

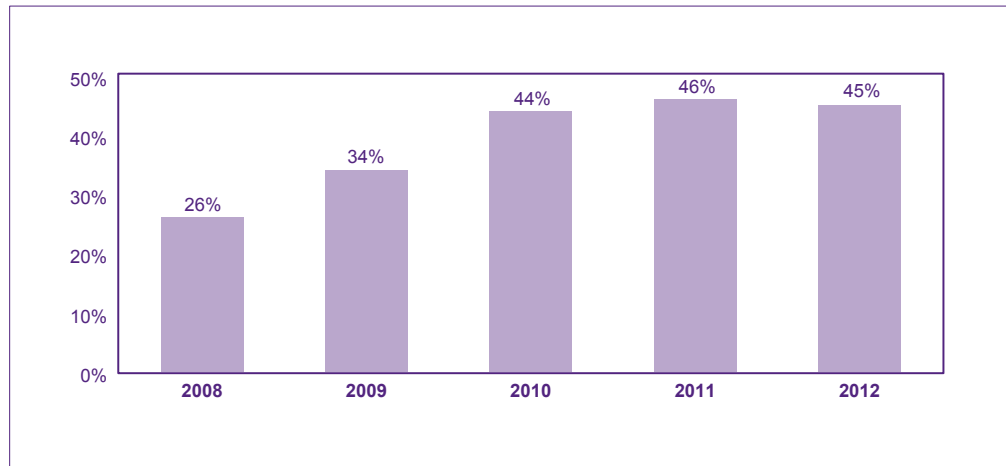
N. Cuts to IRS Tax Forums Mean Lost Opportunities

According to their stated purpose, “[t]he IRS Nationwide Tax Forums offer three full days of seminars with the latest word from IRS leadership and experts in the fields of tax law, compliance and ethics.”¹ In their present state, the Tax Forums cannot accomplish this task. Due to budgetary concerns, the IRS has severely limited the IRS staff permitted to attend and work at the Tax Forums, and has cut many features offered at previous Forums.

The Tax Forums are designed for tax practitioners, ranging from attorneys and enrolled agents to unenrolled preparers. In the last five years, more than 77,600 practitioners have attended the Tax Forums, providing a platform for the IRS to inform them about changes to practices and procedures, and to assist the practitioners in providing the best possible return preparation and representation to taxpayers.²

Budget cuts have reduced the Forums to a shell and made it impossible for these events to meet the needs of practitioners. The Forums offer the IRS a unique and crucial means of reaching unenrolled preparers. Beginning in 2010, about 45 percent of paid attendees were unenrolled preparers,³ *i.e.*, individuals who prepare tax returns for compensation but who are not attorneys, certified public accountants, enrolled agents, enrolled actuaries, or enrolled retirement plan agents.⁴

-
- 1 IRS, *IRS Nationwide Tax Forum Information*, available at <http://www.irs.gov/Tax-Professionals/IRS-Nationwide-Tax-Forum-Information> (last visited May 14, 2013).
 - 2 Statistics on file with TAS Communications and Liaison Staff. The number of total practitioners attending the Forums is not limited to unique practitioners, which may be fewer than stated due to practitioners attending the Forums in more than one year.
 - 3 Statistics on file with TAS Communications and Liaison Staff.
 - 4 The IRS’s efforts to regulate, test, and impose continuing education requirements on this population of preparers have been enjoined, pending litigation. For further information on the National Taxpayer Advocates perspective on the regulation of preparers, see *Taxpayers are More Vulnerable Under the Current Limited Oversight of Tax Return Preparers*, *supra*. *Loving v. I.R.S.*, 111 A.F.T.R.2d (RIA) 589 (D.D.C. Jan. 18, 2013). The government filed a motion to suspend the injunction pending appeal. The U.S. District Court for the District of Columbia denied the motion but modified the terms of the injunction. See *Loving*, 111 A.F.T.R.2d (RIA) 702 (D.D.C. Feb. 1, 2013). On February 25, 2013, the government filed a motion for a stay pending appeal. On March 27, 2013, the U.S. Court of Appeals for the District of Columbia Circuit denied the motion for stay. See *Loving*, 111 A.F.T.R.2d (RIA) 1384 (D.C. Cir. March 27, 2013). Olson, Nina E., *More Than a ‘Mere’ Preparer: Loving and Return Preparation*, *Tax Notes*, May 13, 2013. See also *Taxpayers Are More Vulnerable Under the Current Limited Oversight of Tax Return Preparers*, *supra*.

FIGURE II.6, TAX FORUM ATTENDEES WHO ARE UNENROLLED PREPARERS

In prior years, the Tax Forums also included a case resolution program, managed by TAS and staffed by employees from all IRS operating divisions who had access to IRS systems and could help practitioners with tough cases on the spot. Beginning this year, the IRS has eliminated the case resolution program to reduce the number of employees attending the Forum, even though the room was primarily staffed by local employees or those already attending for other purposes. Typically, the case resolution program worked more than 1,100 cases per year, helping to resolve issues for the practitioners' clients.⁵ It provided immediate face-to-face assistance from an array of IRS employees, enabling practitioners to clear up their most difficult cases in one efficient session.⁶ In addition to assisting practitioners, the case resolution program generated revenue for the IRS, collecting more than \$1.3 million over the last five years.⁷

Previously, the IRS and TAS used the Forums to conduct focus groups on topics such as Publication 1, *Your Rights as a Taxpayer*, the IRS Automated Underreporter program, the offer in compromise program, and features of the IRS website. This year, no focus groups will be held, again to reduce the staff present at the Forums. The Forums presented a unique opportunity for the IRS to receive comments and suggestions directly from practitioners who use the forms and publications the IRS produces on a daily basis, and to test possible improvements to various IRS products. Cutting focus groups leads to missed opportunities for the IRS to receive valuable reactions in real time.

The National Taxpayer Advocate is concerned the changes to the Tax Forums and the reduction in IRS staff severely diminish the effectiveness of these programs. The services cut from the forums represent lost opportunities for both practitioners and the IRS to interact

5 Statistics on file with TAS Communications and Liaison Staff. At the 2012 Tax Forums, the program resolved 993 cases.

6 IRS, Joint Operations Center, Product Line Detail Reports FY 2012.

7 Statistics on file with TAS Communications and Liaison Staff.

in a mutually beneficial situation. TAS will continue to work with the IRS to identify opportunities to make full use of the Tax Forums and to advocate that the IRS reevaluate its policies concerning the 2013 and future Forums. Additionally, TAS plans to work with stakeholders such as LITCs, Volunteer Income Tax Assistance (VITA) programs, and professional tax groups to reinstate a pilot of Problem Solving Days in FY 2014 to provide one-stop tax issue resolution for taxpayers and practitioners.⁸

⁸ Shortly after the implementation of the IRS Restructuring and Reform Act of 1998 (RRA 98, Pub. L. No. 105-206 § 1002) the IRS offered Problem Solving Days across the country where representatives from all IRS functions were available to address taxpayer issues in a one-stop-shopping manner. Many Unhappy Returns, Charles O. Rossotti, 136-137, Harvard Business School Publishing (2005). Subsequently, the IRS has held other problem solving day type events in the form of Super Saturdays, Service Saturdays, Tax Assistance Days, and EITC Saturdays, beginning in 2008. See, e.g., <http://irweb.irs.gov/AboutIRS/Nwsctr/Headlines/13536.aspx> (last visited June 3, 2013).