August 24, 2011
Small Business Forum
Phoenix, AZ
Time: 9:00 am – 11:00 am

Attendees: IRS Representatives and Name & Title of Major Organizational Representatives

Speakers:

- Lisa Novack, IRS Stakeholder Liaison, Lisa.A.Novack@irs.gov
- Evelyn Lee, IRS Stakeholder Liaison Acting Group Manager, Evelyn.D.Lee@irs.gov
- Mark Engle, SBDC Director, Mark.Engle@domail.maricopa.edu
- Lynsey Goins, AZ Dept. of Economic Security-Unemployment Tax, lgoins@azdes.gov
- Anthony Forschino, Arizona Department of Revenue, AForschino@azdor.gov
- Frank Bustos, Taxpayer Advocate Service, Frank.C.Bustos@irs.gov
- Eddie Dalton, Taxpayer Advocate Service, Eddie.J.Dalton@irs.gov
- Cathy Lease, Small Business Administration, cathy.lease@sba.gov
- Kathy Rodriguez, Arizona Commerce Authority, kathyr@azcommerce.com
- Maryanne Weiss, Greater Phoenix SCORE, maryanneaz1@cox.net

Other Attendees, both in person and via Webinar

- Jennifer Bender, Tony Bender Electrical Services
- Terry Benelli, NEDCO
- Myriam Cruz, Better Business Bureau
- Rick Danford, Comerica Bank
- Giancarlo Estrada, Business Owner
- Aracelys Gonzalez, Latinos Creciendo
- Craig Jorda, Small Business Administration
- Christina Kolesar, GEL Aviation
- Joe Madrigal, Jr.,
- Daniel Martin Mora,
- Henry Martinez, IRS
- Julie Rule,
- Maria-Luz Sharma,
- Kefyalew Zerg,

Minutes have been sent to all invitees.

Contact Person:

Lisa Novack, Senior Stakeholder Liaison, IRS, Lisa.A.Novack@irs.gov 602—636-9476

Evelyn Lee, Acting Group Manager IRS Stakeholder Liaison SW Area, attended event and provided opening remarks via Webinar.

Prior Issue(s): No prior issues existed and no new issues identified.

Meeting Summary

Mark Engle, Director Maricopa SBDC – Mark opened the meeting by welcoming the group and providing on overview of the programs the SBDC is currently offering. He highlighted the vast array of educational events they offer, in addition to their counseling and referral services. You can locate information about these events on their website at http://www.maricopa-sbdc.com/index.html. Maricopa SBDC website also features information about their dedication to Women and Minority Small Businesses (Click on Minority Programs) and they also have a program coordinator dedicated to technology programs. They offer one-on-one assistance by professionals with experience in technology and related fields. More information about these and other programs, as well as tools and resources, can be found on the website. So please take a few minutes to check it out and continue to refer small businesses to the SBDC to take advantage of their programs. In addition to their Phoenix office, they serve our communities in Goodyear, Glendale, Surprise, Paradise Valley, Scottsdale, Tempe, Mesa, Gilbert and Chandler.

Lisa Novack, IRS Stakeholder Liaison -
Lisa thanked everyone for their support of these events for the last 5 years. She thanked the SBDC staff and Mark Engle for all of their help and support not only with today's forum, but also with the development of some workshops. Lisa introduced Evelyn Lee, Acting Group Manager who welcomed the crowd and explained that the forum gives a perfect opportunity to network with government agencies and other service providers to identify valuable information that you can share with your small business members. She also encouraged everyone to stay in contact with Lisa to let her know if there are any questions or concerns she can assist with.

Lisa presented an Excellence in Partnering Certificate to Aracelys McCaine. Aracelys has been an avid supporter of IRS messages and she is reaching out to the Hispanic community to help share our messages. She has recently begun offering a Small Business Tax Workshop Study group in Spanish once a month and is continuing to grow the group because the interest and the need for information are there.

Lisa highlighted the Small Business Tax Workshops now offered through the SBDC and their satellite offices. The press release is included at the end of this summary to provide dates and locations for the upcoming classes. Lisa encouraged the service providers to help IRS and the SBDC create awareness and interest for these classes so we can continue to offer this resource to small businesses. Many people may not think it's important that they take the time out of their day to learn the basic information but it's simply not true. These 2 part classes, instructed by volunteer tax professionals, are designed to help both newer/startup businesses or those thinking of starting a business, as well as businesses with employees or those considering hiring employees.

You are encouraged to keep in close contact with Lisa in between these events, especially if you have any questions or identify any systemic or procedural problems with IRS policies, practices, and procedures. The Issue Management Resolution System (IMRS) was designed to capture, develop and respond to stakeholder issues. IMRS also identifies nationwide trends in the reporting, filing and paying requirements that may indicate a need to change IRS processes or procedures. Attached are examples of several issues that were identified and resolved in the last 2 quarters that would be of interest to small businesses. Please

take a look at these to help you understand the types of issues you might encounter that you can bring to Lisa.

Finally, check out the following products and services that you might find interesting:

Struggling with Paying Your Taxes? Let IRS Help You Get a Fresh Start.

IRS Live presents The Fresh Start Initiative ***Webinar – August 31***

IRS Social Media Link on YouTube

IRS Video Portal

Tax Calendar for Small Business – Desktop Connector

Lynsey Goins, Arizona Dept. of Economic Security – Unemployment Insurance Tax Office –
The Arizona State Department of Economic Security (DES), Unemployment Insurance Administration (UIA) provides a wealth of information about the UI Program for both claimants and employers on the Administration's website: www.azui.com

You can access both UI Benefits and UI Tax information from this site. Information specific to employers includes options for filing quarterly reports and paying taxes electronically, links to the employer handbook regarding UI Tax and Benefit information, and important announcements regarding changes to the program.

Some of these changes include the Governor's signing of House Bill 2619, which imposes a Special Assessment on taxable wages paid in 2011 and 2012. This bill was backed by members of the Arizona business community, including numerous Chambers of Commerce and is necessary to meet the federally imposed unemployment trust fund obligations. (More information is available on the website). Also included are changes to the Arizona Job Training Tax (JTT). Some employers have previously received an exemption from paying this tax, however due to the Federal Unemployment Tax (FUTA) rate reduction to 6.0% effective July 1, 2011; all employers who are subject to an experience rated UI tax requirement are also subject to the 0.10% JTT on all taxable wages paid after June 30, 2011. (More information is available on the website).

Anthony Forschino – Arizona Department of Revenue – The Department of Revenue has met some challenges in the past and was unable to continue with their outreach program. However, Anthony is in the process of developing some kind of program to help educate the public about the Transaction Privilege Tax, which is very confusing. He demonstrated the department's website http://www.azdor.gov/ and highlighted the information available, especially for small businesses (on the business tab). He encourages everyone to take a look at the website to be familiar with the information available because it's a good tool to use and they are looking to develop more helpful information to include.

Anthony mentioned the Arizona Tax Recovery Program. From September 1 through October 1, 2011, Arizona will offer Tax Recovery -- an opportunity for those who live, work, or do business in Arizona to pay any back taxes owed to the state without penalty or criminal prosecution, and at a reduced interest rate for those who qualify. **Click here** for more information.

He also advised that there has been issues surrounding tax returns filed with an Individual Tax Identification Number (ITIN) and ADOR has stopped the refunds on these types of returns to try to help combat identity theft.

Anthony will try to continue as a regular partner at the Small Business Forums and hopes to have more outreach for small businesses available in the future. Stay tuned!

Frank Bustos – Taxpayer Advocate Service (TAS) – The Taxpayer Advocate Service (TAS) is an independent organization within the IRS. TAS helps taxpayers who are experiencing economic harm, such as not being able to provide necessities like housing, transportation, or food; taxpayers who are seeking help in resolving problems with the IRS; and those who believe an IRS system or procedure is not working as it should.

Like the IMRS system Lisa spoke about, TAS also handles large-scale or systemic problems that affect many taxpayers. If you know of one of these broad issues, you can report it through the Systemic Advocacy Management System at www.irs.gov/advocate. This website will also help you find how to contact your local taxpayer advocate, allow you to read the National Taxpayer Advocate's report to Congress, and access the tax toolkit.

The local TAS staff is very competent and is comprised of employees with varying backgrounds to help them resolve problems more efficiently. Contact your local advocate. They keep you informed every step of the way and will be in contact with you every 30 days until your case is resolved.

Cathy Lease – US Small Business Administration –
Even though SBA does not loan money directly to small business owners, we play an important role for people who want to finance or grow their business. When you apply for a SBA-backed loan at your local bank or credit union, you are asking SBA to provide a guarantee that you will repay your loan as promised. Visit www.sba.gov/az to learn about loan program eligibility and the different programs:

- Starting and Expanding a Business
- Disaster Loans
- Export Assistance Loans
- Veteran and Military Community Loans
- Special Purpose Loans

You can also access loads of educational information on the SBA website related to starting a business or managing a business as well as tools to assist in writing a business plan. They can also provide you with a copy of the Lender's List that will show most of the banks throughout the state who offer SBA financing. This list is posted on the SBDC website at http://www.maricopa-sbdc.com/downloads.htm. SBA also offers free loan clinics. For additional information, call 602-745-7200 or email Arizona@sba.gov.

Kathy Rodriguez – Arizona Commerce Authority *(formerly Arizona Department of Commerce)-*
With the formation of the Arizona Commerce Authority (ACA), we now have the tools to help create a business environment that attracts businesses and that allows businesses located in Arizona to grow, be successful and competitive in the local and global marketplace.

Our Business Attraction team will be working closely with economic partners around the state, and serves as a statewide point of contact to provide information and support

services for attracting businesses to Arizona. They also will be actively promoting the state as a prime location to foreign companies seeking to expand in the U.S market. Business Development focuses its commitment to growing businesses already established in Arizona. Our team is being built now to support services and programs for innovation and technology, manufacturing, exporting and retention.

Small Business Services will continue as we've done in the past – having the same a dual focus: one – to provide information on licensing and resources for every stage of business development and two – to serve as an advocate by developing policies and programs addressing the needs of small businesses.

We lead the statewide "go to site" for information on starting, operating and growing a business in Arizona at www.azcommerce.com , click "Services" then select "Small Business Services."

ACA will relocate to 333 N. Central Avenue on September 3rd. See our website for listing of new telephone numbers.

Save the date … November 3rd to attend the next Phoenix Service Provider Network meeting to be hosted by ACA in our new Small Business Center.

Maryanne Weiss – SCORE -SCORE's mentors, comprised of active and retired business men and women, provide clients with free and confidential business counseling. Counseling can be conducted at the client's place of business, at our chapter headquarters, by telephone or via email. SCORE mentors and representatives from the local business community also conduct a variety of regularly scheduled, low-cost educational workshops that provide valuable information and techniques necessary for establishing and managing a successful business.

Contact SCORE online at www.greaterphoenix.score.org

In Person: 2828 N. Central Avenue, #800
Phoenix,AZ 85004

By Phone or Fax: Tel: (602)745-7250
Fax: (602) 745-7210

Some interesting facts:

- *In 2010, businesses mentored by SCORE had an average of $185,737 in revenue.*
- *SCORE helped 11,045 small businesses save an estimated 17,629 jobs.*
- *Businesses mentored by SCORE grossed $19.4 billion in 2010 revenue.*
- *In 2010, SCORE clients started 58,637 new businesses.*
- *In 2010, SCORE clients created 71,449 jobs*

Roundtable & Comments

The roundtable consisted of introductions of the individuals attending the event in person. This allowed them the opportunity to introduce themselves and their organization or business. This creates a greater networking opportunity between the attendees.