

Transcript for Tax Practitioner Hotline: What to Do Before You Call & Other Helpful Hints

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Good morning and welcome to today's webinar. I am Kevin Coughlin. Also with me today is Michael Eddington, who is our subject matter expert. Today we will be talking about the Tax Practitioner Hotline and how to make the most of your call.

Technical difficulties ** Thank You for your patience **

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For the tax professionals attending today, this webinar will not qualify for Continuing Education Credits because it is only 30 minutes in length.

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Before we get started, I want to take a moment to explain how the control panel on your screen works. In the upper right corner of your screen, you should see a tab. Just click on the arrow on the tab to expand out your control panel.

This slide shows an image of a control panel that is similar to the one on your screen. On it are the various parts of the control panel and their function. Please use it as a reference to guide your use of the control panel during the presentation.

Notice that your control panel has a dial-in number and access code on it. If at any point during the presentation you lose our signal, or if you can't hear the audio, please call the number listed on your screen to hear this webinar over the phone.

We are unable to stop the webinar to assist you so please call the number listed on your screen.

At the bottom of your control panel, there's a place for you to type in questions. Please feel free to type in your questions at any time during the webinar. I'll do my best to answer those questions at the end of the presentation or respond back to you directly as soon as possible after the webinar.

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Our next two webinars will be held on Tuesday January 14 and Tuesday January 28, 2014. Both webinars will be an hour in length and go from 10:00 a.m. to 11:00 a.m.

We will cover The Do's and Don'ts of Filing a Personal Income Tax Return.

Please see our December Tax News for the registration link.

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The objectives of today's webinar are:

- ❖ Overview of Tax Practitioner Hotline
- ❖ Types of Calls the Hotline can Assist you with
- ❖ Types of Calls We Can't Help You With
- ❖ Security & Disclosure
- ❖ Transcript vs. Tax Computation and
- ❖ Bits & Pieces

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The Tax Practitioner Hotline - Who We Are & What We Do

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The Tax Practitioner hotline started in 1987 and had only one agent – Jim, who is now retired. In the beginning, the hotline was very limited in its scope with Jim only answering law questions, form preparation and general filing questions; much like our Live Chat today. The hotline was only open from January to June.

In 1988, we increased our staff by 400% for a grand total of four agents. In 1991, in response to requests from the practitioner community, we expanded our availability to all and expanded our services to account related issues.

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And this is who we are today!

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As of October 31st, we have 22 agents on the hotline and **average 16 per day**. Last year the hotline answered 190,000 calls which averages out to almost 12,000 calls per agent!

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You can reach the Tax Practitioner hotline at 916.845.7057. Again, that number is 916.845.7057. The hotline is open 8:00 a.m. to 5:00 p.m. Monday through Friday.

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The best time to call the hotline is between 11:00 a.m. and 1:30 p.m. On the other hand, Mondays or Tuesdays after a holiday are very busy days. Also, we find that 4:00 p.m. to 5:00 p.m. is an especially busy time for us.

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For some of our audience this may be the first time that you have heard of the Tax Practitioner hotline. Let's take a moment to take a quick look at the calls we can help you with.

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Let's start with our personal income tax pre-filing assistance services. We can help you with:

- ❖ General or Specific Law Questions
- ❖ Mandatory E-Pay
- ❖ Explanation of Forms
- ❖ Explain Estimate Payment Requirements & Dates
- ❖ Publication Questions

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- ❖ Power of Attorney Questions
- ❖ Address Changes, with a Power of Attorney
- ❖ 1099G and 1099INT
- ❖ Child and Dependent Care Credit, and
- ❖ E-File Rejection Code Resolution

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After filing season, comes the notice season. We can help you with resolving your client's accounts issues such as:

- ❖ Billing and Notice Questions
- ❖ Account Balance
- ❖ Return Status
- ❖ Non-Assigned Collection Accounts
- ❖ Explanation of Liens
- ❖ Modification of Earnings withholding Orders

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Personal Income Tax Account Resolution

- ❖ Filing Enforcement Questions
- ❖ Return Processing & Timeframes, and
- ❖ Refund Status

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On the Business Entity side, we can help you with these types of pre-filing questions:

- ❖ Law Questions
- ❖ Explanation of Forms
- ❖ Estimate Payment Requirements & Dates
- ❖ Publication Questions

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- ❖ Power of Attorney Questions
- ❖ EFT Requirements & Assistance
- ❖ Entity Status Inquiry
- ❖ Dissolution or Surrender, and
- ❖ Forming a New Entity

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We can help Business Entity accounts resolution issues such as:

- ❖ Billing and Notice Questions
- ❖ Account Balance
- ❖ Return Status
- ❖ Non-Assigned Collection Accounts

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- ❖ Filing Enforcement Questions
- ❖ Return Processing Questions & Timeframes and
- ❖ Refund Status

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Unfortunately, we can't help you with all your questions. Here are the types of questions we can't handle.

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- ❖ Our services are for tax practitioners only. Please do not give our number to your clients. We won't be able to help them and will have to refer them to our general 800 number.
- ❖ We can't work accounts assigned to a specific collector or collection unit. Although we can't help you, we will provide you with the collector's name and phone number.
- ❖ We cannot help with certain Personal Income Tax installment agreements. We will refer you when necessary to 800.689.4776 and the Installment Agreement Group can help you. Again, that number is 800.689.4776. Or you can have your client apply online from our website. If you would like more information on applying online, see our webinar "Self-Help: Using Our Website to Help You" on our website.

I'll tell you how to access our prior webinars at the end of this presentation.

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Suspended or Forfeited Entities & Business Entities installment agreement requests are handled by a special group in our Collections bureau.

You can call them directly with your questions. Their numbers are:

- ❖ Inside the U.S. - 888.635.0494. Again that number is 888.635.0494
- ❖ Outside the U.S. - 916.845.7033. Again that number is 916.845.7033

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Now that we have covered *what* we can and can't talk about, let's talk about *who* we can talk to.

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At a minimum, you must answer the following four questions to identify the Taxpayer or Trust and establish the right-to-know:

- ❖ Name
- ❖ Relationship (taxpayer, authorized representative, spouse, etc.)
- ❖ Social security number or account number
- ❖ Address (you may need to verify previous address, as well as current address)

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For Business Entities, you must answer the following four questions to identify the entity and establish the right-to-know.

- ❖ Name
- ❖ Your Relationship to the Entity
- ❖ Business Entity Number and
- ❖ Address

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When you call us about your client's account, you need one of the following:

- ❖ A Power of Attorney on file with Franchise Tax Board or
- ❖ A copy of the notice you are calling about or
- ❖ A copy of the tax return you are calling about

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Let's review your address options.

Of course, the best option is to verify your client's address before you call the hotline. If you don't have the current address, you can still call the hotline and, after the account is reviewed to see if it is being handled by another unit, you can fax a Power of Attorney with the correct address to a hotline Agent.

After faxing the Power of Attorney, you will need to call us back in 2 hours. When you do call back, any hotline representative will be able to assist you.

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If you have all the business entity's information, except the current address, going to the Secretary of State's website may not be the best place to get their address.

The address on the Secretary of State's file is usually the business's address at the time of:

- ❖ Incorporation
- ❖ Qualification
- ❖ Formation, or
- ❖ Registration

And more likely than not, it is the address of their agent or the company that filed the Secretary of State's paperwork, such as CCH and Legal Zoom.

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Do you usually get a Power of Attorney from your client during their first visit to your office? If you do, we recommend that you send it to our power of attorney unit right away, instead of waiting until you need it.

Their fax number is: 916.843.5440. Again that number is 916.843.5440.

That way you can deal with your client's issues right away, instead of waiting for us to process the Power of Attorney.

We also recommend that you use Super Box (Part 4) to ensure that we can help you with all of your client's issues. If you would like additional information on Super Box and other changes we made to our 2012 Power of Attorney form, see our webinar "FTB 3520 – What's New" on our website.

I'll tell you how to access our prior webinars at the end of this presentation.

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Did you know that we rejected over 16,000 Powers of Attorneys last year? That is 17% of the total Powers of Attorneys we received.

Please review the Power of Attorney before you fax it to the hotline!

Don't forget to list the tax years involved or mark the super box.

Some most common reasons we reject your Power of Attorney are:

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The information entered on the 3520 does not match the information we have on our system.

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For individual returns, the name listed in Part 1 does not match signature.

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The Power of Attorney for your Business Entity or fiduciary did not include the signer's title on the signature line.

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Here is a list of acceptable Signature Titles for Corporations, LLCs and LLPs, General and Limited Partnerships and Sole Proprietorships.

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You include more than one taxpayer in Part 1.

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The hotline does not provide transcripts but we can send your client a tax computation.

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This slide shows a tax computation for an individual.

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This is page 2 of the tax computation showing payment dates and amounts. It also shows what tax year the payment was applied to.

Hotline agents can give the Power of Attorney this information over the phone. We can mail the information to the taxpayer and their *authorized* representative if the representative has a Power of Attorney on file, otherwise we will only mail the tax computation to the taxpayer. This can take up to 10 **days** to receive.

If you actually need a transcript, you can request one by fax through our electronic correspondence unit. That fax number is 916.845.9300. Once again, that number is 916.845.9300. For a transcript, please allow up to 10 **weeks** to receive.

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Here is a tax computation for an LLC.

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This is the bottom portion of the LLC tax computation.

Just like Personal Income Tax information, hotline agents can give the Power of Attorney this information over the phone. We can mail the information to the taxpayer and their *authorized* representative if the representative has a Power of Attorney on file, otherwise we will only mail the tax computation to the taxpayer.

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But, do you really need an “official” on paper transcript or tax computation? As you can see from this slide, most of the information you are requesting can be obtained from your client’s MyFTB Account.

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Now for some bits and pieces of advice.

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Our hotline agents can help you with up to three accounts per call. If you have questions about multiple accounts, please let the agent know at the beginning of the call. By letting us know in advance, helps us to better serve you.

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Using a speaker phone is very convenient. You can look through the papers or files on your desk without worrying about dropping the phone. However, using a speaker phone presents several problems for our agents. Most of the time, it is difficult for us to understand the caller. There is the wind tunnel effect and the noise in and around your office. There is also a disclosure danger when someone, not authorized by the taxpayer, overhears your conversation with us.

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It happens to all of us. You are on a phone call and someone comes over to you with a question or you have another call coming in, so you put the caller on hold. However, when you put us on hold, you increase the wait time for all other customers. In order to minimize customer wait times, our hotline staff can only wait on hold for a few minutes before going on to the next call.

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In order for us to locate a check payment quickly, please have a copy of both the front and back of the check when you call us. We need you to tell us the numbers stamped on the check so we can locate the payment.

A helpful hint – If your client has faxed a copy of the check to you, make sure you can read the stamped numbers on the check before faxing it to us. If you can’t read it, we can’t read it.

For Web Pay, your client is going to need to send you or us a copy of their bank or transaction statement. We can try to locate the payment using the information on the statement.

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One of the most asked questions we get on the Hotline is to move a current year estimated tax payment or credit over to pay a prior year balance.

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How many of you know that you are making a binding election when you have this year's overpayment applied to the following year?

An individual or corporation that has an overpayment of taxes for the current year can elect to have the overpayment applied to the next taxable year's tax.

The election to apply this year's overpayment to next year's estimated tax is binding. Once the election has been made, the overpayment cannot be brought back and used against a deficiency occurring in the prior year.

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Let's go over this very common example:

When Stickfigure Incorporated filed its 2012 return, it had a \$2,000 refund, which it elected to have applied against its 2013 estimated tax. Later in the year, the corporation discovered that it had forgotten to include some interest income that increased its 2012 tax liability by \$500.

Since the election is irrevocable, the corporation must pay the \$500 plus interest and any applicable penalties.

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When your client makes an estimated tax payment for the current tax year, we are prohibited from moving the payment to cover a prior year deficiency.

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We highly recommend to the members of our tax practitioner community to subscribe to Tax News. Tax News is our monthly online publication designed to inform tax professionals about state income tax laws; our regulations, policies, and procedures; and events that affect the tax professional community. We also periodically release Tax News Flashes to quickly notify subscribers of urgent, time-sensitive information.

We provide a subscription service that delivers Tax News (including the Tax News Flashes service) to you via email.

You can find a link to Tax News from the Tax Professionals page.

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As we move closer to implementing our revised MyFTB Account in the fall of 2014, Tax News will keep you up to date on all of the changes that are being made.

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We have two Live Chat lines available to help you. Use the General Live Chat line to get answers for non-confidential Personal Income Tax or Business Entity questions, find a form or publication, and to get help with our website. Use the Collections Live Chat for questions regarding general installment agreements and Personal Income Tax or Business Entities non-confidential collection information.

As you can see the average wait time for Live Chat is only 17 seconds. It is a fast and easy way to get general information questions answered.

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Now it is time for questions. Please note, that we will be answering general questions. For specific account questions, please call us.

You can submit your questions through the "Ask Question" window on your GoToMeeting Dashboard.

Depending on the volume of questions received, we may present a series of standard questions and answer.

If we can't answer all of your questions within our allotted time period, we will email you with the answer.

Now, I am turning the webinar over to Michael to answer your questions.

Questions:

Thank You Kevin.

1. Where can I get a copy of the PowerPoint?
 - A. We will add this webinar to our website under the Tax Professionals tab within the next few days. The presentation will be in PDF format. You can print it from our website.

2. When calling to do a compliance check, is there a fax number to fax the Power of Attorney without talking to an agent?
 - A. The hotline does not accept or process unsolicited Power of Attorneys. If you need a compliance check, you can view the information on your clients MyFTB account.
3. When will Tax Professionals be able to see our payments received on MyFTB Account?
 - A. You will be able to see all payments when the new version of MyFTB Account becomes available in the fall of 2014.
4. Why can't Hotline staff verify payments or returns filed on suspended accounts?
 - A. The suspended unit has requested we transfer all calls on accounts that are suspended to them.
5. Why are the timeframes so long on amended returns?
 - A. Amended returns are processed manually and need to be reviewed.
6. If I file an amended return for my client, can you move the overpayment back?
 - A. The overpayment cannot be moved back by filing an amended return. Once the election has been made, staff cannot move it back. The only exception is if the amended return is filed on or before April 15.

That is all the time we have for questions. Now I am turning the webinar back over to Kevin to give you some further information.

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Thank you, Michael. If you would like to view this webinar or prior ones, please go to our website and click on "News & Events." Webinars is the third item listed on the navigation bar.

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We hope you found this webinar interesting and helpful.

On behalf of the California Franchise Tax Board, thank you for attending today's webinar.