

E-Services Reality

The following are examples of how e-services can be used in your practice.

1. New clients came in because of a letter from IRS questioning their filing of form 1040EZ. During the interview I discovered they had actually filed form 1040, with itemized deductions. We completed form 2848 and submitted it via the Disclosure Authorization (DA) function of the E-Services web page. After about half an hour (during which I was able to discuss ways our firm could serve them in the future), I was able to access their file and retrieve a transcript through the Transcript Delivery System (TDS). The transcript showed that they had filed form 1040, with itemized deductions and received a refund of approximately \$1,300 in February 2005. They had subsequently filed form 1040EZ and paid \$600 in additional tax. After "digging through" their tax files they found that instead of filing Ohio form IT-1040EZ, they had prepared and filed the federal form 1040EZ. At that point we prepared the state and local forms and responded to the IRS notice, and we gained a client.
2. An existing client had some "major issues" in making her EFTPS payments for withheld tax and continually found the payments posted to the wrong quarters. (The client is making deposits via telephone and is not always careful about the buttons she pushes...) After many errors, we decided to maintain a 2848 for current year periods, and prior year periods on file. I have been able to enter the Electronic Account Resolution program on multiple occasions and request that a payment be moved from the incorrect quarter to the correct quarter. We now request a transcript (through TDS) when preparing form 941 each quarter in order to make sure payments have been correctly posted even before IRS generates the notice.
3. A client of ours had a collection issue relating to his individual tax. IRS got his attention with a wage levy. (The CP-504, Notice of intent to levy was unopened along with all the other notices.) He had sufficient funds to make monthly the payments, just "didn't have the time" to write the checks. I submitted the 2848 through the e-services DA function, waited 72 hours for it to post to the CAF then called ACS to set up a payment agreement. At the same time as I submitted my 2848, I established an EFTPS account for the taxpayer. I was able to establish a \$500 per month payment plan via a phone call to ACS, and had the taxpayer give me two monthly payment checks, within the next 60 days we had the PIN for the EFTPS account. I was then able to set up automatic withdrawals for the next several payments after that. Now we e-mail the client 10 days prior to the automatic payment to make certain he has enough money in the account to cover