

Before we get to our first panel, I want to introduce the Commissioner of the IRS, John Koskinen, and thank him for joining us today to offer welcoming remarks.

As you know, I raised concerns in my annual report to Congress that the IRS was developing its Future State plan without adequately telling the public what it was considering or soliciting public comments. I also raised concerns about whether the IRS will be able to achieve hoped-for cost savings by transitioning taxpayers from relatively expensive telephone and face-to-face service toward relatively cheap online taxpayer accounts while still meeting taxpayer needs. In fact, I designated this issue the Number 1 Most Serious Problem of Taxpayers and announced that I would be holding public forums, or hearings, around the country to get taxpayers engaged in the planning for the future state vision.

Because of the concerns I expressed, one tax publication just yesterday led with the headline: “Koskinen, Olson To Face Off On Taxpayer Service 'Future State.’” Because the IRS received such late notice of this event, it wasn’t able to set up a boxing ring in time, so we can’t bring you that spectacle.

Seriously, that headline, while attention-getting, could not be further from the truth. After I raised my concerns with the Commissioner last month, he said he would put out more information about the IRS’s plan – and the IRS just yesterday placed a considerable amount of information about the Future State plan on its public website. The Commissioner has also made clear that the IRS is not locked into any particular plan, and he has made clear he believes the IRS must strive to continue to meet the needs of all taxpayers, including taxpayers who can’t or don’t want to interact with the agency using online accounts. And he graciously offered to join us for a few minutes this morning to underscore that message and to make clear he welcomes these public forums as a vehicle through which the IRS can learn more about taxpayer needs and preferences.

The role of the National Taxpayer Advocate and her Annual Report to Congress was designed to spur the IRS to change and improvement. I am proud that this year's report has resulted in greater transparency for and taxpayer and tax community engagement in the IRS Future State planning process. The decisions made during this process can alter the relationship between taxpayers and the tax agency for decades going forward, and are not to be made lightly or in a vacuum.

For my part, I want to acknowledge that the IRS faces some very difficult resource-allocation decisions because of the budget restrictions it's operating under. High quality taxpayer service can't be provided on the cheap, and with the IRS budget down about 19% in inflation-adjusted terms since FY 2010, its options are increasingly limited. Congress gave the IRS an additional \$290 million this year for several components of taxpayer assistance and that is very helpful, but it doesn't get us where we need to be over the long run. Over the long run, it is very clear to me that providing high-quality taxpayer service requires a commitment not only from the IRS but from the Congress as well.

Commissioner – Thank you for joining us.