

IRS NEWS FOR BUSINESS

March 2019

► UPCOMING WEB CONFERENCES

Check [Webinars for Small Businesses](#) for upcoming webinars. (None scheduled at this time.)

► NEWS

[Here are five facts about the new Form 1040](#)

- There are several changes to the 2018 Form 1040. However, taxpayers who file electronically may not notice the changes as the tax return preparation software guides people through the filing process.
- Here are five things taxpayers need to know about the 2018 Form 1040.
 - The 2018 Form 1040 replaces Forms 1040, 1040A and 1040EZ with one 2018 Form 1040 that all taxpayers will file.
 - Forms 1040A and 1040EZ are no longer available. Taxpayers who used one of these forms in the past will now file Form 1040.
 - The 2018 Form 1040 uses a “building block” approach and allows taxpayers to add only the schedules they need to their 2018 tax return.
 - The most commonly used lines on the prior year form are still on the form. Other lines are moved to new schedules and are organized by category. These categories include income, adjustments to income, nonrefundable credits, taxes, payments, and refundable credits.
 - Many taxpayers will only need to file Form 1040 and no schedules. Those with more complicated tax returns will need to complete one or more of the 2018 Form 1040 Schedules along with their Form 1040. These taxpayers include people claiming certain deductions or credits, or owing additional taxes.

[There are six new schedules some taxpayers will file with the new Form 1040](#)

- The 2018 Form 1040 replaces prior year Forms 1040, 1040A and 1040EZ. The 2018 Form 1040 uses a building-block approach that allows individuals to file only the schedules they need with their federal tax return. Many people will only need to file Form 1040 and no schedules.
- Electronic filers may not notice these changes as the tax software will automatically use their responses to complete the Form 1040 and any needed schedules. For taxpayers who filed paper returns in the past and are concerned about the 2018 changes, this may be the year to consider the benefits of filing electronically.
- While commonly used lines on the prior year form are still on the 2018 Form 1040, other lines are now Schedules 1 through 6 and organized by category. The six new numbered schedules are in addition to the existing schedules, such as Schedule A, Itemized Deductions, or Schedule C, Profit or Loss from Business.

Ten things for taxpayers to think about when choosing a tax preparer

- It's the time of the year when many taxpayers choose a tax preparer to help file a tax return. These taxpayers should choose their tax return preparer wisely. This is because taxpayers are responsible for all the information on their income tax return. That's true no matter who prepares the return.

Don't be victim to a 'ghost' tax return preparer

- The IRS is warning taxpayers to avoid unethical tax return preparers, known as ghost preparers.
- By law, anyone who is paid to prepare or assist in preparing federal tax returns must have a valid 2019 Preparer Tax Identification Number, or PTIN. Paid preparers must sign the return and include their PTIN.
- But 'ghost' preparers do not sign the return. Instead, they print the return and tell the taxpayer to sign and mail it to the IRS. Or, for e-filed returns, they prepare but refuse to digitally sign it as the paid preparer.
- According to the IRS, similar to other tax preparation schemes, dishonest and unscrupulous ghost tax return preparers look to make a fast buck by promising a big refund or charging fees based on a percentage of the refund. These scammers hurt honest taxpayers who are simply trying to do the right thing and file a legitimate tax return.

Where's My Refund? tool lets taxpayers check status of their refund

- The best way for taxpayers to check the status of their refund is to use the Where's My Refund? tool on IRS.gov. This tool gives taxpayers access to their tax return and refund status anytime. All they need is internet access and three pieces of information:
 - Their Social Security Number
 - Their filing status
 - The exact whole dollar amount of their refund
- Taxpayers can start checking on the status of their return within 24 hours after the IRS received their e-filed return, or four weeks after they mail a paper return. Where's My Refund? includes a tracker that displays progress through three stages: the IRS receives the tax return, then approves the refund, and sends the refund.

Individuals who need passports for imminent travel should contact IRS promptly to resolve tax debt

- The IRS reiterated its warning that taxpayers may not be able to renew a current passport or obtain a new passport if they owe federal taxes. To avoid delays in travel plans, taxpayers need to take prompt action to resolve their tax issues.
- In January of last year, the IRS began implementing new procedures affecting individuals with "seriously delinquent tax debts." The law requires the IRS to notify the State Department of taxpayers the IRS has certified as owing a seriously delinquent tax debt, which is \$52,000 or more. The law also requires State to deny their passport application or renewal. If a taxpayer currently has a valid passport, the State Department may revoke the passport or limit ability to travel outside the United States.

[IRS provides various payment options for taxpayers who owe but can't pay in full](#)

- The IRS anticipates that most taxpayers will be affected by major tax law changes. While most will get a tax refund, others may find that they owe taxes, many of whom may qualify for a [waiver](#) of the estimated tax penalty that normally applies.
- The IRS urges people with a filing requirement and a balance due to file by the April 15 deadline even if they cannot pay in full. Taxpayers in this situation should pay what they can and consider a payment plan for the remaining balance.
- Taxpayers who owe taxes can choose from many easy [payment options](#).

[Pay taxes owed online or set up a payment plan](#)

- The IRS reminds taxpayers who may unexpectedly owe additional tax that there are many online options for payment as well as online options for applying for a payment plan for those who cannot pay in full.
- Questions about payments and installment plans are among the top reasons taxpayers call or visit the IRS. But they can avoid the rush by using IRS.gov resources.
- A [Paycheck Checkup](#) can help taxpayers see if they are withholding the right amount of tax from their paychecks. Taxpayers who unexpectedly had a tax bill may want to use this feature to ensure that additional taxes are withheld for the 2019 tax year.
- The IRS Withholding Calculator helps taxpayers figure out if they should submit a new Form W-4 to their employer. Taxpayers will need their most recent pay stub and their most recent federal tax return to complete the process.

[National Taxpayer Advocate delivers annual report to Congress: Addresses impact of shutdown; urges more funding for IT modernization](#)

- National Taxpayer Advocate Nina E. Olson released her 2018 Annual Report to Congress, describing challenges the IRS is facing as a result of the recent government shutdown and recommending that Congress provide the IRS with additional multi-year funding to replace its core 1960s-era information technology (IT) systems. The release of the National Taxpayer Advocate's report was delayed by a month because of the government shutdown.
- Olson also released the second edition of the National Taxpayer Advocate's "[Purple Book](#)," which presents 58 legislative recommendations designed to strengthen taxpayer rights and improve tax administration.

► TAX REFORM - Individuals

[Here's how tax reform affects taxpayers who claim the child tax credit](#)

- Many people claim the child tax credit to help offset the cost of raising children. Tax reform legislation made changes to that credit for 2018 and later. Here are some important things for taxpayers to know.

► TAX REFORM - Business

Tax Reform Resources

- Check out this YouTube Video on [Qualified Business Income](#)
- [Pub 5318: Tax Reform What's New for Your Business](#)
- [Pub 5327: New tax credit for employers who provide paid family and medical leave \(also available in \[Spanish\]\(#\)\)](#)
- [Tax Cuts and Jobs Act: A comparison for businesses](#). This side-by-side comparison shows you what's different after the Tax Cuts and Jobs Act and can help you plan accordingly.

[Opportunity Zones Frequently Asked Questions](#)

- An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the IRS.
- Webinar: [Understanding Tax Reform Basics about Opportunity Zones](#)
- [Treasury, IRS issue proposed regulations on new Opportunity Zone tax incentive](#)

► EMPLOYERS AND BUSINESS OWNERS

[Cash payment report helps government combat money laundering](#)

- Federal law requires a person to report cash transactions of more than \$10,000 by filing IRS [Form 8300](#), Report of Cash Payments Over \$10,000 Received in a Trade or Business. The information on the form helps law enforcement combat money laundering, tax evasion, drug dealing, terrorist financing and other criminal activities.
- Who is covered? By law, a "person" is an individual, company, corporation, partnership, association, trust or estate. For example, dealers in jewelry, furniture, boats, aircraft or automobiles; pawnbrokers; attorneys; real estate brokers; insurance companies and travel agencies are among those who typically need to file [Form 8300](#).
- What's cash? For [Form 8300](#) reporting, cash includes coins and currency of the United States or any foreign country. It's also a cashier's check (sometimes called a treasurer's check or bank check), bank draft, traveler's check or money order with a face amount of \$10,000 or less that a person receives.

[IRS urges businesses to e-file cash transaction reports; It's fast, easy and free](#)

- The IRS urges businesses required to file reports of large cash transactions to take advantage of the speed and convenience of filing these reports electronically.
- Although businesses have the option of filing [Form 8300](#), Report of Cash Payments Over \$10,000, on paper, many have already found that e-filing is a faster, more convenient and cost-effective way to meet the reporting deadline. The form is due 15 days after a transaction and there's no charge for the e-file option.

► THE BEST OF IRS.GOV

[Here's how taxpayers can pay their taxes](#)

- Here are some electronic payment options for taxpayers:
 - [Electronic Funds Withdrawal](#)
 - [Direct Pay](#)
 - [Credit or debit cards](#)
 - [Pay with cash](#)
 - [Installment agreement](#)

► IDENTITY THEFT / DATA THEFT / SCAM ALERTS

[Here's what taxpayers should do to protect private data](#)

- Taxpayers should protect their personal and financial data from criminals who continue to steal large amounts of information. Thieves use the data to file bogus tax returns and commit crimes while impersonating the victim.

► TAX EXEMPT ORGANIZATIONS

[Tax Exempt Organization Search](#)

- Tax Exempt Organization Search helps users find information about a tax-exempt organization's federal tax status and filings. You can find:
 - Organizations eligible to receive tax-deductible charitable contributions
 - Automatically revoked organizations
 - IRS determination letters dated on or after January 1, 2014
 - Form 990-series returns
 - Organizations that have filed a Form 990-N (e-Postcard)

► SUBSCRIPTIONS

[Subscribe to e-News for Small Businesses](#)

► NEWS FROM OTHER AGENCIES

From the SBA: Do You Have a Savings Plan for Your Small Business?

- [Webinar](#): This self-paced training exercise will give you an overview of savings plans and strategies for your small business. Learn about the contingency and long-term savings, tax breaks, retirement savings and much more. Duration: 30 minutes.

IRS resources on retirement plans

- [Help with Choosing a Retirement Plan](#)
- [Small Business Retirement Plan Resources](#)
- [Publication 560, Retirement Plans for Small Business \(SEP, SIMPLE and Qualified Plans\)](#)