

ASA NEWS

News & Information for Accounting Professionals



Notes from ASA President - Dee Hare

Pace yourself...

About two and a half years ago, I decided I wanted to get into better shape. I was approaching a "milestone" year and with two active boys I was determined to get myself in gear so I could keep up with them. My best friend encouraged me to start running. Now, let me just say that I have never been a runner. I could have easily worn the shirt that says, "If you see me running, there must be a bear chasing me!" However, I came across another shirt that motivated me. It read "Pace Yourself". After a few months of training, I was able to run my first 5k. It was something I never thought I would do. I still have the shirt that says, "Pace Yourself". In fact, I wore it yesterday on my run.

This time of year is hard on all of us. Sure, we work year-round, but tax season is our marathon. We work long hours and sacrifice time with our families. The scales on the work/life balance tend to dip more to the work side, and life is left in the air. It is important that we pace ourselves though. We have to make it two more months, so we can't burn out after the March 1st farmer deadline or the March 15th partnership and S-Corp deadline. We have to work so that we still have energy left in April to finish those last returns. If we don't pace ourselves, we will be too tired to finish the race.

Some of the practices I have used to help me pace myself include:

1) **Making checklists** – I try to start each day off with a checklist of a few things I want to finish for that day. It feels really good for me to check off all the items on my list each day. It is easier to think of the returns I need to finish in one day rather than all the returns that are left to do before April 18th!

2) **Taking breaks during the day** – I leave the office at lunch and dinner. I do not eat at my desk. These hour breaks give me a chance to clear my mind and reenergize. Then small breaks during the day occur if I get frustrated and can't figure out something. Sometimes, I will just stand up and stretch or go refill my water. Sometimes, I may need a quick walk around the block. The amazing thing is after I take my mind off the problem for even 5 minutes, when I get back to my desk, I can usually figure out what was wrong.



Dee Hare, CPA

3) **Keeping up my exercise routine** – I am still running every other day. I have an app on my phone that reminds me to do it. It makes me feel good. When I feel good, I can be more productive at work. Also, with all the indoor office time, fresh air and sunshine are needed!

4) **Putting family time on my calendar** – I try not to work on Sundays. Sundays at my house are for family. We go to church together, and then spend the afternoon doing something fun and away from screens. If the weather is

2022 ASA Seminars

• Social Security Webinar

June 22, 2022 - 8 hours

Participants will need to provide an email for the seminar link to be sent to and a mailing address (by June 8) in order to receive the printed manual. Digital versions of the manual will be provided for all participants.

• TaxSpeaker Compilation & Review Live Seminar

July 25, 2022 - 8 hrs.

Benton Event Center
17322 I-30, Benton, AR
Hotel Accommodations: Fairfield Inn & Suites - 501-722-6330

• TaxSpeaker Business Entities Live Seminar

September 26, 2022 - 8 hrs.

Benton Event Center
17322 I-30, Benton, AR
Hotel Accommodations: Fairfield Inn & Suites - 501-722-6330

• 1040 Live Seminar - Fayetteville

November 10-11, 2022 - 16 hrs.

Fayetteville Town Center - 15 W. Mountain St., Fayetteville, AR
Hotel Accommodations: The Graduate Hotel, 70 N. East Ave., Fayetteville - 479-442-555

• 1040 Live Seminar - Benton

November 28-29, 2022 - 16 hrs.

Benton Event Center
17322 I-30, Benton, AR
Hotel Accommodations: Fairfield Inn & Suites - 501-722-6330

All seminars will be presented by TaxSpeaker.

Register online at:
arksocietyofaccountants.com
or call 501-305-9110 for additional information.

nice, we like to spend time outside hiking, walking, or biking. Again, sunshine and fresh air are big for me! If the weather is not so great, we enjoy playing board games or card games.

5) **Saying no** – All of the organizations I am involved in know they won't see me much until after April. I was asked today to come give a presentation next week at our high school, and I said no. I love my community and want to do everything I can to be involved and make it better, but I must be careful not to stretch myself too thin right now.

Remember, tax season will come to an end, and you will cross the finish line. When you do, claim your medal and enjoy the victory!

Dee Hare, CPA
ASA President



IRS UPDATES

Gig Economy Earnings are Taxable

Generally, income earned from the gig economy is taxable and must be reported to the IRS. The gig economy is activity where people earn income providing on-demand work, services or goods. Often it's through a digital platform like an app or website. Taxpayers must report earned from the gig economy on a tax return, even if the income is:

- From part-time, temporary or side work,
- Not reported on an information return form - like a Form 1099-K, 1099-MISC, W-2 or other income statement or
- Paid in any form, including cash, property, goods or virtual currency.

For more information on the gig economy, visit the gig economy tax center.

New Features for IRS Online Account Registration; Process Strengthened to Ensure Privacy, Security

A new option in the IRS's authentication system is now available for taxpayers to sign up for IRS online accounts without the use of any biometric data. This is consistent with the IRS's commitment to transition away from the requirement for taxpayers creating an IRS online account to provide a selfie to a third-party service to help authenticate their identity. This information is also available in Spanish and simplified Chinese.

Understand Virtual Currency Reporting and Tax Requirements

The IRS reminds taxpayers that once again there is a question at the top of Form 1040 and Form 1040-SR asking about virtual currency transactions. All taxpayers filing these forms must check the box indicating either "yes" or "no." A transaction involving virtual currency includes, but is not limited to:

- The receipt of virtual currency as payment for goods or services provided;
- The receipt or transfer of virtual currency for free (without providing any consideration) that does not qualify as a bona fide gift;
- The receipt of new virtual currency as a result of mining and staking activities;
- An exchange of virtual currency for property, goods or services;
- An exchange/trade of virtual currency for another virtual currency;
- A sale of virtual currency; and
- Any other disposition of a financial interest in virtual currency.

If an individual disposed of any virtual currency that was held as a capital asset through a sale, exchange or transfer, they should check "Yes" and use Form 8949 to figure their capital gain or loss and report it on Schedule D (Form 1040).

If they received any virtual currency as compensation for services or disposed of any virtual currency they held for sale to customers in a trade or business, they must report the income as they would report other income of the same type (for example, W-2 wages on Form 1040 or 1040-SR, line 1, or inventory or services from Schedule C on Schedule 1). More information on virtual currency can be found in Instruction for Form 1040 and IRS.gov.



IN MEMORIAM

ASA extends our sympathy to the family of Billy Cotten of Dewitt who passed away February 1, 2022. Billy was a dedicated member of ASA for many, many years. He served in all of the line office positions twice including being president twice. He also served on various committees through the years. He will be greatly missed at future ASA functions.

IRS NOTICE

As part of ongoing efforts to provide additional help for people during this period, the IRS announced on February 9, 2022 the suspension of more than a dozen additional letters, including the mailing of automated collection notices normally issued when a taxpayer owes additional tax, and the IRS has no record of a taxpayer filing a tax return.

These mailings include balance due notices and unfiled tax return notices. The IRS entered this filing season with several million original and amended returns filed by individuals and businesses that have not been processed due to challenges of the historic pandemic and is taking this step to help avoid confusion for taxpayers and tax professionals.

"IRS employees are committed to doing everything possible with our limited resources to help people during this period," said IRS Commissioner Chuck Rettig. "We are working hard, long hours pushing creative paths forward in an effort to be part of the solution, rather than the problem. Our employees continue to expend every effort to balance a confluence of multiple, unprecedented demands - including successfully starting the filing season, working our inventory of unprocessed tax returns, as well as looking for additional ways to minimize burden for taxpayers, tax professionals and businesses."

"Our efforts are not limited to suspension of these additional letters and the possibility of similar actions going forward. We have deployed and reallocated resources throughout the IRS and have implemented innovative strategies in an ongoing effort to provide a meaningful reduction in our inventories," Rettig said.

These automatic notices have been temporarily stopped until the backlog is worked through. The IRS will continue to assess the inventory of prior year returns to determine the appropriate time to resume the notices.

Some taxpayers and tax professionals may still receive these notices during the next few weeks. Generally, there is no need to call or respond to the notice as the IRS continues to process prior year tax returns as quickly as possible.

However, if a taxpayer or tax professional believes a notice is accurate, they should act to rectify the situation for the well-being of the taxpayer. For example, the IRS cautions people with a balance due that interest and penalties can continue to accrue. In addition, IRS employees may in select circumstances issue notices to particular taxpayers to resolve specific compliance issues.

The IRS does not have the authority to stop all notices as many are legally required to be issued within a certain timeframe. The IRS will continue to assess other changes and system modifications that the IRS may be able to implement

to assist taxpayers on an array of issues. The IRS will continue to make information available to taxpayers throughout the filing season.

The IRS encourages those who have a filing requirement and have yet to file a prior year tax return or to pay any tax due, to promptly do so as interest and penalties will continue to accrue. Visit [IRS.gov](https://www.irs.gov) for payment options.

The suspended notices include:



CP80 Unfiled Tax Return

This notice is generally sent when the IRS credited payments and/or other credits to a taxpayer's account for the tax period shown on the notice, but the IRS hasn't receive a tax return for that tax period.

CP59 and CP759 (in Spanish) Unfiled Tax Return(s) -

1st Notice - The IRS sends this notice when there is no record of a prior year return being filed.

CP516 and CP616 (in Spanish) Unfiled Tax Return(s) -

2nd Notice - Request for information on a delinquent return as there is no record of a return filed.

CP518 and CP618 (in Spanish) Final Notice - Return

Delinquency - This is a final reminder notice when there is no record of a prior year(s) return filed.

CP501 Balance Due - 1st Notice

This notice is a reminder that there is an outstanding balance on a taxpayer's accounts.

CP503 Balance Due - 2nd Notice

This notice is the second reminder that there is an outstanding balance on a taxpayer's accounts.

CP504 Final Balance Due Notice - 3rd Notice, Intent to Levy

The IRS sends this notice when a payment has not been received for an unpaid balance. This notice is a Notice to Intent to Levy (Internal Revenue Code Section 6331 (d)).

2802C Withholding Compliance Letter

This letter is mailed to taxpayers who have been identified as having under-withholding of Federal tax from their wages. This letter provides instructions to the taxpayer on how to properly correct their tax withholding.

BUSINESS NOTICES

CP259 and CP959 (in Spanish) Return Delinquency

The IRS sending this notice when there is no record of a prior year return being filed.

CP518 and CP618 (in Spanish) Final Notice - Return Delinquency

This is a final reminder notice that we still have no record of a prior year tax return(c).