



POWERING AMERICA'S TAX EXPERTS

For Immediate Release

Contact: Gigi Thompson Jarvis
202.822.6232, x119
gjarvis@naea.org

NAEA Testifies about “Real-Time” Tax System

WASHINGTON, DC (December 8, 2011)—The National Association of Enrolled Agents (NAEA) today presented testimony at a public hearing meeting held by IRS to gather feedback on how to implement a more “real time,” or upfront matching of tax returns. The proposed system would allow IRS to match information on a taxpayer’s return with information filed by third parties, such as mortgage holders and employers, when the return is first filed. As the organization that represents enrolled agents, America’s tax experts, NAEA was among a select group invited to present oral testimony.

Lonnie Gary, EA, USTCP, Chair of the NAEA Government Relations Committee, called the initiative “an idea whose time has come,” and assured the commissioner that “we support without hesitation the initiative’s goals” of reducing notices and increasing efficiency. Gary went on to question details of the initiative that would impact taxpayers, tax practitioners and tax administration.

Among the questions Gary raised was how the Service will acquire in a timely fashion the return data that will be matched. The new system will require an aggressive due date for the information. One possible accommodation Gary recognized would be to start the filing season later without changing the April 15 deadline, although he emphasized that compressing the filing season would present significant challenges for preparers.

Another key issue raised was what information IRS plans to share on a pre-filing basis. Will tax preparers have access to the same information IRS uses in its matching program in real time? Gary expressed concern that the new schedule for dealing with returns that do not match would result in moving the millions of IRS contacts from post-filing season to prime filing season, adding a potentially overwhelming burden to tax practitioners working to meet the filing deadline for a large number of clients.

NAEA also addressed the rejection process and questioned whether re-signing the return, a potentially time-consuming and inconvenient situation for taxpayers and their preparers, would be required. The affect the initiative would have on “speedy refunds” was also questioned.

Gary concluded by stressing that although the association supports the goals of the initiative, many details that have yet to be addressed are critical to its success. “The Service must balance the costs of the current admittedly imperfect system against the costs and benefits of a real time processing system.”

Gary’s complete testimony may be read here:

http://www.naea.org/MemberPortal/Advocacy/Testimony/NAEA_Comments_at_IRS_Public_Meeting_on_Real_Time_Processing.htm

The National Association of Enrolled Agents (NAEA) is the professional society representing tax preparers who have earned the distinction of “enrolled agent” (EA). EAs are federally licensed to represent taxpayers before the IRS for audits, collections and appeals.

The National Association of Enrolled Agents (NAEA) is the professional society that supports its members with resources, education and networking and by representing their interests to government, business and the general public. Find out more about NAEA and becoming an enrolled agent at www.naea.org.

This document was created with Win2PDF available at <http://www.win2pdf.com>.
The unregistered version of Win2PDF is for evaluation or non-commercial use only.
This page will not be added after purchasing Win2PDF.