

Below are four questions posed to Mr. Michael Melen during the Chesapeake Tax Conference. He has responded to each.

1. Do Fiduciary returns count as qualifying returns for HR 810 (Electronic Filing Mandate)?
Forms 502 and 505 would be the forms that count as qualifying for HR 810. We cannot accept Form 504 Fiduciary returns electronically.

2. One attendee stated that amended returns are taking a very long time to be processed (this was acknowledged by several of the attendees). He also mentioned that he had received a letter acknowledging receipt of the amended return for some taxpayers but not for others (he appreciated getting the letters). His questions were:

a. is there anything he can do to accelerate the process? The instructions give just RAD, Annapolis, MD 21411-0001 and he asked if there was a department or a person to direct it to.
Amended returns are taking much longer because we could only hire 50% of the temporary employees that we normally hire to process the paper returns this past filing season. Therefore, to augment that process, the permanent employees stopped performing their regular duties and helped with processing the paper returns. This lasted through the month of May. The months of April and May are our largest months where we receive of 10,000 amended return each month. We are applying additional resources to get the amended returns processed.

b. are acknowledgment letters sent out or not? Under what circumstances are they sent?
All amended returns are logged into our system which generates the acknowledgment letter. Therefore, all amended returns should receive an acknowledgment letter.

c. are there plans to allow electronic filing of amended returns?
We are in the beginning stages of implementing a new Integrated Tax System. As part of that system our goal is to be able to automate, to some extent, the processing of amended returns electronically.

3. When RAD sends out balance due notices, why are the amounts in dollars and cents instead of being rounded up?
Our current system, processes in whole dollars until it reaches the local income tax calculation. Then it calculates dollars and cents and all notices are in dollars and cents.

4. Amnesty - if a client owes multiple years of back taxes, can he set up an amnesty payment plan for just one or two of the years? My understanding is that he can, but again I'm going to make sure.
Yes, an individual could set up a payment plan for two years under Amnesty. If they owe for a total of four years, they could pay the other two in lump sum or not apply for Amnesty for the other two years.