

Area 6 – First Thursday Notes

March 2, 2023

Internal Revenue Service – First Thursday Area 6 Stakeholder Liaison Team

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Disaster Relief

If you want to check about Disaster Relief for a particular area in a state to see if the filing and/or payment deadline has been extended, you might find the [IRS News from Around the Nation](#) page helpful.

[IRS News Release IR-2023-33](#) was released and posted on irs.gov. It explains how disaster-area taxpayers in California, Alabama and Georgia have their May 15th tax deadline extended to October 16th for various tax payments and both individual, tax-exempt and business tax returns. With that, these taxpayers now have until October 16th to make contributions to their IRA's and health savings accounts. In addition, farmers in these areas who choose to forego estimated tax payments and file by March 1st will also have October 16th to both file and pay. Taxpayers in these areas who had fourth quarter originally due January 17th have up until October 16th to both file and pay. And they can delay this year's estimated tax payments of April 18th, June 15th and September 15th until October 16th. It also applies to the quarterly payroll and excise tax returns normally due January 31st, April 30th, and July 31st. No extension paperwork or calls are required to get this extension. If they get an erroneous notice, they should call the number on the notice to get it abated.

Also, if a taxpayers outside these disaster areas whose records got destroyed **in** these areas are entitled to the same extensions. For those people, they **will** have to call the number on the news release.

Finally, if you have a client that is affiliated with a recognized government or philanthropic organization and is helping the relief activities, they also are entitled to these extensions.

State Tax Payments

IRS provides details clarifying the federal taxation status involving payments by 21 states in 2022. IRS will not challenge payments related to general welfare and disaster relief. News release IR 2023-23 dated February 10, 2023, states not to report state tax payments as federal income. "Other Payments" made are included in income for federal tax payments. Refund of state tax payments is taxable if the benefit was received by itemizing, but not the standard deduction. See the news release at <https://www.irs.gov/newsroom/state-payments> for more information or click on the "this chart" link on the IR 2023-23 release.

Document Upload Tool

WATCH a quick video example here (2:01): [Documentation Upload Tool Video \(irsvideos.gov\)](#)

[IR-2023-29](#), Feb. 16, 2023

Taxpayers can now upload documents to IRS; new online option for 9 notices

[CP04](#), relating to combat zone status

[CP05A](#), information request related to a refund

[CP06](#) and [CP06A](#), relating to the Premium Tax Credit

[CP08](#), relating to the Child Tax Credit

[CP09](#), relating to claiming the Earned Income Tax Credit

[CP75](#), relating to the EITC

[CP75a](#), relating to the EITC

[CP75d](#), relating to the EITC and other credits

How it works

The notice informs the taxpayer to, "Send us your documents using the Documentation Upload Tool within 30 days from the date of this notice." It includes the link and a unique access code.

- The taxpayer can open the link in any browser and then input their unique code, their first and last name and their Social Security, Individual Taxpayer Identification or Employee Identification number.
- The taxpayer can then securely upload scans, photos or digital copies of documents (maximum of 15MB per file, up to 40 files).
- The taxpayer receives a confirmation that the IRS received their documents.

Future expansion planned

In the coming years, the IRS plans to expand this capability to dozens of other notices. In addition, the IRS will offer digital correspondence on a variety of other taxpayer interactions. During live interactions such as phone calls with taxpayers, IRS employees will be able to grant upload access by providing the link and unique access code.

State Revenue Updates

Colorado Department of Revenue

When the CARES Act was enacted, a Department rule provided that retroactive changes in federal law did not affect a taxpayer's Colorado income tax liability. In accordance with this rule, the Department advised that certain retroactive provisions of the CARES Act did not apply for Colorado income tax purposes. Similarly, when the American Rescue Plan Act was enacted, the Department advised taxpayers that certain unemployment compensation could not be subtracted for Colorado income tax purposes. A recent court decision determined that the rule was incorrect and that retroactive changes in federal law can affect a taxpayer's Colorado taxable income. The Department will soon publish guidance on amending income tax returns to reflect this decision.

For CO, when complete and published the guidance will be located here (it is still going through final review after the court case): <https://tax.colorado.gov/guidance-publications>
In order to sign up for updates when the guidance will be published, please click here: <https://tax.colorado.gov/email-sign-up>

As follow up to a question from a practitioner about Colorado's PTE reporting for the new state form DR 0106K (the Colorado K1 equivalent):

We have published some information on our website for the 106K's. This link discusses the requirements for submittals from PTEs: <https://tax.colorado.gov/filing-requirement-changes-for-partnerships-and-s-corporations> Individuals who are members or partners of a PTE are expected to provide their 106k's received from their partnership or s-corp when they file their individual returns, particularly when claiming subtractions or credits that have been passed through.

Minnesota Department of Revenue

We have been hearing that some software is still not handling the frontline worker payments correctly. Please be sure that when frontline worker pay is received that you include it in federal other income and that it is subtracted on Minnesota Schedule M1M. If your software doesn't support Schedule PTE being electronically filed, you cannot attach the schedule to the return like you did last year and e-file. The return will need to be a paper return and could be subject to the \$5 paper filing fee. ATX and TaxWise are the two vendors we are aware of that do not support this at this time.

Questions and Answers:

Q: Is the Document Upload Tool connected to the taxpayers Online Account?

A: Taxpayers are not required to have an Online Account to use the Document Upload Tool. IR-2023-29 provides information about how the tool works:

Language on the notice informs the taxpayer to, "Send us your documents using the Documentation Upload Tool within 30 days from the date of this notice." It includes the link and a unique access code.

- The taxpayer can open the link in any browser and then input their unique code, their first and last name and their Social Security, Individual Taxpayer Identification or Employee Identification number.
- The taxpayer can then securely upload scans, photos or digital copies of documents (maximum of 15MB per file, up to 40 files).
- The taxpayer receives a confirmation that the IRS received their documents, and the IRS employee assigned the case can manage the transmitted documents.

Q: Where can I find information on IRS.gov about the Document Upload Too?

A: This website shows an example of the initial landing page taxpayers will see:

<https://apps.irs.gov/app/digital-mailroom/notices/>

Note: The IRS plans to expand this capability and offer digital correspondence on a variety of other taxpayer interactions, so the actual screen taxpayers see may be different for different types of taxpayer interactions.

<https://www.irs.gov/identity-theft-fraud-scams/documentation-upload-tools-accessibility-guide>

Q: Is there any news on when the CP501, CP503, CP504 notices will be turned back on to be sent out? Also systemic liens?

A: See IRS Collections Programs on [IRS Operations: Status of Mission-Critical Functions](#)

Q: What are the current processing times for POAs 2848 with the file upload process to CAF?

A: You can check this page for updated timeframes: [IRS Operations: Status of Mission-Critical Functions](#)

As of February 21, 2023, the page reports:

How long you may have to wait: Currently, we cannot provide a timeframe. Submissions through mail, fax, or online submission platform are processed in the order in which they are received.

Please **do not submit duplicate authorizations**. Duplicate filings will only cause more delays.

Q: How do I access the IRIS System, what forms can be uploaded?

A: Information about the IRIS system can be found here: [E-file Forms 1099 With IRIS | Internal Revenue Service \(irs.gov\)](#)

Be sure to review the resources on the left side of the screen. These can help resolve many of the technical issues you may encounter:

- [IRIS Taxpayer Portal User Guide, Publication 5717](#) **PDF**
- [Video: How to Use the IRIS Portal](#)
- [Guide to Information Returns](#)
- [General Instructions for Certain Information Returns](#)

Q: Where to find information about the Interactive Tax Assistant (ITA)?

A: Information about the ITA can be found here <https://www.irs.gov/help/ita>

The Interactive Tax Assistant (ITA) is a tool that provides answers to several tax law questions specific to your individual circumstances.

REMINDER – Please let your stakeholder liaison know about any issues you experience when using these IRS tools.

We want to know:

- How can IRS improve these tools?
- The specific issue you encountered. Provide a screenshot, date/time the problem occurred, any unique circumstances that may have cause the issue, etc.)