

## SATELLITE INTERVIEW OPPORTUNITY

**Thursday, February 3, 2011 -- 7:00 a.m. to 11:00 a.m. ET**

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### The Time to Fix the Tax Code Is NOW!

### *National Taxpayer Advocate Calls for Better, Simpler Tax System*

#### **AVAILABLE FOR INTERVIEW:**

NINA OLSON, NATIONAL TAXPAYER ADVOCATE, INTERNAL REVENUE SERVICE

#### **BACKGROUND:**

The National Taxpayer Advocate has identified the need for tax reform as the number one priority in tax administration. In her Annual Report to Congress, Ms. Olson also expresses concern that the IRS's increasing use of hard-core enforcement actions is inflicting unnecessary harm on struggling taxpayers.

- **TAX CODE COMPLEXITY=TAXPAYER BURDEN.** Taxpayers and businesses spend 6.1 billion hours a year complying with tax-filing requirements. Individual taxpayers find return preparation so overwhelming that about 60 percent now pay preparers to do it for them, while another 29 percent buy tax software.
  - **Why it Matters.** IRS researchers estimate the annual monetary tax compliance burden of the median individual taxpayer (as measured by income) is \$258.
- **THE SPECIAL INTERESTS ARE US.** There is a widespread belief that entrenched "special interests" are the biggest roadblock to comprehensive tax reform. "But the dirty little secret is that the largest special interests are us – the vast majority of U.S. taxpayers" the report says. "Virtually all of us benefit from certain exclusions from income, deductions from income, or tax credits."
  - **Why it Matters.** These tax breaks (known as "tax expenditures") total \$1.1 trillion a year.
- **IRS USE OF HARD-CORE ENFORCEMENT TOOLS, INCLUDING TAX LIENS AND LEVIES.** IRS collection practices can inflict unnecessary harm on financially struggling taxpayers and fail to achieve the IRS's objective of increasing long-term voluntary compliance with the tax laws.
  - **Why it Matters.** In fiscal year 2010, the IRS filed liens against 1.1 million taxpayers compared with 168,000 in FY 1999, an increase of 550 percent! When the IRS files a notice of federal tax lien, the taxpayer's creditworthiness can be badly damaged for the long term. A tax lien can be particularly devastating to small businesses, as it often cuts off their access to credit. The IRS issued 3.6 million levies last year, yet even in this economy, the IRS granted only 14,000 Offers-In-Compromise.

On Thursday, February 3, Nina Olson will be available for interviews to discuss these issues and the steps taxpayers can take to avoid being trapped by these and other tax rules.

#### **SUGGESTED INTERVIEW QUESTIONS INCLUDE:**

- In your report, you say that the tax code has gotten so complicated that more than 90% of taxpayers either pay a preparer or purchase software to prepare their return for them. Please discuss this.
- Tell us about the new *Tax Reform Suggestion Box*.
- How does a tax lien intended to allow the IRS to collect unpaid funds hurt the taxpayer AND the IRS?
- What can someone do if he has an unpaid tax bill and suspects the IRS may put a lien on his property or already has done so?
- What can someone do to avoid problems with the IRS or to prevent his tax problems from getting worse?
- What can someone do if the IRS has levied on his property and he has an economic hardship?

For more info or to submit a Tax Reform Suggestion, visit: <http://www.TaxpayerAdvocate.irs.gov>

#### **More About the National Taxpayer Advocate**

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS. TAS employees help taxpayers who are experiencing economic difficulties, such as not being able to provide necessities like housing, transportation, or food; taxpayers who are seeking help in resolving problems with the IRS; and those who believe an IRS system or procedure is not working as it should. If you believe you are eligible for TAS assistance, you can reach TAS by calling the TAS toll-free number at 877-777-4778 or TTY/TDD 800-829-4059. For more information, go to <http://www.TaxpayerAdvocate.irs.gov>.

**To arrange an interview with Nina Olson, please contact:  
Jackie Dowling, 800-653-5313 x3**