

IV. Case Advocacy

The role of TAS as an independent organization within the IRS has continued to evolve since the enactment of the IRS Restructuring and Reform Act of 1998, which created TAS in its current form.¹⁹² That evolutionary process is evident in the improvements and enhancements TAS has made to taxpayer advocacy, which are discussed further below. These improvements come at a time when TAS is facing increased challenges in its casework. Significant trends include the continued rise in identity theft and economic burden case receipts and the reappearance of the Questionable Refund Program¹⁹³ in the form of Pre-Refund Wage Verification Hold cases.¹⁹⁴

A. TAS Analyzes Economic and Systemic Burden Case Receipts for Process Improvements

Taxpayers come to TAS when:

- They have experienced a tax problem that causes financial difficulty;
- They have encountered problems trying to resolve their issues directly with the IRS; or
- An IRS action or inaction has caused or will cause them to suffer a long-term adverse impact, including a violation of their rights.

TAS accepts cases in four categories:

- Economic Burden – Cases in which a taxpayer is experiencing financial difficulty;
- Systemic Burden – Cases in which an IRS process, system, or procedure has failed to operate as intended, and as a result, the IRS has failed to timely respond to or resolve a taxpayer's issue;
- Equitable Treatment or Taxpayer Rights Issues – Cases accepted to ensure that taxpayers receive fair and equitable treatment or that taxpayers' rights are protected; and

¹⁹² See Appendix I: *Evolution of the Office of the Taxpayer Advocate, infra*.

¹⁹³ See National Taxpayer Advocate 2007 Annual Report to Congress 448-458 (Status Update: *Questionable Refund Program*); National Taxpayer Advocate 2006 Annual Report to Congress 408-421 (Status Update: *Major Improvements in the Questionable Refund Program and Some Continuing Concerns*); National Taxpayer Advocate 2005 Annual Report to Congress 25-54 (Most Serious Problem: *Criminal Investigation Refund Freezes*); National Taxpayer Advocate 2003 Annual Report to Congress 175-181 (Most Serious Problem: *Criminal Investigation Freezes*).

¹⁹⁴ To reach its goal of revenue protection, the Accounts Management Taxpayer Assurance Program selects questionable returns for verification prior to releasing refunds. AMTAP screens these returns through the Electronic Fraud Detection System (EFDS) to verify the accuracy of taxpayers' wages and withholding. If income documents are not initially verifiable, AMTAP begins a manual process to verify wages and withholding by contacting the employers. See IRM 21..9.1.7 (Oct. 1, 2010).

- Public Policy – Cases accepted when the National Taxpayer Advocate determines that compelling public policy warrants assistance to an individual or group of taxpayers.¹⁹⁵

Through May 31, TAS has received 190,204 cases in FY 2011, closed 184,801, and provided relief to taxpayers in 74.7 percent of the cases closed.¹⁹⁶ Figure IV.1 shows TAS FY 2011 receipts, closures, and relief rates by case category through the end of May.

FIGURE IV.1, TAS CASE RECEIPTS, CLOSURES, AND RELIEF RATES, FY 2011 CUMULATIVE THROUGH MAY¹⁹⁷

	Receipts	Closures	Relief Rate
Economic Burden	89,339	78,472	71.0%
Systemic Burden	100,713	106,188	77.5%
Equitable Treatment or Taxpayer Rights Issues	138	127	72.4%
Public Policy	14	14	92.9%
Total Cases	190,204	184,801	74.7%

As reflected in Figure IV.1 above, the bulk of TAS's cases involve either economic or systemic burden. While TAS strives to expeditiously resolve all cases meeting TAS criteria, it places special emphasis on helping taxpayers who are experiencing financial difficulty. In these instances, TAS requires Case Advocates to take specific actions to expedite initial case processing, and to contact the taxpayer to communicate these actions and request additional information (if needed) within three workdays of the date TAS received the case.¹⁹⁸

While TAS received slightly fewer cases overall through May of FY 2011 as compared to the same period in FY 2010, the number of economic burden case receipts continues to grow, and these cases require quicker action. As shown in Figure IV.2, TAS economic burden case receipts increased by nearly 19 percent in the second quarter of FY 2011, as compared to the same period in FY 2010 and more than 45 percent as compared to the same period in FY 2007.¹⁹⁹

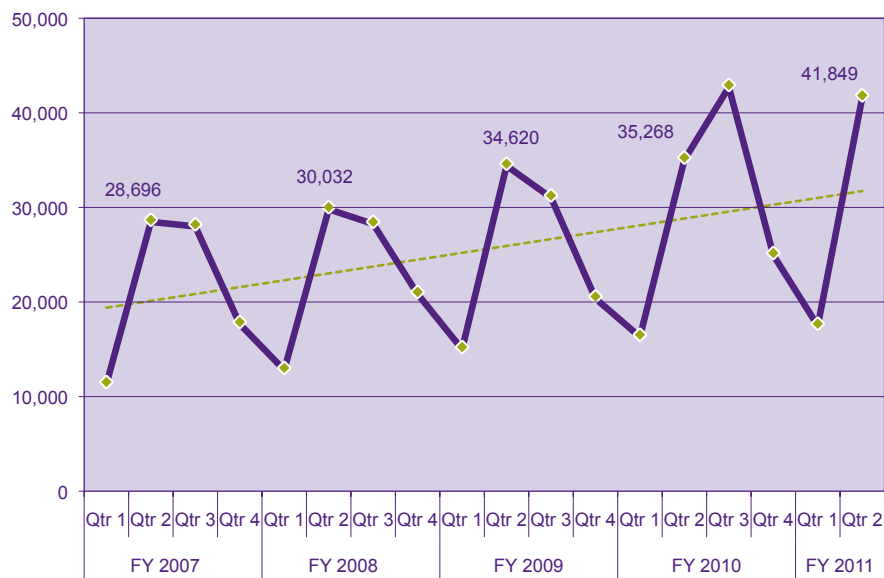
195 See Appendix II for a list of the criteria TAS uses when deciding which taxpayers are eligible for TAS assistance in these four categories.

196 TAS determines relief rates based upon whether TAS is able to provide full or partial relief or assistance on the issue initially identified by the taxpayer. Because TAS frequently provides relief on issues that differ from the ones the taxpayer initially identified, the relief rate, as calculated, is understated. Data obtained from TAMIS. TAS uses TAMIS to record, control, and process taxpayer cases, as well as to analyze the issues that bring taxpayers to TAS.

197 Data obtained from TAMIS. TAS tracks resolution of taxpayer issues through codes entered at the time of closing on TAMIS and requires Case Advocates to indicate the type of relief or assistance they provided to the taxpayer. See IRM 13.1.21.1.2.1.2 (Feb. 1, 2011). The codes reflect full relief, partial relief, or assistance provided. The relief rate is determined by dividing the total number of cases closed with full relief, partial relief, or assistance by the total number of closures.

198 IRM 13.1.18.2(1) (Feb. 1, 2011).

199 Data obtained from TAMIS.

FIGURE IV.2, TAS ECONOMIC BURDEN RECEIPTS BY QUARTER, FY 2007 THROUGH SECOND QUARTER FY 2011²⁰⁰

While the U.S. still recovers from recession, with unemployment rates hovering around 9 percent²⁰¹ and a housing market that has shown little sign of recovery,²⁰² it is hardly surprising that taxpayers experiencing economic burden are coming to TAS for assistance. However, to identify the immediate cause behind increasing economic burden case receipts, TAS tracks the underlying tax issues. Figure IV.3 lists the top five economic burden issues so far in FY 2011.

²⁰⁰ Data obtained from TAMIS.

²⁰¹ Bureau of Labor Statistics (BLS), *Labor Force Statistics from the Current Population Survey*, Unemployment Rate (data extracted on June 2, 2011). The unemployment rate was 9.0 percent in January 2011, 8.9 in February 2011, 8.8 in March 2011, and 9.0 in April 2011.

²⁰² Trulia and RealtyTrac Staff, *Trulia and RealtyTrac Survey Reveals 54 Percent of American Adults Now Believe Housing Recovery Remains Unlikely Until 2014 or Later* (May 18, 2011), available at <http://www.realtytrac.com/content/press-releases/trulia-and-realtytrac-survey-reveals-54-percent-of-american-adults-now-believe-housing-recovery-remains-unlikely-until-2014-or-later-6581>.

FIGURE IV.3, TOP FIVE ECONOMIC BURDEN CASE ISSUES FY 2009 THROUGH FY 2010 AND FY 2010 THROUGH FY 2011 CUMULATIVE THROUGH MAY²⁰³

Rank	Issue Description	FY 2009	FY 2010	% Change	FY 2010 Cumulative through May	FY 2011 Cumulative through May	% Change
1	Identity Theft	4,685	7,655	63.4%	4,653	10,902	134.3%
2	Levies (including Federal Payment Levy Program) ¹⁶¹	15,167	15,263	0.6%	10,488	8,859	-15.5%
3	Unpostable and Reject Returns ¹⁶²	2,218	10,500	373.4%	7,031	7,876	12.0%
4	Expedite Refund Request	7,891	8,073	2.3%	6,176	5,852	-5.2%
5	IRS Offset	4,496	5,318	18.3%	4,933	5,292	7.3%

Not only is identity theft the number one issue in economic burden case receipts, but, as shown in the next section, it is also the number one reason overall that taxpayers are currently seeking TAS assistance. Through May, FY 2011 identity theft case receipts have increased more than 56 percent as compared to the same period in FY 2010. Of the 16,821 taxpayers who came to TAS with this issue through May of FY 2011, 10,902 were experiencing economic burden.²⁰⁶ The National Taxpayer Advocate recently testified that while it is difficult to pinpoint exactly the reasons for the increase in identity theft cases, some possible explanations include:

- A continued increase in tax-related identity theft;
- Increased public awareness of identity theft;
- Identity thieves have become more proficient; and
- Personal information has become readily-accessible.²⁰⁷

In FY 2012, TAS will continue to effectively advocate for taxpayers coming to TAS with identity theft issues. This will include working with the IRS to improve its processes in handling identity theft cases through its specialized identity theft unit.²⁰⁸

203 Data obtained from TAMIS.

204 The Federal Payment Levy Program (FPLP) is a systemic collection enforcement tool authorized by IRC § 6331(h). It allows the IRS to levy on federal payments disbursed by the Treasury's Financial Management Service (FMS) to delinquent taxpayers. Each week, the IRS creates a file of certain balance due accounts and transmits the file to FMS's Treasury Offset Program. FMS transmits a weekly file back to the IRS listing those that matched. FPLP will subsequently transmit levies on matching accounts.

205 Each account transaction, including tax return processing, is subjected to a series of validity checks before posting to the IRS Master File. A transaction is termed unpostable when it fails to pass any of the checks and is returned to the campus (Rejects Function) for follow-up action(s). IRM 21.5.5.2 (Oct. 1, 2007). See *Filing Season Review, supra*.

206 Data obtained from TAMIS.

207 See *The Spread of Tax Fraud by Identity Theft: A Threat to Taxpayers, A Drain on the Public Treasury Hearing Before the S. Comm. on Fiscal Responsibility and Economic Growth on S. Comm. on Finance, 112th Cong. (May 25, 2011)* (statement of Nina E. Olson, National Taxpayer Advocate).

208 For a more detailed discussion of identity theft, see *The IRS Needs to Improve Its Identity Theft Victim Assistance, supra*.

B. TAS Identifies Problems and Trends Which Negatively Impact Taxpayers and Advocates to Resolve These Issues

By analyzing the underlying issues involved in individual casework, TAS identifies trends that also affect larger groups of taxpayers and uses that information to work with the IRS to resolve the broader issues.²⁰⁹ Figure IV.4 lists the top 15 issues facing taxpayers.

FIGURE IV.4, TOP 15 ISSUES FOR CASES RECEIVED IN TAS, FY 2009 – 2010 AND FY 2010 – FY 2011 (CUMULATIVE THROUGH MAY)²¹⁰

Rank	Issue Description	FY 2009	FY 2010	% Change	FY 2010 Cumulative through May	FY 2011 Cumulative through May	% Change
1	Identity Theft	14,023	17,291	23.3%	10,760	16,821	56.3%
2	Processing Amended Return	19,939	30,891	54.9%	20,310	15,121	-25.5%
3	Open Audit (Not Earned Income Tax Credit)	10,630	26,182	146.3%	15,984	14,189	-11.2%
4	Unpostable and Reject Returns ¹⁶⁸	3,786	22,341	490.1%	12,436	11,173	-10.2%
5	Levies (including Federal Payment Levy Program)	18,153	18,015	-0.8%	12,411	10,305	-17.0%
6	Expedite Refund Request	10,959	11,755	7.3%	8,230	7,964	-3.2%
7	Reconsideration of Audits ¹⁶⁹ and Substitute for Return under IRC 6020(b) ¹⁷⁰	11,488	12,843	11.8%	8,791	7,863	-10.6%
8	Pre-Refund Wage Verification Hold ¹⁷¹		3,171		1,111	7,375	
9	Processing Original Return	9,170	11,997	30.8%	6,900	7,218	4.6%
10	IRS Offset	6,176	6,865	11.2%	6,086	6,307	3.6%
11	Earned Income Tax Credit	13,475	11,198	-16.9%	7,646	5,896	-22.9%
12	Injured Spouse Claim	10,130	7,777	-23.2%	5,067	5,828	15.0%
13	Returned and Stopped Refunds	5,517	6,115	10.8%	3,333	4,814	44.4%
14	Other Refund Inquiries and Issues	11,578	6,707	-42.1%	4,054	4,287	5.7%
15	Installment Agreements	6,318	6,039	-4.4%	3,832	3,685	-3.8%
	Total TAS Receipts	272,404	298,933	9.7%	191,901	190,204	-0.9%

209 TAS also asks its employees to submit systemic issues they find in TAS cases to the Systemic Advocacy Management System (SAMS). SAMS allows TAS to record and manage advocacy activities that benefit groups of taxpayers. See *Systemic Advocacy, infra*.

210 Data obtained from TAMIS.

211 See *Filing Season Review, supra*.

212 Audit reconsideration is the process the IRS uses to reevaluate the results of a prior audit where additional tax was assessed and remains unpaid, or a tax credit was reversed. IRM 21.5.10.4.3 (Oct. 1, 2010).

213 IRC § 6020(b) allows the IRS to prepare a return on behalf of the taxpayer based on available information, and assess the tax after providing a statutory notice of deficiency to the taxpayer.

214 TAS began capturing data for the Pre-Refund Wage Verification Hold issue in March 2010. Since the date for FY 2010 represents only the last six months of the fiscal year, a percentage change could not be accurately computed.

As shown in Figure IV.4 above, the Questionable Refund Program has reappeared as a top issue in the form of Pre-Refund Wage Verification Hold (PRWVH) cases. Through May of FY 2011, TAS received 7,375 PRWVH cases and closed 4,596 PRWVH cases, providing some form of relief to taxpayers in 64.5 percent of the cases closed.²¹⁵

The civil side (as opposed to the criminal side) of the Questionable Refund Program, previously administered by the IRS Campus Fraud Detection Centers, was transferred to the W&I Division's Accounts Management function and is now referred to as the Accounts Management Taxpayer Assurance Program. AMTAP's primary focus is revenue protection and to accomplish this, it selects questionable returns for verification prior to releasing refunds. These returns are screened through the Electronic Fraud Detection System (EFDS) to verify the accuracy of taxpayers' wages and withholding.

If income documents are not initially verifiable, AMTAP employees begin a manual process to verify wages and withholding.²¹⁶ This verification process can take up to 13 weeks.²¹⁷ While this is necessary, such delays can create financial hardship for taxpayers who are awaiting legitimate refunds.

So far in FY 2011, thousands of TAS's requests for assistance from AMTAP to release legitimate refunds have gone unanswered.²¹⁸ Through May, TAS issued 106 Taxpayer Assistance Orders to AMTAP in FY 2011.²¹⁹ The National Taxpayer Advocate has identified the AMTAP program as having systemic problems. She will research this issue in FYs 2011 and 2012, and discuss the findings and recommendations in the 2011 Annual Report to Congress.

C. Improvements in Advocacy

Creating an environment in which Case Advocates and Local Taxpayer Advocates are advocating for taxpayers on a case-by-case basis takes experience, encouragement, and training.²²⁰ In FY 2012, TAS will:

- Emphasize the importance of using TAO authority to resolve cases timely;

215 TAS determines relief based upon whether TAS is able to provide full or partial relief or assistance on the issue initially identified by the taxpayer. Data obtained from TAMIS.

216 This includes contacting the taxpayer's employer or if directed by the employer, the payroll processing firm to verify wages and withholding. AMTAP employees will also perform research to ensure they have the employer's current address.

217 It takes the IRS two weeks to screen the cases and 11 weeks to verify the wages and withholding. TAS Notes from TAS-AMTAP OAR Backlog Conference Call (May 2, 2011). See also IRM 21.9.1.2.3(1) (Oct. 1, 2010).

218 In FY 2011, TAS issued more than 8,700 OARs to AMTAP through May 2011 (data obtained on June 8, 2011).

219 Data obtained from TAMIS. See *Importance of the Taxpayer Assistance Order*, *infra*.

220 The role of an advocate is complex, requiring communication skills, technical skills, and determination to ensure that taxpayers receive the relief to which they are entitled. Advocacy involves numerous steps and approaches, including: listening compassionately to taxpayer concerns; exploring whether the claimed relief is permissible under the tax laws and regulations; if the relief is permissible, acting timely to ensure that the IRS provides the relief using the full set of statutory and procedural tools; and if the relief is not permissible, explaining with patience and compassion why the relief is not available. The TAS philosophy of advocacy is described in IRM 13.1.1.2 (Apr. 1, 2003).

- Focus on specific issues where advocacy is needed to make improvements, such as EITC claims; and
- Improve the systems and guidance provided to Case Advocates, to make their jobs easier.

1. Importance of the Taxpayer Assistance Order

The Taxpayer Assistance Order is a powerful tool that Local Taxpayer Advocates (LTAs) can use to resolve their cases. An LTA should consider issuing a TAO in a well-developed case if the taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the internal revenue laws are being administered and the law and the facts support the relief.²²¹ The LTA may issue a TAO to order the IRS to take an action, cease an action, or refrain from taking an action.²²² For example, the LTA may issue a TAO to release a levy.²²³ The LTA may also issue a TAO to order the IRS to expedite consideration of a taxpayer's case, reconsider its determination in a case, or review the case at a higher level.²²⁴

The ability to issue a TAO ensures “that TAS can effectively resolve problems and protect taxpayer rights when the taxpayer has a significant hardship, even when the IRS disagrees or has other internal priorities.”²²⁵ TAS has implemented various approaches to ensure that LTAs better understand the types of cases that require TAOs. One such approach involves coordinated informal monthly discussions with all LTAs about case scenarios that may result in a TAO. These discussions help LTAs share experiences and approaches and help inform LTAs about what is necessary to resolve cases.²²⁶ Awareness of the importance of the TAO as an advocacy tool is increasing as use of the TAO has increased over the past two fiscal years. In FY 2009, 45 TAOs were issued; in FY 2010 95 TAOs were issued; and in the first eight months of FY 2011, TAS issued 237 TAOs. Figure IV.5 shows the areas that have generated TAOs through May of 2011.

221 Treas. Reg. § 301.7811-1(a), 76 Fed. Reg. 18,059 (Apr. 1, 2011). See also IRC § 7811(a)(1); IRM 13.1.20.1 (Dec. 15, 2007).

222 Treas. Reg. § 301.7811-1(c), 76 Fed. Reg. 18,059 (Apr. 1, 2011); IRM 13.1.20.3 (Dec. 15, 2007).

223 IRC § 7811(b)(1).

224 Treas. Reg. § 301.7811-1(c), 76 Fed. Reg. 18,059 (Apr. 1, 2011); IRM 13.1.20.3 (Dec. 15, 2007).

225 IRM 13.1.20.2(5) (Feb. 1, 2011).

226 The monthly sessions are termed *TAO Cafés*, and these discussions, equipped with moderators and a detailed agenda, allow LTAs the ability to ask questions about TAO authority under different scenarios.

FIGURE IV.5, TAOS ISSUED THROUGH MAY IN FY 2011²²⁷

	TAOs Issued FY 2011
Refunds	109
Collection	33
Document Processing	27
Audit	26
Entity Issues	14
Penalty	11
Other	17
TOTAL	237

TAOs can also bring systemic problems to light and help drive systemic improvement in the IRS, as described in Section IV.B., TAS Identifies Problems and Trends Which Negatively Impact Taxpayers and Advocates to Resolve These Issues.

D. Improving Advocacy in TAS Earned Income Tax Credit Cases

In FY 2010 TAS leadership evaluated what steps it could take to improve advocacy for taxpayers claiming the Earned Income Tax Credit.²²⁸ Relief rates in TAS for taxpayers claiming the EITC are below the rates TAS achieves on other issues.²²⁹ In 2004, the National Taxpayer Advocate conducted a study in cooperation with the IRS to determine whether additional contacts and interaction with the taxpayer improved the chances of taxpayers receiving the credit, during audit reconsiderations.²³⁰ The study found that several approaches could increase the likelihood of taxpayers receiving the EITC to which they are entitled, including:

- Increasing telephone usage to engage taxpayers;
- Providing taxpayers a better explanation of the specific documentation needed to support the EITC claim, and assistance in securing the documentation; and
- Improving communication with taxpayers during the initial audit.²³¹

227 Data obtained from TAMIS.

228 The EITC is a refundable credit for low to moderate income working taxpayers and is the nation's largest need-based anti-poverty program. National Taxpayer Advocate 2005 Annual Report to Congress 520; IRS, *Earned Income Tax Credit Initiative: Final Report to Congress*, October 2005 1-2 (Oct. 2005). See *Appendix VIII, infra*, to view the entire TAS EITC Case Review Team Report.

229 On average, TAS obtains relief for taxpayers claiming the Earned Income Taxpayer Credit (EITC) in 47 percent of cases compared with the overall relief rate of TAS cases (73 percent). TAMIS Data, FY 2008, FY 2009, and FY 2010.

230 See National Taxpayer Advocate 2004 Annual Report to Congress, vol. 2, 10 (*EITC Audit Reconsideration Study*) ("Seventy percent of the EITC audit reconsideration cases came to TAS for assistance because the taxpayers stated they had not heard from Examination concerning their original audit or the audit reconsideration request.")

231 See National Taxpayer Advocate 2004 Annual Report to Congress, vol. 2, 11 (*EITC Audit Reconsideration Study*) ("The IRS should revisit all states of the audit process to see if additional telephone contacts with taxpayers can resolve the disputed EITC.").

In 2010, TAS reviewed a sample of EITC cases closed in TAS where relief was not obtained because no response was received from the taxpayer.²³² The goal of this review was to determine whether TAS could improve its own processes to better serve these taxpayers. TAS identified several areas in which improved TAS performance could bring greater relief to taxpayers:

- **Additional Phone Contacts in No Relief Cases** – In 38 percent of the cases, TAS had no direct phone contact with the taxpayer. In an additional 37 percent of cases, there was only one direct phone contact. In other words, in over 75 percent of these cases there was either no telephone contact or only one contact with the taxpayer. The interactive nature of a phone call allows taxpayers to better understand what supporting documentation they need to substantiate an EITC claim.
- **Need to Provide More Assistance and Explanation of Documentation Requirements** – In cases where the taxpayer’s relationship to the child was at issue, only eight percent of the relationships as presented were non-qualifying relationships.²³³ Moreover, in 70 percent of the cases with a *qualifying* relationship (where the relationship is known), the relationship was other than the taxpayers’ biological children. This suggests that taxpayers struggle with proving qualifying relationships, particularly when the child is not the taxpayer’s biological child.
- **More Use of IRS Information Systems** – In 24 percent of cases, the Case Advocate did not utilize Examination-based systems that reflect what aspect of the taxpayers’ claims are at issue. Failure to identify the item questioned by the IRS leads to TAS requesting unnecessary information from the taxpayers.
- **EITC Cases Worked in the Campus** – EITC cases in TAS are worked predominantly (98 percent of cases) in the ten TAS campus offices and not in the local TAS offices in the states where the taxpayer lives. In a 2007 TAS survey of taxpayers involved in EITC audits, 70 percent of respondents preferred to communicate with the IRS in a manner other than correspondence, with 23 percent preferring to communicate in person.²³⁴ However, meeting face-to-face with a taxpayer at a campus is difficult.
- **Improve Training Material** – The team also found that EITC training material for TAS Case Advocates does not adequately explain how to advocate for taxpayers claiming the credit.

232 The team focused on cases closed “No Relief/No Response” because approximately 80 percent of all TAS EITC cases closed as no relief were closed due to the taxpayers not responding to TAS within the timeframe given by the Case Advocate.

233 Under IRC § 152(c)(2), the relationship test requires that the child be the taxpayer’s child (including an adopted child, stepchild or eligible foster child) or descendant of any of them (e.g., a grandchild) or a child who is a sibling, step sibling or half-sibling, or a descendant of one of these relatives (e.g., a nephew or grandnephew).

234 See National Taxpayer Advocate 2007 Annual Report to Congress vol. 2, 106-107 (*IRS Earned Income Credit Audits - A Challenge to Taxpayers*) (“Perhaps of most concern is that more than 70 percent of respondents prefer to communicate with the IRS in a manner other than correspondence, with 46 percent of respondents preferring to communicate about their audit with IRS by telephone, and another 23 percent preferring to communicate in person.”).

In FY 2012, TAS will take actions to address the findings of this study, including:

- Developing guidance for employees that emphasizes the following: increased phone contacts with taxpayers; increased use of internal IRS systems; awareness of alternative documents that can satisfy some EITC substantiation requirements; and additional steps TAS can take to effectively advocate for the taxpayers. The National Taxpayer Advocate will conduct EITC training for all TAS Case Advocacy and Systemic Advocacy employees.
- Changing the case transfer guidelines that now direct EITC cases to TAS campus offices so that the bulk of these cases can be worked in the TAS local office near the taxpayer's residence. EITC cases will be transferred to the TAS office in the state where the taxpayer lives. TAS can better assist and explain required documentation when Case Advocates have knowledge of specific state requirements for securing documentation, such as copies of birth certificates, to prove taxpayer/qualifying child relationships. In addition, routing cases to the local TAS office increases the opportunity to meet face-to-face with the taxpayer.

During FY 2012, TAS will complete Phase Two of the study to assess whether the following approaches can improve advocacy for EITC claimants:

- Longer timeframes for taxpayer response, including reminders by letter or telephone;
- Enhanced phone contact with taxpayers;
- More informative explanations and examples of what documentation is required;
- Improved quality of correspondence; and
- Additional training.

TAS is collaborating with the IRS to test whether alternative approaches to EITC correspondence examinations affect the audit change rate. The results of this test will help guide recommendations for improvements to the examination process.²³⁵

E. TAS Access to IRS Systems and Other Automated Technologies

As described above, with respect to TAS's EITC advocacy improvement, TAS employees advocate more effectively and efficiently when they have access to the same compliance systems as IRS employees. This access allows employees to identify the issues raised by the IRS on the taxpayers' accounts, and minimize burden on the taxpayer by only requesting documentation on aspects of the taxpayer's account that are at issue.

²³⁵ See TAS's *Continued Advocacy Efforts to Improve the EITC Program*, *supra*.

TAS employees currently have access to key IRS systems, including:

- Integrated Data Retrieval System (IDRS), used by most IRS employees working taxpayers' accounts;
- Integrated Collection System (ICS), used by revenue officers and Technical Service employees;
- Report Generating Software (RGS) system, used by examination personnel;
- Treasury Check Information System (TCIS), used to provide tracing data on checks issued by the Treasury department;
- Automated Insolvency System, which provides information on taxpayers in bankruptcy;
- Correspondence Imaging System (CIS), which allows users to view correspondence and case notes online; and
- Automated Offer in Compromise (AOIC) System, which tracks and controls offers in compromise.

In FY 2012, TAS will to gain access to several more IRS systems, including:

- Online Retrieval System (provides Social Security data);
- Automated Lien System (provides information about liens filed in local jurisdictions);
- Integrated Automation Technologies (an entire suite of tools programmed to make the jobs of employees easier), including an Erroneous Manual Refund tool that prevents the release of an erroneous refund to taxpayers; a Credit Transfer tool to make credit transfers easier; and a Balance Due/Refund tool to make determination of the exact amounts due to and from taxpayers easier); and
- Return Request Display (displays taxpayer returns without the need to obtain a paper copy).

These tools will relieve Case Advocates of manual, time-consuming processes needed to request this information, thus freeing up more time to better advocate for taxpayers.

F. Improving Case Advocacy Business Measures

Case Advocacy maintains various business measures, including case quality, efficiency, customer satisfaction, and employee satisfaction.²³⁶ These measures constitute part of TAS's balanced measures system, which is structured not to emphasize achieving numerical targets, but rather the management of processes and people to achieve TAS's mission of helping taxpayers resolve problems with the IRS.²³⁷

With respect to business measures across the IRS, the National Taxpayer Advocate has encouraged measures that promote the IRS's underlying mission, as opposed to measuring the number of activities completed during a short-term measurement period, *e.g.*, cycle time.²³⁸ Measuring for cycle time can promote premature case closures, and can de-emphasize getting to the right answer for all taxpayers. Likewise, TAS engages in periodic assessments to determine whether its own measures are promoting the TAS mission of advocacy. TAS has changed its case quality measures, is planning to improve its customer satisfaction survey process, and is developing an efficiency measure to provide the organization with information about the volume and quality of work performed relative to the resources devoted to complete the work.²³⁹

1. New Quality Standards Emphasize TAS Advocacy Mission

Quality measurement of casework is a key indicator of whether TAS is effectively advocating for taxpayers who are seeking our assistance. Taxpayers who ask TAS for help expect to receive it in a timely manner, with technical accuracy that addresses all their tax issues, and a clear and complete explanation of the services provided.²⁴⁰ These taxpayer expectations are the embodiment of TAS quality standards. TAS has performed well in these areas. Even with increased caseloads, TAS has maintained high rates of quality. In FY 2010, TAS received requests for assistance from 298,933 taxpayers (a nearly ten percent increase from FY 2009), 40 percent of whom were experiencing a financial hardship, yet TAS maintained an overall 87 percent quality level.²⁴¹

While TAS leadership was pleased with these results, comments from taxpayers, employees, and practitioners, as well as case quality data, convinced the National Taxpayer Advocate that performance of TAS's underlying mission could be enhanced by

236 The IRS is required by law to establish performance plans and annually reports progress towards meeting those targets. 31 U.S.C. § 1115; see National Taxpayer Advocate 2010 Annual Report to Congress 29; see *TAS Efficiency Measure, infra*.

237 IRM 13.5.1.3 (Oct. 1, 2001).

238 National Taxpayer Advocate 2010 Annual Report to Congress 28 (Most Serious Problem: *IRS Performance Measures Provide Incentives that May Undermine the IRS Mission*).

239 GAO, GAO-07-156, *Taxpayer Advocate Service, Case Load Has Grown and Taxpayers Report Being Satisfied, but Additional Measures of Efficiency and Effectiveness Are Needed* 26 (Feb. 2007).

240 For an explanation of quality standards, see GAO, GAO-07-156, *Taxpayer Advocate Service, Case Load Has Grown and Taxpayers Report Being Satisfied, but Additional Measures of Efficiency and Effectiveness Are Needed* 23 (Feb. 2007).

241 Data obtained from TAMIS.

emphasizing attributes closer to the roots of taxpayer advocacy. These include correspondence written in plain English without technical tax jargon, more phone contacts with the taxpayer, taxpayer education, an explanation of administrative appeal rights, and decisive substantive actions on cases as opposed to periodic “touches” of a case simply to meet a quality standard.²⁴²

In FY 2011, TAS substantially expanded its quality review process to emphasize taxpayer advocacy, including explanation of recourse and applicable appeal rights. TAS’s new review measures identify performance in four primary categories:

- **Timeliness** – Are we resolving taxpayer issues in an expeditious manner?
- **Communication** – Do communications provide correct information, with a clear and complete explanation of the actions we took?
- **Accuracy** – Have we addressed and resolved all issues?
- **Technical** – Were the actions we took technically correct?

For FY 2012 and beyond, TAS will use the new quality process to focus on improvement opportunities that will further TAS’s underlying advocacy mission. In the coming months, TAS plans to analyze the quality results and implement action plans to improve managerial involvement and accuracy of case coding. As a result, TAS will ensure all related issues are addressed prior to case closure. This will positively impact case accuracy and customer and employee satisfaction, and will involve employee education through training and clarification of guidance.

2. TAS Seeks to Improve Customer Satisfaction in FY 2012 and Beyond

Historically, TAS has used an independent contractor to conduct confidential telephone surveys to obtain the opinions of taxpayers and their representatives who have recently received TAS assistance. These responses, in turn, guide TAS in identifying ways to improve taxpayer advocacy.

In FY 2010, nearly 16,000 taxpayers or their representatives, sampled from the 74 TAS offices, responded to TAS’s customer satisfaction survey.²⁴³ TAS customers continue to report favorable overall satisfaction with TAS (85 percent satisfied in FY 2010 and 84 percent in FY 2009).²⁴⁴

242 Employees raised the issue that quality attributes on issues such as Timely Follow-Up on Subsequent Actions were “pass-fail” meaning only one missed action could cause failure of the attribute even though the employee was timely on dozens of other contacts. Now the attribute is tested “per opportunity,” to present a more complete picture of performance on the case.

243 TAS, 2010 *Taxpayer Advocate Service (TAS) Customer Satisfaction Survey National Report – Q4 Results* (Nov. 24, 2010).

244 Data obtained from the Business Performance Measurement System (BPMS).

In FY 2012, TAS will seek to enhance customer service through survey program changes that will better enable TAS to target improvements. TAS evaluated whether the existing telephonic survey reached a representative sample of the population served by TAS and allowed the taxpayer a sufficient ability to respond. TAS also considered how well the survey data accurately reflected taxpayers' satisfaction, whether it enabled TAS to target specific areas of improvement, and how TAS could more effectively use the data to drive improvements.

As a result of its review, and to enhance the effectiveness of the survey program for FY 2012 and beyond, TAS will:

- Explore alternative survey methods, such as adding an online survey option, to secure greater and more diverse customer participation and potentially reduce administrative costs;
- Determine whether revised survey questions encourage customers to fully describe their experience and level of satisfaction;²⁴⁵ and
- Improve advocacy by focusing on improvement efforts around the two questions that have the greatest impact on TAS's ability to provide better service.²⁴⁶

The updated customer satisfaction survey results will be associated with newly developed case quality data, employee engagement information, and business results so offices can act more effectively to drive improvement and optimize resources.

245 This review will enable TAS to capture more data, such as demographic information, to provide additional insight regarding needs of certain segments of taxpayers that come to TAS.

246 The two critical survey questions identified by the vendor that drive overall customer satisfaction are: "Did the Case Advocate do their best to solve your problem?" and "Did the Case Advocate take responsibility for getting your problem solved?"

V. Systemic Advocacy

A. Systemic Advocacy is Everyone's Responsibility

In March, the National Taxpayer Advocate issued a memo to senior staff outlining the TAS vision for systemic advocacy, including the overall approach to the organization.²⁴⁷ By design and by statute,²⁴⁸ systemic advocacy is the responsibility of *all* TAS employees. The Executive Director of Systemic Advocacy is responsible for coordination of various aspects of systemic advocacy efforts, but each function within TAS has a responsibility to identify and work systemic issues. To reinforce the National Taxpayer Advocate's vision, the TAS Office of Systemic Advocacy,²⁴⁹ hereinafter referred to as Systemic Advocacy, has implemented several new initiatives:

1. An expanded and enhanced process of evaluation and review for all potential systemic issues submitted through the Systemic Advocacy Management System (SAMS).²⁵⁰ The new process will strengthen the documentation and development of potential systemic issues and allow for a comprehensive approach to the analysis and selection of projects.
2. A proactive effort, through education, outreach, and analysis of case advocacy issues, to ensure Systemic Advocacy is receiving the right issues and selecting the right projects.
3. An enhanced collaborative approach to resolving issues with the IRS and a focus on ensuring TAS is using the tools at its disposal to elevate issues that cannot be resolved at lower levels.
4. A realignment of staffing to focus on process improvements and data analysis.

B. Enhanced Evaluation and Review of Potential Systemic Issues

The majority of Systemic Advocacy's work is generated through submissions to the SAMS system.²⁵¹ Between April 1, 2010 and March 31, 2011, TAS received 1,245 SAMS submissions, an increase of 44 percent over the previous year.²⁵² TAS employees remained our

247 Memorandum from the National Taxpayer Advocate, *Systemic Advocacy Measures* (Mar. 22, 2011). See Appendix IX for a copy of this memorandum, *infra*.

248 Three of the four statutory functions of the Office of the Taxpayer Advocate involve identifying areas in which taxpayers have problems in dealing with the IRS, and recommending administrative or legislative changes to mitigate the problems. See IRC§ 7803(c)(2)(A).

249 In addition to the Office of Systemic Advocacy, TAS has a Field Systemic Advocacy (FSA) organization embedded within Case Advocacy. Field Systemic Advocacy analysts work to resolve systemic problems, in a similar role to that of Systemic Advocacy Analysts. Systemic Advocacy works very closely with FSA in its efforts.

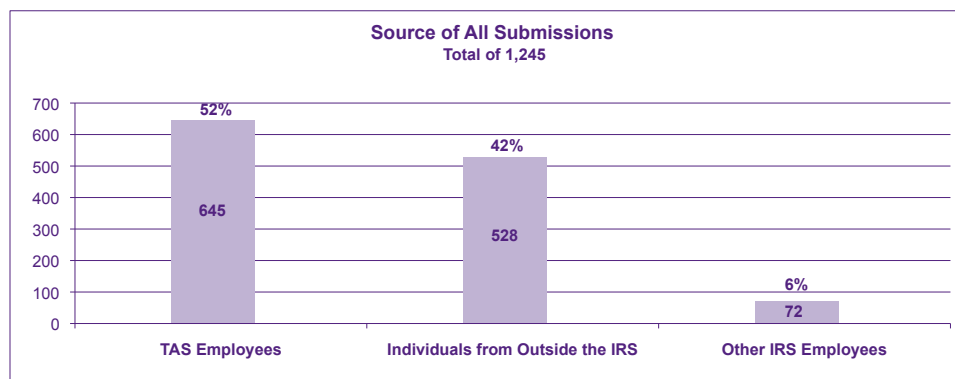
250 TAS uses SAMS to identify, evaluate, and resolve systemic tax law or tax administration problems that increase taxpayer burden, detract from taxpayer equity, or undermine the observance of taxpayer rights. SAMS offers a platform for taxpayers, stakeholders, and IRS employees to raise problems affecting multiple taxpayers.

251 While SAMS is one of the major sources of TAS's systemic advocacy issues, issues are also elevated through informal channels, such as meetings, task force work, etc.

252 For the period of April 1, 2009, through March 31, 2010, TAS received 867 SAMS submissions. Data obtained from SAMS.

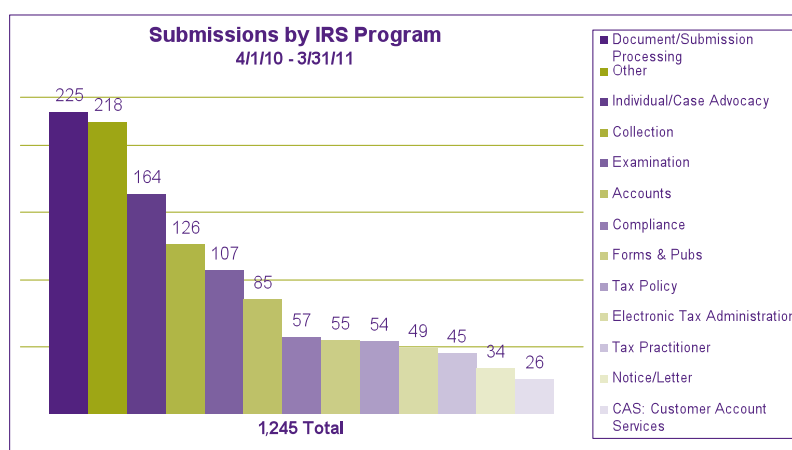
largest source of submissions, but TAS experienced a large increase in submissions from taxpayers and practitioners, which account for 42 percent of the total.²⁵³ Figure V.1 shows the breakdown of SAMS submissions by the type of submitter.

FIGURE V.1, SAMS SUBMISSIONS BY SUBMITTER, APRIL 1, 2010 THROUGH MARCH 31, 2011²⁵⁴



The IRS program areas with the greatest number of SAMS submissions are Submission Processing, Document Processing, Collection, and Audits. Individual taxpayer cases accounted for 13 percent of submissions.²⁵⁵ Figure V.2 shows a breakdown of the 1,245 SAMS submissions by issue area.

FIGURE V.2, SAMS SUBMISSIONS BY ISSUE AREA, APRIL 1, 2010 THROUGH MARCH 31, 2011²⁵⁶



As noted above, Systemic Advocacy is implementing a new three-level review process

253 A detailed breakdown of the sources of external SAMS submitters can be found at: <http://www.taxpayeradvocate.irs.gov/userfiles/file/2012-Objectives-Open-Advocacy.pdf>. Data obtained from SAMS.

254 Data obtained from SAMS.

255 Although taxpayers should not submit case issues through SAMS, the Local Taxpayer Advocate in Washington, DC reviews the individual issues we do receive to determine whether they meet TAS case acceptance criteria.

256 Data obtained from SAMS.

for SAMS submissions, involving employees throughout the TAS organization. The Level 1 review involves a detailed documentation and data-building process to ensure Systemic Advocacy has the information necessary to determine whether a systemic issue exists. This enhanced analysis allows Systemic Advocacy to identify up-front whether the issue should be transferred elsewhere within TAS (*e.g.*, individual case issues are sent to the Local Taxpayer Advocate in Washington, DC), or made into an Advocacy Project or Immediate Intervention.²⁵⁷

At Levels 2 and 3, cross-functional TAS teams will review all issues and related research gathered at Level 1, and rank the issues based on a set of criteria.²⁵⁸ Systemic Advocacy has expanded the issue-ranking methodology to mirror the criteria used to rank Most Serious Problems for the Annual Report to Congress.²⁵⁹ The new process will incorporate the perspective of individuals from throughout TAS who have exposure to the issues and can lend their expertise and experience to help determine their true scope and impact, as well as the most effective way to resolve the systemic problems.

C. Proactive Solicitation of Potential Systemic Issues

While the new SAMS review process will improve the analysis of potential systemic problems, in FY 2012 Systemic Advocacy will focus on improving awareness of its program responsibilities and efforts and increasing the quality of SAMS submissions. TAS will develop and implement a comprehensive outreach and marketing strategy to promote proactive identification and elevation of potential systemic problems through SAMS. To increase the use of SAMS, TAS will work to promote awareness within the IRS, as well as with the public, and will examine any link between outreach activities and an increase in SAMS submissions. TAS will conduct a similar analysis to determine if new legislation or IRS program implementation (such as health care or regulation of return preparers) have produced any significant increase in SAMS submissions. Systemic Advocacy will also improve its analysis of Case Advocacy data, including identifying emerging case issues, to ensure that it receives the right issues and selects the right projects.

²⁵⁷ For a detailed discussion of an Advocacy Project or Immediate Intervention, see *Systemic Advocacy, infra*.

²⁵⁸ A copy of the ranking criteria and their explanations is included in the Appendix.

²⁵⁹ The new ranking criteria include:

- Impact on Taxpayer Rights;
- Number of Taxpayers Affected (including the extent of the impact, geographic scope of impact, and issue frequency);
- Interest/Visibility/Sensitivity (including whether there has been interest in the issue from the National Taxpayer Advocate, Congress, the media, and other external stakeholders);
- Taxpayer Burden (including time and financial burden as well as fairness);
- Ability to Effect Change; and
- TAS Data (including TAMIS and SAMS data).

For a discussion of the Annual Report to Congress, see *Advocating Through the National Taxpayer Advocate's Annual Report to Congress, infra*.

D. Collaborative Approach to Resolving Systemic Issues

1. Working Advocacy Issues

Once TAS identifies a systemic issue in need of attention, Systemic Advocacy and Field Systemic Advocacy can work it in a number of ways. Systemic Advocacy has three main ways of handling a systemic issue:

- *Information Gathering Projects* (IGPs) identify emerging trends or issues generated from new legislation or significant IRS policy, process, or procedural changes. An IGP allows Systemic Advocacy to capture and track emerging issues for potential systemic problems. An IGP may be reclassified as an Immediate Intervention, Advocacy Project, or other ongoing advocacy effort if the research indicates additional action must be taken to resolve the issue.
- *Immediate Interventions* are the result of an operational issue that causes immediate, significant harm to multiple taxpayers and demands an urgent response. These issues cannot be resolved quickly through the normal corrective process, have clear sources, and are highly visible and sensitive locally, area-wide, or nationally.
- *Advocacy Projects* identify and address systemic and procedural issues, analyze the underlying causes of problems, and propose corrective action.²⁶⁰ Although advocacy projects are similar to Immediate Interventions, the nature of the issue does not require immediate action by Systemic Advocacy and may require more extensive research and negotiation with the IRS.

Figure V.3 details Systemic Advocacy's project work in FY 2011.

FIGURE V.3, SYSTEMIC ADVOCACY INVENTORY, APRIL 1, 2010 THROUGH MARCH 31, 2011²⁶¹

	Closed Projects	Open Projects ²¹⁹
Advocacy Projects	93	115
Immediate Interventions	15	12
Information Gathering Projects	0	21
Total	108	148

Formal projects are not the only way Systemic Advocacy works to resolve systemic issues. Some are handled through TAS's ongoing advocacy efforts, which include:

260 Both Systemic Advocacy analysts and the Field Systemic Advocacy analysts within the Case Advocacy organization work Advocacy Projects.

261 Data obtained from SAMS. A more detailed listing of all open and closed advocacy projects and immediate interventions can be found at: <http://www.taxpayeradvocate.irs.gov/userfiles/file/2012-Objectives-Open-Advocacy.pdf> and <http://www.taxpayeradvocate.irs.gov/userfiles/file/2012-Objectives-Closed-Advocacy.pdf>.

262 Includes open projects as of April 1, 2010, and all new projects created through March 31, 2011.

- *Advocacy Portfolios* – Local Taxpayer Advocates (LTAs) maintain Advocacy Portfolios as assigned by the National Taxpayer Advocate.²⁶³ Advocacy Portfolios bring a grassroots perspective to national advocacy issues and help TAS integrate case advocacy with systemic advocacy. Each LTA is assigned an Advocacy Portfolio for which he or she will serve as a TAS representative from a national perspective. When a systemic problem is related to an existing Advocacy Portfolio, the issue may be elevated to the Portfolio Advisor in the Office of Systemic Advocacy to be included in his or her ongoing work.
- *Executive Steering Committees* – TAS executives sit on various Executive Steering Committees within the IRS. These groups discuss ongoing high-level issues and make policy decisions. When a systemic problem is related to an existing Executive Steering Committee, the submission may be elevated to the TAS executive sitting on the Committee.
- *Task Forces* – Task Forces are temporary working groups established to accomplish a defined objective. A task force may be internal to TAS or a collaborative venture with the IRS. When a systemic problem is related to an ongoing Task Force, the issue may be elevated to the Task Force for inclusion in its efforts.²⁶⁴
- *IMD/SPOC* – The Systemic Advocacy Internal Management Documents (IMD)/Single Point of Contact (SPOC) group is responsible for TAS clearance of IRS Internal Management Documents including Internal Revenue Manuals (IRMs), Servicewide Electronic Research Program (SERP) alerts,²⁶⁵ and revisions to forms, publications, and notices. The IMD/SPOC group coordinates TAS review and response to all IRS IMDs that impact taxpayers. IMD/SPOC coordinates and manages the review process with a wide range of subject matter experts within TAS to ensure taxpayer rights are protected and burden is minimized. IMD/SPOC has responsibility for TAS input on clarity of correspondence, notice redesign, and notice elimination activities. IMD/SPOC also plays a key role in monitoring IRMs, notices, forms, and publications for changes that relate to Annual Report recommendations. Between April 1, 2010 and March 31, 2011, Systemic Advocacy made 698 suggestions to the IRS on IMD/SPOC documents.²⁶⁶ Of those suggestions, 68 percent or 474 were accepted.²⁶⁷

In FY 2012, TAS – through the efforts of both Systemic Advocacy and Field Systemic Advocacy – will continue to look for ways to increase the number of systemic issues the organization is able to address. TAS will continue to expand the use of Information Gathering Projects to collect information on issues that may or may not involve a systemic problem. TAS will also focus on developing more efficient means of resolving issues with

263 See Appendix VII for a list of advocacy portfolios, *infra*.

264 See Appendix III for a listing of collaborative efforts between TAS and the IRS, *infra*.

265 SERP contains materials such as IRMs and updates, alerts, tax forms and publications, job aids and performance support tools, and many other IRS documents.

266 Data obtained from SAMS.

267 *Id.*

the IRS through collaborative efforts, including expanding the involvement of TAS employees.²⁶⁸ Attorney Advisors, Portfolio Advisors, Technical Liaisons,²⁶⁹ Technical Advisors,²⁷⁰ and others play a key role in working collaboratively with the IRS to resolve issues. To further this collaborative approach to resolving issues, Systemic Advocacy is developing a database to serve as a virtual archive of TAS's collaborative efforts, including participation on task forces, steering committees, and working groups to better track TAS's informal efforts to influence change within the IRS.

2. Resolving Advocacy Issues

In instances when TAS is unsuccessful in working with the IRS, but has identified recommendations to resolve the problem, it can promote the recommendations through a number of vehicles:

- *Advocacy Proposal* – When the IRS is slow or reluctant to embrace the concerns raised by TAS through an immediate intervention or advocacy project, an advocacy proposal may be considered. An advocacy proposal is a formal, written memorandum of a recommended change presented to an Operating Division (OD) or function empowered to implement the change. Analysts typically make informal advocacy proposals to their peers in the operating divisions. When informal advocacy proposals are not accepted, Systemic Advocacy assembles a formal, written advocacy proposal that highlights the problem and proposes changes to policy or procedure to alleviate taxpayer burden. The Executive Director, Systemic Advocacy signs all advocacy proposals and issues them to the OD or function.
- *Taxpayer Rights Impact Statement* – A Taxpayer Rights Impact Statement (TRIS) is a written analysis from the National Taxpayer Advocate to the particular OD or function relating to the IRS activity or procedure that infringes on taxpayers' rights or unnecessarily burdens taxpayers. TAS will generally not send a TRIS until after the OD or function is given an opportunity to work with the National Taxpayer Advocate to resolve the issue.²⁷¹
- *Taxpayer Advocate Directive* – Delegation Order 13-3 provides the National Taxpayer Advocate with the authority to issue a Taxpayer Advocate Directive (TAD).²⁷² TADs mandate that the IRS make certain administrative or procedural changes to improve

268 See Appendix III for a listing of collaborative efforts between TAS and the IRS, *infra*.

269 Systemic Advocacy has three senior technical liaisons who are experts on specific functional areas – campus, collection, and examination. The technical liaisons keep the National Taxpayer Advocate informed of emerging issues and provide technical expertise and support to National Office, Systemic Advocacy, Field Systemic Advocacy, and others.

270 Case Advocacy has a number of technical advisors, including Revenue Agent Technical Advisors (RATAs), Revenue Officer Technical Advisors (ROTAs), and Campus Technical Advisors (CTAs). These Technical Advisors are responsible for resolving the most technically or procedurally complex or sensitive issues (including case issues) using effective research, communication, coordination, and negotiating skills.

271 IRM 13.2.1.6.1.2(4), (5) (July 16, 2009).

272 IRM 1.2.50.4 (Jan. 17, 2001).

a process, or grant relief to groups of taxpayers (or all taxpayers).²⁷³ The authority to issue a TAD is delegated *solely* to the National Taxpayer Advocate and *may not be redelegated*. TADs are limited to situations in which the National Taxpayer Advocate has previously requested, in writing, a change to improve a functional process or grant relief to a group of taxpayers. TADs do not interpret law and will only be used when the National Taxpayer Advocate believes specific actions are necessary to:

- Protect the rights of taxpayers;
 - Ensure equitable treatment of taxpayers; or
 - Provide an essential service to taxpayers.
- *Annual Reports to Congress* – IRC § 7803(c)(2)(B) requires the National Taxpayer Advocate to submit two reports each year to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. These reports are the *National Taxpayer Advocate's Fiscal Year Objectives Report to Congress* and the *National Taxpayer Advocate's Annual Report to Congress*.²⁷⁴ The National Taxpayer Advocate can elevate systemic issues and make recommendations for resolution through inclusion in the Annual Report to Congress. In instances where resolution of a systemic issue involves a legislative change, the National Taxpayer Advocate can include a Legislative Recommendation in the Annual Report.

In FY 2012, Systemic Advocacy – working with Field Systemic Advocacy – will actively review the progress of its advocacy efforts to ensure it is elevating issues that cannot be resolved at a lower level. This involves using all available tools, including Advocacy Proposals, Taxpayer Rights Impact Statements, and Taxpayer Advocate Directives, to push for resolution of systemic issues.

E. Advocating through the National Taxpayer Advocate's Annual Report to Congress

Each year in the Annual Report to Congress, the National Taxpayer Advocate makes numerous recommendations to improve tax administration for both taxpayers and the IRS. These recommendations play an important role in TAS's efforts to resolve systemic problems within the IRS. TAS's efforts do not end when the Annual Report is published, as Systemic Advocacy tracks TAS's recommendations and the IRS's response and subsequent actions. For each Annual Report, Systemic Advocacy develops a report outlining TAS's recommendations and the IRS's responses. These reports are updated regularly, are an effective means of tracking TAS's ability to effect change and can be found on the TAS website.²⁷⁵

273 The NTA will summarize TAD activity, including Proposed TADs or Advocacy Memoranda, in the National Taxpayer Advocate's Fiscal Year Objectives Report to Congress. See IRM 13.2.1.6 (July 16, 2009).

274 Both documents must go directly to the committees without prior comment or review from the IRS Commissioner, the Secretary of the Treasury, the Oversight Board, any other Treasury officer or employee, or the Office of Management and Budget (OMB). See IRC § 7803(c)(2)(B)(iii).

275 Annual Reports can be found at <http://www.irs.gov/advocate/article/0,,id=171153,00.html>.

Figure V.4 details the status of the National Taxpayer Advocate's Annual Report recommendations over the past four years.

FIGURE V.4, STATUS OF ARC RECOMMENDATIONS, CALENDAR YEAR (CY) 2007 THROUGH CY 2010

	CY 2007 ²⁷⁶	CY 2008 ²⁷⁷	CY 2009	CY 2010 ²⁷⁸
Total number of Most Serious Problems (MSP) contained with the Annual Report to Congress.	29	20	21	25
Total number of MSP recommendations contained in the Annual Report to Congress.	206	68	92	93
Total number of MSP recommendations the IRS agreed to address.	122	35	51	
Total number of MSP recommendations with which the IRS disagreed.	83	32	41	
Total number of Annual Report to Congress recommendations the IRS has addressed.	113	31	17	
Total number of open Annual Report recommendations the IRS is working to address.	9	4	34	
Total number of Planned Corrective Actions (PCAs) the IRS is still implementing. ²⁷⁹	9	4	39	

This year, Systemic Advocacy expanded the use of an online system to manage the development and timely delivery of the 2011 Annual Report to Congress. In FY 2012, Systemic Advocacy will use this system to secure information from TAS systems as well as internal and external stakeholders on emerging issues and concerns facing taxpayers for possible inclusion in the Annual Report to Congress. After the Annual Report is published, Systemic Advocacy will document, track, and report on TAS's recommendations and subsequent IRS actions and accomplishments. The new process will enhance Systemic Advocacy's ability to know if subsequent IRS actions are the result of collaborative efforts between TAS and the IRS,²⁸⁰ and determine whether TAS's recommendations have effected change within the IRS.

F. TAS Is Implementing Significant Changes to Systemic Advocacy Quality Measures

While Systemic Advocacy has made significant changes in FY 2011, the organization will undergo further changes in FY 2012. As part of the previously discussed memo on systemic advocacy, the National Taxpayer Advocate explained the need to bring current quality measures more in line with the systemic advocacy work done throughout TAS. However, measuring the effectiveness of TAS is a significant challenge, not least because systemic

276 The 2007 Annual Report to Congress had one MSP recommendation that was closed because the recommendation was legislative.

277 The 2008 Annual Report to Congress included one closed MSP recommendation that was closed because the recommendation was legislative and one MSP with no recommendations.

278 The 2010 Annual Report to Congress data will be posted to www.irs.gov when available.

279 A PCA is a situation where the IRS has identified a specific action it will take to respond to a TAS recommendation.

280 See Appendix III for a listing of collaborative efforts between TAS and the IRS, *infra*.

problems do not lend themselves to “unit” measurement and TAS usually has no direct control over whether the IRS actually implements any of its recommendations. Moreover, by design and statute, systemic advocacy is the responsibility of *all* TAS employees. Although the Office of Systemic Advocacy is responsible for coordination of various aspects of TAS’s systemic advocacy efforts, and Field Systemic Advocacy works many of TAS’s systemic advocacy projects, other TAS personnel have a responsibility to identify and work on systemic issues. Therefore, any measures of TAS systemic advocacy initiatives cannot be designed to solely measure the performance of a particular TAS office (*e.g.*, the Office of Systemic Advocacy). Instead, the suite of measures should be designed to reflect the performance of TAS as a whole with respect to advocating for systemic improvements and change.

Future Systemic Advocacy quality measures will be broken down into three categories:

1. Issue identification;
2. Issue analysis; and
3. Issue recommendation and advocacy.

This shift in focus – from measures that look primarily at how we evaluate potential systemic issues to measures that focus on how we handle a potential systemic issue from start to finish, as well as the impact our actions have on resolving the issue – will allow us to gain a true sense of the effectiveness of systemic advocacy throughout TAS.

VI. TAS Research Initiatives

The National Taxpayer Advocate continues to be a strong proponent for the role of theoretical, cognitive, and applied research in effective tax administration. In keeping with this philosophy, the Office of the Taxpayer Advocate is again conducting and collaborating with the IRS on a number of research initiatives. A primary focus of these efforts is to determine how best to minimize taxpayer burden, while also helping the IRS to increase voluntary compliance.

Following is a discussion of the research initiatives that TAS will conduct or take part in for the remainder of FY 2011 and during FY 2012.

TAS Research is currently collaborating with the IRS on two research studies addressing problems impacting taxpayers undergoing EITC audits. One study explores the use of third-party affidavits as an alternative form of documentation that would allow taxpayers to establish that the children they claimed meet the residency requirement. This would alleviate the burden many taxpayers experience when trying to prove that their children resided with them for the required six-month period during the calendar year. The second study is exploring whether enhanced communication with taxpayers during the EITC audit process helps them overcome communication barriers that can cause eligible taxpayers to be denied EITC.²⁸¹

A. Estimating the Impact of Liens on Taxpayer Compliance Behavior

The National Taxpayer Advocate has asked that TAS Research investigate the impact of Notices of Federal Tax Lien on the compliance behavior of delinquent taxpayers. This study is designed to explore the impact of lien filings on taxpayers' future payment and filing compliance and their ability to earn income.

To accomplish these objectives, TAS is analyzing a group of delinquent individual tax return filers who had no unpaid tax liabilities at the time they incurred liabilities on their TY 2002 returns. In the first phase of the study, we are developing a dataset of matched pairs of taxpayers, with each pair consisting of one case where the IRS filed a lien and another case where no lien was filed. The matched cases will be very similar, however, with respect to the characteristics the IRS uses to make a lien filing determination. We expect to complete this phase by the end of June 2011.

We will use the matched pairs in the second phase of the analysis to compare the lien and non-lien groups. This phase will employ regression analysis to determine what factors, including the NFTL itself, significantly affect the outcomes we are investigating (*e.g.*, dollars

281 For a detailed discussion of these studies, see *TAS's Continued Efforts to Improve the EITC Program, supra*.

collected or future filing compliance), and the extent to which the various factors influence these outcomes. TAS plans to complete this study by the end of December 2011.

B. Evaluating the Limited English Proficiency (LEP) Populations Served by the Low Income Taxpayer Clinics

Low Income Taxpayer Clinics (LITCs) represent low income taxpayers in disputes with the IRS, or educate taxpayers for whom English is a second language about their rights and responsibilities as U.S. taxpayers. LITCs provide services to eligible taxpayers for free or for no more than a nominal fee.²⁸²

In response to a GAO audit reviewing IRS responsiveness to taxpayers with limited English speaking ability, TAS will provide LITCs with analyses of the LEP populations the clinics serve.²⁸³ TAS will conduct the analyses by using data from the Census American Community Survey, which annually collects information from approximately two million respondents throughout the United States. Researchers can aggregate multiple years of data to ensure an adequate sample size when they conduct local-level analyses.

One area the survey investigates is English speaking proficiency, asking respondents to identify the language they speak at home and state their level of proficiency in English. TAS will use this data to identify the LEP communities of significant size in the areas the LITCs serve, and will share the results of the analysis with the clinics.²⁸⁴ Our target date for completion of this initiative is the end of April 2012.

C. Factors Impacting Taxpayer Compliance

TAS is pursuing a multi-year initiative to explore the factors that motivate taxpayer compliance behavior. Broadly speaking, these include not only the expected likelihood and cost of getting caught cheating (called “economic deterrence”), but other factors such as compliance norms, trust in the government and the tax administration process, complexity and the convenience of complying, and the influence of preparers.

As a part of this effort, TAS has contracted with a vendor to help design and conduct two telephone-based surveys whose objectives include identifying and quantifying the major factors that drive taxpayer compliance behavior. TAS is currently developing questions for the survey, which will cover a representative sample of taxpayers with sole proprietor income (*i.e.*, Schedule C, *Profit or Loss From Business (Sole Proprietorship)*). One of the surveys will cover a national sample of taxpayers and will explore the factors potentially

282 See *Low Income Taxpayer Clinic Grant Program, infra*, for a discussion of the federally-funded LITC Program.

283 GAO, GAO-10-91, *Selected Agencies Can Improve Services to Limited English Proficient Persons* 38 (Apr. 26, 2010).

284 Many LITCs provide education and outreach to individuals for whom English is a second language (ESL). While ESL and LEP are not necessarily the same, the clinics should find the analysis helpful in identifying opportunities to provide services to ESL taxpayers.

influencing compliance behavior at a high level. The second survey will cover a small sample of high and low compliance communities and will “drill down” to evaluate whether taxpayers’ affiliations within their communities appear to influence compliance behavior. TAS will gauge the respondents’ level of compliance by using the IRS’s “DIF” computer algorithm that estimates the likelihood that an audit of the taxpayer’s return would produce an adjustment.²⁸⁵

In 2011, TAS will complete the survey design, develop the sample, and seek Office of Management & Budget (OMB) approval.²⁸⁶ In 2012, the vendor will conduct the survey. TAS and the vendor will jointly analyze the results for any evidence of a significant correlation between relevant taxpayer attitudes and beliefs and taxpayer compliance behavior. Our goal is to complete the survey analysis and publish our final report by the end of 2012.

D. Identification of Excessive Collection Statute Expiration Dates (CSEDs)

In general, once tax has been assessed, the IRS only has ten years after the assessment to collect the tax.²⁸⁷ In certain situations, however, the IRS and a taxpayer can agree to an extension of the statute of limitations on collection. SB/SE and TAS recognize the burden that CSEDs extended beyond 15 years after assessment (plus any statutory suspensions) may impose on taxpayers. For that reason, SB/SE now prohibits CSED extensions in excess of five years beyond the normal ten-year collection statute period.²⁸⁸ TAS and SB/SE have formed a workgroup to review all cases where CSED extensions may be excessive given current law and IRS policies. This initiative is the result of previous TAS recommendations concerning erroneous and excessively long CSEDs.²⁸⁹ The workgroup objectives are:

- To identify and review all accounts with CSEDs extended beyond 15 years after assessment (plus any statutory suspensions);
- To resolve accounts, and if necessary correct CSEDs on accounts with CSEDs extended beyond 15 years after assessment (plus any statutory suspensions); and
- To report findings on each account and propose appropriate resolutions.

285 The IRS selects some returns for examination using the Discriminant Index Function (DIF) computer scoring system. IRM 4.1.3.2 (Oct. 24, 2006). It develops DIF score algorithms based on information obtained and periodically updated from National Research Program (NRP) examinations. Returns with high DIF scores generally have a higher probability of being adjusted on audit than other returns of the same type. IRM Exhibit 4.1.7-1(12) (May 19, 1999).

286 The Paperwork Reduction Act (44 U.S.C. Chapter 35) requires that federal agencies receive OMB approval before collecting certain information from the public.

287 See IRC § 6502(a).

288 IRM 5.14.2.1.3 (Mar. 11, 2011). When taxpayers have some ability to pay, but cannot pay their tax liabilities in full before the CSED expires, the IRS may allow them to enter in partial payment installment agreements (PPIAs). IRM 5.14.2.1 (Mar. 11, 2011).

289 See National Taxpayer Advocate 2004 Annual Report to Congress 180-192 (Most Serious Problem: *Erroneous and Miscalculated Collection Statute Expiration Dates*); National Taxpayer Advocate 2006 Annual Report to Congress 520-526 (Legislative Recommendation: *Elimination of Lengthy Collection Statute of Limitations Extensions*); National Taxpayer Advocate 2009 Annual Report to Congress 217-227 (Most Serious Problem: *IRS Policies and Procedures for Collection Statute Expiration Dates Adversely Affect Taxpayers*).

TAS Research is working with SB/SE Research to identify potentially problematic CSEDs and conduct supporting analyses. The workgroup's goal is to complete this effort by the end of fiscal year 2012 (September 30, 2012).

E. TAS Efficiency Measure

The GAO issued a report in 2007 acknowledging TAS customers' ongoing satisfaction with TAS services, also noting that customer satisfaction and case quality remained high despite significant increases in inventory.²⁹⁰ The report also found, however, that TAS had not developed a true measure of case advocacy efficiency or developed a unit cost per case type.²⁹¹ The National Taxpayer Advocate and the TAS Office of Research reviewed efficiency models used throughout government and private industry with the goal of identifying an efficiency measure that is meaningful to management, easy to understand, and that when applied to TAS will assist the organization in furtherance of its advocacy mission. TAS did not identify an existing efficiency measure to meet its goals during this review. As a result, TAS is developing a measure that will provide management with important information about the resources used to serve taxpayers who come to TAS each year, factoring in the complexity of the case work, as well as a time factor, and adjusted for the overall quality of the work so that quality is not sacrificed for efficiency's sake.²⁹² In particular, the plan requires TAS to capture the direct time actually spent by caseworkers on cases.

By June of 2009, TAS had completed the programming changes and other enhancements needed to implement a time-tracking system that allows us to measure direct case time. TAS is now collecting and analyzing the direct time spent on cases. TAS expects that some types of cases will require more direct time from Case Advocates than others because they are inherently more complex, so the efficiency measure will account for the complexity of the case and include many different complexity factors. This research will pave the way for the development of a TAS case advocacy efficiency measure. TAS will also incorporate case quality measures that address timeliness and effectiveness in the case efficiency measure calculation.

TAS plans to develop recommendations for possible formulas for efficiency measure by the end of FY 2011 and to test these formulas and establish baseline data during FY 2012. TAS will implement a final case efficiency measure when the Taxpayer Advocate Service Information System (TASIS) is operational.²⁹³

290 GAO, GAO-07-156, *Caseload Has Grown and Taxpayers Report Being Satisfied, but Additional Measures of Efficiency and Effectiveness Are Needed* 3 (Feb. 22, 2007).

291 *Id.*

292 GAO, GAO-07-156, *Taxpayer Advocate Service, Case Load Has Grown and Taxpayers Report Being Satisfied, but Additional Measures of Efficiency and Effectiveness Are Needed* 26 (Feb. 2007).

293 See *Integrated TAS Technology: TASIS*, *infra*.

F. TAS Workload Distribution Case Weighting

TAS is improving its workload distribution system and is developing a “case weighting” methodology in support of this effort. To implement case weighting, TAS will adapt the methodology (described above) used to develop a case advocacy efficiency measure, *i.e.*, estimating the amount of Case Advocate direct time that each case requires, based on information about the case complexity and taxpayer issues involved.

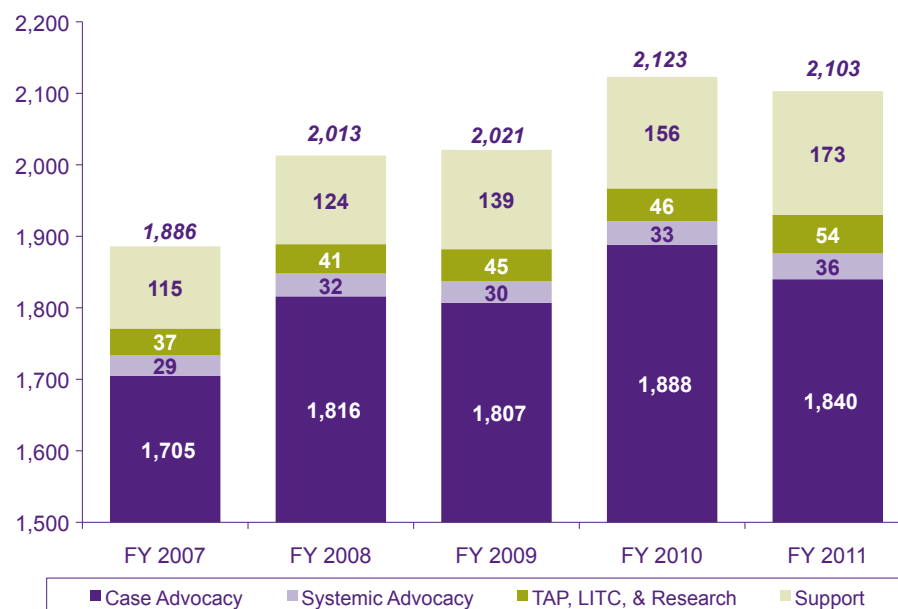
The new workload distribution system will use these direct time estimates,²⁹⁴ along with a measure of the elapsed time spent working a case, to estimate the time each Case Advocate will need to work his or her existing inventory. TAS expects this information to improve the case assignment process and the efficiency of our Case Advocates, minimize case processing costs, and increase taxpayer satisfaction. TAS plans to test the direct time estimates it develops in FY 2012.

294 See *TASIS Will Improve Submission, Acceptance and Assignment of Work*, *infra*.

VII. Human Capital And Staffing

To make taxpayer advocacy a reality, TAS must hire the right employees for the right positions and, most importantly, all TAS employees must have an aptitude and attitude for advocacy. TAS is also mindful of the advantages of employing a diverse workforce and strives to attract employees with varied backgrounds and skills.

FIGURE VII.1, TAS STAFFING FROM FY 2007 THROUGH FY 2011 THROUGH JUNE 4²⁹⁵



As shown in Figure VII.1 above, TAS has 2,113 employees in a broad range of occupations.²⁹⁶ One of the challenges TAS has encountered in the past is hiring the right mix of employees to resolve specific tax problems for individuals and business entities and to identify problems and recommend administrative and legislative solutions affecting groups of taxpayers. TAS Case Advocates play a critical role in advocating for taxpayers by working with taxpayers one-on-one to resolve their issues.

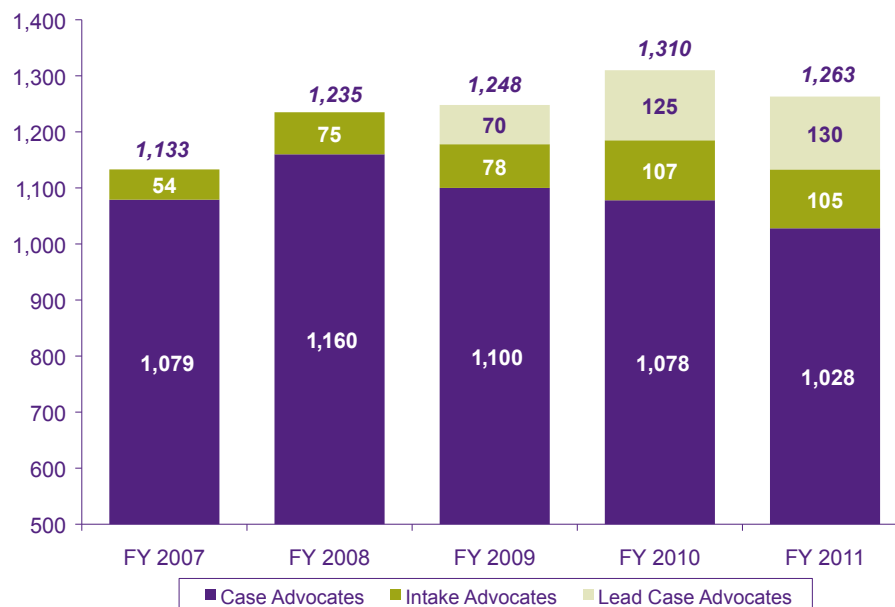
TAS recognizes that it has limited resources available to it and cannot hire significantly more Case Advocates (CAs) to address rising receipts. Thus, TAS has focused on achieving the right mix of staffing within its case advocacy function to free up CA time for working directly on cases. For example, TAS created two new case advocacy positions to work with the existing Case Advocates – the Intake Advocate (IA) and the Lead Case Advocate (LCA).

²⁹⁵ Data obtained from the IRS Human Resources Reporting Center as of June 4, 2011. The increase in support staffing for FY 2011 is due largely to the hiring, on a temporary basis, of additional quality reviewers to implement TAS's new quality review system. See *New Quality Standards Emphasize TAS Advocacy Mission*, *supra*.

²⁹⁶ Data obtained from the Human Resources Reporting Center as of June 4, 2011.

Intake Advocates expedite the handling of initial receipts by performing a variety of up-front activities to relieve CAs of these duties, *e.g.*, answering general telephone calls, determining if a taxpayer's inquiry meets the criteria for accepting the case into TAS, inputting new cases into TAMIS, building cases by pulling case-related information and supporting research from other systems, and resolving some inquiries where the issues are limited. LCAs conduct non-evaluative reviews of the Case Advocates' work to identify trends and provide guidance. LCAs also provide one-on-one coaching and instruction to Case Advocates, helping them resolve complex cases more quickly and efficiently. Although they do not carry a full complement of cases, LCAs are assigned the most complex and sensitive cases to resolve. Figure VII.2 below shows how TAS has incorporated these new positions into the Case Advocacy mix since FY 2007.

FIGURE VII.2, TAS CASE ADVOCACY STAFFING, FY 2007 THROUGH FY 2011 THROUGH JUNE 4²⁹⁷



The restructuring of the Case Advocate function allows TAS to effectively use its resources and provides a career ladder for employees to advance within the TAS organization.

Over 90 percent of TAS's resources are devoted to staffing.²⁹⁸ Most of the remaining resources are for the Low Income Taxpayer Clinic program, leaving a relatively small amount for non-labor expenses such as program travel and critical technical training. In FY 2011, TAS was funded at 2010 levels minus a 0.2 percent rescission. To absorb this reduction,

297 Data obtained from the IRS Human Resources Reporting Center as of June 4, 2011.

298 Data obtained from the IRS Integrated Financial System.

TAS reduced non-labor spending (training, travel, supplies, and services) by 40 percent. Any significant reduction in TAS's FY 2012 budget could critically impact our ability to maintain an adequate number of Case Advocates. In FY 2012, TAS will continue to work within its budget limitations to meet critical staffing needs by maintaining the current number of critical front-line employees handling casework.

A. With Budgetary Challenges, TAS Looks to Alternative Methods for Providing the Annual All-Employee Training Symposium

TAS has held an annual, all-employee Training Symposium for nine years because of the many benefits our employees and organization realize from this event, including:

- Quality technical and professional training for the entire workforce;
- Direct communication of key organizational messages from TAS executives to the entire workforce;
- Team meetings with Area and Headquarter Directors to discuss operational issues and to promote advocacy and team work;
- Informal discussions where employees from across the country share and discuss experiences and practices that help improve customer service;
- Opportunities for IRS employees to network with TAS employees, attend workshops to gain a better understanding of advocacy, and educate TAS employees on IRS processes and procedures; and
- Expanded training opportunities for employees to view taped Symposium training sessions for courses they did not attend.

This combination of training and employee engagement creates an efficient and unique learning environment valued by all TAS employees. The average employee rating for the FY 2010 TAS Symposium was more than 89 on a 100-point scale.²⁹⁹ This rating reinforces the importance of providing this type of training experience every year.

During the FY 2010 Symposium, TAS developed 60 workshops for Case Advocates, Intake Advocates, Analysts, Support Staff, and Managers.³⁰⁰ TAS offered most of these workshops multiple times because more than 1,875 employees attended the Symposium over a two-week span. In all, TAS delivered 380 sessions during the Symposium.³⁰¹

²⁹⁹ Employees gave an 88.25 rating in week one and a 90.25 rating in week two in the Overall Training category on the Level 1 evaluations completed in the closing plenary held each week.

³⁰⁰ Data obtained from training registration database on May 11, 2011.

³⁰¹ *Id.*

Because of the budget situation impacting all federal agencies, TAS cancelled the Symposium for FY 2011. However, TAS has resolved to develop as many as 74 workshops that would have been held face-to-face at Symposium and deliver this training through virtual methods.

TAS will face a new set of challenges using virtual training, including time zone differences, planned and unplanned employee absences, workload balancing issues, and distractions in an office setting. To overcome these challenges, TAS will:

- Extend the training window from the standard approach of holding two consecutive one-week sessions, with half of TAS employees attending each week, to a period of six months to maintain a balance between training and workload needs;
- Revise the guidelines for those who develop the workshops to reflect the differences between writing virtual and classroom training material; and
- Conduct formal virtual instructor training sessions to provide instructors with the right skills to deliver virtual training.

Budget permitting, TAS will hold a face-to-face Symposium in FY 2012. If this option is not available, TAS will again deliver a virtual Symposium using the FY 2011 model in the second half of FY 2012 and the first quarter of FY 2013.

VIII. Integrated TAS Technology: TISIS

The Taxpayer Advocate Service Integrated System (TISIS) is a system redesign that will fundamentally improve the way TAS employees perform their duties. It will be the most significant automation innovation in the 30-year history of TAS and its predecessor organization, the Problem Resolution Program. TISIS will automate work processes, eliminate manual and redundant steps, and allow TAS employees to spend more time focused on TAS's core mission, advocating for taxpayers.

Current TAS and IRS systems, designed and developed as stand-alones, share little if any information electronically. TAS employees must manually cut and paste or re-type information from one system to another. Intake Advocates, who take initial case-building actions, must painstakingly research information from several different systems to develop a clear and accurate picture of the issues or problems taxpayers are facing. Case Advocates, who are responsible for resolving taxpayer issues and problems, continually monitor multiple IRS systems to prevent additional problems, such as duplicate refunds or erroneous notices.

TISIS will allow TAS employees to obtain automated information from IRS systems, sparing them laborious hours of research, updating, and monitoring taxpayer accounts and records. This automation of work processes will free Case Advocates and Intake Advocates to focus on aspects of the work they are truly passionate about and where their skills truly lie – direct interaction with taxpayers and resolution of taxpayer issues, thereby increasing employee engagement while satisfying customers.

TISIS will integrate the features of TAS's current system applications with new features to enhance the overall experience of TAS employees and the service provided to taxpayers. The linking of all TAS applications within a single integrated system has been a part of TAS's plans for a decade. Now, advancing technology and the obsolescence of TAS's primary system for tracking cases makes system integration a necessity.

For the first time, one system will record the wide range of TAS activities that resolve or prevent problems for taxpayers. Tracking these activities in a single, integrated system will improve TAS's ability to apply consistent labels across all advocacy efforts, providing a new level of information for analysis, and identifying the pattern of a problem more quickly. For example, solutions employed in one part of the country may provide insight to help taxpayers in another part of the country. A single-system approach also means that employees will have one TAS system to learn and maintain, with associated cost savings.

Performance measures are fundamental to TISIS development. TAS turned to system users for their ideas on what aspects of TISIS should be included to promote employee and customer satisfaction and efficiency improvements. TAS asked all of its employees to

identify system features that would contribute to the quality and efficiency of their work, as well as aspects of the current system that frustrate and hinder performance. Several hundred insights were collected. Additionally, nearly 100 TAS employees accepted the challenge and described how they need to interact with the system, how TISIS might use data from other IRS systems to reduce repetitive research and transcription, and how reminders and prompts could help them manage customer commitments and provide quality service.

A. TISIS Will Enhance Online Document Collaboration and Storage

In recommending an integrated design, systems analysts emphasized electronic document management, *i.e.*, storage within the system for case files, communications, and research findings. Paper records pose efficiency and reliability problems, including time-consuming file retrieval, opportunity for loss, and limited ability to share information between offices. Reliance on paper files and documents requires storage and handling of 50 to 60 documents per case, totaling approximately 12.5 million documents each year.³⁰² Some records are stored on local hard drives, and TAS incurs repeated copying and shipping costs for transfers, work reviews, and collaboration. The use of virtual documents will almost eliminate paper document handling and storage, allow immediate access for collaboration, and improve TAS's ability to reference the products or conduct research.

Moving toward a paperless environment, TISIS will offer document collaboration tools to gather and track edits, reviews, and approvals from remotely located users. It will also manage supporting documentation and reference materials associated with documents, and access to earlier reports and research. Finally, TISIS will provide tools to map project delivery documents so that participants and oversight users can see upcoming deadlines, assignments, and progress on the delivery of a finished product. Document collaboration and a centralized document repository will make content searchable and improve its usefulness.

B. TISIS Will Improve Submission, Acceptance, and Assignment of Work

With the implementation of TISIS, taxpayers will have both new and improved avenues for seeking assistance from TAS. Taxpayers will continue to have the traditional options of contacting TAS by phone, correspondence, and walk-in, with the added option of submitting issues electronically via the Internet. For the growing population of taxpayers who prefer to conduct business electronically, this option will allow for an initial interaction, through a series of prompts, that will help taxpayers identify issues, find options for self-help when appropriate, access contact information for IRS operating division assistance, and request TAS assistance.

TAS is developing a pilot program in which taxpayers who seek help through the NTA toll-free line will find an improved direct transfer to a TAS Intake Advocate, as opposed

302 IRS, *Enterprise Content Management Analysis for Taxpayer Advocate Service*, NGIT-T30708-CBS-EA-C-4 11 (May 29, 2007).

to the current paper referral process and subsequent callback once the taxpayer's issue is assigned to a Case Advocate. Intake Advocates will conduct a comprehensive interview with the taxpayer to identify underlying issues, share options for resolution, describe what to expect from the TAS experience, build the case, and in some instances, resolve the issues while talking with the taxpayer. TISIS will provide the tools Intake Advocates will use to conduct research, document the contact, and efficiently build the case during these initial interviews with taxpayers.

Once a case is built, TISIS will quickly match the taxpayer with a Case Advocate based on where the taxpayer lives (taxpayers will predominantly be matched with Case Advocates in their home state), and the availability, skill, and workload of the advocate. The advocate's inventory, or number of assigned cases, will no longer be the focus of casework assignments. Instead, new work assignments will consider complexity as well as the time and steps needed to resolve similar case issues. TISIS will replace the existing manual assignment process that often involves intra-office transfers of cases.

C. TISIS Will Enhance Case Advocacy

TISIS will improve case handling by downloading data already available in IRS systems, thereby eliminating manual data entry, automating research and other actions, and creating templates to resolve common issues. With an improved inventory display, TISIS will allow caseworkers to map actions needed, use calendar tools to schedule their workload, and view scheduled tasks or appointments at a glance.

TISIS will assist Case Advocates in identifying issues requiring attention or factoring into case resolution, including an IRC § 7811 Significant Hardship Determination.³⁰³ Where possible, TISIS will perform routine research of account transactions for more consistent and prompt discovery of case details. TISIS will also identify other IRS functions involved with a case.

TISIS will offer new communication features that will document initial, subsequent, and closing taxpayer communications. These features will support new standards for protecting taxpayer privacy such as allowing TAS employees to identify phone numbers where TAS can leave confidential messages for a taxpayer. Clear identification of customer communication needs will limit disconnects due to language or physical ability. TISIS will also provide online updates and interaction tools to break down communication barriers posed by work schedules or time zone.

303 IRC § 7811(a)(2). A significant hardship includes an immediate threat of adverse action; a delay of more than 30 days in resolving taxpayer account problems; the incurring by the taxpayer of significant costs (including fees for professional representation) if relief is not granted; or irreparable injury to, or a long-term adverse impact on, the taxpayer if relief is not granted. See *also* IRM 13.1.18.7 (Feb. 1, 2011).

D. TISIS Will Provide New Case Resolution Tools

When TAS lacks the statutory or delegated authority to directly resolve a taxpayer's problem, TAS interacts with the responsible IRS operating division or function to resolve the issue via the Operations Assistance Request process.³⁰⁴ In FY 2010, Case Advocates submitted more than 275,000 OARs.³⁰⁵ Currently, TAS resolves issues by emailing (encrypted), mailing, and faxing information to the IRS, all of which take time. TISIS will reduce resolution time by electronically routing OARs to the IRS, delivering the TAS recommendation and request for action, along with records and documentation supporting advocacy resolution. Similarly, TISIS will implement an electronic routing process for Taxpayer Assistance Orders to replace the current manual system. Finally, TISIS will support secure self-service features using the IRS internet site so that taxpayers can view case updates and obtain contact information for the advocate assigned to their cases.

E. TISIS Will Enhance TAS's Technical Assistance Process

TAS employs a network of technical advisors to assist Case Advocates assigned complex technical issues. TISIS will allow Case Advocates to research written guidance on technical topics using Technical Advice Training Initiatives (TATI). TATI will house briefing documents containing information, resources, and links to additional research on various case-related topics, Chief Counsel opinions, job aids, Internal Revenue Manuals (IRMs), and several online tools to assist in resolving complex taxpayer issues. This information will provide Case Advocates a point of reference for initial case discussions, prompting quicker case resolution.

When Case Advocates require detailed technical advice, they will be able to initiate a case referral to a technical advisor or an Attorney Advisor using TISIS. The system will provide referral resources to capture the question and route it to an advisor based on the advisor's skills and availability, with the option to indicate when the case requires expeditious assistance. The advisor will have access to the case file and appropriate reference material. The advisor will communicate directly with the Case Advocate and, if necessary, the taxpayer or representative. Improved recording of both questions and responses will support analysis for training opportunities or solutions that might benefit a broader group of customers and require a more sustained systemic advocacy effort.

F. TISIS Will Support Systemic Advocacy Efforts

Part of the TAS mission involves solving systemic problems with IRS processes or practices that have a negative impact on multiple taxpayers. Currently, employees who identify these systemic problems manually enter a description of the issue into a separate system, the

304 See *Importance of the Taxpayer Assistance Order*, *infra*. An OAR (Form 12412) is the form that TAS employees use when requesting that the IRS complete an action on a TAS case when TAS lacks the authority to take that action.

305 Data obtained from TAMIS.

Systemic Advocacy Management System. With TISIS, employees will identify systemic problems within open cases, saving time for Case Advocates and providing TAS analysts with case examples. TISIS will also allow for real-time analysis of trends in the types of cases coming to TAS to help identify systemic problems.

G. TISIS Will Use Key Words to Facilitate Accurate Electronic Research

As part of the development of TISIS, TAS has begun a major initiative to develop Information Architecture – a method of organizing and labeling our digital information. This planning is critical to ensure the effective delivery and access of information to our employees.

TAS is establishing standards, guidelines, and parameters for metadata for both Case Advocacy and Systemic Advocacy. Metadata is “data about the data,” *i.e.*, structured keywords that make information easier to find, use, and manage. Metadata will help organize TAS’s electronic resources, bring similar resources together, and support the preservation of key internal documents.

As TAS posts documents to internal and external websites, we are beginning to tag the documents with keywords that describe the document’s content. The use of keywords will facilitate more accurate text-based language searches to locate information within TISIS. The primary benefit is that TAS will perform more effective case and systemic advocacy by having ready access to related materials and being able to see relevant material from all areas of TAS activity, breaking down the current “stovepipes” of information.

TAS began its efforts to standardize its metadata and identify keywords in FY 2011. Systemic Advocacy was the first department in TAS to begin tagging the documents it uses on its internal website with key words. In FY 2012, all of TAS will begin identifying and using key words as TAS transitions to TISIS and related information storage systems.

IX. Low Income Taxpayer Clinic Grant Program

The Low Income Taxpayer Clinic program provides matching grants to qualifying organizations to operate clinics that represent low income taxpayers in disputes with the IRS, or educate taxpayers for whom English is a second language about their rights and responsibilities as U.S. taxpayers. LITCs provide services to eligible taxpayers for free or for no more than a nominal fee.

In FY 2011, the LITC program awarded nearly \$10 million in matching grants to 165 nonprofit organizations and accredited academic institutions in all 50 states, the District of Columbia, and Puerto Rico. In awarding grants for FY 2012, TAS will continue to work toward the following goals:

- Ensuring that each state (plus the District of Columbia and Puerto Rico) continues to be served by at least one clinic; and
- Ensuring grant recipients demonstrate that they are serving geographic areas that have sizable populations eligible for and requiring LITC services.

Preliminary data from year-end reports for grant year 2010 reflect the increasing demand for LITC services.³⁰⁶ Clinics that provide controversy services assisted more than 44,000 low income taxpayers and worked over 52,000 issues, including about 21,700 collection issues (levy, lien, installment agreement, currently not collectible, offer in compromise, *etc.*), 11,000 examination issues (correspondence exam, office or field exam, audit reconsideration, automated underreporter, substitute for return, *etc.*), and 8,700 nonfiler issues. These clinics opened about 17,000 new cases and represented taxpayers in nearly 1,300 cases in U.S. Tax Court during grant year 2010.

Through outreach activities and educational workshops targeted to ESL taxpayers, clinics provide tax information directly to taxpayers and generate awareness of the clinic program among taxpayers who may be in need of tax assistance. In grant year 2010, clinics conducted over 11,200 outreach and education events.³⁰⁷ Additionally, clinics provided one-on-one consultations with more than 23,000 ESL taxpayers.

In conjunction with the National Taxpayer Advocate, the LITC Program Office, in the past year, created a mission statement that focuses on ensuring the fairness and integrity of the tax system by:

³⁰⁶ All statistical data on LITC services presented here were obtained from the LITC Program Office database, 2010 Year-End Reports and include information compiled from 160 LITCs as of June 6, 2011.

³⁰⁷ This number includes over 3,600 outreach activities conducted by controversy programs.

- Educating low income taxpayers about their rights and responsibilities;
- Providing *pro bono* representation to taxpayers in controversies with the IRS;
- Conducting outreach and education to taxpayers who speak English as a second language; and
- Identifying and advocating for issues that impact low income taxpayers.

In addition, the program office established performance measures that tie to the four prongs of the program's mission and will be used to set program goals, to assess progress in achieving those goals, and to identify opportunities to improve the quality and effectiveness of services that clinics provide to low income and ESL taxpayers.

During the upcoming fiscal year, the LITC Program Office will integrate the performance measures throughout the grant application, selection, review, and reporting processes. Publication 3319, *Grant Application Package and Guidelines*, is being updated in 2012 to reorganize and streamline the grant application and reporting processes. Standardized financial reporting forms and revised program reporting forms will be introduced to capture baseline performance information that can be aggregated and analyzed by the LITC Program Office.

In order to accomplish its mission, the LITC Program Office was restructured, and has hired and trained additional staff to provide greater assistance to and oversight of grantees. Site assistance visit procedures are being redesigned to include orientation visits and operational review visits. All new clinics will receive orientation visits within the first 120 days of their initial funding year to familiarize them with LITC Program requirements and to measure the progress of their start-up activities. Established clinics will receive operational review visits to observe and evaluate a clinic's internal and administrative controls, program activities, and services. In addition, the LITC Program Office will continue to foster the relationship between each clinic and the Local Taxpayer Advocate's office in the clinic's geographic area by having the LTA visit the clinic at least annually.

The LITC Program Office also intends to employ new technologies to provide grantees with guidance on both grant administration and technical tax issues. A new LITC program website is scheduled to debut during FY 2012, which will allow the LITC Program Office to provide guidance about program policies, and to share ideas, resources, and tools for providing innovative and quality services to taxpayers. Also, the LITC Program Office plans to expand its use of conference calls and webinars for training purposes. This past February, the LITC Program Office conducted its first training webinar on the topic of financial reporting by grantees and is developing a schedule of future training topics.

X. Taxpayer Advocacy Panel

The Taxpayer Advocacy Panel (TAP) is a Federal Advisory Committee³⁰⁸ established by the Department of the Treasury to provide a taxpayer perspective on improving the IRS. TAS supports the TAP program, which works with the National Taxpayer Advocate and the IRS to improve IRS service and customer satisfaction.

The National Taxpayer Advocate is concerned that TAP is reaching outside its original charter with its efforts, moving into compliance, collection, enforcement, and appeals issues, rather than focusing on improving IRS service and customer satisfaction. In addition, the volume of TAP issues is creating a burden for the IRS, which is required to respond to each issue.³⁰⁹ The combination of a heavy TAP workload and a perception that TAP has overstepped its bounds caused the National Taxpayer Advocate to initiate a change to the way the TAP operates.

The TAP will develop the details of the change in procedures in FY 2011 and implement them in 2012. The proposed refocus will look as follows:

- TAP Area Committees will remain focused on identifying grassroots issues but will no longer develop proposed solutions or recommendations;
- TAP members will review the issues to try to identify common themes and group issues that reflect a larger systemic concern; and
- TAP leaders will prioritize the systemic issues and present them to the IRS as possible TAP Project Committee topics for the upcoming year.

The proposed restructure will let the TAP focus on larger systemic issues, allowing TAP members to work issues in partnership with the IRS and focus on better understanding IRS procedures. Under this approach, the TAP will no longer submit similar issues multiple times to present taxpayers' concerns. The TAP will work with the IRS Office of Chief Counsel to incorporate the changes into the TAP charter when it is up for renewal in March 2012.

The TAP will also work with TAS to identify low- or no-cost ways to conduct meetings remotely to reduce travel expenses, while ensuring that TAP fulfills its original mission of advising the IRS on taxpayer service.

308 The Federal Advisory Committee Act (5 U.S.C. Appendix) prescribes standards for establishing advisory committees when those committees will furnish advice, ideas, and opinions to the federal government. See also 41 C.F.R. Part 102-3.

309 In 2010, the TAP submitted 101 Area Committee recommendations to the IRS and completed 34 projects. In the current TAP calendar year through June 1, 2011, the TAP Area Committees submitted 23 recommendations, and the TAP Project Committees have completed six projects.

Appendix I: Evolution of the Office of the Taxpayer Advocate

The IRS created the Office of the Taxpayer Ombudsman in 1979 to serve as the *primary advocate*, within the IRS, for taxpayers. The Taxpayer Bill of Rights (TBOR 1), included in the Technical and Miscellaneous Revenue Act of 1988 (TAMRA), codified this position. In TBOR 1, Congress added IRC § 7811, granting the Ombudsman the statutory authority to issue a Taxpayer Assistance Order (TAO) “if, in the determination of the Ombudsman, the taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the internal revenue laws are being administered by the Secretary.”³¹⁰ Further, it directed the Taxpayer Ombudsman and the Assistant Commissioner (Taxpayer Services) to jointly provide an annual report to Congress about the quality of taxpayer services provided by the IRS. The Senate Committee on Finance and the House Committee on Ways and Means received this report directly.³¹¹

In 1996, Taxpayer Bill of Rights 2 (TBOR 2) amended IRC § 7802 (the predecessor to IRC § 7803), replacing the Office of the Taxpayer Ombudsman with the Office of the Taxpayer Advocate.³¹² The Joint Committee on Taxation set forth the following reasons for change:

To date, the Taxpayer Ombudsman has been a career civil servant selected by and serving at the pleasure of the IRS Commissioner. Some may perceive that the Taxpayer Ombudsman is not an independent advocate for taxpayers. In order to ensure that the Taxpayer Ombudsman has the necessary stature within the IRS to represent fully the interests of taxpayers, Congress believed it appropriate to elevate the position to a position comparable to that of the Chief Counsel. In addition, in order to ensure that the Congress is systematically made aware of recurring and unresolved problems and difficulties taxpayers encounter in dealing with the IRS, the Taxpayer Ombudsman should have the authority and responsibility to make independent reports to the Congress in order to advise the tax-writing committees of those areas.³¹³

In TBOR 2, Congress not only established the Office of the Taxpayer Advocate but also described its functions:

- To assist taxpayers in resolving problems with the IRS;
- To identify areas in which taxpayers have problems in dealings with the IRS;

310 TAMRA, Pub. L. No. 100-647, Title VI, Sec. 6230, 102 Stat. 3342, 3733 (Nov. 10, 1988).

311 *Id.* at 3737.

312 Pub. L. No. 104-168, Sec. 101, 110 Stat. 1452, 1453 (July 30, 1996).

313 Joint Committee on Taxation, *General Explanation of Tax Legislation Enacted in the 104th Congress*, JCS-12-96, 20 (Dec. 18, 1996).

- To the extent possible, propose changes in the administrative practices of the IRS to mitigate those identified problems; and
- To identify potential legislative changes which may be appropriate to mitigate such problems.³¹⁴

Congress did not provide the Taxpayer Advocate with direct line authority over the regional and local Problem Resolution Officers (PROs) who handled cases under the Problem Resolution Program (PRP). At the time of the enactment of TBOR 2, Congress believed it sufficient to require that “all PROs should take direction from the Taxpayer Advocate and that they should operate with sufficient independence to assure that taxpayer rights are not being subordinated to pressure from local revenue officers, district directors, etc.”³¹⁵

TBOR 2 also replaced the joint Assistant Commissioner/Taxpayer Advocate Report to Congress with two annual reports to Congress issued directly and independently by the Taxpayer Advocate. The first report is to contain the objectives of the Taxpayer Advocate for the fiscal year beginning in that calendar year. This report is to provide full and substantive analysis in addition to statistical information and is due no later than June 30 of each calendar year. The second report is on the activities of the Taxpayer Advocate during the fiscal year ending during that calendar year. The report must identify the initiatives the Taxpayer Advocate has taken to improve taxpayer services and IRS responsiveness, contain recommendations received from individuals who have the authority to issue a TAO, describe in detail the progress made in implementing these recommendations, contain a summary of at least 20 of the Most Serious Problems (MSPs) which taxpayers have in dealing with the IRS, include recommendations for such administrative and legislative action as may be appropriate to resolve such problems, describe the extent to which regional PROs participate in the selection and evaluation of local PROs, and include other such information as the Taxpayer Advocate may deem advisable. The stated objective of these reports is “for Congress to receive an unfiltered and candid report of the problems taxpayers are experiencing and what can be done to address them. The reports by the Taxpayer Advocate are not official legislative recommendations of the Administration; providing official legislative recommendations remains the responsibility of the Department of Treasury.”³¹⁶

Finally, TBOR 2 amended IRC § 7811, extending the scope of the TAO by providing the Taxpayer Advocate with broader authority “to affirmatively take any action as permitted by law with respect to taxpayers who would otherwise suffer a significant hardship as a result of the manner in which the IRS is administering the tax laws.”³¹⁷ For the first time, the TAO could specify a time period within which the IRS must act on the order. The statute

314 Pub. L. No. 104-168, Sec. 101, 110 Stat. 1452, 1453 (July 30, 1996).

315 Joint Committee on Taxation, *General Explanation of Tax Legislation Enacted in the 104th Congress*, JCS-12-96, 21 (Dec. 18, 1996).

316 *Id.*

317 *Id.* at 22

also provided that only the Taxpayer Advocate, the IRS Commissioner, or the Deputy Commissioner could modify or rescind a TAO, and that any official who so modifies or rescinds a TAO must respond in writing to the Taxpayer Advocate with his or her reasons for such action.

In 1997, the National Commission on Restructuring the Internal Revenue Service called the Taxpayer Advocate the “voice of the taxpayer.” In its discussion of the Office of the Taxpayer Advocate, the Commission noted:

Taxpayer Advocates play an important role and are essential for the protection of taxpayer rights and to promote taxpayer confidence in the integrity and accountability of the IRS. To succeed, the Advocate must be viewed, both in perception and reality, as an independent voice for the taxpayer within the IRS. Currently, the national Taxpayer Advocate is not viewed as independent by many in Congress. This view is based in part on the placement of the Advocate within the IRS and the fact that only career employees have been chosen to fill the position.³¹⁸

In response to these concerns, in the IRS Restructuring and Reform Act of 1998 (RRA 98), Congress amended IRC § 7803(c), renaming the Taxpayer Advocate as the National Taxpayer Advocate and mandating that the National Taxpayer Advocate could not be an officer or an employee of the IRS for two years preceding or five years following his or her tenure as the National Taxpayer Advocate (service as an employee of the Office of the Taxpayer Advocate is not considered IRS employment under this provision).³¹⁹

RRA 98 provided for Local Taxpayer Advocates to be located in each state, and mandated a reporting structure for Local Taxpayer Advocates to report directly to the National Taxpayer Advocate. As indicated in IRC § 7803(c)(4)(B), each Local Taxpayer Advocate must have a phone, fax, electronic communication, and mailing address separate from those of the IRS. The Local Taxpayer Advocate must advise taxpayers at their first meeting of the fact that “the taxpayer advocate offices operate independently of any other Internal Revenue Service office and report directly to Congress through the National Taxpayer Advocate.”³²⁰

Congress also granted the Local Taxpayer Advocates discretion to not disclose the fact that the taxpayer contacted the Office of the Taxpayer Advocate or any information provided by the taxpayer to that office.³²¹

The definition of “significant hardship” in IRC § 7811 was expanded in 1998 to include four specific circumstances: (1) an immediate threat of adverse action; (2) a delay of more

318 Report of the National Commission on Restructuring the Internal Revenue Service: *A Vision for a New IRS* 48 (June 25, 1997).

319 Pub. L. No. 105-206, Sec. 1102, 112 Stat. 685, 699 (July 22, 1998).

320 IRC § 7803(c)(4)(A)(iii).

321 IRC § 7803(c)(4)(A)(iv).

than 30 days in resolving the taxpayer's account problems; (3) the taxpayer's incurring of significant costs (including fees for professional representation) if relief is not granted; and (4) the taxpayer will suffer irreparable injury or a long-term adverse impact if relief is not granted. The committee reports make clear that this list is a non-exclusive list of what constitutes significant hardship.³²²

Treasury Regulation § 301.7811-1 had not been updated since it was first published in 1992. Consequently, the regulation contained a definition of "significant hardship" that did not take into account the expansion of the definition that occurred in 1998. In April 2011, the IRS published final regulations under IRC § 7811 so that the regulations now contain a definition of significant hardship consistent with existing law and practice.³²³

322 See, e.g., H.R. Conf. Rep. No. 105-599, at 215 (1998).

323 See 76 FR 18,059 (Apr. 1, 2011).

Appendix II: Taxpayer Advocate Service Case Acceptance Criteria

As an independent organization within the IRS, TAS helps taxpayers resolve problems with the IRS and recommends changes to prevent future problems. TAS fulfills its statutory mission by working with taxpayers to resolve problems with the IRS.³²⁴ TAS case acceptance criteria fall into four main categories:

Economic Burden

Economic burden cases are those involving a financial difficulty to the taxpayer. An IRS action or inaction has caused or will cause negative financial consequences or have a long-term adverse impact on the taxpayer.

Criteria 1: The taxpayer is experiencing economic harm or is about to suffer economic harm.

Criteria 2: The taxpayer is facing an immediate threat of adverse action.

Criteria 3: The taxpayer will incur significant costs if relief is not granted (including fees for professional representation).

Criteria 4: The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.

Systemic Burden

Systemic burden cases are those in which an IRS process, system, or procedure has failed to operate as intended, and as a result the IRS has failed to timely respond to or resolve a taxpayer issue.

Criteria 5: The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem.

Criteria 6: The taxpayer has not received a response or resolution to the problem or inquiry by the date promised.

Criteria 7: A system or procedure has either failed to operate as intended, or failed to resolve the taxpayer's problem or dispute within the IRS.

324 IRC § 7803(c)(2)(A)(i).

Best Interest of the Taxpayer

TAS acceptance of these cases will help ensure that taxpayers receive fair and equitable treatment and that their rights as taxpayers are protected.

Criteria 8: The manner in which the tax laws are being administered raises considerations of equity, or has impaired or will impair the taxpayer's rights.

Public Policy

Acceptance of cases into TAS under this category will be determined by the National Taxpayer Advocate and will generally be based on a unique set of circumstances warranting assistance to certain taxpayers.

Criteria 9: The National Taxpayer Advocate determines compelling public policy warrants assistance to an individual or group of taxpayers.

Appendix III: Collaborative Efforts Between TAS and IRS

Collaborative Effort	Objectives	Status Updates
Collection Statute Expiration Date (CSED) Calculator Task Force	Develop a CSED calculator tool for IRS employees responsible for calculating CSEDs.	The team is developing a spreadsheet-based CSED calculator. Team members continue to exchange examples identifying CSED calculation issues. The team anticipates running a field test of the calculator in FY 2012.
IRS Twitter Editorial Board	Move the IRS forward on Twitter, helping build IRS-wide content strategy and guidelines.	The group meets regularly sharing information and best practices.
Service-wide Governance Council for New Media	Chart the future IRS course in new media, provide advice on how and when to interact in social media, and build policies and guidelines.	The Council shares information and best practices, and coordinates IRS new media efforts, including the approval of current and future users and platforms.
Technical Working Group (TWG) for Identity Theft Victim Assistance	Develop recommendations for improving procedures for and reducing the burden of identity theft victims. The group engages in cross-functional discussion, gathers identity theft data, and analyzes the burden of affected taxpayers to recommend process improvements.	The group continues elevating identity theft scenarios where procedures are incomplete, inconsistent, or non-existent.
Employment Tax Treatment of Home Care Service Recipients	Collaborate with various IRS functions to address systemic problems in employment tax treatment of home care service recipients, which can create compliance problems for employers and administrative challenges for the IRS.	The team is piloting a filing initiative to allow agents acting on behalf of home care service workers to file aggregate Forms 940, <i>Employer's Annual Federal Unemployment (FUTA) Tax Return</i> , with an accompanying Schedule R, <i>Allocation Schedule for Aggregate Form 940 Filers</i> .
Enterprise Wide Employment Tax Program (EWETP)	Develop the Employment Tax Strategy to emphasize a collaborative and strategic approach for establishing priorities, goals, and measures for improving employment tax compliance. The team includes members from all IRS functions.	The EWETP team identifies issues and concerns for IRS and taxpayers and then forms sub-teams to develop action plans to address them. Actions include helping taxpayers comply through education and voluntary programs; using an enterprise approach to resource allocation; leveraging technology and new learning; and exploiting third-party information. One sub-team is developing strategic measures to determine impact of the actions on subsequent taxpayer behavior.
IRS Coordinated Response to CSX Decision Team	Develop a strategy to respond to taxpayers' claims for refund and protective claims for refund or credit of overpaid employment taxes based on <i>CSX Corp. v. United States</i> . 518 F.3d 1328 (Fed. Cir. 2008).	The team meets regularly to deal with the various issues affecting mass disallowance of claims when taxpayers are filing protests or exercising their appeal rights.
Third-Party Payers Team	Collaborate with SB/SE Collection Policy, SB/SE Employment Tax Policy, and Chief Counsel to: <ul style="list-style-type: none"> Address the effects of misappropriation of employment taxes by third-party payers; Improve IRS work processes to allow early interventions and notice to taxpayers about outstanding liabilities; and Issue guidance on case resolution, collection alternatives, and relief available to victims of third-party payer failures. 	The team researched the viability of sending dual confirmation letters when a third-party payer changes a taxpayer's address; updated the Reasonable Cause Assistor (RCA) to include third-party failures when determining penalty relief; and updated the IRS website to help taxpayers affected by third-party failures understand what to do when faced with this situation. It also is reviewing cases to identify ways to improve work processes and service to taxpayers.

Collaborative Effort	Objectives	Status Updates
Files and Records Coordination Team	Develop consistent approaches for requesting paper case files requiring expedited services.	The team developed a draft Statement of Work that spells out the agreement between TAS, the IRS, and the National Archives and Records Administration (NARA) for this process. The team is developing comprehensive training material about the new process. The material summarizes procedures to request records and files and to avoid common errors.
Congressional Affairs Program (CAP) Council	Work issues specific to CAP; issue the Congressional Update newsletter. Legislative Affairs, including Governmental Liaison, leads this team.	Legislative Affairs, Governmental Liaison, and TAS make up this team. The CAP Council meets quarterly to discuss current issues affecting congressional offices. The team provides services such as CAP training for new congressional staffers, CAP training for new Local Taxpayer Advocates, and shares information through the Congressional Update, a newsletter issued to congressional offices.
TAS Training for IRS Employees	Deliver TAS overview and case studies to IRS compliance employees.	The TAS training project originated in April 2009 based on an executive level meeting with TAS and other IRS functions to discuss corporate enforcement hiring initiative. TAS worked successfully with SB/SE Collection and LB&I to implement TAS training in two phases for new employees. TAS continues to work with SB/SE Examination to develop new case studies for Phase II Revenue Agent new hire training. The project will be completed during FY 2011 once Phase II is implemented for SB/SE revenue agents.
Undelivered Mail Project	Have the Office of Taxpayer Correspondence (OTC) head up a servicewide study of which notices would benefit the most from the enhanced Intelligent Mail barcodes. As a part of this study, OTC will analyze return on investment to determine the most effective use of the barcodes.	The group is studying, reviewing, researching, and implementing solutions to address undelivered mail. ³²⁵ This includes, but is not limited to: <ul style="list-style-type: none"> • Implementing a Full Service Intelligent Mail Bar Code (FSIMB) for IRS outgoing mail; • Studying undelivered mail and address perfection problems; • Designating one enterprise-level organization to provide policy, procedures, protection, and maintenance of taxpayer addresses; and • Applying the existing address research (ADR) system to all undelivered mail returned to the IRS.

325 See National Taxpayer Advocate 2010 Annual Report to Congress 221-234 (Most Serious Problem: *The IRS Has Not Studied or Addressed the Impact of the Large Volume of Undelivered Mail on Taxpayers*).

Collaborative Effort	Objectives	Status Updates
Printing and Postage Budget Reduction Task Group (PPBR)	Implement business decisions to reduce the printing and postage budget for FY 2011 and 2012.	<p>The team proposed strategies for achieving savings by redirecting customers to existing outlets and through new technological investments. The team considered the impact to taxpayers, and many offices in the IRS, including TAS; Stakeholders, Partnerships, Education, and Communication (SPEC); Field Assistance; and Customer Account Services, continue to look for ways to ensure taxpayers receive the products and services they need. TAS is currently advocating for:</p> <ul style="list-style-type: none"> · Policy for consistent penalty application when a taxpayer indicates an inability to reasonably obtain paper tax forms through alternative means; and · Development of an online Tax Forms Decision Tree allowing taxpayers to self-identify which forms and schedules they require.
W&I Customer Satisfaction Improvement Initiative Team	Use team to reassess W&I's approach to customer satisfaction. In October 2010, W&I requested TAS's participation on a Phase I team to create a framework for "Enhancing the Customer Experience" (ECE), designed to improve taxpayers' interaction with the IRS. The framework is based on lessons learned from TAS customer satisfaction initiatives.	In FY 2012, a Phase 2 team will identify measures to evaluate how well W&I is meeting the customer expectations identified in Phase 1. TAS facilitated and conducted focus group discussions with taxpayers and taxpayer representatives using Taxpayer Advocacy Panel (TAP) resources to help identify customer expectations. The team is developing a matrix and determining weighting values for elements of customer satisfaction, business results, and quality.
The Stuffer Elimination Task Force	The Correspondence Reduction team continues to develop Unified Work Requests (UWR) to eliminate inserts included with notices sent to RAF (Reporting Agents) and CAF (Power of Attorney) representatives. The team is working with Tax Forms and Publications to revise Form 2848, <i>Power of Attorney and Declaration of Representatives</i> .	<p>Recent activities include:</p> <ul style="list-style-type: none"> · Proposed text changes notifying taxpayers that their representatives will not be receiving inserts were submitted for the Form 2848 and Form 8821, <i>Tax Information Authorization</i>. · A "What's Hot" topic is ready for posting to IRS.gov, where representatives look for important changes to tax products. The team also provided the National Distribution Center (NDC) a listing of the inserts representatives and taxpayers can request. Representatives and taxpayers can also obtain the inserts on irs.gov.
Internal Management Documents (IMD) Council	The Council collaborates on and implements strategies related to all IMD activities. The Council supports the IRS goal of ensuring the IRM is the official source of all procedures, policy, directives, delegations, and guidelines.	TAS continues to negotiate with the Servicewide Policy Directives and Electronic Research office (SPDER) for changes based on the IRM 1.11 series.
CSED Workgroup	Identify and review all accounts with CSED extended 15 years beyond assessment; Determine if the waiver is proper; report findings and propose resolutions (as appropriate); and Implement approved account resolutions.	The group requested data from Research. Once received, the team will review a statistical sample of the cases and determine if a review of a broader sample of cases is necessary.
Civil Penalties Task Force	The Office of Servicewide Penalties (OSP) established this cross-functional task force to create the parameters for a Servicewide Penalties Summit.	The IRS cancelled the Summit due to budget concerns. The task group hopes to meet later in the year if funds are available to hold the Summit.

Collaborative Effort	Objectives	Status Updates
Collection IRM Revisions to Address the Vinatieri Decision	TAS has been working with the IRS Collection functions to revise sections of the IRM involving collection procedures affected by the Vinatieri court decision. The group is clarifying the IRM to make clear that a taxpayer's account may be placed in currently not collectible (CNC) status even if the taxpayer has unfiled returns.	On April 29, 2011, IRM 5.16.1, the primary IRM chapter on CNC status, was amended to make the required clarifications. Discussions between TAS and the IRS Collection functions continue to ensure that all parts of the IRM are clear on this issue. The IRS has updated other parts of the IRM as well (see IRMs 5.19.1, 5.11.2, and 8.2.2.2).
Automated Collection System (ACS)/TAS Training Video	<p>TAS is collaborating with the IRS Campus Compliance operations (SB/SE and W&I) to develop an ACS/TAS training video. The video is intended to address and highlight key areas of concern that routinely surface in ACS and TAS casework, focusing on:</p> <ul style="list-style-type: none"> · Liens and collection cases involving financially distressed taxpayers, providing discussion points for a variety of collection issues, such as factors to consider in lien determinations, lien withdrawals, release of levies in hardship situations, reporting accounts as uncollectible in situations with unfiled returns; and · Payments alternatives, such as offers in compromise. 	The IRS is currently revising the IRM procedures for several of these areas. The team has delayed the development of the training materials for this video pending IRM updates. TAS anticipates that work on this initiative will resume in June 2011.
Payment Alternatives – Offer In Compromise (OIC)	Determine if OIC policy and procedures are needlessly deterring taxpayers from submitting good offers (<i>i.e.</i> , an offer representing a good faith attempt to resolve the tax debt).	TAS is working closely with the IRS on the implementation of the “Fresh Start” initiatives. The OIC program is a key component of “fresh start” options for taxpayers with collection problems. TAS is using the IMD clearance process to ensure the “Fresh Start” initiatives related to the new streamlined OIC process provide meaningful improvements in the IRS’s use of the OIC as an important Collection tool. The IRS has also just released a revised Form 656 Booklet, which contains OIC application forms and procedures. TAS worked closely with the IRS developing this document.

326 See IRS News Release IR-2011-20, *IRS Announces New Effort to Help Struggling Taxpayers Get a Fresh Start; Major Changes Made to Lien Process* (Feb. 24, 2011).

Collaborative Effort	Objectives	Status Updates
CPS Internal Communications Team	The objective of this team is to create a service-wide communications strategy around three new developments: the implementation of collection policy and structural changes emerging from the Collection Process Study, the stand up of a new Enterprise Collection Strategy (ECS) office, and implementation of the Commissioner’s “Fresh Start” program.	The communication strategy is in an early stage of development. The team plans to provide information about the new Enterprise Collection Strategy (ECS) office, including the Collection Process Study and the Fresh Start implementation, to both internal and external customers. The audience will be informed through a combination of electronic tools. ECS will serve as “one voice” on all Collection matters, recommend new collection policies derived from the Collection Process Study, announce Fresh Start initiatives, and provide affected employees with training needs. Communications will be released as policy changes are implemented.
Fraud Action Team	Modernize the IRS’s ability to protect revenue from fraud and other forms of noncompliance at the front end, before the IRS releases a refund. This cross-functional team provides input into the direction of the project, as well as training, education, configuration control, enhancements definition, and modeling alignment.	<p>Return Review Program (RRP) will replace the ElectronicFraud Detection System (EFDS) and provide new capabilities to:</p> <ul style="list-style-type: none"> · Detect additional fraudulent return claims; · Integrate legacy systems; · Automate manual processes; · Provide flexibility to support changing business needs; · Enable treatment stream selection based on available resources; · Enable use of additional treatment streams to effect pre-refund compliance; · Provide support of analysis and case processing needs of both civil and criminal investigation employees; and · Reduce the percentage of non-fraudulent refund claims frozen by the IRS. <p>The team has focused its efforts on investigating the causes and cures of refund fraud. The team has narrowed its focus to look at a small segment of the tax return preparer community that defraud taxpayers and the IRS by inflating deductions and credits, and then directing refunds to the preparers’ bank accounts without the taxpayer’s knowledge. There are many variations on this scenario.</p> <p>The team is also looking into the increase in the instances of stolen identities and the fraudulent tax returns filed claiming a fraudulent refund. Many of these fraudulent refunds are subsequently electronically direct deposited into bank accounts; the team is looking at gaps in IRS procedures and discrepancies in the treatment of stolen paper refunds vs. stolen direct deposit refunds.</p>
Office of Taxpayer Correspondence (OTC)	The Commissioner chartered the Taxpayer Communications Task group (TACT), now the OTC, to study and improve the clarity, accuracy, and effectiveness of written communications to taxpayers. Representatives from TAS participate on five separate work teams.	The initial data analysis found the use of interim letters is inconsistent across the IRS, with a variety of formats, content, and timeframes in use, and that current letters do not meet customer needs. The team developed a proposal to standardize and automate the use of interim letters. It also drafted revised letters, written in plain language and uniform between operations, and proposed a consistent time-frame for the letters. The team developed an executive briefing package, has started briefing W&I executives, and is receiving valuable feedback.
Collection Process Study (CPS)	<p>The objective of the CPS is to conduct a broad-based review of the Collection Process. The study will identify improvement opportunities and recommend specific actions to establish an enhanced future state.</p> <p>Expected outcomes include completion of recommendations to improve the collection process; development and completion of pilots around identified process improvements, including accelerated treatments or intervention of collectables; and setting the groundwork for the creation of a Collection Strategic Plan.</p>	TAS is working closely with the IRS on the implementation of the “Fresh Start” initiatives. ²⁸⁴ These initiatives stemmed from the CPS Study recommendations. TAS reviews proposed guidance to ensure the “Fresh Start” initiatives are providing meaningful improvements in the IRS’s treatment of taxpayers with IRS Collection problems.

327 See IRS News Release IR-2011-20, *IRS Announces New Effort to Help Struggling Taxpayers Get a Fresh Start; Major Changes Made to Lien Process* (Feb. 24, 2011).

Collaborative Effort	Objectives	Status Updates
<p>Publication 1, Your Rights as a Taxpayer, Team</p>	<p>Convened to review and revise Publication 1. The National Taxpayer Advocate, who heads the team, provided her vision of the revised Pub 1, which the team and an outside vendor are developing. The goal is to identify not only taxpayers' rights, but also their responsibilities, and to ensure taxpayers can easily understand both.</p>	<p>TAS will hold focus groups during the 2011 IRS Nationwide Tax Forums.</p>
<p>American Recovery and Reinvestment Act (ARRA)</p>	<p>The Compliance ARRA team worked to develop a compliance strategy for the three FTHBC laws: The Housing and Economic Recovery Act of 2008 (HERA); the ARRA; and the Worker, Homeownership, and Business Assistance Act of 2009 (WHBAA). The team also addresses all communication and outreach related to ARRA. Members include all operating divisions.</p>	<p>The team's activities decreased significantly because of the nature of these laws and the expiration of many of the credits. The team is now meeting only on an as-needed basis.</p>
<p>First-Time Homebuyer Credit (FTHBC) Teams and Committees</p>	<p>TAS is an active participant on a number of collaborative efforts to implement, control, monitor, and manage FTHBC cases and inquiries. The Executive Director Systemic Advocacy (EDSA) is a member of the IRS FTHBC Executive Steering Committee (ESC) and chairs the TAS FTHBC Steering Committee. The EDSA has established a joint TAS/OD FTHBC Team to address elevated concerns stemming from TAS casework.</p> <p>This team was created to track and, if possible, correct the issues that TAS is seeing involving the FTHBC, both in casework and systemic issues relayed through SAMS.</p>	<p>Ongoing meetings will identify emerging issues and seek systemic solutions. The team's recent efforts have focused on the problems in processing FTHBC repayments. The team helped develop guidance on how to handle taxpayer inquiries while a software fix was implemented.</p>
<p>IRS Return Preparer Strategy – Testing and Continuing Education Sub-Team</p>	<p>The team was responsible for planning, implementing, training, monitoring, and analyzing preparers to validate their current practices.</p>	<p>The IRS recently selected vendors to administer its preparer testing program. The testing vendor will administer the testing program. The vendor will be responsible for conducting a job analysis using subject matter experts from both the IRS and preparer community to ascertain the capabilities and necessary knowledge for return preparers. Once a test plan is approved, the IRS will make test specifications available to assist individuals in preparation for the examination. The IRS will have final approval of all test questions.</p>
<p>IRS Return Preparer Strategy Communication Sub-Team</p>	<p>Cross-functional IRS team to deal with internal and external communications surrounding the IRS Return Preparer Initiative (RPI) to register, test, and provide continuing professional education (CPE) requirements for all return preparer providers.</p>	<p>This team expects to remain in existence for another year as different aspects of the initiative are implemented. The first phase involved internal and external communication efforts to register return preparers, and next phases will include testing and CPE for registered preparers.</p>

Collaborative Effort	Objectives	Status Updates
IRS Nationwide Tax Forums	This is a servicewide effort to plan and execute the tax forums on a yearly basis.	The team works extensively with National Public Liaison to present seminars for practitioners and, if needed, to coordinate with other OD on seminars. TAS administers the Case Resolution Program at the Tax Forums and works with SB/SE, W&I, Modernization & Information Technology Services (MITS), and Appeals to provide resolutions for difficult cases. TAS also conducts focus groups on emerging topics. This allows TAS to obtain valuable information from the practitioner community.
IRS Style Guide Team	This team developed, maintains, and updates the style guide used by communicators in IRS messages or products.	The Style Guide is an active resource for IRS communicators. The team updates the guide as needed.
IRS Communications Strategic Planning Team	The team provides planning, execution, and research support and tools for servicewide and major cross-functional communications.	The team meets regularly to collaborate on servicewide communication messages and to share best practices for their delivery.
Collection Due Process (CDP) Working Group	The CDP Working Group is a team of IRS stakeholders and Counsel working to resolve issues and improve the CDP process.	The group continues to assess planned procedural changes or problematic CDP issues, such as review and reconsideration of the current CDP workflow.
Fraud Detection Center (FDC)/Special Assistance Unit and Pre-Refund Steering Committee Tiger Team	This cross-functional team oversees the transition of pre-refund holds and identification of potentially fraudulent returns, refund schemes, or Accounts Management Taxpayer Assurance Program (AMTAP). In addition, the team identifies and addresses issues with procedures affecting this program. TAS advocates to protect taxpayer rights during the implementation.	The team is working on method to isolate and streamline duplicate filing returns. The team also identified several areas where additional resources to reduce a backlog of AMTAP Identity Theft cases.

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Appendix IV: List of Low Income Taxpayer Clinics

Low Income Taxpayer Clinics (LITCs) represent low income taxpayers before the Internal Revenue Service and assist taxpayers in audits, appeals, and collection disputes. LITCs can also help taxpayers respond to IRS notices and correct account problems.

If you are a low income taxpayer who needs assistance in resolving tax disputes with the IRS and you cannot afford representation, or if you speak English as a second language and need help understanding your taxpayer rights and responsibilities, you may qualify for help from an LTC that provides free or nominal cost assistance. Using poverty guidelines published annually by the Department of Health and Human Services (HHS), each clinic decides if you meet the income eligibility guidelines and other criteria before it agrees to represent you.³²⁸

Although LITCs receive partial funding from the IRS, LITCs, their employees, and their volunteers are completely independent of the federal government. Clinics receiving federal funding for the 2011 calendar year are listed below. These clinics are operated by nonprofit organizations or academic institutions.

In lieu of an LTC, low income taxpayers may be able to receive assistance from a referral system operated by a state bar association, a state or local society of accountants or enrolled agents, or another nonprofit tax professional organization.

This publication is not a recommendation by the IRS that you retain a Low Income Taxpayer Clinic or other similar organization to represent you before the IRS. Contact information for clinics may change, so please check for the most recent information at <http://www.irs.gov/pub/irs-pdf/p4134.pdf>

328 For the 2011 calendar year, the income ceilings for low income representation are as follows:

Size of Family Unit	Income Ceiling (250% of Poverty Guidelines)		
	48 Contiguous States, Puerto Rico, and D.C.	Alaska	Hawaii
1	\$27,225	\$34,000	\$31,350
2	\$36,775	\$45,950	\$42,325
3	\$46,325	\$57,900	\$53,300
4	\$55,875	\$69,850	\$64,275
5	\$65,425	\$81,800	\$75,250
For each additional person	\$9,550	\$11,950	\$10,975

Low Income Taxpayer Clinics

Type of Clinic: C = Controversy Clinic; E = ESL Clinic; and B = Both Controversy and ESL Clinic

State	City	Organization	Public Phone Numbers	Type of Clinic	Languages Served in Addition to English
AK	Anchorage	Taxpayer Education Services	907-272-5432	B	Yupik, Korean, German, Spanish, Kenja, Hmong, Russian
	Anchorage	Alaska Business Development Center	1-800-478-3474 907-562-0335	B	Yupik, Cupik, Inupiat, Athabaskan, Tlingit, Haida
AL	Birmingham	T. A. Lawson State Community College LITC	205-929-6384	E	Spanish
	Montgomery	Legal Services Alabama, Inc.	1-866-456-4995 334-329-0504	B	Spanish
AR	West Memphis	Delta Economic Education Resource Service	870-733-1700 1-877-733-1704	B	Spanish
	Fayetteville	Legal Aid of Arkansas, Inc.	1-800-967-9224 479-442-0600	B	Spanish, Marshallese
	Little Rock	University of Arkansas at Little Rock	501-324-9441	B	Spanish
AZ	Phoenix	Community Legal Services, Inc.	1-800-852-9075 602-258-3434	B	Spanish
	Chinle	DNA-People's Legal Services, Inc.	1-800-789-7287 928-647-5242	B	Navajo, Hopi
	Tucson	Catholic Community Services of Southern Arizona	520-622-2801 x 127	B	Spanish
CA	Fresno	Central California Legal Services, Inc.	559-570-1200 1-800-675-8001	B	Spanish, Hmong, Lao
	San Francisco	Asian Pacific Islanders Legal Outreach	415-567-6255	B	Chinese, Vietnamese, Japanese, Tagalog, Korean, others through interpreter services
	Orange	Chapman University	1-877-242-7529 714-628-2535	C	Spanish, Vietnamese, others through interpreter services
	San Francisco	Chinese Newcomers Service Center	415-421-2111 ext. 691	B	Cantonese, Mandarin, Chinese
	Los Angeles	HIV/AIDS Legal Services Alliance (HALSA)	1-866-953-1293 213-637-1690	C	Spanish, American Sign Language
	San Diego	Legal Aid Society of San Diego, Inc.	1-877-534-2524	C	Spanish, Russian, French, German, Farsi, Arabic, Tagalog, Korean, Vietnamese, Chinese, Laotian
	Northridge	Bookstein Tax Clinic	818-677-3600	B	Spanish
	San Diego	University of San Diego	619-260-7470	B	Spanish
	San Francisco	Home Start, Inc.	619-229-3660	E	Aramaic, Arabic, Amharic, Chaldean, Spanish, Tigrinya, Russian, Vietnamese
	San Francisco	Homeless Prenatal Program	415-546-6756 x 363	B	Spanish
	San Francisco	San Francisco Bar Association Volunteer Legal Services Program	415-982-1616	C	
	San Luis Obispo	California Polytechnic State University	1-877-318-6772	B	Spanish, others through interpreter services
	Santa Ana	Legal Aid Society of Orange County	1-800-834-5001 714-571-5200	B	Farsi, Spanish, Vietnamese, Korean, Mandarin, others through interpreter services
CO	San Luis	Land Rights Council	719-672-1002 1-866-607-8462	B	Spanish
	Denver	University of Denver	303-871-6239	C	Spanish
CT	Hamden	Quinnipiac University	203-582-3238	C	Spanish, others through interpreter services
	Hartford	University of Connecticut School	860-570-5165	C	Spanish, Vietnamese, French, Polish

State	City	Organization	Public Phone Numbers	Type of Clinic	Languages Served in Addition to English
DC	Washington	American University	202-274-4144	C	Spanish, others through interpreter services
	Washington	Central American Resource Center	202-328-9799	E	Spanish
	Washington	University of the District of Columbia	202-274-5073	B	All languages identified in DC Language Access Act
DE	Wilmington	Delaware Community Reinvestment Action Council, Inc.	1-877-825-0750 x 102 302-654-5024 x 102	B	Spanish
FL	Plant City	Bay Area Legal Services, Inc.	813-752-1343	B	Spanish, Creole, others through interpreter services
	Palatka	Community Legal Services of Mid-Florida, Inc.	1-866-886-1799 386-328-8361	B	Spanish, Creole, Vietnamese, others through interpreter services
	St. Petersburg	Gulfcoast Legal Services, Inc.	727-821-0726 1-800-230-5920	B	Spanish, Creole, French, Russian, Swahili, Czech
	Miami	Haitian Neighborhood Center, Sant La	305-573-4871	E	Spanish, Creole
	Plantation	Legal Aid Service of Broward County, Inc.	954-765-8950	B	Spanish, Creole
	West Palm Beach	Legal Aid Society of Palm Beach County, Inc.	561-655-8944 1-800-403-9353	B	Spanish, Creole
	Miami	Legal Services of Greater Miami, Inc.	305-576-0080	B	Creole, Haitian, Spanish
	Tallahassee	Legal Services of North Florida, Inc.	850-385-9007	B	Spanish
Jacksonville	Three Rivers Legal Services, Inc.	904-394-7450 1-866-256-8091	B	Spanish, Bosnian	
GA	Atlanta	Georgia State University Foundation, Inc.	404-413-9230	C	Spanish
	Hinesville	JC Vision and Associates, Inc.	912-877-4243 1-866-902-4266	B	Spanish
	Cedartown	The Tax Care Clinic	706-252-2178	C	Spanish
HI	Honolulu	Volunteer Legal Services Hawaii	1-800-839-5200 808-528-7046	B	Chuukese, Japanese, Samoan, others through interpreter services
	Honolulu	Legal Aid Society of Hawaii	1-800-499-4302 808-536-4302	B	Japanese, Filipino, Chinese, Spanish, Vietnamese
IA	Des Moines	Iowa Legal Aid	1-800-532-1503 515-243-1193	B	All languages through interpreter services
ID	Moscow	University of Idaho College of Law Legal Aid Clinic	208-885-6541 1-877-200-4455	C	Spanish
	Twin Falls	La Posada, Inc.	208-735-1189 208-734-8700	B	Spanish
IL	East Dundee	Administer Justice	847-844-1100	B	Spanish, Polish, American Sign Language, others through interpreter services
	Chicago	Center for Economic Progress	312-630-0280	B	Spanish
	Chicago	Korean American Community Services	773-583-5501	E	Korean, Spanish
	Chicago	Illinois Institute of Technology	312-906-5050	C	Spanish
	Chicago	Loyola University Chicago School of Law	312-915-7176	C	
	East St. Louis	Taxpayer Outreach Clinic	1-866-862-8293 618-874-8580	B	Chinese, Spanish
	Wheaton	Prairie State Legal Service, Inc.	1-800-690-2130 630-690-2130	C	Spanish

State	City	Organization	Public Phone Numbers	Type of Clinic	Languages Served in Addition to English
IN	Valparaiso	The Lutheran University Association, Inc.	219-465-7903 1-888-729-1064	C	Spanish, Chinese, Russian, Polish, Korean
	Indianapolis	Neighborhood Christian Legal Clinic	317-429-4131	B	Spanish, French, Chinese, Karen, Chin, Burmese
	Bloomington	Indiana Legal Services, Inc.	1-800-822-4774 812-339-7668	C	
KS	Lawrence	The University of Kansas Center for Research	785-864-5665	B	Spanish, Chinese, Urdu, Hindi, others through interpreter services
	Wichita	Cerebral Palsy Research Foundation of Kansas, Inc.	316-688-1888 1-800-550-5804	C	Spanish
KY	Richmond	AppalReD Legal Aid	1-800-477-1394 859-624-1394	B	All languages through interpreter services
	Louisville	Legal Aid Society, Inc.	502-584-1254 1-800-292-1862	C	All languages through interpreter services
	Erlanger	Northern Kentucky University Research Foundation	859-572-5781	C	Spanish
LA	New Orleans	Southeast Louisiana Legal Services Corp.	504-529-1000 1-877-521-6242	C	Spanish, Vietnamese, Hindi, Portuguese
	Baton Rouge	Southern University Law Center	225-771-3333	C	
MA	Waltham	Bentley University	781-891-2083 1-800-273-9494	B	Spanish, Portuguese, Russian, Haitian, Chinese
	Boston	Greater Boston Legal Services	1-800-323-3205 617-371-1234	B	All languages through interpreter services
	Springfield	Springfield Partners for Community Action	413-263-6500	B	Spanish, Vietnamese, Chinese, French, Portuguese, Russian
MD	Baltimore	University of Maryland, Baltimore	410-706-3295	C	
	Baltimore	Maryland Volunteer Lawyers Service	1-800-510-0050 410-547-6537	C	170 Languages through interpreter services
	Baltimore	CASA de Maryland, Inc.	301-431-4185	E	Spanish, French
ME	Bangor	Pine Tree Legal Assistance, Inc.	207-942-8241	B	As needed through interpreter services
MI	East Lansing	Michigan State University College of Law	517-336-8088	B	All Languages through interpreter services
	Ann Arbor	The Regents of the University of Michigan	734-936-3535	B	Spanish
	Detroit	Accounting Aid Society	1-866-673-0873 313-566-1920	B	Arabic, Spanish, Others through interpreter services
MN	Minneapolis	Mid-Minnesota Legal Assistance	1-800-292-4150 612-334-5970	B	Spanish, Somali, Russian, Arabic, Hmong, Oromo, Amharic
	Minneapolis	University of Minnesota	612-625-5515	B	Somali, Hmong, Spanish
MO	Kansas City	Legal Aid of Western Missouri	1-800-990-2907 816-474-6750	B	All languages through interpreter services
	Springfield	Missouri State University	417-836-3007	B	Chinese, Korean Spanish, Others through interpreter services
	Kansas City	The UMKC Graduate Tax Law Foundation	816-235-6201	C	Spanish, Others through interpreter services
MS	Oxford	North Mississippi Rural Legal Services	1-888-808-8049	B	All Languages through interpreter services
	Jackson	The FI&ED Association Inc.	601-500-7739	B	Spanish
MT	Helena	Montana Legal Services Association	1-800-666-6899	C	

State	City	Organization	Public Phone Numbers	Type of Clinic	Languages Served in Addition to English
NC	Greenville	Legal Aid of North Carolina	252-758-0113 1-800-682-4592	B	Spanish
	Charlotte	Legal Services of Southern Piedmont, Inc.	1-800-438-1254 (E) 1-800-247-1931 (S) 704-376-1600	B	Spanish
	Camden	Northeastern Community Development Corporation	252-338-5466	B	Spanish
	Durham	Community Reinvestment Association of North Carolina	919-667-1000	E	Spanish
	Durham	North Carolina Central University School of Law	919-530-6333	C	Spanish
ND	Bismarck	Legal Services of North Dakota	1-877-639-8695	B	Arikara, Hidatsa, Mandan, Dakota Sioux, Arabic, Somali, Bhutanese, Swahili, Bosnian
NE	Omaha	Legal Aid of Nebraska	402-438-1069	B	Spanish, others through interpreter services
NH	Concord	Legal Advice & Referral Center	603-224-3333	E	All Languages through interpreter services
	Concord	NH <i>Pro Bono</i> Referral System	603-228-6028	C	Spanish, others through interpreter services
NJ	Newark	Rutgers Law School	973-353-1685	C	Spanish
	Edison	Legal Services of New Jersey	1-888-576-5529 732-572-9100	B	Spanish, French, Creole, Italian, Hindi, Arabic, others through interpreter services
	Jersey City	Northeast New Jersey Legal Services	201-792-6363	B	Spanish, Korean, Arabic, Hindi, Chinese
	Vineland	South Jersey Legal Services	1-800-496-4570 856-691-0494	B	Spanish, others through interpreter services
NM	Albuquerque	Regents of University of New Mexico School	505-277-5265	C	Spanish
NV	Las Vegas	Nevada Legal Services	702-386-0404	B	Spanish, others through interpreter services
NY	Albany	Albany Law School	518-445-2328	C	As needed through interpreter services
	Brooklyn	Bedford-Stuyvesant Community Legal Services Corp.	718-636-1155	C	Spanish, Creole, Chinese, French
	Buffalo	Erie County Bar Association Volunteer Lawyers Project, Inc.	1-800-229-6198	C	Spanish
	New York	Fordham University	212-636-7353	C	Spanish
	New York	The Legal Aid Society	212-426-3013	B	Spanish, Chinese, Mandarin
	Rochester	Volunteer Legal Services Project of Monroe County, Inc.	585-232-3051	E	Spanish, French, American Sign Language
	Bronx	Legal Services NYC – Bronx LITC	718-928-3700	C	Spanish, others through interpreter services
	Jamaica	Queens Legal Services	347-592-2178	B	All languages through interpreter services
	Rochester	Pathstone, Inc.	585-340-3300 1-800-888-6770	B	Spanish
	Brooklyn	South Brooklyn Legal Services	718-237-5528	B	Spanish, Creole, American Sign Language, others through interpreter services
	Syracuse	Syracuse University	315-443-4582	C	
	Elmsford	Westchester Community Opportunity Program, Inc.	914-592-5600 x 113	E	Spanish

State	City	Organization	Public Phone Numbers	Type of Clinic	Languages Served in Addition to English
OH	Toledo	Advocates for Basic Legal Equality, Inc.	1-800-837-0814 419-255-0814	E	Spanish, others through interpreter services
	Akron	Community Legal Aid Services, Inc.	1-800-998-9454	B	Spanish, others through interpreter services
	Columbus	Ohio State Legal Services Association	1-800-589-5888 614-221-7201	C	
	Piketon	The Community Action Committee of Pike County	1-866-820-1185 740-289-2371	C	
	Cleveland	Friendship Foundation of American-Vietnamese, Inc.	216-961-6005 216-961-5238	E	Cambodian, Laotian, Spanish, Arabic, Vietnamese
	Columbus	The Legal Aid Society of Columbus	1-888-246-4420 614-224-2001	C	Spanish, Somali, Russian, American Sign Language
	Cleveland	The Legal Aid Society of Cleveland	1-877-817-3777	C	Cambodian, Laotian, Spanish, Arabic, Vietnamese
	Toledo	Legal Aid of Western Ohio, Inc.	1-877-894-4599 1-888-534-1432	C	Spanish, others through interpreter services
OK	Oklahoma City	Oklahoma Indian Legal Services, Inc.	405-943-6457 1-800-658-1497	B	Spanish
	Tulsa	Community Action Project of Tulsa County	918-382-3200 918-382-3352 918-382-3237	B	Spanish, Russian, Asian
OR	Gresham	Catholic Charities	503-489-6828 503-489-6845	B	Spanish
	Portland	Legal Aid Services of Oregon	1-888-610-8764 503-224-4086	B	Spanish, Russian, Chinese, others through interpreter services
	Portland	Lewis & Clark College Legal Clinic	503-768-6500	C	All Languages through interpreter services
PA	Lancaster	Central Pennsylvania Federal Tax Clinic	1-800-732-0018 717-299-7388 x 3911	B	Spanish
	Philadelphia	Philadelphia Legal Assistance Center, Inc.	215-981-3800 1-888-541-1544	E	Spanish
	Pittsburgh	Jewish Family & Children's Services	412-422-7200	E	Spanish, French, Portuguese, Burmese, Chinese, Korean, Turkish, Hindi, Vietnamese, Russian, Hebrew, Arabic, German
	Pittsburgh	University of Pittsburgh	412-648-1300	C	
	Philadelphia	Villanova University School of Law	610-519-4123 1-866-655-4419	C	Spanish, others through interpreter services
	Scranton	United Way of Lackawanna and Wayne Counties	570-343-1267	B	Spanish
	Philadelphia	Philadelphia VIP	215-523-9550	C	Spanish
PR	Santa Isabel	Rural Opportunities Puerto Rico, Inc.	1-888-440-1716	B	Spanish
RI	Providence	Rhode Island Tax Clinic, Inc.	401-421-1040	B	Spanish, Portuguese, Creole
	Providence	Rhode Island Legal Services, Inc.	401-274-2652	B	Spanish, Cambodian, Hmong, Laotian
SC	Greenville	South Carolina Legal Services	1-800-753-4825 864-679-3232	B	Spanish
	Columbia	South Carolina Association of Community Action Partnerships	1-888-722-4227 803-771-9404	E	Spanish
SD	Spearfish	Black Hills State University Foundation	605-390-4391	C	Spanish, Lakota

State	City	Organization	Public Phone Numbers	Type of Clinic	Languages Served in Addition to English
TN	Nashville	Conexion Americas	615-269-6900	E	Spanish
	Memphis	Memphis Area Legal Services, Inc.	901-523-8822 1-800-499-1602	B	Spanish, others through interpreter services
	Oak Ridge	Legal Aid Society of Middle Tennessee and the Cumberlands	865-483-8454 1-866-481-3669	B	Spanish, others through interpreter services
TX	Sugarland	Centro Familiar Cristiano, Inc.	281-340-2400	E	Spanish, German
	Midland	Federal Tax Clinic	1-877-333-8925 432-682-5200	B	Spanish
	San Antonio	Project Quest	210-270-4690	B	Spanish
	Houston	Houston Volunteer Lawyer's Program	713-228-0735	C	Spanish, Urdu, Mandarin, Vietnamese
	El Paso	El Paso Affordable Housing Credit Union Service Organization	915-838-9608	E	Spanish
	Ft. Worth	Legal Aid of Northwest Texas	1-800-955-3959 817-336-3943	B	Spanish
	Austin	Texas Rio Grande Legal Aid, Inc.	1-888-988-9996	B	Spanish
	Lubbock	Texas Tech University	806-742-4312 1-800-742-8037	B	Spanish
UT	Bryan	Lone Star Legal Aid	1-800-570-4773 979-775-5050	B	Spanish, Vietnamese, others through interpreter services
	Provo	Centro Hispano	801-655-0258	B	Spanish, Portuguese
VA	Salt Lake City	University of Utah	1-888-361-5482 801-236-8053	B	Spanish
	Arlington	ECDC Enterprise Development Group	703-685-0510 x 257	B	Spanish, Amharic, Farsi, Vietnamese
	Richmond	The Community Tax Law Project	804-358-5855 1-800-295-0110	B	Spanish
VT	Lexington	Washington & Lee University	540-458-8918	C	Spanish
	Barre	Central Vermont Community Action Council, Inc.	802-479-1053	B	All languages through interpreter services
WA	Burlington	Vermont Legal Aid, Inc.	1-800-747-5022 802-863-5620	C	All languages through interpreter services
	Spokane	Gonzaga University	1-800-793-1722 509-313-5791	B	Spanish
WI	Seattle	University of Washington	206-685-6805 1-866-866-0158	B	Spanish, Russian, Vietnamese, Somali, Mandarin, Korean
	Milwaukee	University of Wisconsin-Milwaukee	414-229-3232 1-866-896-5482	C	Spanish
	Milwaukee	Legal Aid Society of Milwaukee, Inc.	414-727-5300	C	Spanish, American Sign Language
	Whitewater	University of Wisconsin-Whitewater Lubar School of Business	262-472-1293 1-877-899-5482	B	Spanish
WV	Wausau	Wisconsin Judicare, Inc.	1-800-472-1638 715-842-1681	B	Spanish, Hmong
	Morgantown	West Virginia University Research Corporation	304-293-7249 1-866-964-7249	C	All Languages through interpreter services
WY	Charleston	Legal Aid of West Virginia	1-866-255-4370 304-343-4481	B	Spanish, others through interpreter services
	Casper	Wyoming Free Tax Service	307-265-6917	C	Spanish
WY	Jackson	Latino Resource Center	1-888-310-6999 307-734-0333	B	Spanish

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Appendix V: FY 2012 TAS Operational Priorities

To meet its statutory mission as defined in IRC § 7803(c), the Taxpayer Advocate Service (TAS) developed three strategic goals and two strategic foundations to guide its leadership. TAS's three strategic goals are:

- Resolve taxpayer problems accurately and timely;
- Protect taxpayer rights and reduce taxpayer burden; and
- Become a known taxpayer advocacy organization.

The two strategic foundations defined by TAS are:

- Enhance TAS infrastructure to improve taxpayer interaction; and
- Sustain and support a fully-engaged and diverse workforce.

In support of these strategic goals and foundations, TAS identified 14 operational priorities. Operational priorities are short-term actions that aid the organization in achieving its mission.³²⁹

Resolve Taxpayer Problems Accurately and Timely

IRC § 7803(c)(2)(A)(i)

*In general, It shall be the function of the Office of Taxpayer Advocate to—
(i) assist taxpayers in resolving problems with the Internal Revenue Service.*

IRC § 7803(c)(2)(C)(ii)

The National Taxpayer Advocate shall —

(ii) develop guidance to be distributed to all Internal Revenue Service officers and employees outlining the criteria for referral of taxpayer inquiries to local offices of taxpayer advocates.

- Operational Priority 2012-1 – In collaboration with the IRS, implement revised Operations Assistance Request (OAR) procedures in keeping with the Phase II OAR Study.
- Operational Priority 2012-2 – Define and develop alternative approaches to casework acceptance and assignment, including assignment of systemic burden cases to allow the IRS the opportunity to resolve issues first, so long as taxpayers are not harmed by the process.

³²⁹ The TAS mission: As an independent organization within the IRS, we help taxpayers resolve problems with the IRS and recommend changes that will prevent the problems.

- Operational Priority 2012-3– Implement a multi-modal Case Advocacy Customer Feedback System to allow for more robust and timely customer feedback and the sharing of best practices.
- Operational Priority 2012-4 – Provide new or updated advocacy tools and guidance to address emerging issues, *e.g.*, First-Time Homebuyer Credit, Adoption Credit, *etc.*
- Operational Priority 2012-5 – Develop, implement, and communicate TAS engagement protocols which establish what customers can expect from TAS and what TAS expects from its customers when addressing tax issues with the IRS.

Protect Taxpayer Rights and Reduce Burden

IRC § 7803(c)(2)(A)(ii)–(iv)

In general, It shall be the function of the Office of Taxpayer Advocate to–

- (ii) identify areas in which taxpayers have problems in dealings with the Internal Revenue Service;*
- (iii) to the extent possible, propose changes in the administrative practices of the Internal Revenue Service to mitigate problems identified under clause (ii); and*
- (iv) identify potential legislative changes which may be appropriate to mitigate such problems.*

- Operational Priority 2012-6 – Proactively identify issues that may negatively impact taxpayer rights or burden; then using a tiered research approach, develop alternative advocacy approaches to address the external and internal impact of these issues (*e.g.*, research studies, advocacy projects, updated processing guidelines, *etc.*).
- Operational Priority 2012-7 – Strengthen taxpayers’ understanding of their rights through the revision of Publication 1.

Become a Known Taxpayer Advocacy Organization

IRC § 7803(c)(2)(C)(ii) and (iii):

The National Taxpayer Advocate shall –

- (ii) develop guidance to be distributed to all Internal Revenue Service officers and employees outlining the criteria for referral of taxpayer inquiries to local offices of taxpayer advocates;*
- (iii) ensure that the local telephone number for each local office of the taxpayer advocate is published and available to taxpayers served by the office.*
- Operational Priority 2012-8 – Develop new tools and use new technology to conduct outreach, education, and research with the goal of expanding awareness of TAS services, with special emphasis on emerging issues and TAS’s underserved population.

Enhance TAS Infrastructure to Improve Taxpayer Interaction

IRC § 7803(c)(4)(B)

Maintenance of independent communications. Each local office of the taxpayer advocate shall maintain a separate phone, facsimile, and other electronic communication access, and a separate post office address.

IRC § 7803(c)(4)(A)(IV)

In general, Each local taxpayer advocate –

(iv) may, at the taxpayer advocate’s discretion, not disclose to the Internal Revenue Service contact with or information provided by such taxpayer.

- Operational Priority 2012-9 – In collaboration with MITS and outside vendors, develop the requirements and security features for Taxpayer Advocate Service Integrated System (TASIS), an efficient and integrated information technology system.
- Operational Priority 2012-10 – Establish TAS protocol and archival procedures for TAS projects, task forces, and studies, including the establishment of a naming convention hierarchy for an organizational keyword database.

Sustain and Support a Fully-Engaged and Diverse Workforce

IRC § 7803(c)(2)(C)(i) and (iv)

The National Taxpayer Advocate shall –

(i) monitor the coverage and geographic allocation of local offices of taxpayer advocates;
(iv) in conjunction with the Commissioner, develop career paths for local taxpayer advocates choosing to make a career in the Office of the Taxpayer Advocate.

- Operational Priority 2012-11 – Establish a succession plan for TAS that leverages diversity and adequately meets the HR component of TAS’s workload demands.
- Operational Priority 2012-12 – Develop and test a multi-year strategic training plan that allows the organization to forecast training needs and provides an opportunity for employees to reach their full potential.
- Operational Priority 2012-13 – Analyze the results of the 2011 all employee survey to identify areas and implement solutions where TAS can improve the quality of its employees’ worklife.
- Operational Priority 2012-14 – Define, develop, and test organizational measures or diagnostics for Systemic Advocacy, Case Advocacy, LITC, and TAP.

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Appendix VI: TAS Performance Measures and Indicators

RESOLVE TAXPAYER PROBLEMS ACCURATELY AND TIMELY

Measure	Description	FY 2011 Target	FY 2011 Actual Cumulative Through March
Overall Quality of Closed Cases	Overall percent of sampled closed cases meeting timeliness, accuracy and communication standards. This is a composite of all four TAS case quality categories.	Baseline Year	Baseline Year
Accuracy	Percent of all cases where the taxpayer's problems are resolved completely and correctly throughout all stages of the case including action planning, involvement, resolution of actions, addressing of related issues, proper coding and case factor identification.	Baseline Year	Baseline Year
Technical Requirements	Percent of all cases where All actions taken by TAS and the IRS are worked in accordance with the tax code and IRM technical and procedural requirements.	Baseline Year	Baseline Year
Recourse/Appeal Rights	Recourse and/or applicable appeal rights explained if requested relief not provided.	Baseline Year	Baseline Year
Timeliness of Actions	Percent of all cases with timely actions taken when compared to the number of opportunities available in the case, including actions, contacts, managerial involvement, TAO consideration, documentation and case closure.	Baseline Year	Baseline Year
Accuracy	Percent of all cases where the taxpayer's problems are resolved completely and correctly throughout all stages of the case including action planning, involvement, resolution of actions, addressing of related issues, proper coding and case factor identification. This is a composite of Accuracy attributes A1-A10. Under the prior Quality Standard System (FY 2010 and prior), this was a composite of elements rated under Quality Standards 4-7 or were previously unmeasured.	Baseline Year	Baseline Year
Technical Requirements	Percent of all cases where all actions taken by TAS and the IRS are worked in accordance with the tax code and IRM technical and procedural requirements. Under the prior Quality Standard System (FY 2010 and prior, this was a composite of elements rated under Quality Standards 4-7 or were previously unmeasured.	Baseline Year	Baseline Year
Communication	Percent of all cases where TAS effectively communicates information; requests information; provides appropriate apology, explanation, education and complete/ accurate correspondence. Under the prior Quality Standard System (FY 2010 and prior), communication elements were rated under a variety of Quality Standards.	Baseline Year	Baseline Year
Error-Free Cases ²⁸⁷	Percent of cases with no errors on any of the quality attributes that comprise the TAS case quality index.	Baseline Year	Baseline Year

Measure	Description	FY 2011 Target	FY 2011 Actual Cumulative Through March
OAR Reject Rate	Percent of requests for action to be taken by the Operating function (i.e., Operations Assistance Request, or OAR) rejected compared to prior year.	5.0%	4.4%
Customers Satisfied ²⁸⁸	Percent of taxpayers who indicate they are very satisfied or somewhat satisfied with the service provided by TAS (Question 12 on Customer Satisfaction Survey).	88%	85%
Customers Dissatisfied ²⁸⁹	Percent of taxpayers who indicate they are somewhat dissatisfied or very dissatisfied with the service provided by TAS (Question 12).	10%	12%
Solved Taxpayer Problem ²⁹⁰	Percent of taxpayers who indicate the Taxpayer Advocate employee did their best to solve their problems.	89%	87%
Relief Granted ²⁹¹	Percent of closed cases in which full or partial relief was provided.	Indicator	75.2%
Number of TAOs Issued	The number of Taxpayer Assistance Orders (TAOs) issued by TAS. IRC § 7811 authorizes the National Taxpayer Advocate to issue a TAO when a taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the tax laws are being administered.	Indicator	102
Median -Closed Case Cycle Time ²⁹²	Median time taken to close TAS cases.	Indicator	65 days
Mean - Closed Case Cycle Time	Mean time taken to close TAS cases.	Indicator	91.2 days
Closed Cases per Case Advocacy FTE	Number of closed cases divided by total Case Advocacy full-time equivalents (FTEs) realized. (This includes all hours reported to Case Advocacy organization except Field Systemic Advocacy).	144.6	136.7
Closed Cases per Direct FTE	Number of closed cases divided by direct Case Advocate FTEs realized.	330.5	353.2

330 Measure is computed manually from data contained in the Quality Review Database (QRDB).

331 The second quarter FY 2011 survey results are not available. The total percentage of Customers Satisfied and Customers Dissatisfied will not add up to 100 percent since customers may indicate that they are neither satisfied nor dissatisfied.

332 *Id.*

333 The second quarter FY 2011 survey results are not available.

334 Relief Determinations are made on those cases where the IRC §7811 determinations are “Yes” or an assistance code is provided (TAMIS Relief Codes 60, 61, 70, and 71, with TAMIS Assistance Codes 97 and 98).

335 This indicator does not currently include the number of days of the small number of reopened cases. We are reviewing alternative computations that may permit inclusion of these cases.

PROTECT TAXPAYER RIGHTS AND REDUCE BURDEN

Measure	Description	FY 2011 Target	FY 2011 Actual Cumulative Through March
Accuracy of Closed Advocacy Projects	Percent of correct actions overall in accordance with statute and IRM guidance. This includes accurate identification of the systemic issue and proposed remedy.	96.7%	98.1%
Timeliness of Actions on Advocacy Projects	Percent of all projects with timely actions in accordance with IRM guidance, including contacting the submitter within three business days from assignment, issuing an action plan within 30 calendar days, and working the project with no unnecessary delays or periods of inactivity.	80.0%	73.4%
Quality of Communication on Advocacy Projects	Percent of projects where substantive updates were provided to the submitter on the initial contact and subsequent contacts, appropriate coordination and communication took place with internal and external stakeholders, written communications follow established guidelines, and outreach and education action taken when appropriate.	95.0%	98.4%
Advocacy Projects Closed per Advocacy Projects FTE	Advocacy Projects FTE includes direct hours spent on Advocacy Projects by all TAS personnel with added overhead based on TAS overhead ratio.	7.0	4.8
Accuracy of Closed Immediate Interventions	Percent of correct actions overall in accordance with statute and IRM guidance. This includes accurate identification of the systemic issue and proposed remedy.	95.0%	95.7%
Timeliness of Actions on Immediate Interventions	Percent of all projects with timely actions in accordance with IRM guidance, including contacting the submitter within one business day, issuing an action plan within five business days, and working the Immediate Intervention with no unnecessary delays or periods of inactivity.	70.0%	60%
Quality of Communication on Immediate Interventions	Percent of projects where substantive updates were provided to the submitter on the initial contact and subsequent contacts, appropriate coordination and communication took place with internal and external stakeholders, written communications follow established guidelines, and outreach and education action taken when appropriate.	88.0%	94.7%
Immediate Interventions Closed per Immediate Intervention FTE	Immediate Intervention FTE includes direct hours spent on Projects by all TAS personnel with added overhead based on TAS overhead ratio.	9.0	5.4

Measure	Description	FY 2011 Target	FY 2011 Actual Cumulative Through March
Related Issues Resolved	Percent of all projects where related issues were addressed. When such issues arise during the course of working a project, the analyst or team will resolve if possible or forward to the office who can address them.	98.0%	92.3%
Timeliness of ARC Deliverables ²⁹³	Percent of milestones met on the National Taxpayer Advocate Annual Report to Congress (ARC).	Indicator	N/A 1st Quarter ARC Cycle
Percent of NTA Annual Report Recommendations Addressed by Congress, IRS, Treasury, or External Stakeholders or Further Pursued by TAS for Adoption Within Four Years	Percent of recommendations in NTA Annual Reports to Congress addressed (e.g., through hearings, enactment, implementation of policy, etc.) or further pursued by TAS within four years of publication. For recommendations made in NTA Annual Report delivered on December 31, 2006.	Indicator	TAS will measure percentage of recommendations addressed by Congress or further pursued by TAS as of December 31, 2010. Thus, results will be available in 2011.
Number of Policy Issues Influenced Via IMD Reviews	Policy issues influenced due to TAS's Internal Management Document (IMD) review and feedback.	Indicator	228
Percent of Immediate Interventions Acted Upon by IRS within One Year	The percentage of immediate intervention recommendations acted upon by the IRS within one year of the immediate intervention closure date. The calculation is immediate intervention recommendations acted upon by the IRS (numerator) over the total number of recommendations made (denominator). The result is the percentage of recommendations implemented. Systemic Advocacy will deliver the measure on a quarterly basis beginning one year after the closure of the immediate interventions.	Indicator	87.5%

336 Tracking and reporting on the timeliness of key actions and deliverables for the 2010 ARC will commence during the first quarter FY 2011 and extend through the end of the first quarter FY 2012.

Measure	Description	FY 2011 Target	FY 2011 Actual Cumulative Through March
Percent of Advocacy Projects Addressed by IRS within Two Years	The percentage of advocacy project recommendations, (excluding issues also raised in the Annual Report to Congress) acted upon by the IRS within two years of the Advocacy Project closure date. The calculation is advocacy project recommendations acted upon by the IRS (numerator) over the total number of recommendations made (denominator). The result is the percentage of Advocacy Project recommendations implemented. Systemic Advocacy will deliver the measure on a quarterly basis beginning two years after the closure of the advocacy projects.	Indicator	80.8%
Internal Customer Satisfaction Survey (CSS) Baseline Improvements (TBD)	Implement an internal CSS. (The FY 2009 Internal Customer Satisfaction Survey was administered in January and February. The results are currently being analyzed.)	Indicator	The FY 2010 Internal Customer Satisfaction Survey was administered in March.

SUSTAIN AND SUPPORT A FULLY-ENGAGED AND DIVERSE WORKFORCE

Measure	Description	FY 2011 Target	FY 2011 Actual Cumulative Through March
Employee Satisfaction ²⁹⁴	Percent of employees who are satisfied or very satisfied with their job. (Question 39 on annual employee survey).	79%	
Employee Participation ²⁹⁵	Percent of employees who take the survey.	88%	69%
Continuing Professional Education (CPE) Evaluation ²⁹⁶	Percent of employees who are satisfied or very satisfied with annual CPE.	92%	97.5% (FY 2010)

337 TAS measures employee satisfaction annually based on the annual service-wide Employee Satisfaction Survey. Results for FY 2011 will not be available until August 2011.

338 TAS measures employee participation annually in the servicewide Employee Satisfaction Survey.

339 The results are for the FY 2010 TAS Annual CPE Symposium.

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Appendix VII: List of Advocacy Portfolios

Portfolio	Local Taxpayer Advocate Name	State/Office	Phone Number
Abusive Schemes	Gilchrist, L	South Dakota	605-377-1606
Accounts Management Tax Assurance Program (AMTAP)	Wess, D	Memphis Campus	901-395-1700
Adoption Credit	Halker, S	New Mexico	505-837-5522
Allowable Living Expenses	Spisak, J	New York (Manhattan)	212-436-1010
Amended Returns	Martinez, G	Texas (Dallas)	214-413-6520
Appeals: Nondocketed Inventory, Alternative Dispute Resolutions, Collection Due Process	Leith, J	Maryland	410-962-8120
Audit Reconsiderations	Martin, T	California (Sacramento)	916-974-5191
Automated Collection System (ACS)	Lombardo, L	Pennsylvania (Philadelphia)	215-861-1237
Bankruptcy Processing Issues	Mettlen, A	Pennsylvania (Pittsburgh)	412-395-6423
Business Master File (BMF) Information Reporting and Document Matching	Polson, R	Ogden Campus	801-620-3000
Centralized Lien Filing/Releases, Federal Tax Liens including Release, Withdrawal, Subordination, and Discharge	Johnson, D	Cincinnati Campus	859-669-4013
Collection Statute Expiration Dates (CSED)	Sherwood, T	Colorado	303-603-4601
Combined Annual Wage Reporting (CAWR) Federal Unemployment Act (FUTA)	Polson, R	Ogden Campus	801-620-3000
Communication Liaison Group (CLG)	Campbell, M James, G Martin, B Simmons, M Hensley, D Crook, T Tehrani, B Thompson, T	Virginia, Hawaii, Tennessee, New Hampshire, Oklahoma, Florida (Ft. Lauderdale), New York (Brooklyn) Montana	804-916-3500 808-566-2927 615-250-6015 603-433-0753 405-297-4139 954-423-7676 718-488-3501 406- 441-1044 Ext. 222
Correspondence Exam	Blinn, F	Indiana	317-685-7799
Customer Account Data Engine (CADE)	Logan, A	Oregon	307-633-0881
Designated Federal Official (DFO) - Taxpayer Advocacy Panel (TAP)	Curran, D	California (Los Angeles)	213-576-3016
DFO – TAP	Adams, M	Kansas	316-352-7505
DFO – TAP	Thompson, T	Montana	406-441-1044
DFO – TAP	Juncewicz, T	North Carolina	336-378-2141
DFO – TAP	Wess, D	Memphis Campus	901-395-1700
DFO – TAP	Fett, B	Vermont	802-859-1056
DFO – TAP	Browne, R	Georgia	404-338-8085
Disaster Response and Recovery	Washington, J	Mississippi	601-292-4810
Domestic Violence Tax Related Issues	Davis, S	Ohio (Cleveland)	216-522-8241

Portfolio	Local Taxpayer Advocate Name	State/Office	Phone Number
E- Services	Todoaro, T	California (Oakland)	510-637-3068
Earned Income Tax Credit (EITC) Compliance	Harrison, M	New Jersey	973-921-4376
EITC: Outreach, Education, Financial Literacy low income	Campbell, D	Kentucky	502-572-2201
Electronic Tax Administration (ETA)	Martin, B	Tennessee	615-250-6015
Employment Tax Policy	Garvin, W	Delaware	302-286-1545
Examination Strategy	Revel-Addis, B	Florida (Jacksonville)	904-665-0523
Exempt Organization (EO) Education and Outreach	Guinn, P	Missouri	314-612-4371
Farming Income	Kenyon, M	North Dakota	701-237-8299
Federal Payment Levy Program, Paper Levies	Westbrook, R	District of Columbia	202-874-7203
First-Time Homebuyers Credit	Lucas, D	Texas (Houston)	713-209-4781
Forms 2848 Powers of Attorney (POA)	Hawkins, D	Alabama	205-912-5634
Health Care I (Individual)	DeTimmerman, P	Iowa	515-564-6880
Health Care II (Business)	Taylor, S	Illinois (Chicago)	312-566-3801
Identify Theft	Fuentes, B	Brookhaven Campus	631-654-6687
Identity Theft - Identity Protection Specialized Unit (IPSU)	Benoit, F	Andover Campus	978-474-9560
Indian Tribal Government Issues	Wirth, B	New York (Buffalo)	716-686-4820
Individual Master File (IMF) Information Reporting and Document Matching	McClendon, L.	Atlanta Campus	770-936-4543
Individual Taxpayer Identification Number (ITIN) Outreach	Blount, P	Michigan	313-628-3664
Injured Spouse	Post, T	West Virginia	304-420-8695
Innocent Spouse Relief: IRC § 6015	Knowles, J	Idaho	208-387-2827 ex 272
Installment Agreements: Processing	Hough, C	Wyoming	307-633-0881
International Taxpayers	Vargas, C	Puerto Rico	787-622-8950
IRS Policies Affecting Financially Distressed Taxpayers	Hensley, D	Oklahoma	405-297-4139
Levy [Hardship determination linked to release of levy]	Wilde, B	Arkansas	501-396-5820
Low Income Taxpayer Clinics (LITC)	Lewis, C	Louisiana	504-558-3468
Mail Services, Accessing Taxpayer Files	Todd, G	Kansas City Campus	816-291-9001
Math Errors	Sonier, G	South Carolina	803-765-5300
Military Issues	Douts, K	Alaska	907-271-6297
Multilingual Initiative (MLI)	Rolon, J	Texas (Austin)	512-499-5970
Nonfiler Strategy [Substitute for Returns]	Warren, J	Minnesota	651-312-7874
Offer In Compromise	Tehrani, B	New York (Brooklyn)	718-488-3501
Office of Professional Responsibility	Juarez, V	Philadelphia Campus	215-516-2525

Portfolio	Local Taxpayer Advocate Name	State/Office	Phone Number
Penalties	Bates, P	Illinois (Springfield)	217-862-6348
Preparer Penalties	Greene, S	New York (Albany)	518-427-5412
Returned/Stopped Refunds	Johnson, B	Wisconsin	414-231-2391
Seizure and Sale - Foreclosures on Equity	Crook, T	Florida (Ft. Lauderdale)	954-423-7676
Tax Forums - Case Resolution Program	Sawyer, M	Fresno Campus	559-442-6418
Tax Forums - Case Resolution Program	Adams, C	California (Laguna Nigel)	949-389-4790
Taxpayer Assistance Centers	Mezger, W	Washington	206-220-5704
Taxpayer Compliance Behavior	Halker, S	New Mexico	505-837-5522
Tip Reporting	Grant, D	Nevada	702-868-5180
Trust Fund Recovery Penalty (TFRP)	Campbell, M	Virginia	804-916-3500
US Territories and Possessions	James, G	Hawaii	808-539-2855
Withholding Compliance	Murphy, M	Arizona	602-636-9503

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Appendix VIII: Earned Income Tax Credit Case Review Team Report

Summary

Each year, Case Advocacy undertakes Issue Reviews to identify trends in casework that may help offices improve their advocacy on different issues. For several reasons, TAS leadership determined in FY 2010 to focus the Issue Review on ways to improve advocacy in TAS Earned Income Tax Credit (EITC) cases. First, there has been a relatively low relief rate of 47 percent in TAS EITC cases, compared with 73 percent in TAS cases overall.³⁴⁰ Second, in 2004, the National Taxpayer Advocate conducted a study in cooperation with the IRS to study the impact of determining whether additional contacts and interaction with the taxpayer improved the chances of taxpayers receiving the EITC during audit reconsideration.³⁴¹ The study had numerous important findings about approaches the IRS could use to increase the likelihood of taxpayers receiving the EITC to which they are entitled, including:

- Increased telephone usage to engage taxpayers;
- Providing taxpayers assistance in securing documentation; and
- Improving communication with taxpayers during the initial audit.³⁴²

TAS-EITC cases were selected for the FY 2010 Issue Review to determine if the level of communication and assistance given to these taxpayers impact TAS relief rates, and if so, whether TAS should make changes to TAS procedures or training.

Based on the relatively high percentage of TAS-EITC No Relief cases closed as “No Relief/No Response,” TAS leadership focused its efforts on those cases in which TAS closed its

³⁴⁰ TAS EITC relief (including full relief and partial relief) has averaged 47 percent over FY 2008, FY 2009, and FY 2010 as compared with overall TAS relief rates of 73 percent over that same period. Data obtained from TAMIS.

³⁴¹ The study determined that: 45 percent of EITC claimants working with TAS recovered EITC benefits, whereas only 40 percent working with Exam obtained EITC benefits; the taxpayers working with TAS received 46 percent of the EITC dollars originally claimed on their returns, whereas those taxpayers working with Exam retained 38 percent of EITC benefits claimed; in 40 percent of cases, difficulties with IRS documentation requirements were identified as the reason taxpayers had to seek EITC audit reconsideration; 70 percent of the EITC audit reconsideration cases came to TAS for assistance because the taxpayers had not heard from Exam concerning their audit. National Taxpayer Advocate 2004 Annual Report to Congress vol. 2, 1-10 (*EITC Audit Reconsideration Study*).

³⁴² National Taxpayer Advocate 2004 Annual Report to Congress vol. 2, 10-11 (*EITC Audit Reconsideration Study*).

case for failure of the taxpayer to respond.³⁴³ In FY 2009, 79 percent of the EITC cases closed as “No Relief” were closed as “No Relief/No Response.”³⁴⁴

A team consisting of TAS Research, TAS Technical Advisors, Area and Local Analysts, the EITC Portfolio Advisor, and members from the EDCA staff performed the EITC Case Review. Working with TAS Research, a statistically valid sample of 400 closed TAS-EITC No Relief/No Response cases were identified for the review.³⁴⁵ With the assistance of TAS Research, the team established a data collection instrument (DCI) to collect certain information about the cases, such as:

- What part of the EITC requirements under the law were at issue in the cases?
- Was phone or in-person contact established with the taxpayer? If so, on how many occasions?
- Did the Case Advocate use all of the information internal to the IRS which was available, *i.e.*, did the Case Advocate use the RGS system?
- What was the primary issue in the case?
- Did the IRS or TAS ask for information from the taxpayer which was not needed, *i.e.*, not necessary to resolve the case or already in possession of the IRS?
- Did TAS effectively advocate for the taxpayer and were the case closure actions correct?
- Do TAS EITC training materials adequately address advocating for EITC taxpayers?

For additional information on the methodology of this Case Advocacy Issue Review, please see *Attachment A*.

Key Findings

A summary of the key findings upon review and analysis of the TAS-EITC No Relief/No Response cases is below:

343 The TAS IRM permits closure when additional information from the taxpayer or representative is required because the information is not available through internal sources, and two attempts have been made (the second must be in writing) to obtain the information or documents. The second attempt letter must include a due date for receipt of the information allowing at least five workdays for receipt. If there is no response to the Case Advocate’s second request within a reasonable amount of time, the case may be closed. IRM 13.1.21.1.3.19 (Feb. 1, 2011).

344 TAS Relief code 52 designates a case as No Relief/No Response when the taxpayer has not responded to the Case Advocate within designated time frame. The other codes are: 50 - No Relief - Relief appropriate but law prevents; 51 - No Relief - Hardship not substantiated; 52 - No Relief - No response; 53 - No Relief - BOD/Function already provided relief; 54 - No Relief - TP withdraws relief request; 55 - No Relief - No Internal Revenue Law Issue; and 56 - No Relief - Other.

345 TAS Research provided assistance to the Issue Review Team in identifying and selecting a statistically valid sample size of 400 cases for the review. Of the 400 cases, 16 cases files could not be located and were removed from the sample. TAS Research approved use of 384 cases as a sample. The files of the sample cases identified for the review were forwarded to the review site in the Baltimore office. 344 cases were actually reviewed because of mis-coding. The 95 percent confidence interval has a margin of error of plus or minus 5.3 percent.

- In 90 percent of the cases reviewed, the primary issue raised by the IRS involved either the Relationship Test or the Residency Test under the uniform definition of a “qualifying child.”³⁴⁶
- In 70 percent of the cases with a qualifying relationship (where the relationship is known), the relationship was other than just the taxpayers’ children; rather, it was another relationship, such as niece, nephew, *etc.*
- In only eight percent of the cases where the Relationship Test was at issue, the relationship failed the definition of a Qualifying Child.
- In 38 percent of the cases, TAS had no direct phone contact with the taxpayer. In an additional 37 percent of the cases, there was only one direct phone contact. In other words, in over 75 percent of these cases, there was either no telephone contact or only one contact with the taxpayer.
- Although the Case Advocate attempted to make the initial contact by phone in 79 percent of the cases, phone contact was only successful in 45 percent of the cases.
- In 24 percent of the cases, there was no indication that the Case Advocate secured Reports Generation System (RGS) prints to determine IRS actions. In 14 percent of the cases where RGS was secured, TAS did not request the correct documentation or requested unnecessary information.
- In ten percent of the cases, there was information available in the case file with which the CA could have attempted to advocate for the taxpayer.
- In six percent of the cases, the EITC was actually allowed after the case was closed in TAS.
- In 98 percent of the cases, the TAS office that handled the case was in a TAS Campus operation, as opposed to a local TAS office.

Recommendations

1. Require a minimum number of telephone call attempts on EITC cases, and increase the number of days allowed for taxpayers to provide the documentation. Generally, Case Advocates are following IRM 13 guidelines on the number of contacts required on a TAS case. Two attempted contacts within a five-day waiting period constitute the minimum number of contacts and waiting period before TAS advocates are permitted to close a case.³⁴⁷

³⁴⁶ Pursuant to IRC § 152(c), the Relationship Test requires that the child be the taxpayer’s child (including an adopted child, stepchild, or eligible foster child) or a descendant or the taxpayer’s brother, sister, half brother, half sister, stepbrother, stepsister, or descendant of one of these relatives; and the Residency Test requires that the qualifying child must live with the taxpayer for more than half of the tax year. Exceptions apply for temporary absences for special circumstances such as illness, school attendance, vacation, and detention in a juvenile facility. There are also special rules for children who were born or died during the year, children of divorced or separated parents, and kidnapped children.

³⁴⁷ IRM 13.1.21.1.3.19 (Feb. 1, 2011).

2. Test for use of Information Systems in EDCA and Area Operational Reviews. Use of systems like RGS can identify what information the IRS already has from the taxpayer so that we do not needlessly burden the taxpayer with unnecessary document requests.
3. TAS should infuse its training material with advocacy training, include more details in case examples, ensure OARs reflect advocacy, and emphasize the use of Technical Advisors. Because the review also found that TAS campus sites work 98 percent of EITC cases, extra emphasis on training should take place at the campuses.
4. Establish a cross-functional TAS group to develop templates to use in TAS-generated letters that provide a clear explanation on the documentation needed to support the EITC credit and communicate the role of TAS in advocating for the taxpayer.
5. Conduct a second phase of this study to include the review of “relief” and “partial relief” EITC cases for comparison purposes and to identify any best practices that resulted in a positive outcome for the EITC taxpayer.

Background

In FY 2010, TAS leadership commissioned a team to review EITC cases closed in TAS as No Relief/No Response closures. The purpose of the review was to identify trends in casework that may help TAS offices improve their advocacy on EITC cases.

As reflected in Table 1 below, TAS relief rates for EITC cases are below the TAS average relief rate of 73 percent and are lower than the relief rates of any of the other high frequency issues within TAS. Table 1 reflects that EITC relief rates were 46 percent for FY 2009, whereas the next lowest relief rate was 63 percent for levies and 67 percent for Criminal Investigation cases.

TABLE 1, RELIEF RATES TOP ISSUES FOR TAS RECEIPTS IN FY 2009

All TAS Issues	Closures	Relief Rate
Processing Amended Return	19,727	79.2%
Levies	17,726	63.0%
Other Refund Inquiry and Issue	15,101	78.6%
Stolen Identity	13,955	78.6%
EITC	13,942	46.1%
Criminal Investigation	12,903	67.4%
Injured Spouse Claim	12,810	85.6%
Reconsideration of Audits ³⁴⁸ and Substitute for Return Prepared under IRC § 6020(b) ³⁴⁹	11,844	68.1%
Expedite Refund Request	11,292	70.0%
Processing Original Return	10,014	77.9%

TAS Business Objects data also reflect that Case Advocates close most of the TAS-EITC No Relief cases using the “No Response” code, meaning the taxpayer did not respond within the Case Advocate’s designated timeframe. Table 2 reflects that Case Advocates closed 5,376 cases, or approximately 79 percent, of the 6,836 TAS EITC cases with an affirmative IRC § 7811 Determination as “No Response.”

TABLE 2, BREAKDOWN OF NO RELIEF CODES (RC) FOR TAS EITC CASES CLOSED IN FY 2009

Area Offices	RC 50	RC 51	RC 52	RC 53	RC 54	RC 55	RC 56	Total EITC Cases in FY 2009
Area 1	6	4	1,206	75	25	6	112	1,434
Area 2	1	6	488	29	12	7	78	621
Area 3	2	3	747	94	32	2	135	1,015
Area 4	1	2	496	27	25	2	83	636
Area 5	4	2	1,634	96	64	6	281	2,087
Area 6	2	0	55	10	7	1	16	91
Area 7	0	7	750	31	22	3	139	952
Total	16	24	5,376	362	187	27	844	6,836
% of Total	0.2%	0.4%	78.6%	5.3%	2.7%	0.4%	12.3%	100.0%

348 Audit reconsideration is the process the IRS uses to reevaluate the results of a prior audit where additional tax was assessed and remains unpaid, or a tax credit was reversed. IRM 21.5.10.4.3 (Oct. 1, 2010).

349 IRC § 6020(b) allows the IRS to prepare a return on behalf of the taxpayer based on its own knowledge and other data.

Table 3 below demonstrates that the EITC core issue code has the second highest volume of re-open cases.³⁵⁰

TABLE 3, FY 2009 TOP FIVE REOPEN ISSUES BY VOLUME

Core Issue	CaseReceipts	Reopens by Volume	Reopens by % of Receipts	% Reopened Due to Taxpayer Response
Identify Theft	14,023	821	5.85%	78.7%
EITC	13,475	604	4.48%	89.1%
Reconsideration of Audits and Substitute for Return Prepared under IRC § 6020(b)	11,488	599	5.21%	75.5%
Levies	18,153	544	3.00%	68.8%
Processing Amended Returns	19,939	473	2.37%	66.0%

Additionally, 89.1 percent of the re-opened EITC cases were re-opened as a result of the taxpayer providing additional information.

RESULTS OF EITC ISSUE REVIEW

Using the background information outlined above, the team attempted to address the following issues:

- What are the characteristics of the No Relief/No Response EITC case?
- Does TAS use internal Information to advocate for the taxpayer?
- What are TAS’s efforts to communicate with the taxpayer?
- Did TAS effectively advocate for the taxpayer, and were the case closure actions correct?
- Do TAS EITC training materials adequately address advocating for EITC taxpayers?

Issues Addressed from Analysis of No Relief/No Response EITC Cases

Analysis of the information from a sample of TAS EITC No Relief/No Response Cases provided the information below.

TAS Campuses Perform Most of the EITC Work

TAS campus sites worked 98 percent of the sample cases, as reflected in Table 4 below.

350 Data obtained from TAMIS.

TABLE 4 - LOCATION OF TAS OFFICE THAT WORKED CASE

Location	# of Cases	Percentage
Andover Campus	36	11%
Atlanta Campus	48	14%
Austin Campus	33	10%
Brookhaven Campus	31	9%
Cincinnati Campus	12	3%
Fresno Campus	58	17%
Kansas City Campus	67	19%
Memphis Campus	23	7%
Philadelphia Campus	28	8%
7 Local TAS Offices	7	2%

A Majority of the Cases Satisfy Hardship Criteria

As Table 5 demonstrates below, a majority of the cases meet hardship criteria.

TABLE 5, CRITERIA CODE

Location	# of Cases	Percentage of Total
1	124	36%
2	31	9%
3	7	2%
4	14	4%
Total 1 - 4 (Economic Burden)	176	51%
5	71	21%
6	37	11%
7	60	17%
Total 5 - 7 (Systemic Burden)	168	49%

Most of the Cases Involved Either the Relationship Test and the Residency Test

Of the cases reviewed, 73 percent of the cases involved the Relationship Test, while 81 percent of the cases involved the Residency Test. Thus, there was considerable overlap between cases that involved both.

Of those cases where a relationship was identified:³⁵¹

- 24 percent of the relationships included the child of the taxpayer only;
- Eight percent of the relationships did not include a relationship that would qualify for EITC, i.e., girlfriend’s children, boyfriend’s children; and

³⁵¹ The type of relationship was identified in 221 of the cases where the relationship was an issue. In 31 cases, where the relationship was an issue, the relationship was unknown.

■ 70 percent of the cases included the following *qualifying* relationships (where the relationship is known):

- brother/sister;
- niece/nephew;
- grandchildren;
- stepdaughter/stepson; or
- foster children.

The fact that 70 percent of the *qualifying* relationships include a relationship other than the child of the taxpayer increases the complexity of the documentation required to substantiate the relationship of a qualifying child. Documentation can include multiple birth certificates and letters from schools and rental offices. To effectively advocate for the taxpayer, TAS must effectively communicate the documentation necessary to support the EITC claim.

TAS Can Improve Use of IRS Internal Information (RGS/CEAS)

TAS Case Advocates have various tools available to gather information to effectively advocate for taxpayers who are or were involved in an EITC Exam. The Reports Generation System provides a history of the actions taken when the case involves a Field Office audit. The Correspondence Examination Automated Report System (CEAS) provides a history of the actions taken during the campus EITC audit. This Issue Review captured the use of these systems.³⁵²

In 47 percent of the cases reviewed, the Compliance office received correspondence, and in 83 percent of these cases, the examination process considered the correspondence. This information can help determine any additional documentation required and advocate for the taxpayer when correspondence submitted was not considered. In addition, the Case Advocate can request the paper Examination papers to also determine the actions by the Compliance function.

In 24 percent of the cases, the Case Advocate failed to research RGS/CEAS.³⁵³ When the RGS print was secured, the information was sufficient to determine the actions taken during the audit. In 14 percent of the cases in which the Case Advocate secured the RGS print, the Case Advocate did not request the correct documentation or requested unnecessary information.

352 The DCI included the following questions:

- Was RGS/CEAS used by the Case Advocate?
- Based on the information in the case history, was RGS/CEAS sufficient to identify the audit issues?
- Using the available RGS/CEAS information, did the CA request the correct information from the taxpayer?

Prior to the review, the case files were reviewed to determine if the RGS/CEAS print or a copy of the administrative file was in the case file. If not, the information was requested and included in the review of the case. The reviewers used this information to address the above questions.

353 This percentage increases to 32 percent when including the “unable to determine” responses.

The reviewers participating in this review determined that the administrative file was only needed in 11 percent of the cases and was requested in over 60 percent of the cases where it was appropriate. Again, the greatest opportunity for improvement is in the appropriate use of RGS/CEAS information.

TAS Can Improve Telephone Contact Procedures

The review also captured TAS’s attempt to contact the taxpayer.³⁵⁴ Review results indicate that a telephone number was available in 97 percent of the cases. Review results indicate that the Case Advocates attempted to make the initial contact by telephone in 79 percent of the cases. Case Advocates made actual telephone contact on the initial contact attempt with 45 percent of the taxpayers. In the remaining cases, the initial contact occurred by letter.

There was no indication of undelivered mail in 95 percent of the cases. The number of TAS cases with undelivered mail is consistent with the number of these cases closed with DC 13 (undelivered mail) during the Examination process. Examination used the DC 13 closing code in five and one-half percent of the sample cases closed.

The review also focused on the total number of direct telephone contacts on each case. The results are reflected in the table below:

TABLE 6, TOTAL NUMBER OF PHONE CONTACTS PER CASE

Total # of Phone Contacts	Percentage of Cases ³⁵⁵
No telephone contacts	38%
1	37%
2	13%
3	6%
4	2%
5 or more	3%

In 38 percent of the cases, there was no direct phone contact with the taxpayer. Only one phone contact with the taxpayer occurred in 37 percent of the cases. Thus, in 75 percent of cases, there was no phone contact or only one phone contact. This presents the greatest improvement opportunity identified in this review.

In 34 percent of the cases in which the initial contact occurred by telephone, the Case Advocate also sent a follow-up letter to the taxpayer summarizing the telephone conversation.

354 The DCI included the following questions:

- Was the initial contact attempt by telephone?
- How many times was the initial contact by telephone successful?

355 Table may not add to 100 percent due to rounding.

TAS Can Improve Quality of EITC Correspondence

In 93 percent of the initial contact letters, the Case Advocate included a description of documentation needed. The quality of these letters varied. It was noted that Case Advocates often prepare a cover letter and attach a version of Form 866-H, advising the taxpayer to submit the documentation specified on this form. The team concluded that there is opportunity for improvement in the quality of TAS written communications on EITC cases.

Since the majority of communications in the cases reviewed occurred through correspondence, it is critical that correspondence is accurate and maintains the tone of an advocacy organization.

There were several general observations that include:

- TAS employees often attach a version of the Form 866-H (Explanation of Items Needed) to a cover letter and advise the taxpayer to provide documentation as outlined on Form 866-H. This is the same form letter that the taxpayer receives during a compliance audit. The TAS letter should be written from an advocacy approach rather than using the same language as Compliance. In cases in which the Case Advocate did not attach the actual form, he or she used the wording from Form 866-H in the TAS letter.
- Letters are not personalized to include information available in the file. For example, if birth certificates are needed and the name of the qualifying child was available, the letter did not acknowledge the name of the child, the relationship, or the birth certificates needed to show the relationship.
- The tone in some letters was not appropriate for an advocacy organization.

Table 7 below illustrates the frequency of letters sent on EITC cases.

TABLE 7, NUMBER OF LETTERS SENT

# of letters sent	Frequency	Percent
0	13	3.8%
1	89	25.9%
2	186	54.1%
3	38	11.0%
4	12	3.5%
5-7	6	1.8%

In 26 percent of the cases, the taxpayer received at least one letter from TAS, with the average being two letters.

TAS Median Amount of Time for Taxpayers to Substantiate Claim Is Between 14-15 Days

The review also focused on the number of calendar days TAS allows the taxpayer to provide documentation. The following table illustrates the average number of days for the first, second, and third letters and also shows the percentage of letters in which the taxpayer received less than 14 days to respond:

TABLE 8, MEDIAN NUMBER OF DAYS ALLOWED FOR TAXPAYER RESPONSE

Letters	Median # of days	% of cases where less than 14 days were allowed
1st letter	15	24%
2nd letter	14.5	26%
3rd letter	14	8%

Overall, documentation received resulted in OARs issued on only 22 percent of the cases reviewed. Based on the complexity of the documentation needed, this may not be a sufficient amount of time.

In Ten Percent of Cases, Information Was Available in the Case File for Case Advocates to Successfully Advocate for the Taxpayer

Another purpose of this review was to determine if TAS fully advocated for the taxpayers.³⁵⁶

TABLE 9, REASONS WHY CASE CLOSED AS NO RESPONSE

Reason	% of Cases
No documentation received	66%
Incomplete documentation received	19%
Same information already considered by Exam	5%
Other	10%

In ten percent of the cases, there was information available to advocate for the taxpayer to resolve the cases. In three cases, the Case Advocate should have considered a TAO.

TAS Training Material Can Be Infused with Advocacy Training, Case Examples Can Be More Detailed, OARs Should Reflect Advocacy, Technical Advisors Should Be Consulted, and Training on EITC Disallowance Should Be Provided

³⁵⁶ The DCI also included the following questions to measure whether TAS missed an opportunity to advocate for the taxpayer:

- Was there information available to advocate for the taxpayer?
- Should a TAO have been considered?

The team reviewed the following TAS training materials that address EITC cases:

- Case Advocate Training, Phase I Case Processing for Case Advocates Student Guide 20219-102 (2-09);
- Case Advocate Training, Phase I Examination Issue for Case Advocates 21000-102 (2-2010);
- Taxpayer Advocate Service Case Advocate Training Phase I, Accounts Issues for Case Advocate Student Guide 20999-102 (4-09);
- Taxpayer Advocate Service - Case Advocate Training, Phase I - Collection Issues for Case Advocate Student Guide 21001-102 (3-10); and
- TAS FY 2008 Symposium Workshop Material on Intermediate Earned Income Tax Credit and Individual Filing Requirements.

Overall, the training material can be improved to include additional training on how to advocate for a taxpayer trying to get the EITC.

Case Examples Can Be More Detailed

The case examples are all basic examples of a taxpayer trying to substantiate the EITC after it has been disallowed. Case examples that are more detailed and reflect the more diverse types of EITC cases that the Case Advocates see in TAS would assist Case Advocates in advocating for these taxpayers. For instance, there should be examples about a grandmother or other relative trying to substantiate the EITC for the children living with them or about a taxpayer who cannot get all the documentation to support the EITC and how the Case Advocate can explore different alternatives to assist the taxpayer in substantiating the EITC.

Contact with Taxpayers Needs to Be Stressed

There are no sections in the training material that stress the importance of telephone contact with EITC taxpayers. For example, in the *Case Advocate Training, Phase I Case Processing for Case Advocates Student Guide 20219-102 (2-09)*, guidance states that “if you do not hear back from the taxpayer or receive the information requested by the date given, to send TP a letter giving the TP 12 days to provide the information.” This example leads the Case Advocate to believe that he or she should make the second contact by letter and does not encourage the Case Advocate to attempt another telephone call.

Emphasize Researching Case Using IRS Information

The discussion of “identifying EITC issues” talks about using IDRS to determine what the EITC issue is and also states that the taxpayer should be asked to furnish a copy of

the examination report. Only if the taxpayer cannot furnish the examination report does the lesson state that the TAS employee should secure RGS information. While IDRS will indicate whether there is an open Exam, the taxpayer needs audit reconsideration, or the issue is recertification, IDRS will not indicate “why” EITC was disallowed. Securing RGS/CEAS information first and looking at the actual work papers (not just the explanation of items that is part of the audit report) should give a clear understanding of what was previously provided, why the information was insufficient, and what is still needed. The Case Advocate can then discuss this information with the taxpayer and provide suggestions at the very beginning of the case concerning alternate sources of documentation.

Technical Advisors and EITC Disallowance

Additionally, if the Case Advocate is unsure of what the taxpayer should provide or whether the taxpayer qualifies for the EITC, the training material should encourage the Case Advocate to seek assistance from a Technical Advisor. None of the training material explains how to work a case involving a Form 8862, *Information to Claim Earned Income Credit After Disallowance*.

OARs for EITC

The training material did not provide a good explanation or example of how the Case Advocate should write an OAR to effectively advocate for the taxpayer on an EITC issue. One example stated the following:

“If after your review you agree with TAS recommendation, please input the adjustment to reflect the figures on the amended return.”

This is not an effective statement to advocate for the taxpayer. The training material should address how to build a strong OAR to secure the maximum EITC for the taxpayer. The OAR should address why the taxpayer is entitled to the EITC based on the documentation provided.

Overall, the team concluded that TAS should enhance its training material to address advocating for a taxpayer with an EITC issue. Also, the training should include case studies providing examples of the types of EITC issues worked in TAS.

Results of Focus Group Interview with Reviewers

At the completion of the review, the Director of Field Systemic Advocacy conducted a focus group discussion on issues identified during the review that may not have been covered in the completion of the DCI. A summary of the group’s observations is as follows:

- It is not enough that the Case Advocates have access to the RGS/CEAS systems. They need to know how to use the information to advocate for the taxpayer. Case Advocates are requesting information from the taxpayer by sending the Form 886-H without analyzing the information on RGS/CEAS to focus the request on the specific documentation needed to substantiate the EITC. Use of CEAS at the Campus office is extremely important because it is the primary way of knowing what actions Campus Examiners have taken on the case.
- Reviewers commented that a trend identified was an initial unsuccessful telephone contact attempt, followed by two consecutive letters and then the case closure. They also noted an inconsistency in the time allowed for taxpayers to respond.
- Letters are not tailored to the specific taxpayer circumstances and do not address the unique role of TAS in advocating for the taxpayer.
- Additional training is needed on the qualifications for EITC, Head of Household filing status, and the dependent exemption. Additional training is also needed in explaining Appeal Rights.
- There was minimal Technical Advisor involvement in these cases.

Conclusion

The FY 2010 EITC Case Review demonstrates that there are opportunities for TAS to improve its advocacy for EITC claimants. The National Taxpayer Advocate's 2004 EITC Audit Reconsideration Study highlighted the importance of additional phone or in-person contacts to ensure that taxpayers receive the EITC benefits to which they are entitled. In TAS, most EITC No Relief cases involve closures due to No Response. However, with the median time given to these taxpayers to substantiate their claims being 14 days, it is not clear that TAS provides taxpayers enough time to prove the complex matters at issue. This is particularly so when a strong majority of the cases (70 percent) involve non-traditional relationships, *i.e.*, relationships other than a child of the taxpayer. Given the importance of personal contact with taxpayers, the fact that in 75 percent of the cases there was only one or no phone contact with the taxpayer, TAS leadership should consider specifically emphasizing phone contact with EITC taxpayers through guidance. Given the high percentage of correspondence contacts, TAS should work on improving correspondence guidance to EITC claimants. TAS should also consider guidance that requires TAS to use RGS and other internal IRS information systems in these cases.

The recommendations below are designed to achieve these ends.

Recommendations

1. Require a minimum number of telephone call attempts on EITC cases and increase the number of days allowed for taxpayers to provide the documentation. Generally, Case Advocates are following IRM 13 guidelines on the number of contacts required on a TAS case. Two attempted contacts with a five-day waiting period constitute the minimum number of contacts and waiting period before TAS advocates are permitted to close a case.
2. Test for use of Information Systems in EDCA and Area Operational Reviews. Use of systems such as RGS can identify information the IRS already has from the taxpayer so that we do not needlessly burden the taxpayer with unnecessary document requests.
3. TAS training material should be infused with advocacy training, case examples should be more detailed, OARs should reflect advocacy, and use of technical advisors should be emphasized. In light of the fact that the review also detected that 98 percent of TAS EITC cases are worked at TAS campus sites, extra emphasis on training should take place at the campus sites.
4. Establish a cross-function TAS group to develop templates to use in TAS-generated letters that provide a clear explanation on the documentation needed to support the EITC credit and communicate the role of TAS in advocating for the taxpayer.
5. Conduct a second phase of this study to include the review of “relief” and “partial relief” EITC cases for comparison purposes and to identify any best practices that resulted in a positive outcome for the EITC taxpayer.

Attachment A

METHODOLOGY

TAS Research provided assistance to the Issue Review Team in identifying and selecting a statistically valid sample size of 400 cases for the review. Three hundred eighty-four case files of the 400 cases identified for the review were located and forwarded to the review site in the Baltimore office.

Prior to the review, each case file was reviewed to ensure that all necessary information was in the file. This included RGS prints, administrative files, and IDRS prints. If the information was not in the file, the information was requested prior to the review so the review team would have comprehensive information on the case.

The case review team developed a data collection instrument (DCI). The DCI was tested using a subset of the same cases and perfected prior to the actual case review by nine members of the review team. Prior to the review, a meeting was conducted to go over the DCI and definitions to ensure consistency. At the completion of the case reviews, the DCIs were forwarded to TAS Research for consolidation and analysis. A focus group interview was conducted with the reviewers at the completion of the review, and their observations are included in this report. TAS Research consolidated the review results and provided frequencies and other summary statistics.

The first question on the DCI asked whether the case was properly coded as EITC. The reviewers determined that ten percent of cases were not true EITC cases, and they were excluded from the rest of the case review. This reduced the final number of cases to 344.³⁵⁷

³⁵⁷ Breakdown by PIC: PIC 630 - 75 percent; PIC 639 - eight percent; PIC 640 - seven percent. Fifteen cases included in the sample actually involved the filing of an amended return to claim the EITC credit. The amended return was pulled for examination. Since these cases involved an EITC issue, the 15 cases remained in the case sample.

Appendix IX: Systemic Advocacy Measures Memorandum



THE OFFICE OF THE TAXPAYER ADVOCATE OPERATES INDEPENDENTLY OF ANY OTHER IRS OFFICE AND REPORTS DIRECTLY TO CONGRESS THROUGH THE NATIONAL TAXPAYER ADVOCATE.

March 22, 2011

MEMORANDUM FOR DEPUTY NATIONAL TAXPAYER ADVOCATE,
EXECUTIVE DIRECTOR SYSTEMIC
ADVOCACY, EXECUTIVE DIRECTOR CASE
ADVOCACY, SENIOR ADVISOR TO NTA, AND
SENIOR ADVISOR TO NTA - RESEARCH

FROM: Nina E. Olson
National Taxpayer Advocate

SUBJECT: Systemic Advocacy Measures

Measuring the effectiveness of the Taxpayer Advocate Service's (TAS) is a significant challenge, not least because systemic problems do not lend themselves to "unit" measurement and TAS usually has no direct control over whether any of our recommendations are actually implemented. Moreover, by design and by statute, systemic advocacy is the responsibility of all TAS employees. Although the Office of Systemic Advocacy (SA) is responsible for coordination of various aspects of TAS's systemic advocacy efforts, and Field Systemic Advocacy (FSA) works many of TAS's systemic advocacy projects, other TAS personnel have a responsibility to identify and work on systemic issues. Therefore, any measures of TAS systemic advocacy initiatives cannot be designed to solely measure the performance of a particular TAS office (*e.g.*, the Office of Systemic Advocacy). Instead, the suite of measures should be designed to reflect the performance of TAS as a whole with respect to advocating for systemic improvements and change.

In developing these measures, there are several key stages of activity that, when properly measured, will let the National Taxpayer Advocate and other TAS executives know whether TAS is doing a good job in systemic advocacy and help us identify areas for performance improvement. Although each of these is discussed in greater detail below, they are:

- Issue Identification: Are we identifying the correct issues? Is TAS conducting the appropriate outreach to employees, taxpayers, and other stakeholders, as well as self-directed research? Do we have an appropriate tracking and ranking system once issues are identified, and are we using the correct factors to select the most significant issues (however defined) for review? What is the review process for issue selection, and does it include a diversity of skills and perspectives? Finally, do we have an adequate method of tracking issues so that we are able to manipulate and perform research on the issue database itself? That is, are our systems and work processes designed to enable us to recognize patterns that indicate a systemic problem?
- Issue Analysis: Once we have identified an issue and are satisfied that it is of sufficient significance to warrant additional investigation and analysis, are we ensuring that the issue is assigned to the correct TAS function and that the appropriate personnel are conducting the analysis? Are we utilizing all of the internal and external resources TAS has available to it? Do our investigations have sufficient levels of analysis and review, so that there are various points in the process for management and others to determine whether the issue is, in fact, as significant as we first thought? In our projects and teams, have we articulated the outcome we want to achieve? Do we have a system for tracking, recording, and archiving all of the activity on an issue, by all levels of TAS personnel?
- Issue Recommendations and Advocacy: After conducting a thorough analysis of the issue and identifying desired outcomes, has TAS made specific, actionable, administrable, and reasonable recommendations of actions necessary to mitigate or resolve the issue? Have we identified ways of measuring – on an issue by issue and even recommendation by recommendation basis – whether the recommendation, if implemented, actually achieves the outcome we desire? What behavior or procedure do we want to change? What must TAS do to effect those changes? Systemic advocacy does not stop once we have made our recommendations. TAS must do more than merely “monitor” or “track” our recommendations – we must advocate for them! So: what must we do to get and sustain the attention necessary to effect change? If we are not getting attention to this issue, do we have a process for re-evaluating the issue, to determine whether it is still a problem, or whether our analysis or recommendations are still valid or need to be revised? Are the issue and recommendations so significant and substantial that TAS needs a multi-year strategy for advocating for attention and change?

There are three concerns that are common to each of the three general stages of systemic advocacy. First, each stage requires a robust data and document tracking system that is based on rigorous and consistent application of keywords and other typological classifications. This system must be available for use by all TAS personnel, and the classification system must be consistent throughout all TAS functions (*i.e.*, the same keywords should be used for systemic and case advocacy). These capabilities can be developed now, for further systemization in the new Taxpayer Advocate Service Integrated System (TASIS).

Second, each stage requires that TAS utilize all the resources that are available to it. That is, TAS is composed of many different parts, each possessing different knowledge, skills, and perspective. TAS will only be successful in advocating for systemic change if it involves those different entities throughout the systemic advocacy process. Thus, it is imperative that not only SA and FSA are involved in this process, but other TAS functions, including TAS attorney advisors, TAS Research, the Executive Director of Systemic Advocacy (EDCA), Local Taxpayer Advocates (LTAs), TAS Technical Advisors, Taxpayer Accounts and Guidance (TAG), Vision and Strategy (V&S), Communications and Liaison (C&L), the Low Income Taxpayer Clinic Program Office, the Taxpayer Advocacy Panel.

Finally, each stage requires TAS personnel to recognize the appropriate points when an issue should be elevated not only to immediate supervisors but also the National Taxpayer Advocate or other TAS executives. There are times when issues get bogged down at lower levels. TAS will only work effectively if its employees can raise significant areas of concerns with TAS leadership, for their information and action. On a daily basis, TAS leadership meets with other IRS officials and each such meeting presents an opportunity to discuss, educate, and reach agreement about systemic problems. Thus, an educated and informed TAS leadership furthers TAS's efforts at systemic advocacy.

The following discussion elaborates on some of the points identified above.

Issue Identification: Outreach and SAMS submissions

Analysis of TAS's effectiveness at issue identification raises several questions. Are we making ourselves available to getting information about issues and problems experienced by taxpayers? Once we are out there, are we actually seeing the issues? And once we see the issues, are we actually elevating them? Each of these questions lends itself to specific performance measures or diagnostic measures.

TAS achieves issue identification in several ways, including:

- (i) *SAMS (and promotion of SAMS)*: SAMS submissions are an important source of potential issues, thus it is important to measure the SAMS participation or usage rate. This rate, however, must be multi-faceted: for example, how many LITCs or TAP members submit issues? How many LTA offices submit issues? how many TAS employees submit issues? Do we get issues from the public in every state?
- (ii) *LTA Outreach*: We have a requirement that LTAs conduct significant grassroots outreach – it is in our program plan for each fiscal year, and each LTA must submit an outreach plan, C&L tracks that plan and maintains an outreach database of the reports each LTA provides about his or her actual outreach activities. We have already decided to include a specific requirement that LTAs

promote SAMS, and Systemic Advocacy created a “talking point” handout for the LTAs that will be in the Advocate Toolkit.

- (iii) *Systemic Advocacy Outreach:* This year Systemic Advocacy had a booth at our CPE on SAMS, and Sase Advocates and other TAS employees could come up and actually input issues on SAMS as a walk-through. We can test awareness of Case Advocates of SAMS before and after the CPE or see if we get more issues after such outreach. Moreover, SA could seek out opportunities to set up booths at trainings or events involving other IRS Operating Divisions and Functions, and monitor submissions after those events for any uptick attributable to them.
- (iv) *Tax Forums:* We not only have a SAMS booth at IRS Tax Forums but also hold focus groups and TAS plenary programs – we can track what issues we get from the focus groups and forums – perhaps we can program SAMS to identify the source of the submission so that we know it is being submitted at the Tax Forum.
- (v) *Low Income Taxpayer Clinics:* LITCs now have systemic advocacy in their mission statement. We have developed performance measures for the program, one of which is whether they are putting issues on SAMS. We can track this. We can take the same approach with the Taxpayer Advocacy Panel (TAP).
- (vi) *Attorney-Advisors/Technical Advice and Guidance (TAG)/Vision & Strategy (V&S)/Internal Technical Advisory Program (ITAP):* These folks are in the position to identify and submit very significant items on SAMS. Are they utilizing it appropriately?
- (vii) *NTA/DNTA/EDSA/EDCA Outreach:* TAS executives receive a significant number of issues when they speak to audiences both external and internal to the IRS. In TAS executives’ travel/meeting folders, they should have a paper form that they can fill out with information about the issue, which they can bring back to SA with the information for input on SAMS. This information can include contact information for the audience member who raised the issue. Area Directors also should utilize this for their speaking engagements and their employee town halls. This should just be part of the travel folder. In this way we can begin to track some of the invisible issues we generate, plus the source.
- (viii) *Case Advocates/TAMIS:* Last but certainly not least! Currently in TAMIS, before a Case Advocate closes a case, he or she is asked if there are any systemic issues arising in the case. There is a text screen for this question. Unfortunately, it does not link directly to SAMS. This change will occur in TESIS – the Case Advocate will input the information and the entry

will automatically be sent to SAMS with the related case number and Case Advocate information, related issue codes, etc. Moreover, in TISIS, we will have interim case closings for each issue in the case, so we can prompt the Case Advocate each time he or she closes out an issue in the case to identify whether there was a systemic problem with respect to that issue. This gives us real time data, but also makes it seamless for the Case Advocate and removes some current burdens to their submitting issues on SAMS. TISIS, I note, is only two years away!

However, even in today's clunky TAMIS environment, we can do better with Case Advocate issue identification – by creating performance commitments for LTAs and managers, and charging the Lead Case Advocates to help the Case Advocates identify systemic issues and submit them on SAMS. This can occur at the early intervention reviews, at the closed case review stage, etc. Just get the managers or Lead Case Advocates to ask the question: was there a systemic issue? If so, let's put it on SAMS.

Issue Ranking and Data Build

Once we have the issues coming in, we need to ensure that we are selecting the right ones to work. This requires a two-part analysis: first, are we using the appropriate criteria to analyze the urgency and importance of the issue; and second, do we have the right personnel, with the right skills, making that analysis? There is also a third consideration: when does that analysis occur – at the beginning intake, or when assigned to an analyst, or a combination of the two?

- (i) With respect to criteria, we currently have five stated criteria. Frankly, I do not see why the stated criteria should differ from the criteria used in ranking the Most Serious Problems (MSPs), which seems more in-depth. The more in-depth criteria include elements of Congressional interest, general public awareness, National Taxpayer Advocate interest. We also have a high-level measure of “numbers of taxpayers impacted” – high/medium/low. I believe we should expand our ranking criteria to include the MSP criteria, and even consider other factors. Moreover, we should consider the weighting of criteria – in certain instances, the violation of a taxpayer right weighs more heavily than the number of taxpayers impacted.
- (ii) Having said that we should use the full MSP or expanded ranking criteria, not all of the information necessary to identify a good issue will be available to the frontline “SAMS intake reviewers” – even if they do some research themselves. Moreover, as now configured, the SAMS intake reviewers may not have the background or perspective to know what is an issue of interest to the NTA, or of key importance to collection or exam. (This observation is not a slight to

the reviewers – it really does take multiple perspectives to do comprehensive issue identification.)

- (iii) The SA intake reviewers can continue to do a “first read” and identify the issues that clearly are associated with an existing project, or that need to be referrals to C&L or TAG or elsewhere. They should also have a lookout for the ones that are truly emergencies, which I think we are already forwarding immediately to the Advocacy Program Director for review. We can formalize this review by keeping the current five criteria for the first level review. I’m not suggesting that we change that approach.

But I am suggesting that the next step in the process includes a broader team that takes a closer look at the remaining issues, and analyses them from the broader MSP criteria and conducts an initial “data build.” I have suggested that we create an intake review team that includes a rotating attorney advisor and technical advisor, representatives from FSA, EDCA, LITC, V&S, and maybe even a research representative so we can get some basic “scoping”. Considerations would include Congressional/NTA interest, and the attorney advisors should be able to bring that perspective (or at least, if questions arise, they can easily check in with the NTA).

After this second level review, recommendations for advocacy issues should be forwarded to a manager/director team, composed of the EDSA, SA and FSA directors, and the Supervisory Attorney Advisor. This group will decide whether the issue should be classified as an information gathering project, a potential project, an immediate intervention, or an actual advocacy project, or be elevated to the NTA for consideration as a legislative recommendation or a most serious problem, or transferred to TAG for internal TAS guidance on how to deal with the issue on a case-by-case basis.

Once the issue is assigned to the analyst, there should be an interim review – this is where the analyst actually gets better impact numbers, if possible. I think we already have built in a managerial review of projects within a certain number of days to make sure the analyst is on track – so it makes sense that this is the time when the analyst would present his or her own analysis of the ranking. Do we have better impact numbers? Do we have a better understanding of the taxpayer rights impacted? Is the impact more severe (not just numbers of taxpayers affected but the nature and severity of harm per taxpayer) than we originally anticipated? The analyst would discuss this with the manager at this early intervention review. It is possible the project would not be made a project. Perhaps projects should be “tentative” projects until the analyst has done his or her preliminary work and had the discussion with the

manager. (We will need to modify these procedures slightly for immediate interventions.)

This analysis is not unlike what happens in case advocacy: we get a taxpayer issue code at the outset which is just what the taxpayer is presenting us; we (TAS) identify a primary issue code at the start of the case, but as we work the case we identify other issues in the case, and before we close the case we have to revisit the primary issue code to identify what we really think was the primary problem, after working through all the case. (We are changing this a little with the development of TESIS, but the tiered approach is the same.)

- (iv) I think this approach answers the third consideration: when and by whom should the analysis be conducted? My answer: at both the intake and the analyst levels.

Issue Resolution or Mitigation: Outcomes and Recommendations

Once we have sought out issues, identified them, elevated them, reviewed them, and analyzed them, we need to measure our resolution of the issue. This measure has several components – including accuracy. But the main components here are, what are the outcomes we want to achieve and how will our recommendations help achieve those outcomes? Thus, we need an outcome measure. However, that outcome measure must be specific to each project.

What I am proposing is that we require each analyst, working with his or her manager, to identify the desired outcome of any project established on SAMS (or an immediate intervention). We can develop a few standard outcomes, but I emphasize that outcomes should be specific to the project and not cookie-cutter. For example, if the problem is that there are too many accidental forest fires, and the recommendation is to conduct a public information campaign to increase awareness of the problem and thus change campers' behavior (*i.e.*, being more careful), the outcome measure must in some way measure whether accidental forest fires have decreased.

This can be similar to the way Case Advocates work specific cases: in a levy case they want several outcomes: to release the levy and perhaps return levy proceeds, but also to achieve full compliance for the taxpayer (put them in an IA or OIC or even CNC), and finally to educate the taxpayer so the situation doesn't happen again. We are tracking these components in case advocacy in various ways. For example, with TESIS we should be able to see a box checked "Levy released" or "OIC accepted" or something like that. We also have a more global "relief/partial relief/law prevents relief *etc.*" measure. Finally, we have case quality attributes addressing whether the Case Advocate educated the taxpayer about how to avoid the problem in the future. How would we do this on the systemic advocacy side?

I don't know how we roll this up into an overall effectiveness measure – except to say that in “x” percent of our projects, once implemented, our recommendations achieved their desired outcomes. Note the language, “once implemented.” If the IRS refuses to make the changes, or Congress doesn't pass recommended legislation, then we can't measure whether our recommendations achieved their outcomes.

As an intermediate step to achieving final outcome, we should also keep our existing measure of whether the IRS or Congress took action on our recommendations. That at least shows, in a rough sort of way, that we have hit on something that is of some import, that resonates with folks. The same rationale exists for tracking the level and nature of media coverage – if our analysis resonates with the public, then that is an affirmation that we have identified an issue that the taxpaying public perceives as a problem. I get emails and letters about our ARC all the time. I could forward them to systemic advocacy and they could be associated with the project (in TASIS, we can digitize paper documents and make them part of the electronic project file!).

If you think about it, between the outreach, identification, elevation, analysis, “acted on” and the “outcome” measures, we have made visible – and are measuring – our effectiveness with each step of advocacy. There are certainly subsidiary attributes we can develop for each of these stages. And each of these stages has components of shared responsibility. For example, if we are looking at the “acted on” measure, we should be aligning the outreach that LTAs do with their congressional offices at the CAP conference with the related projects or MSPs. Thus, when they give us the information on which issue is of interest to which congressional office, we can align that information with the underlying issue. We also need to capture at a high level the work that the NTA and the Senior Advisor to the NTA do with congressional offices and the Department of Treasury. And SAMS should have a check box where the issue has been highlighted in congressional testimony, or if there has been legislation introduced. If the checkbox is marked, a drop down text box appears, so the analyst can link to the testimony or legislation. (This approach requires that we have a consistent keyword and typology system in place.)

This latter approach, of course, implies that we are actively advocating for and tracking what is happening with these issues. Right now, I doubt that SAMS (or the related analysts) picks up all the activity that occurs on these projects or even MSPs. Do we have the ability to track whether a Taxpayer Advocate Directive was issued on the subject, or a Taxpayer Rights Impact Statement? Did we submit changes to an IRM? That would be an outcome measure – we want the IRM changed. If it is changed, has the problem been mitigated? Did we establish a team in which we collaborated with the Operating Divisions to develop a resolution to an issue? Is that the outcome or is it the recommendations of the team? That is, were the recommendations implemented, and if so, did they have the desired effect on mitigating the issue. We clearly need to track these activities (and related records) on TASIS, if not SAMS.

Conclusion

As noted earlier, the development of performance measures of TAS's effectiveness at systemic advocacy is inherently difficult. However, the approach outlined above provides a basis for establishing meaningful measures. Some of these measures are not technologically feasible now and will be built into TESIS – but we can identify them now and develop the business requirements for TESIS. Still others can be implemented immediately (the tiers of review, the incorporation of “impact analysis” into early intervention reviews, the identification of outcomes, and the development of a consistent set of keywords and classification.)

In closing, I note that no matter how precise we try to be in developing factors for ranking the impact of issues or measuring the impact of our recommendations, any evaluation will ultimately be very subjective. It is possible that the National Taxpayer Advocate will determine that a particular issue is a violation of taxpayer rights of such magnitude that it warrants immediate and sustained attention despite the fact that it impacts relatively few taxpayers. It is also possible that TAS will make recommendations that require a paradigm shift for the IRS (*e.g.*, revising the IRS mission statement to explicitly acknowledge the IRS role in delivering social benefits or developing a system for regulation and testing of unenrolled return preparers). Progress on such recommendations could take years if not a decade. Our measures must be flexible enough to recognize and in some way account for the value of these important advocacy issues and recommendations.

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Glossary of Acronyms

Acronym	Definition
-A-	
ACS	Automated Collection System
ADR	Address Research System
AIS	Automated Insolvency System
ALS	Automated Lien System
AMIR	Accounts Management Information Reports
AMTAP	Accounts Management Taxpayer Assurance Program
AOIC	Automated Offer in Compromise
ARC	Annual Report to Congress
ARRA	American Recovery and Reinvestment Act
-B-	
BLS	Bureau of Labor Statistics
BMF	Business Master File
BOD	Business Operating Division
-C-	
C&L	Communication & Liaison
CA	Case Advocate
CADE	Customer Account Data Engine
CAP	Congressional Affairs Program
CAS	Customer Account Services
CAWR	Combined Annual Wage Reporting
CDP	Collection Due Process
CEAS	Correspondence Examination Automation Support
CIS	Correspondence Imaging System
CLG	Communications Liaison Group
CNC	Currently Not Collectible
CPE	Continuing Professional Education
CPS	Collection Process Study
CSED	Collection Statute Expiration Date
CSS	Customer Satisfaction Survey
CTA	Campus Technical Advisor
CY	Calendar Year
-D-	
DCI	Data Collection Instrument
DFO	Designated Federal Official

Acronym	Definition
DIF	Discriminant Index Function
-E-	
ECE	Enhancing the Customer Experience
ECS	Enterprise Collection Strategy
EDCA	Executive Director Case Advocacy
EDSA	Executive Director Systemic Advocacy
EFDS	Electronic Fraud Detection System
EITC	Earned Income Tax Credit
EO	Exempt Organization
ERS	Error Resolution System
ESC	Executive Steering Committee
ESL	English as a Second Language
ETA	Electronic Tax Administration
EWETP	Enterprise Wide Employment Tax Program
-F-	
FACA	Federal Advisory Committee Act
FBAR	Foreign Bank and Financial Accounts Report
FCR	Federal Case Registry
FDC	Fraud Detection Center
FMS	Financial Management Service
FPLP	Federal Payment Levy Program
FSA	Field Systemic Advocacy
FSIMB	Full Service Intelligent Mail Bar Code
FTE	Full-Time Equivalent
FTHBC	First-Time Homebuyer Credit
FUTA	Federal Unemployment Tax Act
FY	Fiscal Year
-G-	
GAO	Government Accountability Office
-H-	
H.R.	House of Representatives
HERA	Housing and Economic Recovery Act of 2008
HHS	Department of Health and Human Services
HIRE	Hiring Incentives to Restore Employment Act
HR	Human Resources
-I-	
IA	Intake Advocate
IAT	Integrated Automation Technologies

Acronym	Definition
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
IDT	Identity Theft
IGP	Information Gathering Project
IMD	Internal Management Document
IMF	Individual Master File
IPSU	Identity Protection Specialized Unit
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
ITAP	Internal Technical Advisory Program
ITIN	Individual Taxpayer Identification Number
-L-	
LB&I	Large Business & International
LCA	Lead Case Advocate
LEP	Limited English Proficiency
LITC	Low Income Taxpayer Clinic
LTA	Local Taxpayer Advocate
-M-	
MITS	Modernization and Information Technology Services
MLI	Multilingual Initiative
MSP	Most Serious Problem
-N-	
N/A	Not Applicable
NARA	National Archives and Records Administration
NDC	National Distribution Center
NFTL	Notice of Federal Tax Lien
NTA	National Taxpayer Advocate
-O-	
OAR	Operations Assistance Request
OD	Operating Division
OIC	Offer in Compromise
OMB	Office of Management & Budget
OSP	Office of Servicewide Penalties
OTC	Office of Taxpayer Correspondence
OVDP	Offshore Voluntary Disclosure Program
-P-	
PCA	Planned Corrective Action

Acronym	Definition
PIC	Primary Issue Code
PIN	Personal Identification Number
PIPDS	Office of Privacy, Information Protection, and Data Security
PMTA	Program Manager Technical Advice
POA	Power of Attorney
PPBR	Printing and Postage Budget Reduction Task Group
PPIA	Partial Payment Installment Agreement
PRO	Problem Resolution Officer
PRP	Problem Resolution Program
PRWH	Pre-Refund Wage Verification Hold
Pub. L. No.	Public Law Number
-Q-	
Qtr	Quarter
-R-	
RATA	Revenue Agent Technical Advisor
RCA	Reasonable Cause Assistor
Rev. Proc.	Revenue Procedure
RGS	Report Generating System
ROI	Return on Investment
ROTA	Revenue Officer Technical Advisor
RPI	Return Preparer Initiative
RRA 98	IRS Restructuring and Reform Act of 1998
RRP	Return Review Program
-S-	
S. Comm.	Senate Committee
SA	Systemic Advocacy
SAMS	Systemic Advocacy Management System
SB/SE	Small Business/Self-Employed Division
SERP	Servicewide Electronic Research Program
SPDER	Servicewide Policy Directives and Electronic Research
SPEC	Stakeholders, Partnerships, Education, and Communication
SPOC	Single Point of Contact
SSN	Social Security Number
Stat.	Statute
-T-	
TACT	Taxpayer Communications Taskgroup
TAD	Taxpayer Advocate Directive
TAG	Technical Analysis & Guidance

Acronym	Definition
TAMIS	Taxpayer Advocate Management Information System
TAMRA	Technical and Miscellaneous Revenue Act of 1988
TAO	Taxpayer Assistance Order
TAP	Taxpayer Advocacy Panel
TAS	Taxpayer Advocate Service
TASIS	Taxpayer Advocate Service Integrated System
TATI	Technical Advice Training Initiatives
TBD	To Be Determined
TBOR 1	Taxpayer Bill of Rights
TBOR 2	Taxpayer Bill of Rights 2
TCIS	Treasury Check Information System
TFRP	Trust Fund Recovery Penalty
TIGTA	Treasury Inspector General for Tax Administration
Treas. Reg.	Treasury Regulation
TRIS	Taxpayer Rights Impact Statement
TWG	Technical Working Group
-V-	
V&S	Vision & Strategy
-W-	
W&I	Wage & Investment
WHBAA	Worker, Homeownership, and Business Assistance Act of 2009