

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

In 2014, the IRS officially adopted the 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 (IRC).² In late 2015, Congress followed suit by adding the list of fundamental rights to the IRC.³ While listing these rights in IRC § 7803(a)(3) is a significant achievement for increasing taxpayers’ awareness of their rights, the process of integrating taxpayer rights into all aspects of tax administration continues. The *Taxpayer Rights Assessment* contains selected performance measures and data organized by the ten taxpayer rights and is one step toward 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) 2015	FY 2016	FY 2017
Individual Correspondence Volume (adjustments) ^a	4,358,447	4,817,708	4,598,654
Average cycle time to work Individual Master File (IMF) Correspondence ^b	80 days	84 days	69 days
Inventory Overage ^c	68.3%	49.1%	39.5%
Business Correspondence Volume (adjustments) ^d	2,952,329	2,940,925	2,736,451
Average cycle time to work Business Master File (BMF) Correspondence ^e	46 days	47 days	45 days
Inventory Overage ^f	18.8%	8.6%	11.7%
Total Correspondence (all types)	TBD	TBD	TBD
Quality of IRS Forms & Publications	TBD	TBD	TBD
IRS.gov Web Page Ease of Use	TBD	TBD	TBD
IRS Outreach	TBD	TBD	TBD

a IRS, Joint Operations Center (JOC), *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2016 and FY 2017). This correspondence data is also repeated under Right 4 – *The Right to Challenge the IRS’s Position and Be Heard*.

b IRS, Research Analysis and Data (RAD), *Accounts Management Reports: CIS Closed Case Cycle Time* (FY 2016 and FY 2017).

c IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2016 and FY 2017* (weeks ending Oct. 1, 2016 and Sept. 30, 2017).

d IRS, JOC, *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2016 and FY 2017).

e IRS, RAD, *Accounts Management Reports: CIS Closed Case Cycle Time* (FY 2016 and FY 2017).

f IRS, *Weekly Enterprise Adjustments Inventory Report, FY 2016 and FY 2017* (weeks ending Oct. 1, 2016 and Sept. 30, 2017).

- 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 See Taxpayer Bill of Rights (TBOR), www.TaxpayerAdvocate.irs.gov/taxpayer-rights.
- 3 See Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Division Q, Title IV, § 401(a) (2015) (codified at IRC § 7803(a)(3)).

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 2015	FY 2016	FY 2017
Number of Returns Filed (projected, all types) ^a	245,821,318	246,945,921	251,046,000
Total Individual Income Tax Returns ^b	148,840,642	150,711,378	152,413,600
E-file Receipts, calendar year (Received by 12/04/15, 12/02/16, 12/01/17) ^c	128,784,000	131,851,000	132,319,000
E-file Receipts: Tax Professional (calendar year) ^d	61%	60%	60%
E-file Receipts: Self Prepared (calendar year) ^e	39%	40%	40%
Returns Prepared by:			
VITA / TCE / AARP (tax year) ^f	3,564,102	3,542,336	3,402,019
Free File Consortium (tax year) ^g	2,588,934	2,356,167	2,352,555
Fillable Forms (tax year) ^h	355,080	346,098	325,482
Number of Taxpayer Assistance (“Walk-In”) Centers (TAC) ⁱ	378	376	371
Number of TAC Contacts ^j	5.6 million	4.5 million	3.3 million
Total Calls to IRS ^k	116,679,405	117,479,981	95,618,714
Number of Attempted Calls to IRS Customer Service Lines ^l	101,507,150	104,275,387	74,471,676
Toll Free: Percentage of calls answered [Level of Service (LOS)] ^m	38.1%	53.4%	77.1%
Toll Free: Average Speed of Answer ⁿ	30.5 minutes	17.8 minutes	8.4 minutes
NTA Toll Free: Percentage of calls answered (LOS) ^o	43.7%	58.1%	76.7%
NTA Toll Free: Average Speed of Answer ^p	16.2 minutes	8.9 minutes	2.9 minutes
Practitioner Priority: Percentage of calls answered (LOS) ^q	47.6%	71.0%	81.9%
Practitioner Priority: Average Speed of Answer ^r	46.6 minutes	10.5 minutes	8.9 minutes
Tax Exempt/Government Entities Percentage of calls answered (LOS) ^s	60.2%	56.8%	69.5%
Tax Exempt/Government Entities: Average Speed of Answer ^t	23.4 minutes	15.9 minutes	9.2 minutes
Toll Free Customer Satisfaction ^u	87.0%	88.0%	90.0%
Awareness of Service (or utilization)	TBD	TBD	TBD
IRS Issue Resolution – Percentage of taxpayers who had their issue resolved as a result of the service they received	TBD	TBD	TBD
Taxpayer Issue Resolution – Percentage of taxpayers who reported their issue was resolved after receiving service	TBD	TBD	TBD

a IRS Pub. 6292, *Fiscal Year Return Projections for the United States 2016-2023* 4 (Aug. 2016); IRS Pub. 6292, *Fiscal Year Return Projections for the United States: 2017-2024* 3 (Sept. 2017). The FY 2016 figure has been updated from what we reported in the 2016 Annual Report to Congress to report actual return counts. The FY 2017 figures are projected numbers. 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 2016-2023* 4 (Aug. 2016); IRS Pub. 6292, *Fiscal Year Return Projections for the United States: 2017-2024* 3 (Sept. 2017). The FY 2016 figure has been updated from what we reported in the 2016 Annual Report to Congress to report actual return counts.

c IRS, *E-File Reports*, <http://efile.enterprise.irs.gov/Progress.asp> (last visited Dec. 11, 2017).

d *Id.*

e *Id.*

f 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. IRS, Compliance Data Warehouse (CDW), Individual Returns Transaction File. The FY 2015 and FY 2016 figures have been updated from what we reported in the 2016 Annual Report to Congress. The FY 2015 figure represents tax year 2014 returns. The FY 2016 figure represent tax year 2015 returns. The FY 2017 figure represent tax year 2016 tax returns.

g IRS, CDW, Electronic Tax Administration Marketing Database.

h *Id.*

i FY 2015 figure from Wage & Investment (W&I) analyst (Dec. 13, 2016). FY 2016 figure from W&I response to TAS fact check (Dec. 20, 2016). FY 2017 figure from IRS response to TAS information request (Nov. 3, 2017).

j W&I, Business Performance Review (BPR), 4th Quarter, FY 2017 7 (Nov. 9, 2017).

(Continued from previous page.)

k	IRS, JOC, Snapshot Reports: Enterprise Snapshot (weeks ending Sept. 30, 2016 and Sept. 30, 2017; reports generated Nov. 19, 2017).
l	<i>Id.</i>
m	Accounts Management calls answered include reaching live assistant or selecting options to hear automated information messages.
n	<i>Id.</i>
o	<i>Id.</i>
p	<i>Id.</i>
q	<i>Id.</i>
r	<i>Id.</i>
s	<i>Id.</i>
t	<i>Id.</i>
u	W&I, BPR, 4th Quarter, FY 2017 11 (Nov. 9, 2017).

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 2015	FY 2016	FY 2017
Toll-Free Tax Law Accuracy ^a	95.0%	96.4%	96.7%
Toll-Free Accounts Accuracy ^b	95.5%	96.1%	96.0%
Scope of Tax Law Questions Answered	TBD	TBD	TBD
Correspondence Examinations			
No change rate ^c	17.3%	16.2%	14.7%
Agreed rate ^d	16.3%	20.6%	22.4%
Non-response rate ^e	48.3%	42.1%	40.6%
Percentage of cases appealed	TBD	TBD	TBD
Field Examinations			
No change rate ^f	15.3%	14.6%	14.3%
Agreed rate ^g	45.7%	45.4%	46.1%
Non-response rate ^h	0.3%	0.3%	0.3%
Percentage of cases appealed	TBD	TBD	TBD
Office Examinations			
No change rate ⁱ	13.5%	12.2%	14.4%
Agreed rate ^j	44.7%	43.4%	42.8%
Non-response rate ^k	19.8%	20.6%	19.0%
Percentage of cases appealed	TBD	TBD	TBD
Math Error Adjustments	TBD	TBD	TBD
Math Error Abatements	TBD	TBD	TBD
Number of Statutory Notices of Deficiency Issued	TBD	TBD	TBD
Number of Statutory Notices of Deficiency Appealed	TBD	TBD	TBD
Number of Collection Appeals Program Conferences	TBD	TBD	TBD
Number of Collection Appeals Program Conferences Reversing IRS position	TBD	TBD	TBD
Number of Collection Due Process Conferences	TBD	TBD	TBD
Number of Collection Due Process Conferences Reversing IRS position	TBD	TBD	TBD

continued

(Continued from previous page.)

- a W&I, BPR, 4th Quarter, FY 2017 4 (Nov. 9, 2017).
 b *Id.*
 c IRS, CDW, Audit Information Management System (AIMS), 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 2015	FY 2016	FY 2017
Individual Correspondence Volume (adjustments) ^a	4,358,447	4,817,708	4,598,654
Average cycle time to work IMF Correspondence ^b	80 days	84 days	69 days
Inventory Overage ^c	68.3%	49.1%	39.5%
Business Correspondence Volume ^d	2,952,329	2,940,925	2,736,451
Average cycle time to work BMF Correspondence ^e	46 days	47 days	45 days
Inventory Overage ^f	18.8 %	8.6%	11.7%
Percentage of Math Error Adjustments Abated	TBD	TBD	TBD
Percentage of Statutory Notices of Deficiency Appealed to Tax Court	TBD	TBD	TBD
Number of Collection Appeal Program Conferences Requested by Taxpayers ^g	TBD	TBD	TBD
Percentage of CAP Conferences that Reversed the IRS Position	TBD	TBD	TBD
Number of Collection Due Process Hearings Requested by Taxpayers ^h	TBD	TBD	TBD
Percentage of Collection Due Process Hearings that Reversed the IRS Position	TBD	TBD	TBD

- a IRS, JOC, *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2016 and FY 2017).
 b IRS, RAD, *Accounts Management Reports: CIS Closed Case Cycle Time* (FY 2016 and FY 2017).
 c IRS, CDW, Audit Information Management System (AIMS), Closed Case Database.
 d IRS, JOC, *Adjustments Inventory Reports: July-September Fiscal Year Comparison* (FY 2016 and FY 2017).
 e IRS, RAD, *Accounts Management Reports: CIS Closed Case Cycle Time* (FY 2016 and FY 2017).
 f IRS, *Weekly Enterprise Adjustments Inventory Report*, FY 2016 and FY 2017 (weeks ending Oct. 1, 2016 and Sept. 30, 2017).
 g 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*.
 h Taxpayers may request a Collection Due Process review when the IRS plans to take actions such as filing a federal tax lien or levy. 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 2015	FY 2016	FY 2017
Number of Cases Appealed ^a	113,870	114,362	103,574
Appeals Staffing (On-rolls) ^b	1,569	1,449	1,345
Number of States without an Appeals or Settlement Officer ^c	11	11	11
Customer Satisfaction of Service in Appeals ^d	65%	67%	N/A
Average Days in Appeals to Resolution	TBD	TBD	TBD
Percentage of Statutory Notices of Deficiency Appealed to Tax Court	TBD	TBD	TBD

a Office of Appeals, BPR, 4th Quarter, FY 2017 10 (Oct. 27, 2017).

b *Id.*

c IRS, Human Resources Reporting Center, <https://persinfo.web.irs.gov/posrpt.htm>. Employee Position (OF8) Listing for weeks ending Oct. 3, 2015, Oct. 1, 2016, and Sept. 30, 2017. The FY 2016 figure has been updated from what we reported in the 2016 Annual Report to Congress. The IRS also has Appeals and Settlement Officers in the District of Columbia which are not included in these figures.

d Office of Appeals, BPR, 4th Quarter, FY 2017 10 (Oct. 27, 2017). The FY2017 figure not yet available.

- 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 2015	FY 2016	FY 2017
Average Days to Complete Correspondence Examination (non-EITC) ^a	231 days	196 days	204 days
Average Days to Complete Correspondence Examination (EITC) ^b	221 days	217 days	221 days
Average Days to Reach Determination on Applications for Exempt Status ^c	83 days	54 days	54 days
Average Days for Exempt Organization Function to Respond to Correspondence ^d	175 days	45 days	27 days

a W&I, BPR, 4th Quarter, FY 2017 8 (Nov. 9, 2017).

b *Id.*

c Tax Exempt and Government Entities (TE/GE), BPR, 4th Quarter, FY 2017 8 (Nov. 30, 2017).

d TE/GE, BPR, 4th Quarter, FY 2017 9 (Nov. 30, 2017).

- 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 2015	FY 2016	FY 2017
Number (or percentage) of Collection Due Process cases where IRS cited for Abuse of Discretion	TBD	TBD	TBD
Number of Offers in Compromise Submitted using ‘Effective Tax Administration’ as Basis	TBD	TBD	TBD
Percentage of Offers in Compromise Accepted that used ‘Effective Tax Administration’ as Basis	TBD	TBD	TBD
Number of cases where taxpayer received repayment of attorney fees as result of final judgment	TBD	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 2015	FY 2016	FY 2017
Number of Closed Unauthorized Access of Taxpayer Account (UNAX) Investigations ^a	173	147	151
UNAX Investigations Resulting in Prosecution, Removal, Resignation or Suspension of Employee ^b	70	38	64
UNAX Investigations Resulting in other Administrative Dispositions ^c	83	81	74
UNAX Investigations Where Employee Cleared of Wrongdoing ^d	20	28	13

a IRS, Automated Labor and Employee Relations Tracking System (ALERTS). The number of IRS employees averaged 89,251 in FY 2015, 85,002 in FY 2016, and 83,775 in FY 2017. IRS, Human Resources Reporting Center, *Fiscal Year Population Report*.

b IRS, ALERTS.

c *Id.* Administrative dispositions includes alternative discipline in lieu of suspension; case cancelled or merged with another case; caution letter; last chance agreement; oral counseling; reprimand; written counseling; etc.

d *Id.*

- 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 2015	FY 2016	FY 2017
Percentage of Power of Attorney Requests Overage (as of 9/26/15, 10/1/16, 9/30/17) ^a	0%	0%	18.2%
Number of Low Income Taxpayer Clinics Funded (calendar year) ^b	132	138	138
Funds Appropriated for Low Income Taxpayer Clinics ^c	\$10.0 million	\$12.0 million	\$12.0 million
Number of States with a Low Income Taxpayer Clinic (calendar year) ^d	49	49	49
Number of Low Income Taxpayer Clinic Volunteer Hours (calendar year) ^e	54,164	60,669	47,480

a IRS, JOC, *Customer Account Services, Accounts Management Paper Inventory Reports* (weeks ending 9/26/2015, 10/1/2016 and 9/30/2017).

b IRS Pub. 5066, *Low Income Tax Clinics Program Report* (Dec. 2015, Jan. 2017, and Dec. 2017).

c Consolidated and Further Continuations Appropriations Act, 2015, Pub. L. No. 113-235, enacted Dec. 16, 2014. Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, enacted Dec. 18, 2015. Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, enacted May 5, 2017. The amounts actually awarded to Low Income Taxpayer Clinics (LITCs) differed from the appropriated amounts. The IRS contributed an additional \$0.25 million in FY 2015 bringing the total to \$10.25 million. The amount awarded to clinics in FY 2016 was over \$11.4 million based on the number of available grantees who met the requirements. The amount awarded to clinics in FY 2017 was approximately \$11.8 million based on the number of available grantees who met the requirements. The FY 2016 figure has been updated from what we reported in the 2016 Annual Report to Congress.

d IRS Pub. 5066, *Low Income Tax Clinics Program Report* (Dec. 2015, Jan. 2017, and Dec. 2017). Forty-nine states and the District of Columbia have at least one LITC. Currently there is no LITC in North Dakota.

e *Id.* The FY 2016 number (60,669) was confirmed by the LITC Program Director (Oct. 28, 2016). The FY 2016 Pub. 5066 reported a rounded number (60,000). The FY 2015 figure reflects volunteer hours from calendar year (CY) 2014. The FY 2016 figure reflects volunteer hours from CY 2015. The FY 2017 figure reflects volunteer hours from CY 2016.

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 2015	FY 2016	FY 2017
Offer in Compromise (OIC): Number of Offers Submitted ^a	66,600	64,479	62,243
OIC: Percentage of Offers Accepted ^b	42.5%	42.5%	38.1%
Installment Agreements (IA): Number of Individual & Business IAs ^c	2,986,121	3,115,404	2,924,780
Streamlined Installment Agreements Number of Individual & Business IAs ^d	2,567,623	2,630,811	2,236,434
Installment Agreements Collection Field Function (Cff): Number of Individual & Business IAs ^e	52,053	42,978	35,449
Streamlined Installment Agreements (Cff): Number of Individual & Business IAs ^f	10,679	8,477	6,936
Number of OICs Accepted per Revenue Officer ^g	7.4	7.7	7.6
Number of IAs Accepted per Revenue Officer ^h	14.0	12.0	10.6
Percentage of Cases in the Queue (Taxpayers) ⁱ	15.7%	15.5%	13.9%
Percentage of Cases in the Queue (Modules) ^j	24.7%	23.9%	21.8%
Percentage of Taxpayer Delinquent Accounts (TDAs) reported Currently Not Collectible – Tolerance ^k	16.3%	16.9%	32.3%
Age of Delinquencies in the Queue ^l	4.5 years	4.5 years	4.5 years
Percentage of Modules in Queue prior to three tax years ago ^m	79.2%	78.7%	78.2%
Percentage of cases where the taxpayer is fully compliant after five years ⁿ	44%	48%	48%

a IRS, Collection Activity Report No. 5000-108, FY 2015 (Oct. 4, 2015), FY 2016 (Oct. 7, 2016), and FY 2017 (Oct. 2, 2017).

b *Id.*

c IRS, Collection Activity Report No. 5000-6, FY 2015 (Dec. 9, 2015), FY 2016 (Oct. 3, 2016), and FY 2017 (Oct. 1, 2017).

d *Id.*

e *Id.*

f *Id.*

g *Id.* See also IRS Human Resources Reporting Center – number of revenue officers in Small Business/Self Employed as of the end of FY 2015, FY 2016, and FY 2017 (pay period 19).

h *Id.*

i IRS, Collection Activity Report No. 5000-2, FY 2015 (Dec. 5, 2015), FY 2016 (Oct. 3, 2016), and FY 2017 (Oct. 1, 2017).

j *Id.*

k *Id.* For FY 2017, the IRS shelves cases prior to potential transfer for the Private Collection Initiative.

l Accounts Receivable Dollar Inventory. Age of cases in the collection queue as of cycle 37 of 2015, 2016, and 2017.

m IRS, Collection Activity Report No. 5000-2, FY 2015 (Dec. 5, 2015), FY 2016 (Oct. 3, 2016), and FY 2017 (Oct. 1, 2017).

n Calculation by TAS Research. Percentage of taxpayers with tax delinquent accounts in 2010, 2011, and 2012, respectively, and who have no new delinquencies five years later. IRS, CDW, Individual Master File (IMF).