

Transcript for Tax Practitioner Hotline: Helpful Hints

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Good morning and welcome to today's webinar. My name is Kevin Coughlin. Today I will be talking about the Tax Practitioner Hotline and some helpful hints.

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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 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 functions. Please use it as a guide during the presentation.

Notice that your control panel has a dial-in number and access code on it.

If during the presentation, **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 assist you during the presentation.

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 after the webinar.**

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Our next webinar will be held on Tuesday, August 12. The webinar will be 60 minutes in length and go from 10:00 a.m. to 11:00 a.m.

We will cover FTB 5805 – Underpayment of Estimated Tax by Individuals and Fiduciaries.

Please see our July Tax News for the registration link.

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The objectives of today's webinar are:

- ❖ Hours and Statistics
- ❖ Security and Disclosure
- ❖ Types of Calls the Hotline Can Assist You With
- ❖ **Types of Calls We Can't Help You With**
- ❖ Transcript vs. Tax Computation
- ❖ Bits and Pieces

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The Tax Practitioner Hotline: Hours and Statistics

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As of May 1, 2014, we have 21 agents on the Hotline and **average 17 per day**. Last year the Hotline answered 186,000 calls, **which** average out to almost 11,000 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. It seems that everyone would rather eat lunch than talk taxes.

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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Now that we have the basics covered, let's talk about Security and Disclosure.

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At a minimum, you must answer the following five questions regarding the individual or Trust to establish if you have the right-to-know:

- ❖ Social security number or account number
- ❖ Name of taxpayer
- ❖ Address (you may need to verify previous address, as well as current address)
- ❖ Your name and your relationship (taxpayer, authorized representative, spouse, etc.), **and**
- ❖ **Your Firm's** Name and Telephone Number

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

- ❖ Business Entity Identification number
- ❖ Name of Business
- ❖ Address (you may need to verify previous address, as well as current address)
- ❖ Your Name and Your Relationship, **and**
- ❖ **Your Firm's Name** and Telephone Number

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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 FTB
- ❖ 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 allow 2 hours before calling back. 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
- ❖ Registration *or*
- ❖ **Agent's Address**

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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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 go over the types of 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 (Check on MyFTB Account)
- ❖ 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
- ❖ Current Credits *and*
- ❖ E-File Rejection Code Resolution

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After filing season, comes the notice season. We can help you with your client's account 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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- ❖ Filing Enforcement Questions
- ❖ Return Processing & Timeframes *and*
- ❖ Refund Status

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For Business Entities, we can help you with the following 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 assist with Business Entity account resolution issues such as:

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

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- ❖ Filing Enforcement Questions *and*
- ❖ Return Processing Questions & Timeframes

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

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- ❖ **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 telephone number.
- ❖ Certain Personal Income Tax installment agreements will need to be referred to the Installment Agreement Group for further assistance. Their direct telephone number is 800.689.4776. 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.

For assistance with these types of account questions please call:

- ❖ If within the United States - 888.635.0494. Again that number is 888.635.0494.
- ❖ Or outside the United States - 916.845.7033. Again that number is 916.845.7033.

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

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

We also recommend that you use Super Box (Part 3) 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 Power of Attorney form, see our webinars "POA 101 – The Basics" and "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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In 2013, we processed over 116,000 Power of Attorneys. But, did you know that we rejected over 16,000 Power of Attorneys last year? That's 14% of the total Power 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 box in Part 3 (also known as the Super Box).

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This slide shows you what Super Box looks like on Form 3520.

Now **let's** look at some of the most common reasons we reject your Power of Attorney.

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

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You include more than one taxpayer in Part 1.

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For individual returns, the name listed in Part 1 does not match signature. Ensure the signature is also legible.

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The Power of Attorney for your business entity or fiduciary did not include their title on the signature line. Again, ensure the signature is legible.

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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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Transcripts versus Tax Computations. The Hotline does not provide transcripts but we can send your client a tax computation.

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When you contact the IRS for a transcript, this is what you will receive. Unfortunately, we **don't have anything comparable that will give you a line by line break down of the taxpayer's** return.

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This slide shows a tax computation for an individual that you would receive from the FTB.

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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 POA representative. Otherwise, we will only mail the tax computation to the taxpayer.

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Here is the top portion of a tax computation for a Business Entity.

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This is the bottom portion of the Business Entity 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 POA representative. Otherwise, we will only mail the tax computation to the taxpayer.

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But, do you really need an "official" 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.

If there are no returns on file, there will be no 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. 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 our 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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Now let's talk about amended returns. If you contact the Tax Practitioner's Hotline, we are unable to place a hold on the billing cycle to allow the amended return to process.

If you send a payment with the amended return, the payment will not post to the account, or show on MyFTB, until the return is processed.

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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 common requests 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 Inc. filed its 2013 return, it had a \$2,000 refund, which it elected to have applied against its 2014 estimated tax. Later in the year, the corporation discovered that it had forgotten to include some interest income that increased its 2013 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, by law, 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 Flash 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 2015, 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 Entity non-confidential collection information. The correct hyperlink is available on the appropriate webpage.

As you can see, the average wait time for Live Chat is less than 30 seconds. It is a fast and easy way to get general information questions answered.

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Now it is time for questions. **You can submit your questions through the "Ask Question" window on your GoToMeeting Dashboard.**

Please note, that we will be answering only general questions. For account specific questions, please call the Tax Practitioner Hotline at 916.845.7057, Monday through Friday, from 8 a.m. to 5 p.m. Again that number is 916.845.7057.

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

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

Questions:

The first question is 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.

The next question: 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.

The next question: 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 2015.

The next question: 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.

The next question: Why are the timeframes so long on amended returns?

- A. Amended returns are processed manually and they do need to be reviewed.

The next question: 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.

The next question: Can hotline answer questions on LLC laws?

- A. Yes, our Tax Practitioner Hotline can answer questions on all business entity types.

The next question: Although I need to check when my business client's refund status, do I need to get POA?

- A. If you have a copy of the return in hand when you call, then you will not need a Power of Attorney. **If you don't have the return, then you will need to have a POA.**

The next question: When will you put more information to MyFTB Account for business? Having only the estimated payments causes more call to you.

- A. When the new version of MyFTB Account becomes available in fall of 2015, you **will be able to view your business entity client's prior tax returns, payments, and notices online.** What you can see of your client's information will be based on a valid POA on file with us.

That is all the time we have for questions. If we did not get to your question today, we will get back to you by email soon after the webinar.

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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 on the left.

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Just a reminder, our next webinar will be held on Tuesday, August 12, 2014. The webinar will be 60 minutes in length and go from 10:00 a.m. to 11:00 a.m.

We will cover common questions we receive regarding FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Please see our July Tax News for the registration link.

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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.