



Stakeholder Liaison

IRS Communications & Liaison

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Good morning.

My name is Phyllis Gartner. I am a Stakeholder Liaison with the Internal Revenue Service and I provide educational outreach.



Stakeholder Liaison: What We Do

Stakeholder Liaison establishes and manages relationships with small businesses, tax professionals, multilingual, rural and underrepresented communities to promote two-way dialogue in helping taxpayers understand and meet their tax responsibilities.



The mission of a Stakeholder Liaison is to improve taxpayer experience and understanding of tax law.

A Stakeholder Liaisons establishes relationships with organizations, industry, tax preparers, and other audiences that ask for our services. We provide information about IRS policies and procedures.

The Internal Revenue Service is continually working to create a more customer-focused structure to help taxpayers. Stakeholder Liaisons have helped design and deliver educational information focused on taxpayers' needs. We do this with your assistance. You help us identify the needs of the local community.

Today I'm going to talk about the Individual Online Account and IP PIN, the Business Tax Account, and estimated taxes.



Electronic Payments

- Prevent fraud and improper payments
- Increase efficiency,
- Reduce costs
- Increase the security of federal payments
- Avoid undeliverable checks
- Accuracy - Paper checks are over 16 times more likely to be lost, stolen, altered, or delayed than electronic payments.
- For the 2025 filing season, 93% of individual taxpayers provided their direct deposit information. Only 7% were issued paper checks for refunds.



Much of my presentation today is going to be about electronically working with the IRS. For several years, the IRS has been transitioning to electronic filings, payments, and allowing access to your accounts.

However, in March of 2025, an Executive Order was issued that required the IRS to speed up the transition to fully electronic federal payments. This went into effect on Sept 30, 2025. Since then, the IRS has accelerated the process for phasing out paper checks for refunds and for accepting paper checks for payments. There are several reasons why Treasury is trying to eliminate paper checks.

- One of the reasons is to defend against financial fraud and improper payments by providing a secure, traceable, and verifiable alternative to paper transactions, which are highly susceptible to loss, theft, and alteration.
- Electronic payments Increase efficiency – the IRS is able to send electronic refunds within 2 weeks after a return is filed, rather than over 6 weeks needed if a paper check is required
- It reduces costs – it costs the government less to send a payment electronically than to print and mail it.

- Electronic payments Increase the security of federal payments – With electronic payments, there is no chance the check will get lost or stolen in the mail, or that someone will alter the check.
- It avoids undeliverable checks – currently the IRS has almost 100,000 checks that are undeliverable.
- Accuracy - Paper checks are over 16 times more likely to be lost, stolen, altered, or delayed than electronic payments.
- For the 2025 filing season, this past year, 93% of individual taxpayers provided their direct deposit information with their 1040. So only 7% were issued paper checks for refunds.

WHAT DOES THIS MEAN TO TAXPAYERS

When filing a return, taxpayers will need to provide the IRS with their direct deposit information. This includes your bank routing number and your account number.

THERE ARE SOME EXCEPTIONS WHERE ELECTRONIC PAYMENTS ARE NOT FEASIBLE

One exception is unbanked households: 4.2% of US households, which is 5.6 million people, do not have a bank account.

Another reason that an electronic payment may not be feasible is if a taxpayer is living in a remote geographic location, or a foreign country – they may lack the infrastructure to support electronic financial transactions which may prevent direct deposit.

If the taxpayer does not provide direct deposit information, or direct deposit is not possible, it will take at least 6 weeks for the IRS to issue a refund.



Electronic Payments

ELECTRONIC PAYMENTS TO IRS

- IRS Direct Pay – irs.gov
- Individual Online Account – irs.gov
- Business Tax Account – irs.gov
- Credit cards, debit cards, digital wallet



THE ELIMINATION OF PAPER CHECKS ALSO APPLIES TO PAYMENTS MADE TO THE IRS

The IRS has options for receiving electronic payments, making it easier, faster and more secure for individuals and businesses to pay taxes.

The taxpayer can use IRS Direct Pay to pay directly from a bank account. This is a one-time payment service, so you do not need to set up an account. For example, if you find you owe taxes when filing your 2025 return, you can use Direct Pay for the one-time payment of your taxes.

You can use your Individual Online Account. In a few minutes I'm going to talk about this account and how beneficial it can be for you. This account would need to be set up before you could make a payment using the Individual Online Account.

For a business, you can use your Business Tax Account to make payments. I will also be talking about this account during my presentation.

You can use credit or debit cards, or digital wallet. However, all of these require a fee in addition to the tax paid.

The IRS has been moving away from paper checks for several years and this year it is again strongly encouraging people to electronically pay taxes and receive refunds. This will improve security and accuracy, speed up refunds, and lower costs.



Individual Online Account

- View personal information
- View key data including adjusted gross income and refund amounts
- Access transcripts and tax compliance reports
- Account balance with details
- View notices of federal liens and payoff amounts
- Make payments, schedule future payments
- Check status of mail audit



I just mentioned the Individual Online Account as a way to make payments. But there is much more you can do with this account. You can view all your personal tax information. You can opt in to receive email notifications rather than paper through the mail. You can opt for languages other than English.

A taxpayer can view key data from their most recently filed tax return, including adjusted gross income. A person can view refund amounts and status for the most recent three tax years.

You can access transcripts and tax compliance reports. This is a great benefit if you need your tax information for third parties. You no longer need to call the IRS, then wait for a paper copy to arrive in the mail.

With your Individual Online Account, you can view any account balance, and the details of the balance, broken down by tax year and tax module. It also shows interest and penalties.

Taxpayers with notices of federal liens can view their payoff amounts and generate an official IRS letter to hand to third parties.

You can make payments that will post the current day or schedule payments up to 365 days

in the future.

You can pay off a balance over time by creating a short term or long term payment plan.

If someone is unable to pay the minimum amount for a monthly payment plan, they may request a lower amount by using a pending installment agreement.

A taxpayer may set up a payment plan for future balances that have not yet been assessed by creating a pre-assessed payment plan.

If a taxpayer is being audited by mail, they can check the status of the audit.



Individual Online Account

Continued

- Submit Offer in Compromise
- View information documents W-2, 1099, 1098, 1095-A
- View over 250 types of notices
- Digitally complete and sign 40 types of forms
- Sign a Power or Attorney
- Approve requests for income verification from third parties
- Sign up for an Identity Protection PIN

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An Offer in Compromise allows someone to settle their tax debt for less than the full amount owed. The Individual Online Account has the option for submitting a digital offer in compromise.

You can access information documents needed for tax filing. These include W-2s, 1099s, 1098s, and 1095-As for the current tax year and one prior tax year.

For Notices and Letters, digital copies of over 250 types of notices can be viewed. The IRS is continually adding more notices and types of letters.

For forms, taxpayers can digitally complete and submit over 40 types of forms that require a signature.

You can sign a Power of Attorney for your tax professional.

You can approve requests for income verification from third parties.

You can sign up for the Identity Protection PIN, or as it is called, the IP PIN. When your IP PIN is changed each year, you find your new number by going to your Individual Online

Account. I will be talking about the IP PIN next, so keep this feature in mind.

The Individual Online Account is a very important account. It provides you a self-service account for your tax information and is available any time, and any day. I strongly advise everyone to establish their account. You can do this by going to IRS.gov and click on “create account”.

One of the functions I just mentioned that is provided by the Individual Online Account is that you can use it to create your IP PIN.



Individual Protection PIN (IP PIN)

- An IP Pin is a six-digit number that prevents someone else from filing a tax return using your Social Security number
- Is only known to the you and the IRS
- Valid for one calendar year
- New IP PIN generated each year for your account
- Log into online account to display IP PIN
- If you have an IP PIN, it must be used when filing any federal returns 1040, 1040-PR, 1040-SR, 1040-SS

So, what is an IP PIN? It is a six digit number that is used on your 1040 return in addition to your SSN.

The individual protection PIN was created by the IRS in response to the growing problem of tax related identity thefts. The primary purpose of the IP PIN is to prevent criminals from using a stolen SSN to file a fraudulent tax return and claim a refund.

- The IP PIN is a unique six digit number. You are assigned a new number each year. You find your new IP PIN by signing into you Individual Online Account. which I just talked about.
- The number is known only to the you and the IRS. It helps verify your identity when a tax return is submitted. It provides an extra safeguard that makes it nearly impossible for an identity thief to successfully file a false return using your SSN.
- If you are assigned an IP PIN, you **must** use it to confirm your identity on any return filed during the current calendar year. It is used only on the 1040 forms.

The fastest and easiest method to get the IP PIN is through your Individual Online Account.

Working in the IRS, I hear of many cases of identity theft. The thieves file a fraudulent return using a stolen SSN. Then the real taxpayer tries to file a legitimate return but cannot

because there is already a return filed using their SSN. The taxpayer then has to go through months of working with the IRS to prove their return is the correct return. If the taxpayer was expecting a refund, it will not be issued until the problems have been resolved. Currently, this can take up to almost two years. So, if you were expecting a refund, you will not receive it for many months. The IP PIN is an excellent way to prevent the theft of your identity and the possibility of months spent trying to resolve a problem concerning your tax return.

I STRONGLY urge everyone to be proactive and get an IP PIN to protect yourselves from identity thieves and fraudulent tax returns.

[Get an identity protection PIN | Internal Revenue Service](#) from irs.gov



Business Tax Account

•BENEFITS OF A BUSINESS TAX ACCOUNT

- Pay taxes
- View and change business profile
- Account balance, payment history, schedule future payments
- Access transcripts
- View notices and letters.
- Self-service, can view information and make payments 24/7
- [Go to **irs.gov/businesses/business-tax-account**](http://irs.gov/businesses/business-tax-account)



Previously I talked about the Individual Online Account. Now I'm going to talk about the Business Tax Account. This is similar to the Individual Account in what it offers, but it is for businesses.

The Business Tax Account is designed to be self service for the business's authorized users. The type of information available is different for the different types of entities such as sole proprietorships, partnerships, S corps, and C corps. Go to IRS.gov to find out what is available for your specific business entity.

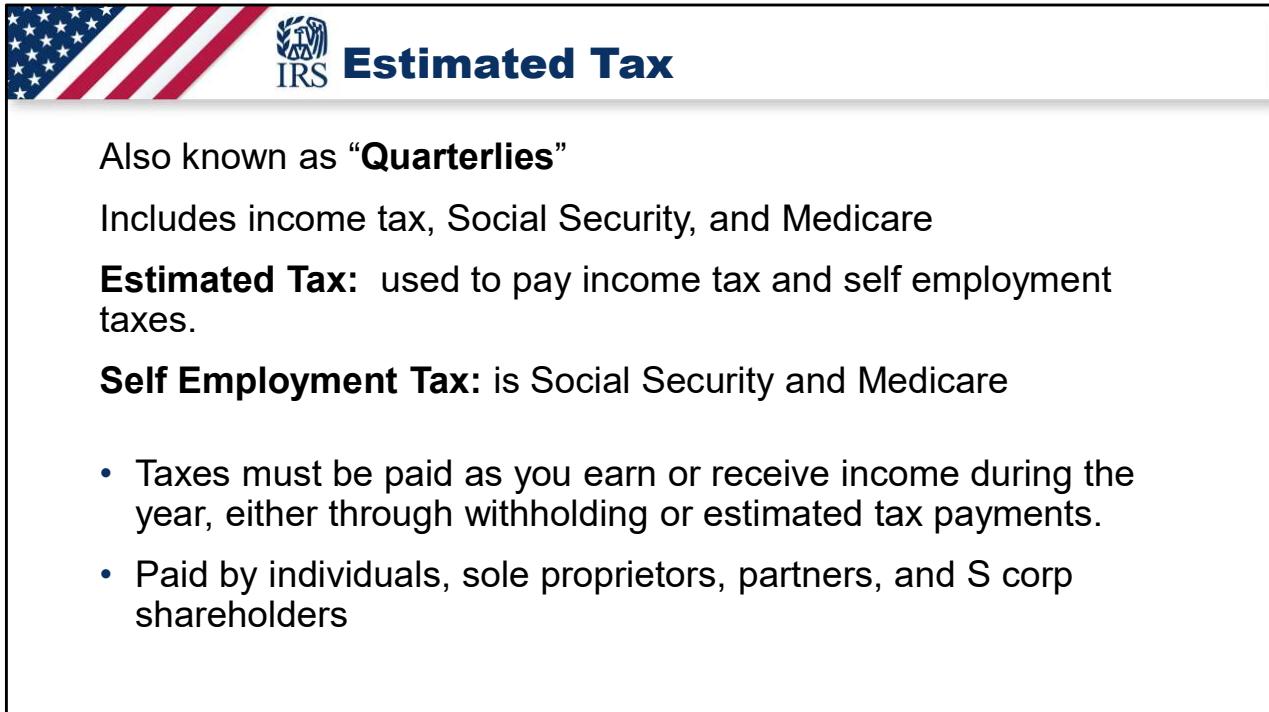
In general, the services offered include:

- You can make tax payments including federal tax deposits.
- You can view your business profile information, who has access to the account, and add or delete people who should have access to the business tax account
- You can view your account balance and the history of all your payments. You can set up schedules for making future payments.
- The account allows you to view your tax transcripts so if they are needed by a third party, you can login to your account and print the transcript. There is no need to contact the IRS for the information.
- If your business has received any notices or letters, you will be able to view them.

- For authorizations – you can accept or reject third-party requests for your tax transcripts.
- The business tax account provides a self-service way for you to access your business tax information and payments, any time and any day.

To create a Business Tax Account go to irs.gov.

The IRS is still enhancing this service so they are planning to offer more services in the future.



IRS Estimated Tax

Also known as **“Quarterlies”**

Includes income tax, Social Security, and Medicare

Estimated Tax: used to pay income tax and self employment taxes.

Self Employment Tax: is Social Security and Medicare

- Taxes must be paid as you earn or receive income during the year, either through withholding or estimated tax payments.
- Paid by individuals, sole proprietors, partners, and S corp shareholders

I was told there are a lot of questions concerning estimated taxes so I am going to change course and talk about them.

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. There are two ways to pay as you go.

Withholding. If you are an employee, your employer probably withholds income tax from your pay. The amount withheld is paid to the IRS in your name.

Estimated tax. If you don't pay your tax through withholding, you might have to pay estimated tax. People who are in business for themselves will generally have to pay their tax this way. Estimated tax is used to pay not only income tax, but also Social Security and Medicare.

Estimated taxes are necessary if an individual, sole proprietor, partners, or S corporation shareholder, expects to **owe tax at least \$1,000** in federal income tax for the tax year. For C corporations, the threshold is at least \$500 in federal income tax for the tax year. (from irs.gov)

OID 256, lesson 2, slides 26-27



Estimated Tax

To avoid an underpayment penalty, by the end of the year, you must have paid

- 100% of the tax shown on the prior year tax return

Or

- 90% of the tax due on your current year return

To avoid an underpayment penalty, you can pay either 100% of the tax shown on your prior year tax return

OR

90% of the tax due on your current year return.

A safe harbor and simple way to avoid an underpayment penalty is to find the total tax you owed the previous year, divide by 4, and pay that amount each quarter. However, if your income for the current year has substantially increased, you will owe a significant amount of tax when filing your return. And if your income has substantially decreased, you will over pay your taxes. You will get a refund when filing your return, but paying more than you need to may leave you short of cash during the year.



Estimated Taxes

\$50,000	Estimated SE income for the year
<u>(30,000)</u>	Estimated business expenses for the year
\$20,000	Estimated earnings subject to SE tax
\$ 2,400	Income tax, assume 12% rate ($\$20,000 \times 12\%$)
<u>3,060</u>	Self employment tax, SS & Medicare ($\$20,000 \times 15.3\%$)
\$ 5,460	Total estimated tax for the year
<u>/4</u>	Divided by 4 quarters
\$ 1,410	Estimated tax for the quarter

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Here are some very basic calculations for determining your estimated tax. As with most tax laws, there are many exceptions, additions, and exclusions when calculating your taxes. The calculations I am using are just a very basic, general guideline.

Start with total estimated SE income for the year. In my example it is \$50,000. Subtract the total estimated business expenses of \$30,000 to get net profit of \$20,000.

I'm going to assume an income tax rate of 12%. The SE tax rate for SS and Medicare is 15.3%. This totals to \$5,460 estimated tax for the year. Divide this amount by four quarters and you have \$1,410 estimated tax for the quarter.

Please remember, this is a very simplified calculation. There may be credits and deductions for your particular business that I have not taken into account.



Estimated Tax

How to File Estimated Taxes

- Form 1040-ES “Estimated Tax for Individuals” for sole proprietorships, partnerships, and S corporations.
 - The income from partnerships and S corporations flows through to the 1040 so the 1040-ES is used for these organizations.
- IRS Publication 505
- irs.gov

Use Form 1040-ES to calculate and submit your estimated taxes. The form has step by step instructions. There is also IRS Publication 505 which has a great deal of information.

If you use a bookkeeping software, it may be designed to calculate estimated taxes. If you do use software, be sure to check the 1040-ES to make sure it looks accurate.



Estimated Tax

ESTIMATED TAXES SUMMARY

- Estimated taxes include income tax, Social Security, and Medicare
- Due quarterly on January 15, April 15, June 16, and September 15
- Use Form 1040 ES
- Required if you will owe a total of at least \$1,000 in federal income taxes for the tax year, or \$500 if a corporation
- Safe harbor: pay estimated taxes equal to 100% of tax owed in previous year
- STRONGLY advise to file electronically

Estimated taxes, or quarterlies, include federal income tax, Social Security, and Medicare

They are due 15 days after the end of each quarter.

Use IRS Form 1040 ES to file your estimated taxes.

For businesses that are NOT C corporations, estimated taxes are required if you will owe at least \$1,000 in federal income tax for the tax year. If you ARE a C corporation, estimated taxes are required if you will owe at least \$500 for the tax year.

There is a safe harbor: If you pay estimated taxes equal to at least 100% of what you owed on your previous year tax return, you can avoid a penalty.

And, as I have been saying, please file electronically.



Contact Information

irs.gov

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- 406-200-6090

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I know I presented a lot of information in a short period of time.

In summary, I strongly advise everyone to electronically file returns, pay taxes, and receive refunds. It is much safer and faster.

I would also advise everyone to create an individual online account and get an IP PIN. This will help you protect yourself against identity theft and it also gives you access to the data in your IRS account.

For businesses, create a Business Tax Account. This allows you to access all your business tax information that is in your IRS account.

I'm again going to mention irs.gov. It is the official website of the IRS and is a great source of information.

Thank you for your time.