

Department Offers Taxpayer Assistance

During the filing season of January through April 15, 1997, department personnel will be available to answer questions.

In the department's larger offices, assistance is provided on a daily basis (Monday through Friday). Assistance in other offices generally is available on Mondays only, although there are exceptions as noted below.

Offices Providing Daily Assistance

Location	Address	Telephone No.	Hours
* Appleton	265 W. Northland Ave.	(414) 832-2727	7:45-4:30
* Eau Claire	718 W. Clairemont Ave.	(715) 836-2811	7:45-4:30
* Green Bay	200 N. Jefferson St., Rm. 526	(414) 448-5179	7:45-4:30
* Kenosha	5906 10th Ave., Rm. 106	(414) 653-7100	7:45-4:30
* Madison	125 S. Webster St.	NONE	8:00-4:30
* Madison	4638 University Ave.	(608) 266-2772	7:45-4:30
* Milwaukee	819 N. Sixth St., Rm. 408	(414) 227-3883	7:45-4:30
* Racine	616 Lake Ave.	(414) 638-7500	7:45-4:30
* Waukesha	141 N.W. Barstow St.	(414) 521-5310	7:45-4:30

Offices Providing Assistance on Mondays Only (unless otherwise noted)

Baraboo	1000 Log Lodge Ct.	(608) 356-8973	7:45-4:30
Beaver Dam	211 S. Spring St.	(414) 887-8108	7:45-4:30
Elkhorn	715 W. Walworth St.	(414) 723-4098	7:45-4:30
Fond du Lac	845 S. Main, Ste. 150	(414) 929-3985	7:45-4:30
Grafton	1930 Wisconsin Ave.	(414) 377-6700	7:45-4:30
Hayward	100 Ranch Rd.	(715) 634-8478	7:45-11:45
Hudson	1810 Crestview Dr., Ste. 1B	(715) 381-5060	7:45-4:30
Janesville	101 E. Milwaukee	(608) 758-6190	7:45-4:30 (a)
* La Crosse	620 Main St.	(608) 785-9720	7:45-4:30 (a)
Lancaster	130 W. Elm St.	(608) 723-2641	7:45-4:30
Manitowoc	914 Quay St.	(414) 683-4152	7:45-4:30
Marinette	Courthouse, 1926 Hall Ave.	(715) 732-7565	9:00-12:00
Marshfield	300 S. Peach Ave., Ste. 4	(715) 387-6346	7:45-4:30
Monroe	1518 11th St.	(608) 325-3013	7:45-11:45
Oshkosh	300D S. Koeller	(414) 424-2100	7:45-4:30
Rhineland	203 Schiek Plaza	(715) 365-2666	7:45-4:30
Rice Lake	11 E. Eau Claire St., Ste. 4	(715) 234-7889	7:45-4:30
Shawano	1340 E. Green Bay St., Ste. 2	(715) 526-5647	7:45-4:30
Sheboygan	807 Center Ave.	(414) 459-3101	7:45-4:30
Superior	1225 Tower Ave., Ste. 315	(715) 392-7985	7:45-4:30
Tomah	1200 McLean Ave.	(608) 372-3256	7:45-11:45
Watertown	600 E. Main St.	(414) 262-2700	7:45-11:45
Waupaca	644 Hillcrest Dr., Ste. 2	(715) 258-9564	7:45-11:45
Wausau	710 Third St.	(715) 842-8665	7:45-4:30
West Bend	120 N. Main St.	(414) 335-5380	7:45-4:30
Wisconsin Rapids	830 Airport Ave.	(715) 421-0500	9:00-4:30 (b)

* Open During noon hour

(a) Open Monday, Tuesday, and Wednesday

(b) Open Tuesdays only

How to Avoid "Sendbacks"

Thousands of tax returns and credit claims are sent back to taxpayers each year because of missing schedules or information. In the 1996 processing season (1995 returns and claims) the department sent back nearly 100,000 tax returns and credit claims. Listed below are tips for avoiding "sendbacks" of tax returns and credit claims.

Individual Income (Forms WI-Z, 1A, 1, and 1NPR)

- Attach copies of federal return and schedules to Form 1 or 1NPR.
- Attach withholding statements.
- Complete married couple credit schedule.
- Complete residence questionnaire on Form 1NPR.
- Attach other state's tax return to verify credit for tax paid to other states.
- Sign the tax return.

Corporation Franchise and Income (Forms 4, 5, 5S, 4T, and 4I)

- Fill in federal employer identification number.
- Attach copy of federal form.
- Attach schedules to support credits (e.g., manufacturer's sales tax, research, development zone, farmland tax relief).
- Complete Schedule S (temporary recycling surcharge) on Form 5S.
- Sign the tax return.

Homestead Credit (Schedule H)

- Include Wisconsin return, copy of federal return and schedules, and wage statements with Schedule H, or attach complete copy of tax return if Schedule H is filed after the tax return.
- Attach explanation if low or no income is reported.
- Follow special instructions for married, separated, or divorced persons.
- Attach rent certificate.
- Be sure rent certificate is filled in completely, is not altered, is not a photocopy, and does not have a stamped signature.
- Attach copy of property tax bill (not county receipt, installment stub, mortgage statement, canceled check, etc.).
- Attach ownership verification (copy of deed, land contract, divorce judgment, final judgment in an estate, etc.) if tax bill shows owners other than claimant and spouse.
- Sign the Schedule H.

Farmland Preservation Credit (Schedule FC)

- Attach copies of all property tax bills, and correct year's tax bills.
- Attach ownership verification (copy of deed, land contract, divorce judgment, final judgment in an estate, etc.) if tax bill shows owners other than claimant and spouse.
- Attach correct and complete zoning certificate.
- Attach copy of **executed** farmland preservation agreement.

- Attach closing agreement for sale or purchase of land.
- Verify prior year's property tax payment when tax bill indicates delinquent taxes (statement signed by county treasurer).
- Attach extension agreement if farmland preservation agreement is expired.

Partnership (Form 3)

- Fill in federal employer identification number.
- Attach copies of federal Form 1065 and Wisconsin Schedule 3K-1.
- Do not file federal Form 1065 and Schedule K-1 without Wisconsin Form 3 and Schedule 3K-1.

Avoid Errors on Income or Franchise Tax Returns

Are your tax returns and credit claims filed without errors? Many errors are discovered each year, either in processing or in subsequent audits by the department. The information below may be helpful in preparing Wisconsin tax returns or credit claims.

Errors Discovered in Processing Returns

Common errors discovered in processing 1995 individual income tax returns include the following:

Math Errors — 260,000 returns (10% of returns processed) were adjusted for math errors.

School Property Tax Credit — 34,000 returns were adjusted for errors in claiming this credit; 80% of

the errors included looking up the wrong amount of credit.

Itemized Deduction Credit — 32,000 returns were adjusted; two-thirds of the errors included looking up the incorrect amount of standard deduction.

Incomplete Returns — Processing of many returns was delayed because of missing information, such as school district, school property tax credit, earned income credit, itemized deduction credit, or taxes paid to other states.

Estimated Tax Underpayment — 34,000 returns were adjusted for underpayment interest because taxes were underpaid.

Temporary Recycling Surcharge — Most errors included checking the special worksheet box or listing net income or loss when not subject to the surcharge.

Tax Withholding — Most errors included claiming social security or another state's withholding as Wisconsin tax withheld.

Audit Adjustments

Errors discovered in auditing Wisconsin tax returns and credit claims resulted in the collection of \$151.8 million in taxes, excess credits, penalties, and interest in the fiscal year ending June 30, 1996. This includes sales and use taxes of \$74 million; individual and fiduciary income taxes (including credits) of \$19.9 million; corporation taxes of \$25.2 million; withholding of \$27.3 million; and others (recycling surcharge, and estate/inheritance, gift, local exposition, alcohol, cigarette, tobacco, and fuel taxes) of \$5.4 million. The most common errors are described below.

INDIVIDUAL AND FIDUCIARY**Income Computed Incorrectly —**

- unemployment compensation or social security income (federal/Wisconsin differences calculated incorrectly)
- capital gains (60% exclusion not taken or taken when not allowed)
- capital losses (claimed amount in excess of \$500 limitation)
- tax-option (S) corporation income (wrong amount entered from Schedule K-1)

Income Omitted —

- IRA distributions
- total gross receipts
- municipal interest
- interest and dividends

Credits Computed Incorrectly —

- school property tax (incorrectly claimed on business portion)
- dependent (incorrectly claimed for self or spouse)
- earned income (claimed in error or computed incorrectly)
- taxes paid to other states (incorrectly claimed other state's withholding)
- itemized deduction (percentage of income not subtracted from medical or miscellaneous deductions, or taxes or casualty losses claimed)

Incorrect Deductions or Expenses —

- IRA deduction (omitted or claimed incorrectly)
- personal travel or entertainment (incorrectly claimed as business expenses)
- office-in-home (not qualified to claim)

Other Errors —

- IRA penalty omitted
- Wisconsin return not amended for IRS adjustments
- incorrect filing status used
- farm loss limitation not properly computed

- temporary recycling surcharge omitted or calculated incorrectly
- capital loss carryover not claimed in subsequent year
- refund entered on estimated tax offset line

HOMESTEAD CREDIT**Household Income Omitted —**

- AFDC
- IRA/deferred compensation deductions
- unemployment compensation
- depreciation or sec. 179 expense
- net operating loss or capital loss carryover
- tax-exempt interest
- one-time exclusion from sale of residence

Property Taxes —

- special assessments incorrectly claimed
- taxes not properly prorated for co-ownership or for occupancy only part of year
- taxes not reduced for months AFDC received

Rent —

- rent not reduced for joint occupancy
- percentage of rent constituting property taxes computed incorrectly
- rent not reduced for months AFDC received

Credit —

- amount looked up incorrectly in computation table

FARMLAND PRESERVATION CREDIT**Household Income Omitted —**

- gross pension
- depreciation
- deferred compensation
- capital gain exclusion

Property Taxes —

- special assessments incorrectly claimed
- taxes not properly prorated for co-ownership
- taxes incorrectly claimed for land not covered by zoning certificate or agreement
- incorrect computation

Credit Percentage —

- incorrect percentage claimed.

How to Obtain Wisconsin Tax Forms

Tax preparers and others requiring more than 6 of any one Wisconsin tax form or more than 29 total Wisconsin forms must use a forms order blank, Form P-744. The original of the completed order blank must be sent to the department. You can obtain a Form P-744 by writing, calling, or faxing your request to the department at the address or phone number listed on page 11 under "To Receive Forms in the Mail."

You can obtain up to 6 of any one Wisconsin tax form or a total of 29 Wisconsin forms by visiting any Department of Revenue office or by contacting the department by mail, by phone, by fax (either faxing a request for forms to be mailed or receiving forms via your fax machine), or via the Internet. These limits are imposed in order to maintain a supply of forms for others.

Some libraries, banks, and post offices have forms during the filing season. Most libraries have a copy of Wisconsin Package WI-X, from which most Wisconsin tax forms can be photocopied.

To Pick Up Forms at a Department of Revenue Office

If you want to pick up forms at a department office, you may visit any

of the department's 35 offices (including two locations in Madison). The office locations and hours of service are listed in the article titled "Department Offers Taxpayer Assistance" on page 8 of this Bulletin (assistance is also available at these offices).

To Receive Forms in the Mail

You can request that forms be mailed to you (indicate which forms you want, the year, and how many) by:

- Writing to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903,
- Calling the department in Madison at (608) 266-1961, or
- Faxing your request to the department at (608) 261-6239.

To Receive Forms Via Your Fax Machine

You can receive forms via your fax machine by using the department's Fax-A-Form system. Individual income tax, homestead credit, farmland preservation credit, corporation franchise and income tax, estate tax, fiduciary income tax, and partnership forms and instructions for both 1995 and 1996 are available via Fax-A-Form. For sales/use, withholding, and alcohol beverage taxes, only 1996 forms and instructions are available. In addition, 1993 and 1994 amended individual income tax forms and instructions are available, as well as publications published by the department (see the article titled "Tax Publications Available" on page 11 of this Bulletin).

To use Fax-A-Form, call (608) 261-6229 from the handset of your fax machine or the touch-tone telephone of your fax modem (don't press "start" yet). If your fax machine

does not have a handset, use the keypad if tones are transmitted, or connect a touch-tone telephone if tones aren't transmitted. Follow the voice prompts and enter the retrieval codes for the items you want, using the keypad. Press "start," "send," or "copy" (fax modem users click on "manual receive").

Fax-A-Form is available 24 hours a day, 7 days a week. The department does not charge a fee for this service (though you will have to pay your normal telephone charges and fax machine operating costs). If you have questions, you may write to Mary Diaz, Fax-A-Form Coordinator, Wisconsin Department of Revenue, P.O. Box 8903, Madison, WI 53708-8933, or call (608) 267-2025.

To Receive Forms Via the Internet

Major forms and instructions are available on the Internet. If you have Internet access you can download and print the forms 24 hours a day, throughout the year.

The address to access the department's World Wide Web site to receive forms is <http://www.dor.state.wi.us>

Tax Publications Available

Over 50 publications are available, free of charge. To receive any of the publications by mail, write, call, or fax a request to Wisconsin Department of Revenue, Forms Request Office, P.O. Box 8903, Madison, WI 53708-8903 (telephone (608) 266-1961, fax (608) 261-6239).

Publications can also be received via your fax machine, using the department's Fax-A-Form system by calling (608) 261-6229 from a fax telephone. Some publications are

also available via the Internet (beginning by February 1997), by accessing the department's World Wide Web site at

<http://www.dor.state.wi.us>

Income and Franchise Taxes

- 102 Wisconsin Tax Treatment of Tax-Option (S) Corporations and Their Shareholders (11/96)
- 103 Reporting Capital Gains and Losses for Wisconsin by Individuals, Estates, Trusts (10/96)
- 104 Wisconsin Taxation of Military Personnel (8/96)
- 106 Wisconsin Tax Information for Retirees (8/96)
- 109 Tax Information for Married Persons Filing Separate Returns and Persons Divorced in 1996 (10/96)
- 112 Wisconsin Estimated Tax and Estimated Surcharge for Individual, Estates, Trusts, Corporations, Partnerships (11/96)
- 113 Federal and Wisconsin Income Tax Reporting Under the Marital Property Act (10/96)
- 115 Wisconsin Federal/State Electronic Filing Handbook (9/96)
- 116 Income Tax Payments Are Due Throughout the Year (12/95)
- 119 Limited Liability Companies (LLCs) (11/96)
- 120 Net Operating Losses for Individuals, Estates, and Trusts (11/96)
- 121 Reciprocity (10/95)
- 122 Tax Information for Part-Year Residents and Nonresidents of Wisconsin for 1996 (10/96)
- 123 Business Tax Credits for 1996 (11/96)
- 600 Wisconsin Taxation of Lottery Winnings (11/93)
- 601 Wisconsin Taxation of Pari-Mutuel Wager Winnings (3/94)

Sales and Use Taxes

- 200 Sales and Use Tax Information for Electrical Contractors (10/95)
- 201 Wisconsin State and County Sales and Use Tax Information (8/96)
- 202 Sales and Use Tax Information for Motor Vehicle Sales, Leases, and Repairs (6/96)
- 203 Sales and Use Tax Information for Manufacturers (12/94)
- 205 Do You Owe Wisconsin Use Tax? (Individuals) (9/95)
- 206 Sales Tax Exemption for Non-profit Organizations (9/90)
- 207 Sales and Use Tax Information for Contractors (2/96)
- 210 Sales and Use Tax Treatment of Landscaping (5/94)
- 211 Sales and Use Tax Information for Cemetery Monument Dealers (10/91)
- 212 Businesses: Don't Forget About Use Tax (7/94)
- 213 Travelers: Don't Forget About Use Tax (3/93)
- 214 Do You Owe Wisconsin Use Tax? (Businesses) (9/93)
- 216 Filing Claims for Refund of Sales or Use Tax (9/95)
- 217 Auctioneers — How Do Wisconsin Sales and Use Taxes Affect Your Operations? (3/96)
- 219 Hotels, Motels, and Other Lodging Providers — How Do Wisconsin Sales and Use Taxes Affect Your Operations? (6/96)
- 220 Grocers — How Do Wisconsin Sales and Use Taxes Affect Your Operations? (8/96)

Audits and Appeals

- 501 Field Audit of Wisconsin Tax Returns (2/96)
- 505 Taxpayers' Appeal Rights of Office Audit Adjustments (6/96)
- 506 Taxpayers' Appeal Rights of Field Audit Adjustments (2/96)

- 507 How to Appeal to the Tax Appeals Commission (4/96)

Other Topics

- 111 How to Get a Private Letter Ruling From the Wisconsin Department of Revenue (3/96)
- 114 Wisconsin Taxpayer Bill of Rights (3/96)
- 117 Guide to Wisconsin Information Returns (10/96)
- 118 Electronic Funds Transfer Guide (4/96)
- 130 Fax A Form (8/96)
- 400 Wisconsin's Temporary Recycling Surcharge (11/96)
- 410 Local Exposition Taxes (11/94)
- 500 Tax Guide for Wisconsin Political Organizations and Candidates (9/95)
- 502 Do You Have Wisconsin Tax Questions? (10/95)
- 503 Wisconsin Farmland Preservation Credit (12/96)
- 504 Directory for Wisconsin Department of Revenue (10/96)
- 508 Wisconsin Tax Requirements Relating to Nonresident Entertainers (8/94)
- 509 Filing Wage Statements and Information Returns on Magnetic Media (3/94)
- 700 Speakers Bureau presenting ... (2/93)
- W-166 Wisconsin Employer's Withholding Tax Guide (3/96)

Wisconsin Tax Bulletin Annual Index Available

Once each year the *Wisconsin Tax Bulletin* includes an index of materials that have appeared in past Bulletins. The latest index available appears in *Wisconsin Tax Bulletin* 96 (April 1996), pages 31 to 58, and includes information for issues 1 (October 1976) to 95 (January 1996).

Withholding Tax Update Sent to Employers

The annual Withholding Tax Update was sent in December 1996, along with Forms WT-7, *Employer's Annual Reconciliation of Wisconsin Income Tax Withheld from Wages*, to employers registered to withhold Wisconsin taxes.

A copy of the Withholding Tax Update appears on page 57 of this Bulletin.

Form 1099-Gs and 1099-INTs Mailed to Taxpayers

The Department of Revenue is mailing approximately 660,000 Form 1099-Gs and 18,000 Form 1099-INTs during December 1996 and January 1997. Federal law requires that the department provide 1996 Form 1099-Gs to persons who received a Wisconsin income tax refund in 1996 and claimed state income tax payments as an itemized deduction on the federal tax return for the year to which the refund applies. Form 1099-INTs must be provided to persons who received \$600 or more of interest on refunds issued by the Department of Revenue.

Regardless of whether a taxpayer is sent a Form 1099-INT, the taxpayer must report all interest received from the department in 1996 as income on his or her 1996 federal and Wisconsin tax returns.

All or a portion of a state income tax refund from Form 1099-G may also be includable in federal taxable income. However, **the refund should not be included** in Wisconsin taxable income.

Form 1099-G explains how the refund reported to the Internal Revenue Service (IRS) was determined. The first line shows the amount of the

refund. Subsequent lines show adjustments for: amounts applied to next year's estimated taxes; endangered resources donations; late filing penalties and interest; homestead, farmland preservation, farmland tax relief, and earned income credits; retirement plan penalties; and other adjustments. The last line shows the refund reported to the IRS. □

Information Returns Sent to Federal Retirees

During January 1997, Form 1099-G and/or Form 1099-INT information returns are being mailed by the Wisconsin Department of Revenue to federal retirees who received in 1996, refunds of Wisconsin income tax they paid on their federal retirement income for tax years 1984 through 1988.

Form 1099-INT will be sent to all federal retirees who received interest from the department in 1996. The interest is includable in both federal and Wisconsin taxable income.

Form 1099-G will be sent to federal retirees who received a Wisconsin income tax refund in 1996, and claimed state income tax payments as an itemized deduction on their federal tax return for the year to which the refund applies. The tax year to which the refund applies is identified on the Form 1099-G.

Form 1099-G will not be sent to federal retirees who received a refund of income tax in 1996 but did not itemize deductions on their federal return.

Taxability of Refund

The state income tax refund shown on Form 1099-G should not be included in Wisconsin taxable income. However, all or a portion of the refund may be includable in 1996 federal taxable income. The

Internal Revenue Service (IRS) has developed worksheets for each of the tax years 1984 to 1988, which may be used to help determine whether a state income tax refund must be included in federal taxable income. These worksheets may be obtained from the IRS.

Information Return Differences

There are three reasons why the total amount received by a federal retiree may differ from the total amount shown on the Forms 1099-G and 1099-INT. These reasons are:

- (1) The federal retiree did not itemize deductions on the federal return for one or more tax years; therefore, a Form 1099-G was not sent to the retiree for that year(s).
- (2) The federal retiree is participating in the class action in *Department of Revenue v. Hogan, et al.* The department is required to put a portion of the refund into an escrow account for attorney fees.

The amount that was put into an escrow account is considered income constructively received by the retiree and is included in the information return amounts.
- (3) All or a portion of the refund was offset against delinquent taxes, delinquent child support, or debts owed to other state agencies, municipalities, or counties. □

6-Year Prison Sentence

Two Sentenced for Stealing \$1.8 Million of Fuel Taxes

Fuel distributor Paul C. Kramer, 55, of Racine, was sentenced in November 1996 to six years in prison for his part in a fuel tax scam that cheat-

ed the state out of \$1.8 million. Dane County Circuit Court Judge Robert A. DeChambeau also ordered Kramer to serve an additional ten years of probation and to make restitution to the state.

Also sentenced for his role in the scam was Patrick C. Gedig, 50, of Franklin. He was sentenced to ten years probation, including one year in the county jail, after he pled guilty to the charges in 1994 and testified against Kramer during Kramer's trial. Gedig was also ordered to make restitution to the state.

Kramer had operated Ohio Fuel & Supply Co., Inc. (Ohio). During 1990 Gedig, who operated United Petroleum Corporation, owed Ohio \$700,000 for past fuel purchases. Kramer devised a scheme, to which Gedig agreed, to issue phony invoices to three other Kramer companies to collect over \$935,000 of fuel taxes, which was paid over to Kramer and not remitted to the state. In addition, Kramer later failed to remit \$868,000 of other fuel taxes to the state.

The prosecution also pointed out that Kramer was audited in 1987, 1990, and 1993 and was found to have evaded or failed to remit \$344,000 of fuel taxes. He also failed to remit \$255,000 of fuel taxes between December 1993 and April 1994. In addition, a 1989 audit resulted in an assessment of \$40,000 for sales taxes, and it was discovered that Kramer had not filed income tax returns for 1985, 1986, or 1987.

Penny Griffith, 47, of Berlin (Green Lake County) was found guilty in October 1996, of two counts of felony income tax evasion. As part of a plea bargain agreement, Griffith pled guilty and Circuit Court Judge William McMonigal ordered her to serve six years of probation, provide

100 hours of community service, make restitution to the State of over \$2,900, and repay \$12,300 to an elderly victim related to an additional count of theft.

Gordon Schumacher, 65, Sevastopol Town Chairman (Door County), was charged in October 1996 with 28 criminal violations. The charges include 25 counts of ethics law violations, one felony count of misconduct in public office, and two felony counts of tax evasion.

Schumacher allegedly pocketed over \$100,000 during the past six years in his position, which paid an official salary of only \$1,200 per year. The tax evasion charges allege that Schumacher failed to report all of the income he garnered as town chairman. He allegedly failed to report \$11,100 of income for 1993 and \$10,700 for 1994.

Each of the three felony violations is a crime punishable by imprisonment up to five years and fines up to \$10,000 upon conviction.

Four men have been charged with filing false Application for Title/Registration returns with intent to evade sales taxes. Each of the evasion charges carries penalties of up to 30 days in jail and up to \$500 in fines upon conviction. In addition civil penalties may apply, including assessment and collection of the taxes, penalties, and interest due.

Dr. Stuart Hoffman, of Mequon, was charged in October 1996 with filing a false return in August 1995, listing the purchase price of a 1991 Porsche as \$14,500 rather than its actual purchase price, \$45,300. He paid sales tax of \$725; the correct tax is \$2,265.

Gary L. Zurbuchen, of Dousman (Waukesha County) was charged in

October 1996 with filing a false return. He listed the purchase price of a 1993 Ford truck as \$1,000 and sales tax as \$50. He actually paid \$17,000 for the truck and should have paid sales tax of \$850.

Mark E. Breneman, 25, of Madison, was charged in October 1996 with filing a false return in 1993 listing the purchase price of a 1986 Mustang as \$500 rather than the actual price of \$5,250. He was also charged with filing another false return in 1995, listing the purchase price of a 1993 GMC truck as \$6,146 rather than \$17,000. He underpaid sale tax of \$858.22 on the two transactions.

Steven R. Hansen, Stoughton, was charged in November 1996 with filing a false Application for Title/Registration listing the purchase price of a 1992 Blazer as \$5,000 rather than the actual price of \$16,000. The sales tax he evaded is \$605. □

IRS Changes Tax Practitioner Program

Note: This article was submitted by the Midwest District of the Internal Revenue Service.

For the 1997 tax filing season (1996 tax returns), tax practitioners will receive only one free Package X. One copy of Package X will be mailed to each practitioner who is on the IRS mailing list under the Tax Practitioner Program. No other publications will be mailed free and automatically to practitioners. This change in the IRS Tax Practitioner Program is part of IRS's ongoing effort to make taxpayer information more widely available while reducing redundancy and controlling costs.

Practitioners will be able to purchase multiple copies of the following products through the Government

Printing Office (GPO) Superintendent of Documents (SOD).

- Publication 1132, *Reproducible Federal Tax Forms and Instructions* (Note: Publication 1579, *Tax Practitioner Reproducible Kit*, is obsolete and no longer available. Publication 1132 is in lieu of Publication 1579.)
- Publication 1194, *Tax Information Publications* (Note: Publication 1793, *Tax Practitioner Reference Set*, is obsolete and no longer available. Publication 1194 is in lieu of Publication 1793.)
- Publication 1194B, *Business Tax Information Publications*: Includes IRS publications most frequently requested by businesses. These publications are not included in Publication 1194.
- Publication 17, *Your Federal Income Tax*
- Publication 334, *Tax Guide for Small Business*

The following methods are available for ordering forms through the Superintendent of Documents:

- By mail: Use the SOD Form 7706 contained in Publication 1045. Although Form 7706 lists these forms/publications for sale in packets of 10, many of them are sold by single copy.
- By telephone: 202-512-1800
- By FAX: 202-512-2250
- Through GPO's Federal Bulletin Board (CD-ROM orders only and form downloads only) at 202-512-1387. After sign on, type:

/go irs

- Through GPO's World Wide Web Home Page:

http://www.access.gpo.gov/su_docs

In addition, **general** forms and publications are available through IRS by any of the following methods:

- Downloading electronic files from the Internal Revenue Information Service (IRIS) on the FedWorld Bulletin Board and printing or reproducing the forms needed. (Note: This does not include practitioner publications like 1132 and 1194. Those must be ordered through SOD.)
- To access IRIS directly via modem, call 703-321-8020.
- On the Internet, telnet to:
 - iris.irs.ustreas.gov
 - or, for file transfer protocol services, connect to:
 - ftp.irs.ustreas.gov
- Using the World Wide Web, connect to the IRS Home Page:
 - http://www.irs.ustreas.gov
- Technical questions can be directed to the FedWorld help desk at 703-487-4608.
- Ordering the IRS Tax Forms CD-Rom: Contains over 600 current year IRS Tax Forms, Instructions, and Taxpayer Information Publications (TIPs). Available through SOD, stock #648-096-00004-6. Also available at Government Book Stores.
- Fax Forms: Limited copies of **general** tax forms are available through IRS Fax Forms Service. Callers must phone directly from the handset of a fax machine. For a menu of items, call from a fax machine: 703-487-4160.
- Limited copies (usually **one** per practitioner) of **general** tax forms/publications are also available by calling the IRS at 1-800-TAX-FORM or by visiting an IRS office during taxpayer service hours.

Ordering Federal Information Reporting Forms

Note: This article was submitted by the Midwest District of the Internal Revenue Service.

IRS has announced changes to the procedure for ordering blank copies of information reporting forms (like W-2s, 1099s, etc.). These are the forms used by businesses to report various types of income.

Form 7018, *Employer's Order Blank for 1996 Forms*, the form used by employers to order blank information reporting forms, can be found in the 1996 revision of Circular E, *Employer's Tax Guide*, on the inside back cover.

Tax practitioners who need to order blank copies of information reporting forms should use Form 7018 in Circular E. (Previously, practitioners used an order blank in Publication 1045. That order blank is no longer included in Publication 1045.)

Administrative Rules in Process

Listed below are proposed new administrative rules and changes to existing rules that are currently in the rule adoption process. The rules are shown at their stage in the process as of January 1, 1997, or at the stage in which action occurred during the period from October 2, 1996 to January 1, 1997.

Each affected rule lists the rule number and name, and whether it is amended (A), repealed (R), repealed and recreated (R&R), or a new rule (NR).

Proposed Rules Being Drafted

- 11.002 Permits, application, department determination-A

- 11.01 Sales and use tax return forms-A
- 11.35 Occasional sales by non-profit organizations on or after January 1, 1989-A
- 11.39 Manufacturing-A
- 11.41 Exemption of property consumed or destroyed in manufacturing-A
- 11.66 Telecommunications and CATV services-A
- 11.97 "Engaged in business" in Wisconsin-A

Rules Sent for Legislative Committee Review

- 11.83 Motor vehicles-A

Rules Adopted But Not Yet Effective

- 11.83 Motor vehicles-A (anticipated effective date 3/1/97)

Rules Adopted (in effect January 1, 1997, unless otherwise indicated)

- 2.47 Apportionment of net business income of interstate motor carriers of property-R&R
- 11.28 Gifts, advertising specialties, coupons, premiums and trading stamps-A
- 11.46 Summer camps-A
- 11.51 Grocers' guidelist-A
- 11.69 Financial institutions-A (effective 11/1/96)
- 11.87 Meals, food, food products and beverages-A
- 11.95 Retailer's discount-R&R

Rule on Hold Pending Court Decision

- 11.04 Constructing buildings for exempt entities-A