

TAXPAYER RIGHTS ASSESSMENT: IRS Performance Measures and Data Relating to Taxpayer Rights

In the 2013 Annual Report to Congress, the National Taxpayer Advocate proposed a “report card” of measures that “...provide a good indication whether the IRS is treating U.S. taxpayers well and furthering voluntary compliance.”¹

On June 10, 2014, the IRS adopted a Taxpayer Bill of Rights (TBOR), a list of ten rights that the National Taxpayer Advocate recommended to help taxpayers and IRS employees alike gain a better understanding of the dozens of discrete taxpayer rights scattered throughout the multi-million word Internal Revenue Code.² While this was a significant achievement for increasing taxpayers’ awareness of their rights, and an important first step toward integrating taxpayer rights into all aspects of tax administration, more can be done. The *Taxpayer Rights Assessment* contains selected performance measures and data organized by the ten taxpayer rights and is one step integrating taxpayer rights into tax administration.

This *Taxpayer Rights Assessment* is a work in progress. The following data provide insights into IRS performance; however, they are by no means comprehensive. In some instances, data is not readily available. In other instances we may not yet have sufficient measures in place to address specific taxpayer rights. And, despite what the numbers may show, we must be concerned for those taxpayers who still lack access to services and quality service even when performance metrics are increasing. This *Taxpayer Rights Assessment* will grow and evolve over time as data becomes available and new concerns emerge.

- 1. THE RIGHT TO BE INFORMED** – Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.

Measure/Indicator	Fiscal Year (FY) 2014	FY 2015
Individual Correspondence Volume (adjustments) ^a	5,700,132	4,957,442
Average cycle time to work Individual Master File (IMF) Correspondence (non-Identity Theft) ^b	80 days	80 days
Inventory Overage (non-Identity Theft) ^c	67.0%	60.5%
Average cycle time to work IMF Correspondence (Identity Theft) ^d	106 days	80 days
Inventory Overage (Identity Theft) ^e	4.0%	0.7%
Business Correspondence Volume (adjustments) ^f	3,471,571	2,952,329
Average cycle time to work BMF Correspondence ^g	54 days	46 days
Inventory Overage ^h	17.5%	17.3%
Total Correspondence (all types)	TBD	TBD
Quality of IRS Forms & Publications	TBD	TBD
IRS.gov Web Page Ease of Use	TBD	TBD
IRS Outreach	TBD	TBD

1 See National Taxpayer Advocate 2013 Annual Report to Congress xvii-xviii (Preface: *Taxpayer Service Is Not an Isolated Function But Must Be Incorporated Throughout All IRS Activities, Including Enforcement*).

2 IRS, IR-2014-72, *IRS Adopts “Taxpayer Bill of Rights;” 10 Provisions to Be Highlighted on irs.gov*, in *Publication 1* (June 10, 2014).

- a IRS, Joint Operations Center (JOC), *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2014 - FY 2015). These data on correspondence are also repeated under Right 4 – *The Right to Challenge the IRS’s Position and Be Heard*.
- b IRS, JOC, *Adjustments Inventory Reports: CIS Closed Case Cycle Time* (FY 2015). In the 2014 Annual Report to Congress, we reported a different metric – the Average Days of Inventory – which projects the number of days to work the inventory based on the current rate of closures. This new metric reflects the average number of days the IRS actually took to work correspondence.
- c IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2014* (week ending Sept. 27, 2014); IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2015* (week ending Sept. 26, 2015). Beginning in FY 2015, the IRS began to report separate figures for Identity Theft correspondence. The figure we reported in the 2014 Annual Report to Congress for IMF correspondence overall was 63.6 percent.
- d IRS, JOC, *Adjustments Inventory Reports: CIS Closed Case Cycle Time* (FY 2015). In the 2014 Annual Report to Congress, we reported a different metric – the Average Days of Inventory – which projects the number of days to work the inventory based on the current rate of closures. This new metric reflects the average number of days the IRS actually took to work correspondence.
- e IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2014* (week ending Sept. 27, 2014); IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2015* (week ending Sept. 26, 2015). Beginning in FY 2015, the IRS began to report separate figures for Identity Theft correspondence. The figure we reported in the 2014 Annual Report to Congress for IMF correspondence overall was 63.6 percent.
- f IRS, JOC, *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2014 - FY 2015).
- g IRS, JOC, *Adjustments Inventory Reports: CIS Closed Case Cycle Time* (FY 2015). In the 2014 Annual Report to Congress, we reported a different metric – the Average Days of Inventory – which projects the number of days to work the inventory based on the current rate of closures. This new metric reflects the average number of days the IRS actually took to work correspondence.
- h IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2014* (week ending Sept. 27, 2014); IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2015* (week ending Sept. 26, 2015).

2. THE RIGHT TO QUALITY SERVICE – Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.

Measure/Indicator	FY 2014	FY 2015
Number of Returns Filed (projected, all types) ^a	242,404,425	246,523,200
Total Individual Income Tax Returns ^b	147,444,789	149,288,400
E-file Receipts (Received by 11/21/14, 11/20/15) ^c	125,821,000	128,784,000
E-file: Tax Professional ^d	62%	61%
E-file: Self Prepared ^e	38%	39%
Returns Prepared by:		
VITA/TCE/AARP ^f	3,322,582	3,519,006
Free File Consortium ^g	2,406,465	2,588,934
Fillable Forms ^h	478,501	355,080
IRS Taxpayer Assistance Centers (TACs) ⁱ	376	366
Number of Taxpayer Assistance (“Walk-In”) Centers ^j	382	380
Number of TAC Contacts ^k	5,477,291	5,643,772
Total Calls to IRS ^l	100,667,411	116,679,405
Number of Attempted Calls to IRS Customer Service Lines ^m	86,171,857	101,507,150
Toll Free: Percentage of calls answered ⁿ (LOS)	64.4%	38.1%
Toll Free: Average Speed of Answer ^o	19.6 minutes	30.5 minutes
NTA Toll Free: Percentage of calls answered (LOS)	68.9%	43.7%
NTA Toll Free: Average Speed of Answer ^p	7.0 minutes	16.2 minutes
Practitioner Priority: Percentage of calls answered (LOS)	70.4%	47.6%
Practitioner Priority: Average Speed of Answer ^q	27.4 minutes	46.6 minutes
Tax Exempt/Government Entities Percentage of calls answered ^r (LOS)	67.6%	60.2%
Tax Exempt/Government Entities: Average Speed of Answer ^s	18.7 minutes	23.4 minutes
Toll Free Customer Satisfaction ^t	89.0%	87.0%
Awareness of Service (or utilization)	TBD	TBD
IRS Issue Resolution – Percentage of taxpayers who had their issue resolved as a result of the service they received	TBD	TBD
Taxpayer Issue Resolution – Percentage of taxpayers who reported their issue was resolved after receiving service	TBD	TBD

- a IRS Pub. 6292, *Fiscal Year Return Projections for the United States 2015-2022* (June 2015), at 4. The FY 2014 figure is actual and is updated from the figure reported in the 2014 Annual Report to Congress. The number of returns and related metrics are proxies for IRS workload and provide context for the environment in which taxpayers seek Quality Service and other rights.
- b IRS Pub. 6292, *Fiscal Year Return Projections for the United States 2015-2022* (June 2015), at 4. The FY 2014 figure is actual, and is updated from the figure reported in the 2014 Annual Report to Congress.
- c IRS, Filing Season Statistics, available at <https://www.irs.gov/uac/Newsroom/Filing-Season-Statistics-for-Week-Ending-November-20-2015> (last visited Dec. 5, 2015).
- d *Id.*
- e *Id.*
- f IRS, Compliance Data Warehouse, Electronic Tax Administration Marketing Database. We used Tax Year 2013 (returns filed in FY 2014) for the FY 2014 data point and Tax Year 2014 (returns filed in FY 2015) for the FY 2015 data point. Free, in-person return preparation is offered to low income and older taxpayers by non-IRS organizations through the Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly, and AARP Tax-Aide programs.
- g *Id.*
- h *Id.*
- i IRS, E-File Reports, *Field Assistance Report, Current Year Accepted* (Jan. – Dec. 2015).
- j Information received from Senior Advisor, Wage and Investment Division (W&I) (Dec. 23, 2104). Three hundred eighty-nine Taxpayer Assistance Centers were open during the filing season, and 382 were open at the end of the fiscal year. FY 2015 data from Selected Taxpayer Assistance Centers Were Professional and Organized, and Sensitive Information and Equipment Were Properly Secured, TIGTA 2016-IE-R001 (Oct. 2, 2015)
- k W&I, Business Performance Review (BPR), 4th Quarter, FY 2015 (Nov. 2, 2015) at 7. The 2014 figure is updated from the figure reported in the 2014 Annual Report to Congress.
- l IRS, JOC, *Snapshot Reports: Enterprise Snapshot* (week ending Sept. 30, 2015; report generated Dec. 19, 2015).
- m IRS, JOC, *Snapshot Reports: Enterprise Snapshot* (week ending Sept. 30, 2014; report generated Dec. 19, 2015). Number of calls to Accounts Management (formerly Customer Services, now Accounts Management) - Sum of 30 lines (0217, 1040, 4933, 1954, 0115, 8374, 0922, 0582, 5227, 1778, 9887, 9982, 2942, 4184, 7388, 0452, 0352, 7451, 9946, 5215, 3536, 2050, 4017, 2060, 4778, 4259, 8482, 8775, 5500 and 4490). The IRS determines its level of service based on calls to Accounts Management, not total calls.
- n IRS, JOC, *Snapshot Reports: Enterprise Snapshot* (week ending Sept. 30, 2014; report generated Oct. 16, 2014). Calls answered include reaching live assistant or selecting options to hear automated information messages.
- o *Id.*
- p *Id.*
- q *Id.*
- r *Id.*
- s *Id.*
- t W&I, BPR, 4th Quarter, FY 2015 (Nov. 2, 2015), at 13.

3. THE RIGHT TO PAY NO MORE THAN THE CORRECT AMOUNT OF TAX – Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.

Measure/Indicator	FY 2014	FY 2015
Toll-Free Tax Law Accuracy ^a	95.0%	95.0%
Toll-Free Accounts Accuracy ^b	96.2%	95.5%
Scope of Tax Law Questions Answered	TBD	TBD
Correspondence Examinations (Form 1040 Series)		
No change rate ^c	17.3%	17.3%
Agreed rate ^d	17.2%	16.3%
Non-response rate ^e	44.4%	48.3%
Percentage of cases appealed	TBD	TBD
Field Examinations (Form 1040 Series)		
No change rate ^f	15.5%	15.3%
Agreed rate ^g	46.6%	45.7%
Non-response rate ^h	0.3%	0.3%
Percentage of cases appealed	TBD	TBD

Office Examinations		
No change rate ⁱ	13.7%	13.5%
Agreed rate ^j	45.0%	44.7%
Non-response rate ^k	19.0%	19.8%
Percentage of cases appealed	TBD	TBD
Math Error Adjustments	TBD	TBD
Math Error Abatements	TBD	TBD
Number of Statutory Notices of Deficiency Issued	TBD	TBD
Number of Statutory Notices of Deficiency Appealed	TBD	TBD
Number of Collection Appeals Program Conferences	TBD	TBD
Number of Collection Appeals Program Conferences Reversing IRS position	TBD	TBD
Number of Collection Due Process Conferences	TBD	TBD
Number of Collection Due Process Conferences Reversing IRS position	TBD	TBD

a W&I, BPR, 4th Quarter, FY 2015 (Nov. 2, 2015), at 4.
 b *Id.*
 c IRS, Audit Information Management System, Closed Case Database.
 d *Id.*
 e *Id.*
 f *Id.*
 g *Id.*
 h *Id.*
 i *Id.*
 j *Id.*
 k *Id.*

4. THE RIGHT TO CHALLENGE THE IRS’S POSITION AND BE HEARD – Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.

Measure/Indicator	FY 2014	FY 2015
Individual Correspondence Volume (adjustments) ^a	5,700,132	4,957,442
Average cycle time to work Individual Master File (IMF) Correspondence (non-Identity Theft) ^b	80 days	80 days
Inventory Overage (non-Identity Theft) ^c	67.0%	60.5%
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Average cycle time to work BMF Correspondence ^g	54 days	46 days
Inventory Overage ^h	17.5%	17.3%
Percentage of Math Error Adjustments Abated	TBD	TBD
Percentage of Statutory Notices of Deficiency Appealed to Tax Court	TBD	TBD
Number of Collection Appeal Program Conferences Requested by Taxpayers ⁱ	TBD	TBD
Percentage of CAP Conferences that Reversed the IRS Position	TBD	TBD
Number of Collection Due Process Hearings Requested by Taxpayers	TBD	TBD
Percentage of Collection Due Process Hearings that Reversed the IRS Position	TBD	TBD

- a IRS, Joint Operations Center (JOC), *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2014 - FY 2015). These data on correspondence are also listed under Right 1 - *The Right to Be Informed*.
- b IRS, JOC, *Adjustments Inventory Reports: CIS Closed Case Cycle Time* (FY 2015). In the 2014 Annual Report to Congress, we reported a different metric – the Average Days of Inventory – which projects the number of days to work the inventory based on the current rate of closures. This new metric reflects the average number of days the IRS actually took to work correspondence.
- c IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2014 (week ending Sept. 27, 2014); IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2015 (week ending Sept. 26, 2015). Beginning in FY 2015, the IRS began to report separate figures for Identity Theft correspondence. The figure we reported in the 2014 Annual Report to Congress for IMF correspondence overall was 63.6 percent.
- d IRS, JOC, *Adjustments Inventory Reports: CIS Closed Case Cycle Time* (FY 2015). In the 2014 Annual Report to Congress, we reported a different metric – the Average Days of Inventory – which projects the number of days to work the inventory based on the current rate of closures. This new metric reflects the average number of days the IRS actually took to work correspondence.
- e IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2014 (week ending Sept. 27, 2014); IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2015 (week ending Sept. 26, 2015). Beginning in FY 2015, the IRS began to report separate figures for Identity Theft correspondence. The figure we reported in the 2014 Annual Report to Congress for IMF correspondence overall was 63.6 percent.
- f IRS, JOC, *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2014 - FY 2015).
- g IRS, JOC, *Adjustments Inventory Reports: CIS Closed Case Cycle Time* (FY 2015). In the 2014 Annual Report to Congress, we reported a different metric – the Average Days of Inventory – which projects the number of days to work the inventory based on the current rate of closures. This new metric reflects the average number of days the IRS actually took to work correspondence.
- h IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2014 (week ending Sept. 27, 2014); IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2015 (week ending Sept. 26, 2015).
- i Taxpayers may request a Collection Appeals Process review as the result of IRS actions such as filing a Notice of Federal Tax Lien, an IRS levy or seizure of property, and termination, rejection, or modification of an installment agreement. See IRS Pub. 1660, *Collection Appeal Rights*.

5. THE RIGHT TO APPEAL AN IRS DECISION IN AN INDEPENDENT FORUM – Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals’ decision. Taxpayers generally have the right to take their cases to court.

Measure/Indicator	FY 2014	FY 2015
Number of Cases Appealed ^a	113,608	113,870
Appeals Staffing (On-rolls) ^b	1,708	1,569
Number of States without an Appeals or Settlement Officer ^c	12	11
Customer Satisfaction of service in Appeals ^d	68%	TBD
Average Days in Appeals to Resolution	TBD	TBD
Percentage of cases appealed	TBD	TBD
Percentage of Statutory Notices of Deficiency Appealed to Tax Court	TBD	TBD

a Office of Appeals, BPR, 4th Quarter FY 2015 (Nov. 16, 2015), at 8.

b Office of Appeals, BPR, 4th Quarter FY 2015 (Nov. 16, 2015), at 10. The 2014 figure is updated from the figure reported in the 2014 Annual Report to Congress.

c IRS, Human Resources Reporting Center, available at <https://persinfo.web.irs.gov/posrpt.htm>. Employee Position (OF8) Listing for weeks ending October 4, 2015, and October 3, 2015.

d Office of Appeals, BPR, 4th Quarter FY 2015 (Nov. 16, 2015), at 6.

- 6. THE RIGHT TO FINALITY** – Taxpayers have the right to know the maximum amount of time they have to challenge the IRS’s position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.

Measure/Indicator	FY 2014	FY 2015
Average Days to Complete Correspondence Examination (non-EITC) ^a	225 days	231 days
Average Days to Complete Correspondence Examination (EITC) ^b	243 days	221 days
Average Days to Reach Determination on Applications for Exempt Status ^c	291 days	83 days
Average Days for Exempt Organization Function to Respond to Correspondence ^d	207 days	175 days
Percentage of calls/letters/issues resolve in a single 2-way communication (single call, single meeting, or single exchange of correspondence)	TBD	TBD

a W&I, Business Performance Review, 4th Quarter, FY2015 (Nov. 2, 2015), at 8.

b *Id.*

c Tax Exempt and Government Entities (TE/GE), Business Performance Review, 4th Quarter FY 2015 (Dec. 9, 2015), at 17. The 2014 figure is updated from the figure reported in the 2014 Annual Report to Congress.

d TE/GE, Business Performance Review, 4th Quarter FY 2015 (Dec. 9, 2015), at 19. The 2014 figure is updated from the figure reported in the 2014 Annual Report to Congress.

- 7. THE RIGHT TO PRIVACY** – The right to privacy goes to the right to be free from unreasonable searches and seizures and that IRS actions would be no more intrusive than necessary. Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections and will provide, where applicable, a collection due process hearing.

Measure/Indicator	FY 2014	FY 2015
Number (or percentage) of Collection Due Process cases where IRS cited for Abuse of Discretion	TBD	TBD
Number of Offers in Compromise Submitted using ‘Effective Tax Administration’ as Basis	TBD	TBD
Percentage of Offers in Compromise Accepted that used ‘Effective Tax Administration’ as Basis	TBD	TBD
Number of cases where taxpayer received repayment of attorney fees as result of final judgment.	TBD	TBD

- 8. THE RIGHT TO CONFIDENTIALITY** – Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.

Measure/Indicator	FY 2014	FY 2015
Number of Unauthorized Access of Taxpayer Account (UNAX) Violations	TBD	TBD
Percentage of UNAX Violations Determined to be Inadvertent	TBD	TBD
Percentage of UNAX Violations Determined that Resulted in Discipline or Removal	TBD	TBD

- 9. THE RIGHT TO RETAIN REPRESENTATION** – Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.

Measure/Indicator	FY 2014	FY 2015
Percentage of Power of Attorney Requests Overage ^a	0%	0%
Number of Low Income Taxpayer Clinics Funded ^b	131	132
Funds Appropriated for Low Income Tax Clinics ^c	\$10 million	\$10.3 million
Number of States and other jurisdictions with a Low Income Tax Clinic ^d	48	50
Number of Low Income Tax Clinic Volunteer Hours ^e	60,229	54,164

a IRS, JOC, *Customer Account Services, Accounts Management Paper Inventory Inventory Reports*, weeks ending 9/27/2014 and 9/26/2015.

b IRS Pub. 5066, *Low Income Tax Clinics Program Report* (Dec. 2014 and Dec. 2015).

c Consolidated Appropriations Act, Pub. L. No. 113-76, enacted Jan. 17, 2014.

d Includes states and the District of Columbia that have at least one Low Income Tax Clinic. IRS Pub. 5066, *Low Income Tax Clinics Report* (Dec. 2014 and Dec. 2015).

e IRS Pub. 5066, *Low Income Tax Clinics Program Report* (Dec. 2014 and Dec. 2015).

- 10. THE RIGHT TO A FAIR AND JUST TAX SYSTEM** – Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from TAS if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

Measure/Indicator	FY 2014	FY 2015
Offer in Compromise: Number of Offers Submitted ^a	67,935	66,600
Offer in Compromise: Percentage of Offers Accepted ^b	41.9%	42.5%
Installment Agreements: Number of Individual & Business IAs ^c	3,011,636	2,986,121
Streamlined Installment Agreements Number of Individual & Business IAs ^d	2,857,043	2,567,623
Installment Agreements (Cff): Number of Individual & Business IAs ^e	52,619	52,053
Streamlined Installment Agreements (Cff): Number of Individual & Business IAs ^f	10,680	10,679
Number of OICs Accepted per Revenue Officer ^g	6.7	7.4
Number of IAs Accepted per Revenue Officer ^h	13.1	14.0
Percentage of Cases in the Queue (Taxpayers) ⁱ	15.6%	15.7%
Percentage of cases in the Queue (Modules)	25%	24.7%
Percentage of TDAs reported Currently Not Collectible - Tolerance ^j	18.2%	16.3%
Age of Delinquencies in the Queue ^k	4.4 years	4.5 years
Percentage of Modules in Queue prior to three tax years ago	80.2%	79.2%
Percentage of cases where the taxpayer is fully compliant after five years ^l	42%	44%

a IRS, Collection Activity Report No. 5000-108, FY 2014 (Sep. 29, 2014).

b *Id.*

c IRS, Collection Activity Report No. 5000-6, FY 2014 (Sep. 29, 2014).

d *Id.*

e *Id.*

f *Id.*

g *Id.* See also IRS Human Resources Reporting Center – number of revenue officers in SB/SE as of the end of FY 2014 and FY 2015 (pay period 19).

h *Id.*

i IRS, Collection Activity Report No. 5000-2, FY 2014 (Sep. 29, 2014).

j *Id.*

k *Id.*

l Calculation by TAS Research. Percentage of taxpayers with tax delinquent accounts in 2009 and 2010, respectively, and who have no new delinquencies five years later. IRS, IMF.