

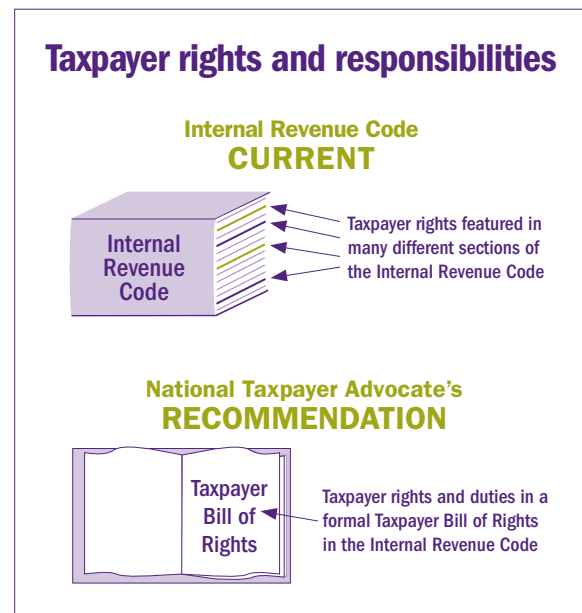
I. TAS Works to Ensure Taxpayers Know Their Rights and Obligations

The United States tax system reflects a social contract between the government and its taxpayers. Within this unwritten contract, taxpayers have obligations such as reporting and paying tax, and the IRS has obligations to taxpayers to provide service and oversight. Taxpayer rights are a fundamental part of this agreement. Although the Internal Revenue Code contains numerous taxpayer rights scattered throughout different sections, it does not contain any clear, consolidated list of these rights. Many taxpayers are not even aware that they have rights. In a 2012 survey commissioned by TAS, only 46 percent of U.S. taxpayers said they believed they have rights before the IRS, and only 11 percent said they knew what those rights were.¹ The National Taxpayer Advocate believes that it is in the best interests of taxpayers and tax administration for these rights and duties to be articulated in a formal Taxpayer Bill of Rights and codified in the IRC.²

In the first Taxpayer Bill of Rights legislation (TBOR I), Congress required the IRS to prepare a statement of the rights of taxpayers and the obligations of the IRS and distribute it to taxpayers when contacting them regarding the determination of tax or collection of tax.³ Currently, the IRS outlines these rights for taxpayers in Publication 1, *Your Rights as a Taxpayer*,⁴ which TAS is revising to communicate rights effectively, and in plain language.

In 2011, TAS conducted focus groups with tax professionals at the IRS Nationwide Tax Forums to learn about tax professionals' and taxpayers' awareness of their rights and to learn how effective Publication 1 is in educating taxpayers. The focus groups looked into whether taxpayers:

- Understood the purpose of Publication 1;
- Knew that Publication 1 was an official document advising them of their rights;
- Thought Publication 1 was effective;



1 Forrester Research Inc., The TAS Omnibus Analysis, from North American Technographics Omnibus Mail Survey, Q2/Q3 2012, 19-20 (Sept. 17, 2012).

2 See National Taxpayer Advocate 2007 Annual Report to Congress 478-89; National Taxpayer Advocate 2011 Annual Report to Congress 493-518.

3 Technical and Miscellaneous Revenue Act of 1988, Pub. L. No. 100-647, § 6227, 102 Stat. 3342, 3730-31. (Nov. 10, 1988).

4 IRS Pub. 1, *Your Rights as a Taxpayer* (Sept. 2012).

- Received it at the appropriate time;
- Thought it contained too much or too little information; and
- Would better understand their rights and be more likely to uphold their responsibilities if Publication 1 also discussed taxpayer obligations.

One of the most frequent comments during these focus groups was that taxpayers did not read the publication. Tax professionals made multiple suggestions for changing when and how taxpayers receive the publication, as well as changing it from a paper insert to other formats, such as a poster in an IRS Taxpayer Assistance Center (TAC).

TAS plans to conduct focus groups later in FY 2013 on an outreach strategy to educate taxpayers on their rights as taxpayers (as described in IRS Publication 1). A vendor will hold the sessions in four locations (in the Northeast, South, Midwest, and West Coast), holding separate discussions for taxpayers and practitioners. These focus groups will ask taxpayers what rights they know they have and which ones they think are important, will explore how taxpayers receive information, when and where they learn about their rights, and what format for this information would be most effective. The results will assist TAS in understanding attitudes of taxpayers and practitioners on taxpayer rights. TAS then plans to revise Publication 1, and based on the findings from these focus groups, may recommend changes to how the IRS distributes the information and in what form. In 2014, TAS will draft a revised Publication 1 and conduct another round of focus groups to seek reactions. The goal of the revised Publication 1 is to give taxpayers a meaningful opportunity to become informed about their rights and responsibilities.