are also critical if this is a business that has employees. It's very important that they timely make those federal tax deposits.

Third, to file and pay timely. At the outset we talked about different penalty abatement options, and those penalties are largely failure to file and failure to pay penalties. But one of the criteria, if you remember,

the first-time penalty abatement relief is that the taxpayer must have filed all their tax returns and that the taxpayer cannot have had any penalty assessed in the prior three years. So that's while filing and paying their taxes timely is very important to keep them from owing in the future.

And lastly: if something happens and the taxpayer cannot timely file their tax return it is imperative that the taxpayer, or you their representative, request an extension to file.

I would also highlight that when a taxpayer requests an extension to file their tax return that is not necessarily applicable to paying their taxes.

So again, four criteria, all of which will help you help your client not get in a situation that is reoccurring. If they have an issue of noncompliance let's work together, let's address that issue and let's keep it from beginning an issue as we move forward.

And that is largely covered through these four bullets here. Next slide, please.

That brings us to poll question number five:

Which of the following is a sound strategy to avoid owing taxes again in 2021? We can see how important this is to us:

a) ensure adequate withholding; b) make estimated tax payments or federal tax deposits accurately and timely; c) to file and pay timely; or d) all the above.

Announcer: And it looks like just about everyone said D. Back to the presenter.

Kareem Williams: All right, I am glad that everyone got that one right. We've spent quite a bit of time. The correct answer is D, all of the above.

Again, it is critical to you helping us keep taxpayers compliant that once we address whatever a current issue is that we do everything we can to keep them compliant in the future. So again, thank you and good job. Next slide.

All right, so at the outset of the presentation there were five specific things that I said you would be able to do after the presentation.

So now: can you explain how to apply for a first-time penalty abatement and general penalty abatement? Yes, we've covered that. Secondly, can you list the ways of making payments to the IRS; we've covered that. Third, can you discuss the options for payment plans, including installment agreements; we've covered that. Fourth, can you explain the criteria that the IRS uses to determine a case is CNC or currently not collectible?

We've covered that. And lastly, can you instruct a taxpayer on how to avoid owing again in 2021? Those are the five items that we said we would discuss, and I believe that, based on the answers to the poll questions all of you can do those five things now. So, next slide.

On this slide I would like to talk about some hot topics that are currently out in the public. There’s a lot of information available on IRS.gov about some of these specific topics that might be of interest to you and your clients. We tried to make IRS.gov as user-friendly as possible, and one of the options that we have there is a search engine and you can type in just certain words or keywords and bring up information related to whatever that hot topic is. I won't read all of these verbatim, but I will call out a couple.

First, coronavirus tax relief -- you could just type in coronavirus or COVID-19; the marijuana industry -- another hot topic going on right now, you can type in marijuana; information on that will come up.

We talked a lot about online accounts and all the things that a taxpayer can go on there to see, do. If they just say "view their account" it will bring up the link to online account.

We talked a lot about online payment agreements; that portal, or short, OPA -- just type in OPA. The different payment options. And also something else that may be important to the practitioners here is the tax professional news and resources. It's a good link; a lot of good information there for tax professionals. If you just type in "tax pro news" it will take you to that information. Next slide.

All right, so as we come towards the end of this presentation there are six focus group opportunities available to the folks. I will talk about each one.

The first is improving the taxpayer experience. That is something extremely important to the Internal Revenue Service. It's why it's topic one, and it's something that we need your feedback on. We need your help in developing strategies to help improve that taxpayer experience: Where are the pain points?

What are the gaps? Are we missing certain things? Let us know. That's your opportunity to do so.

We talked about online accounts. That is for individual taxpayers. We are working to design a business taxpayer's online account and envision a Form 1099 filing platform. But again, we need your feedback. We need input from our stakeholders on what would make it easier, faster, and more efficient.

Third, changes to partnership environment and where's the Form 944. Topic four, it's talking about improving the Offer-in-Compromise experience and gig economy worker's tax compliance. The Offer-in-Compromise program is a program that many taxpayers and practitioners use, so again, it leads back up to number one where we're talking about how to improve the experience of our taxpayers and practitioners that are using that option.

In addition, the growing gig economy may be seeing taxpayers in the growing gig economy may receive Form 1099 pay as well as third party network transactions, etc. The IRS is seeking additional information on the difficulties that you may be coming across to accurately report income from those types of sources.

Fifth, the passport program and virtual currency tax compliance -- another hot topic here in the IRS with collective feedback to determine if the information available on IRS.gov is sufficient to explain the passport program and to provide guidance on how to resolve certification issues. If the information is missing or lacking something that's critical to you and your client this is your opportunity to tell us what's missing; we can work to get it there.

Additionally, the IRS is also seeking information about virtual currency and any recent trends practitioners have noted. Obviously virtual currency -- there's a lot of taxpayers that participate in virtual currency and we're interested in seeing what trends you may be seeing.

And lastly topic six is interest abatement feedback and civil penalties and reasonable cause relief. A lot of which we have -- some of which -- I won't say a lot -- some of which we discussed today.

But again, that forum and that focus group we will go into very much more detail on this topic.

Each of these focus groups are scheduled for one hour with eight to ten participants. Participants who meet the qualifying criteria are selected simply on a first-come, first-served basis. If you are selected, you will receive a confirmation email with information on how to join the focus group.

With that, to sign up for additional information please email -- and I won't read it, but it's down at the bottom -- that is where you can sign up to receive additional information on any of the six focus groups.

All right.

Moderator: Thank you, Kareem. It looks like we have time to answer some of the questions. We remind everyone that in order to earn CE credits you must be present for the entire presentation, which includes this Q&A and the survey at the end.

So, I'll move on to this first question, Kareem: Do voluntary payments endanger CNC status? That is, can a taxpayer pay what little they can without getting kicked off a CNC?

Kareem Williams: That is a great question. Voluntary payments do not -- and I'll repeat, do not endanger CNC status.

When the IRS makes the determination to place a taxpayer in CNC status it is based largely on a thorough financial review already. So, we are aware of the taxpayer's financial situation. We encourage those taxpayers to then make voluntary payments, but it is does not endanger their status as currently not collectible, not at all. Thank you.

Moderator: Good to know. We have another question: when you say "All required returns have been filed" does this include employment tax returns as well?

Kareem Williams: Yes, all required returns in order for certain options to be available all required returns does include employment tax returns.

Moderator: Thank you. All right, we have another question: if a taxpayer makes a payment plan are they going to have additional interest for the period of time that they are making their payment?

Kareem Williams: Another good question. Yes, penalties and interest continue to accrue throughout the life of a liability. So if the account is not paid in full penalties and interest will continue to accrue as the taxpayer makes their monthly reoccurring payments.

Moderator: Thank you for that answer.

We have another question: when a client is in CNC status does that mean they attach a lien?

Kareem Williams: So, as we talked about -- another good question -- in most instances it is likely that a Notice of Federal Tax Lien will be filed for a taxpayer being placed in currently not collectible status. So yes, it is likely that the taxpayer will have a Notice of Federal Tax Lien filed before they're placed into that status.

Moderator: Thank you. That's good to know. Another question is: can IRS collect from a deceased person or their heirs?

Kareem Williams: Good question. So that's not a topic we covered, but again it's a question -- the answer is yes, if that deceased taxpayer has an estate that has assets, yes, the IRS can collect from that estate any tax liability that might be outstanding for that deceased taxpayer.

Moderator: Thank you, that's good to know. One more question: can you explain the partial pay agreement and how it works.

Kareem Williams: Sure. So again, a good question. It's not something we covered, but the partial payment agreement is a type of installment agreement where a taxpayer will only pay some portion of the liability.

We will have done a thorough financial review of the taxpayer's current financial status and situation and the determination would be that while the taxpayer can pay something, they may not be able to fully pay the liability. And so that is when a partial pay agreement would be discussed and considered. Again, on IRS.gov if you type in pay or payment plans or installment agreements there's much more detailed information for partial payments or partial pay agreement but it is an option and it is something that the IRS will consider if other options are not suitable for that specific taxpayer situation.

Moderator: Thanks for all that great information, Kareem.

Announcer 3: Thank you, ladies and gentlemen; this concludes today's event.

Glossary

CNC - currently not collectible status

DDIA - Direct Debit Installment Agreements

EFTPS – electronic federal tax payment system, a free system provided by the U.S. Department of the Treasury allowing individuals to pay taxes either online or by phone allowing individuals to schedule payments in advance

Notice of Federal Tax Lien – a public document the IRS files to alert creditors that the government has a legal right to an individual's property.

Offer in compromise - allows individuals to settle their tax debt for less than the full amount owed.

OPA - Online Payment Agreement portal

Virtual currency - digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value

Index