

The National Taxpayer Advocate's Report to Congress

Fiscal Year 2009 Objectives Supplement

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I. ACTIVITIES OF THE OFFICE OF THE TAXPAYER ADVOCATE

This document supplements the information in the National Taxpayer Advocate's FY 2009 Objectives Report to Congress and describes fiscal year (FY) 2008 activities of the Taxpayer Advocate Service (TAS) as well as those planned for FY 2009.

Fiscal year 2008 marks the tenth anniversary of the enactment of the IRS Restructuring and Reform Act of 1998 (RRA 98), signed into law on July 22, 1998. This important legislation created the position of National Taxpayer Advocate and defined the role of TAS. This year, TAS is reflecting on its accomplishments, renewing its commitments, and strengthening plans for its future.¹ These efforts include strengthening equal employment opportunity and diversity within our workforce, offering efficient and effective training for our employees, improving our technology and systems, and updating guidance and communication materials for our employees and taxpayers.

In addition, TAS is strengthening its strategic planning processes by completing a new TAS blueprint to include our newly developed Guiding Principles that describe TAS's values and role to the IRS, employees, stakeholders, and taxpayers. The TAS strategic assessment identifies our strengths and weaknesses, and includes an environmental survey of internal and external factors that may affect our ability to achieve our mission. All these activities enable TAS to provide the best advocacy and service to all taxpayers.

II. CREATING A NEW TAS BLUEPRINT

TAS's Blueprint will describe the future TAS organization and the goals, foundations, strategic themes, and capabilities necessary for our success. It will serve as the base for the strategic planning process by presenting a vision of how TAS will operate, while connecting our current and planned initiatives to our future.

In conjunction with the Blueprint, TAS developed the Guiding Principles shown in Table II-1 to govern the way TAS does business and to represent the essence of what TAS customers need, want, and expect.

¹ Pub. L. No. 105-206, 112 Stat. 685 (July 22, 1998).

TABLE II-1, TAS GUIDING PRINCIPLES ²

<i>Advocacy</i>	The willingness and ability to see the situation from a taxpayer's perspective, advocate for the taxpayer's rights, and assist IRS leadership in integrating the taxpayer's perspective into tax administration.
<i>Independence</i>	The ability to objectively advocate for the taxpayer separately from the IRS. ³
<i>Impartiality</i>	An unbiased assessment of the taxpayer's situation in light of existing tax law.
<i>Confidentiality</i>	The discretion not to disclose certain information to the IRS. ⁴
<i>Competency</i>	The knowledge and ability to understand the taxpayer's issue and how to resolve it.
<i>Empathy</i>	The understanding of and compassion for the taxpayer's situation and feelings.
<i>Communications</i>	The commitment to engage in clear and open communications, listen to taxpayers and stakeholders, understand their perspectives and issues, educate them about the tax system, and effect changes.
<i>Improvement</i>	The pursuit of opportunities to improve tax administration for the benefit of taxpayers.

² IRM 13.1.1.2 (Apr. 1, 2003) outlines the philosophy of TAS.

³ IRC § 7803(c)(1)(B)(i) provides that "[t]he Office of the Taxpayer Advocate shall be under the supervision and direction of an official known as the 'National Taxpayer Advocate.' The National Taxpayer Advocate shall report directly to the Commissioner of Internal Revenue."

⁴ IRC § 7803(c)(4)(A)(iv) provides that "Each local taxpayer advocate may, at the taxpayer advocate's discretion, not disclose to the Internal Revenue Service contact with, or information provided by, such taxpayer."

Within the framework of these guiding principles, TAS will use the following strategic themes to effectively plan and accomplish our mission:⁵

- ♦ *Strategic Planning* – Refine TAS’s strategic design to further associate the planning and spending processes;
- ♦ *Implementing Advocacy* – TAS functions work cohesively to identify and resolve individual and systemic issues;
- ♦ *Empower the workforce* – TAS’s employees contribute to achieving its mission and have the necessary skills, knowledge, and tools to deliver results and serve as the voice of the taxpayer at the IRS;
- ♦ *Modernization* – Timely, accurate, efficient, and consistent case processing and data collection information is accessible from a single source with common processes, methodologies, and data analytics; and
- ♦ *Process Improvement* – TAS uses a standard approach in identifying and implementing process improvement initiatives.

III. PERFORMING A FY 2008 TAS STRATEGIC ASSESSMENT

TAS surveys the environment to determine the constantly changing needs of taxpayers,⁶ and outlines the results in its Strategic Assessment. The purpose of a strategic assessment is twofold. First, it identifies areas of concern within the TAS internal and external environments. Second, it contributes to the strategic plan to define TAS’s long-term operations.

TAS used the Strengths, Weaknesses, Opportunities, and Threats (SWOT) model to create the FY 2008 Assessment. The model required TAS to scan the internal and external environments and consider how demographic trends, economic conditions, social issues, business practices, consumer behaviors, proposed legislation, and technological changes may affect the TAS organization in the future.⁷ Additionally, TAS

⁵ The TAS mission statement is, “As an independent organization within the IRS, we help taxpayers resolve problems with the IRS and recommend changes that will prevent the problems.” IRM 13.1.1.2. (4) (Apr. 1, 2003).

⁶ *Id.*

⁷ The internal environment includes activities and initiatives within the IRS that may impact the TAS organization and workload. The external environment includes those factors outside of the IRS that impact the TAS organization, its workload, and the needs of TAS customers.

examined internal factors such as feedback from employees,⁸ the volume of receipts, case quality rates, staffing levels, future retirement rates, internal balanced measures,⁹ and other internal metrics or indicators. TAS classified each issue as a strength, weakness, opportunity, or threat to identify factors and address areas that TAS can employ to better advocate for taxpayers. Key external and internal opportunities, threats, strengths, and weakness identified in the FY 2008 Strategic Assessment are outlined below.

A. External Influences (Opportunities)

- ◆ *Congressional Satisfaction.* Over 93 percent of congressional personnel were either satisfied or extremely satisfied with TAS, and 92 percent said TAS was an organization they could always trust.¹⁰
- ◆ *International Taxpayer Advocates and Ombudsmen.* TAS has a unique opportunity to collaborate with international advocates and ombudsmen to address taxation issues on a global level. While the Group of Eight (G8)¹¹ leading industrialized countries and other leaders have seen the necessity and benefits of such an office, other governments are still uncertain about developing an office to protect taxpayer rights worldwide.¹²
- ◆ *Taxpayer Migration.* U.S. migration patterns provide TAS with an opportunity to serve taxpayers by locating offices and staff in the locations that will continue to grow. Currently, the Southeastern and Southwestern states have the most domestic net migration,¹³

⁸ TAS gathered employee feedback through an all-employee survey, focus groups of Local Taxpayer Advocates and Headquarters Directors, and focus group participants in the Frontline Leader Readiness Program and the Senior Manager Readiness Program.

⁹ IRM 13.5.1.2 (Oct. 1, 2001) provides that the Balanced Measurement System measures performance in three areas: customer satisfaction, employee satisfaction, and business results.

¹⁰ The Gallup Organization, *Taxpayer Advocate Service Congressional Staff Customer Engagement Survey* (Nov. 2006).

¹¹ The members of the Group of Eight are Canada, France, Germany, Italy, Japan, the United Kingdom, the United States, and Russia. See http://usinfo.state.gov/ei/economic_issues/group_of_8/what_is_the_g8.html

¹² "Canada is the last G8 country to provide an independent body or officer to uphold taxpayer rights." *Canada to Appoint Tax Ombudsman*, at <http://www.webcpa.com/article.cfm?articleid=24402&pg=tax&hbxcg=tax> (May 31, 2007).

¹³ The Census Bureau defines domestic net migration as the movement of people within national borders. Net migration is defined as the difference between in-migration and out-migration during a given period.

while the largest out-migration regions include the Midwestern 'Iron Belt' and the Northeast.¹⁴

B. External Influences (Threats)

- ◆ *Late-Year Tax Law Changes.* The National Taxpayer Advocate believes that the frequency and magnitude of late-year tax law changes constitute the most serious problem facing taxpayers and one of the most significant problem facing the IRS. Late-year tax law changes not only impose undue burden on taxpayers but also place an enormous stress on the IRS's ability to deliver a successful filing season.
- ◆ *The Tax Gap.* The IRS estimated the FY 2001 net tax gap to be nearly \$290 billion.¹⁵ Congress has asked both the Department of Treasury and the IRS to develop methods that will close the gap beyond the initiatives detailed in the President's FY 2008 budget request. Treasury and IRS executives, including the Secretary and the Wage and Investment Division (W&I) Commissioner, have stated that aggressive moves to close the gap could have unintended consequences on compliant taxpayers.¹⁶ TAS caseloads are expected to increase if the IRS aggressively attempts to close the gap.
- ◆ *Direct Electronic Filing for Individuals.* Congressional leaders have suggested that the IRS examine the possibility of instituting a direct filing portal for individual taxpayers.¹⁷ This system would provide taxpayers with the option of electronically filing their tax returns at no cost and with few computational errors.
- ◆ *The U. S. Economy.* The economy in the United States has slowed significantly over the past few years. In 2001, three-fourths of US families held some form of debt and the median value of total outstanding debt rose 9.5 percent from 1998 to 2001.¹⁸ From 2001

¹⁴ Census Bureau, *Population Estimates Program* (2004).

¹⁵ The tax gap is the difference between the amount of tax that taxpayers should pay and the amount that is paid voluntarily and on time. The net tax gap is the amount that is still owed to the government after IRS enforcement activities and other late payments are made.

¹⁶ Dustin Stamper, *Morgante Warns 90 Percent Compliance Rate Would Spur Abuse*, Tax Notes (May 3, 2007).

¹⁷ News Release, Senate Committee on Finance, *IRS Says it Cannot Verify Accuracy of Free File Tax Programs Offered Online* (June 29, 2007).

¹⁸ Federal Reserve Board, *2001 Survey of Consumer Finances* (2001).

to 2004, over 75 percent of US families held some form of debt.¹⁹ The number of people living below the poverty level increased from 12.2 percent in 2000 to 12.6 percent in 2005.²⁰ Increases in consumer and household debt could impact taxpayers' ability to comply with their tax obligations. The potential increase in future bankruptcies and taxpayers with balances due to the IRS could lead to more economic burden case receipts in TAS.

- ♦ *U.S. Housing Market and Subprime Crisis.* Some of the problems encountered by the U.S. economy were driven by the downturn in the housing market. Historically, the housing market has been a key driver of the nation's economy with housing expenditures comprising nearly one fifth of the nation's gross domestic product. The housing market provides jobs not only for homebuilders, but also for mortgage providers, lawyers, real estate agents, hardware store employees, etc. A recession in the housing market could thus lead to a decline in the job market.

Due in part to questionable lending and home appraisal practices in the mortgage industry, the housing market experienced a downturn beginning in 2006, but the economic impact did not appear until 2007. Prices of new homes are dropping and the median value of an existing home declined during 2007. Inventories of unsold homes are at their highest level in 15 years and continue to rise.²¹

- ♦ *Taxpayer Assistance Blueprint (TAB).* Congress directed the IRS to examine the way it assists taxpayers who need help completing and filing returns. The IRS limited the scope of the initial study, *i.e.*, the TAB, to individual taxpayers. The TAB proposes moving taxpayers to self-assisted channels. This plan could increase TAS case receipts in areas where taxpayers need help and want face-to-face contact with an IRS employee.

C. Internal Influences (Strengths)

- ♦ *The TAS Office of Research.* The TAS Office of Research reports on topics such as the causes of taxpayer non-compliance, the cash

¹⁹ Federal Reserve Board, *2004 Survey of Consumer Finances* (2004). The Federal Reserve Board conducts the survey every three years. The 2007 survey has been conducted; however, the results are not yet available.

²⁰ U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States* 13 figure 4 (Aug.2006).

²¹ National Association of Realtors, Letter to the Federal Reserve System (Jan. 26, 2007).

economy, workload projection models, Earned Income Tax Credit (EITC) issues, and others included in the National Taxpayer Advocate's Annual Report to Congress. This work is important not only to TAS but to the IRS as well. The Commissioner recognized this value in 2008 by awarding TAS Research and several attorney advisors the 2008 Outstanding Achievement Award.

TAS uses research data to identify and recommend solutions to problems and systemic issues within the IRS, as well as to support strategic resource allocations with inventory projection models.

- ♦ *Low Income Taxpayer Clinics (LITCs)*. LITCs are a safety net that provides low income taxpayers with the representation and education they need while ensuring their rights are protected. TAS views access to representation as fundamental to protecting taxpayer rights. For taxpayers to voluntarily comply with their tax obligations and responsibilities, they must have access to information, to representation, and to TAS.
- ♦ *The Taxpayer Advocacy Panel (TAP)*. The TAP's primary functions are to solicit grassroots issues and to formulate recommendations for improving IRS service to taxpayers. TAP members represent a diverse cadre of taxpayers from all 50 states, the District of Columbia, and Puerto Rico.

D. Internal Influences (Weaknesses)

- ♦ *Case Receipts*. TAS case receipts increased from 168,856 in FY 2004 to 247,839 in FY 2007, an increase of nearly 47 percent over four years. TAS projects receipts to grow through FY 2013.
- ♦ *Attrition*. Nearly 25 percent of TAS employees were eligible to retire by December 31, 2007. This percentage will rise to over 30 percent by December 31, 2008, indicating an immediate need to hire new employees and more importantly, use current staff to train the new workforce in the necessary knowledge and skills.²²
- ♦ *Awareness of TAS: The Potential Underserved Population*. In 2007, approximately 27 percent of taxpayers surveyed said, when prompted, that they were aware that TAS existed and could help in resolving their problems with the IRS. This represents nearly a 25 percent increase from 2002 when TAS conducted its last prior

²² IRS Human Resources Reporting Center website, *Retirement Report* (Mar. 2008).

marketing survey. These results can be attributed to TAS's outreach campaign. At the same time, a large portion of the taxpayer population, an estimated 8.2 million to 12.6 million taxpayers, remains unaware of TAS.²³

IV. DEVELOPING A STRATEGIC PLAN FOR FISCAL YEARS 2009 – 2013

To strengthen the organization for the future, TAS focused on enhancing its strategic planning process during FY 2008. This included developing a strategic plan for FY 2009 – 2013 to support and complement both the Department of Treasury and IRS planning processes, aligning our goals, foundations, and strategies.²⁴ TAS drafted the following goals and foundations to serve as the basis for the TAS Blueprint and Strategic Plan:

- ◆ Resolve taxpayer problems accurately and timely;
- ◆ Become a known taxpayer advocacy organization;
- ◆ Protect taxpayer rights and reduce burden;
- ◆ Enhance TAS taxpayer accessibility; and
- ◆ Sustain and support a fully-engaged and diverse workforce.

The FY 2008 TAS Strategic Assessment, TAS Blueprint, and FY 2009 - 2013 TAS Strategic Plan are scheduled for release to our employees, the IRS, and stakeholders in FY 2008. Each of these products will serve an important role in shaping and guiding the future of TAS, as will our continued commitment to equal employment opportunity and diversity.

V. PROVIDING EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY INITIATIVES

TAS included specific Equal Employment Opportunity (EEO) and Diversity performance commitments in its FY 2007 and FY 2008 Operational Priorities for TAS leaders, to recruit and hire persons with disabilities. This important step integrates EEO and Diversity into the TAS Strategic Plan and strengthens management's accountability. In FY 2008, the goal calls for each Area Director to hire at least one individual with a disability, using a Schedule A excepted appointment.²⁵ The National Taxpayer Advocate

²³ Russell Research, *Report of Findings from 2007 Market Research for the Taxpayer Advocate Service*, Slide 8.

²⁴ See FY 2007-2012 Department of Treasury Strategic Plan.

²⁵ Schedule A appointments are authorized by the Office of Personnel Management and are governed by 5 C.F.R. § 213.3101. Agencies may make appointments under this

also asked TAS Headquarters Directors to take significant steps to hire persons with disabilities. The TAS EEO and Diversity Director worked with the Director, Advocate Hiring in TAS to provide TAS managers with the tools and resources to achieve this goal.

TAS formed an EEO and Diversity Advisory Committee in FY 2007 with members from all levels of the TAS workforce, who serve as liaisons between TAS EEO and Diversity and TAS Area offices. The committee also plays a key role in promoting and advancing EEO and Diversity awareness and sensitivity in TAS. In FY 2008, the committee will conduct a comprehensive self-assessment of EEO and Diversity in TAS, establish a process for recognizing TAS managers and employees who demonstrate outstanding support of TAS EEO and Diversity objectives, and examine challenges or conditions that may be impeding full participation by males in case advocate jobs.

TAS has made great strides toward achieving a model EEO and Diversity Program. With a workforce that is 80 percent female and 43 percent minority, TAS has one of the highest employment rates of women and minorities in the IRS. When compared with the 2000 Civilian Labor Force (CLF),²⁶ the participation level of every minority group in TAS is either substantially similar to or higher than the corresponding participation level in the CLF. Males, however, have traditionally had low levels of participation in the TAS workforce. Men make up 53 percent of the CLF but only 20 percent of the employees in TAS. Although TAS has struggled to attract men to GS 5/7/9/11 case advocate positions, male participation in the TAS workforce does show a significant increase at grades 12 and higher. Males make up 43 percent of TAS GS-14 and 15 positions and 31 percent of our managers and management officials.

The participation of minorities in TAS senior management positions has increased significantly during the past four years, from 31 percent at the end of FY 2003 to 40 percent at the end of FY 2007. TAS made notable gains for every minority group. As of the end of FY 2007, Hispanic employees were the only group in TAS whose participation level at the Senior Manager level was lower than their overall workforce participation. Although Hispanic representation at the Senior Manager level increased during FY 2007 from 1.4 percent to 4.2 percent, it is still substantially

section to positions which are not of a confidential or policy-determining character, and which are not in the Senior Executive Service. Positions filled under this authority are excepted from the competitive service and constitute Schedule A.

²⁶ The Civilian Labor Force represents the number of persons sixteen years of age or older employed or seeking employment. Civilian labor force statistics are developed by the Census Bureau.

lower than the overall workforce participation level for Hispanics of 11.3 percent. TAS will continue efforts to identify barriers to the low participation of Hispanic employees in senior manager positions.

As of February 2008, just over eight percent of the TAS workforce self-identified as having some type of disability. This number has fluctuated between eight and nine percent since the end of FY 2003. In addition to tracking the number of employees with any disability, the Equal Employment Opportunity Commission (EEOC) also requires that federal agencies report on the number of employees with targeted disabilities, including deafness, blindness, missing extremities, partial and complete paralysis, convulsive disorders, mental illness, distortion of the limbs and spine, and mental retardation. The number of TAS employees who report having one of these targeted disabilities has increased by 24 percent since FY 2003, from 25 to 31 at the end of February 2008, in spite of the attrition in TAS's overall workforce during that time.

TAS has also been an active employer of individuals from the Workforce Recruitment Program (WRP) for the past five years. The WRP is a recruitment and referral program that connects federal sector employers nationwide with students and recent graduates with disabilities, who are eager to prove their abilities in the workplace through summer or permanent jobs. Co-sponsored by the Department of Labor's Office of Disability Employment Policy (ODEP) and the Department of Defense, along with the participation of many other federal agencies, the WRP has provided employment opportunities for over 4,000 students since 1995. To date, TAS has hired 36 students and college graduates from the WRP, nine of whom were hired for or had their positions converted into permanent jobs in TAS. TAS has established a goal for FY 2008 to hire seven summer interns from the WRP. TAS will also consider individuals from the WRP for permanent case advocate and intake advocate positions. To further support the WRP, TAS provided a recruiter for the program in four of the past five years.

TAS implemented an Exit Survey for employees who voluntarily leave the organization. Survey participation levels have been strong, with over 60 percent of separating TAS employees submitting a completed survey as of December 2007. The top reasons cited for separating from TAS were level of job stress, workload, and promotion potential. Further analysis will continue throughout FY 2008.

In short, TAS works to provide equal employment opportunity and improved diversity which allow us to attract and retain a top-quality

workforce. We are also committed to training and developing these employees.

VI. DEVELOPING AND TRAINING TAXPAYER ADVOCATE EMPLOYEES AND LEADERS

TAS's effectiveness is driven by our employees and their ideas, their competencies, and their ability to effectively advocate for taxpayers. TAS will create training opportunities that maximize each employee's individual potential through customized learning solutions, while continuing to improve the knowledge, skills, and abilities of our workforce as a whole. TAS will provide ongoing technical training on a variety of topics including filing season readiness training and international tax issues. This includes technical training offered to all employees and managers at the TAS 2008 Technical Training Symposium in St. Louis, MO.

TAS established an initiative to develop its support staff by bridging gaps in training and improving managerial support. TAS held focus group interviews with support staff to identify barriers in their training and obtain recommendations for improvement, and followed up with surveys of support staff and their managers. In FY 2008, we will use this information to establish a training plan for both administrative and technical positions and develop a career path for support staff employees. We will present a career development course for support staff and their managers at the 2008 Symposium.

TAS is addressing its future leadership needs through the Frontline Leader and Senior Manager Readiness Programs. In FY 2008, we accepted 12 and nine future leaders into the two programs, respectively. These programs prepare our future managers by giving them training opportunities and challenging job assignments that allow them to learn and progress into their roles as leaders within the IRS.

TAS provides leadership orientation training to our new directors, headquarters managers, local taxpayer advocates, executive assistants, attorney advisors, and senior manager trainees. We implemented a leadership succession plan to assess and strengthen the skills of TAS senior managers who have expressed an interest in advancing to the executive level.

In FY 2009, TAS plans to:

- ◆ Provide blended training, using classroom and online learning, for new case advocates and intake advocates hired both internally and externally. TAS will achieve the goal of creating a high-performing workforce by offering timely, effective, and efficient training.
- ◆ Train analysts via the existing Service Wide Analyst Training (SWAT) program and make recommendations for additional training based on the TAS training needs assessment.
- ◆ Develop a “just-in-time” training approach using TAS-specific online learning modules and build a readily accessible repository of e-learning offerings for our employees.
- ◆ Strengthen the future TAS leadership pool by carrying out a viable Leadership Succession Review (LSR) at all management levels, and create individual career learning plans to prepare participants for leadership development programs.
- ◆ Develop a labor relations strategy that reflects current trends in conduct and performance-based actions, grievances, and third party appeals. Research and analysis of data from the Merit Systems Protection Board, overage case information, and IRS policies will help determine the primary labor relations issues pursued by both employees and the National Treasury Employees Union (NTEU). TAS will use this data to better inform and educate employees and managers on IRS policies to address and reduce any negative trends.

TAS is evaluating the usability and viability of the existing Four-Year Training Plan²⁷ to design training courses and coaching programs to enhance employees’ skills and prepare them for career advancement. In conjunction, TAS is continuing its efforts to implement a system to monitor and track developmental opportunities. These are just two of the automation projects underway as part of the continuous improvement of all our technologies and systems.

²⁷ The Four-Year Training Plan is a comprehensive program that allows an employee to chart his/her development and training via a web-based application. The initiative focuses on competencies that all TAS employees share (TAS Core topic areas), as well as competencies that are position specific. The goal is to give TAS employees the means to meet the technical competency requirements needed to perform their jobs successfully, while at the same time provide TAS with a strategically driven, responsive, and flexible training structure.

VII. IMPROVING TAS TECHNOLOGY AND SYSTEMS

TAS Business Systems Planning (BSP) performs several roles: supporting existing automation operations, planning and analyzing TAS's information technology (IT) needs, and executing plans and implementing new systems and enhancements to existing systems. BSP operates within the larger IRS IT infrastructure, including deployment of servicewide systems within TAS. Working with the IRS Division Information Officer (DIO), TAS BSP develops and implements service level agreements to ensure TAS business automation needs are met.

TAS will replace the existing Desktop Integration (DI) system with the Account Management Services (AMS) system in late FY 2008 to provide case advocates better access to information they need daily.

A. Desktop Integration (DI)

Desktop Integration provides access to multiple systems through a single computer terminal, allowing for an integrated desktop within TAS. Some of the benefits include generation of electronic referrals (*i.e.*, electronic Forms 911, *Electronic Application for Taxpayer Assistance Order*), inventory management, same day case assignment, nationwide histories, as well as being able to access other IRS systems and worksheets from one location. The ability to receive Forms 911 electronically from IRS employees has significantly reduced case assignment time.

B. Accounts Management Services (AMS)

Account Management Services (AMS) will replace Desktop Integration (DI) in late FY 2008. AMS will give users a consolidated view of tax account information collected from multiple systems through a single computer terminal. It will provide case advocates with timely account information to resolve issues or respond faster to a taxpayer's inquiry.

TAS users are scheduled to receive AMS release 2.1 in July 2009. While Account Management Services (AMS) is an IRS Information Technology Modernization initiative, it will provide TAS users with several key benefits.

First, the current Form e-911 will have a new congressional screen, which will decrease time required to manually load a congressional case on the Taxpayer Advocate Management Information System TAMIS.²⁸ Case

²⁸ TAS uses TAMIS to record, control, and process taxpayer cases, as well as to analyze the issues that bring taxpayers to TAS. TAMIS is a critical source of data for the

advocates will now be able to complete the taxpayer account information on the Form e-911 from the Integrated Data Retrieval System (IDRS), reducing the number of keystrokes needed to load a new Form e-911 to TAMIS.

AMS users will have access to the Correspondence Imaging Systems (CIS) documents and images. CIS provides our case advocates with the ability to view open and closed case files worked by the IRS and is expected to reduce the number of Operations Assistance Requests (OARs) needed to request a copy of an original or amended tax return. It will also give advocates the ability to view corrections to a taxpayer's return being processed.

Another benefit will be the greater accessibility of tax return document information filed by the taxpayer. This will reduce requests for the original Form 1040 return and attachments, allowing TAS to resolve inquiries sooner. An example is a refund inquiry where the taxpayer requested a direct deposit refund but never received it. A TAS employee will be able to view the taxpayer's return information online, reducing the wait time to secure an original return.²⁹

TAS will create new training material to help employees understand all of the uses of the application and how it will help them work cases more efficiently. TAS plans to train users no later than 30 days before the delivery of release 2.1, scheduled for July 2009. We furnish our employees not only with the systems and tools they need to be successful, but a workplace that provides for their safety and well-being.

VIII. PLANNING FOR BUSINESS CONTINUITY

TAS is responsible for developing, implementing, and maintaining comprehensive business resumption plans (BRPs).³⁰ The plans are designed to address various emergencies (such as fires or floods), events that may cause wide-scale destruction (such as a hurricane, tornado or other major disaster), and activities that threaten the security and safety of

National Taxpayer Advocate's Annual Report to Congress, for providing feedback to the IRS operating divisions, and for recommending changes to the tax laws and IRS processes and procedures.

²⁹ Except in certain situations where the signature of the taxpayer may be required.

³⁰ The National Security Presidential Directive (NSPD-51/HSPD-20) requires all agencies in the Executive Branch to utilize an integrated national continuity program to ensure the preservation of the government and the continuing performance of essential functions under all conditions.

our employees, property, or assets and possibly our ability to advocate for taxpayers in affected areas.

TAS will finalize its updated Headquarters Business Resumption Plan and formalize the procedures within Internal Revenue Manual (IRM) 10.56.10. The updated guidance and improvements will enable TAS to respond to taxpayers timely. Another principal effort within TAS is enhancing our Operations Assistance Request process with the IRS as we advocate for taxpayers.

IX. IMPROVING THE OPERATIONS ASSISTANCE REQUEST PROCESS

TAS issues Operations Assistance Requests (OARs) to the IRS operating divisions and functions when TAS does not have the statutory or delegated authority to take the actions necessary to resolve a case.³¹ TAS sends Form 12412, *Operations Assistance Request*, to the OD or function with the authority and responsibility for taking the requested actions. TAS established Service Level Agreements (SLAs) with each division and function that outline the procedures and responsibilities for processing TAS casework when the authority to complete case transactions rests outside of TAS.

To address delays in resolving taxpayer issues and reduce rework for both TAS and the IRS, TAS completed a number of initiatives in FY 2008 to reduce delays and errors in the OAR process:

- Updated the SLAs with the W&I and SB/SE divisions to:
 - ◆ Require the operating divisions to give TAS an opportunity to provide additional research or documentation before rejecting the OAR;³²
 - ◆ Require the operating divisions to update their addenda³³ listing names and contact information for liaisons within seven days of being notified of a change;³⁴

³¹ Delegated authorities, both administrative and procedural, are granted to the National Taxpayer Advocate by the Commissioner of Internal Revenue and are re-delegated to employees and management of TAS. This authority allows TAS to resolve routine cases in the same manner as other functions within the IRS exercising the same authority.

³² See § VIII, Paragraph (C) of the 2008 Service Level Agreement with W&I and § XI, Paragraph (C) of the SB/SE 2008 Service Level Agreement.

- ◆ Prohibit the operating divisions from rejecting an OAR as misrouted if the misrouting was due to the operating division's failure to timely update its addendum;³⁵
 - ◆ Allow transmission of OARs via various methods, including fax and encrypted e-mail; and
 - ◆ Allow for acceptance of an OAR without supporting documentation when the documentation is voluminous or involves original documents that will not be transmitted until routing is confirmed.³⁶
- TAS revised the IRM that provides guidance to employees regarding the OAR process to:
 - ◆ Clearly define completion dates; and
 - ◆ Instruct case advocates to use the most expeditious method to submit an OAR (*i.e.*, fax or encrypted e-mail), whenever possible.³⁷
 - Analyzed rejected OARs to determine common causes and provided training and clarification on processes with high rates of rejected OARs to TAS employees. The training included step-by-step demonstrations of how to research TAS and IRS websites to properly route OARs, using the most up-to-date and accurate information available.
 - Continued to develop and maintain an online guide for routing OARs to campus operations;
 - Provided timely announcements of changes to IRS programs and processes that impact routing of OARs through a weekly all-employee newsletter and special bulletins;

³³ The addenda are supplemental documents to the Service Level Agreements that provide specific information on where to send OARs.

³⁴ See § V, Paragraph (E) of the 2008 Service Level Agreements with SB/SE and W&I.

³⁵ See § VIII, Paragraph (B) of the 2008 Service Level Agreement with W&I and § XI, Paragraph (B) of the 2008 Service Level Agreement with SB/SE.

³⁶ See § VII, Paragraph (B) of the 2008 Service Level Agreement with W&I and § X, Paragraph (B) of the 2008 Service Level Agreement with SB/SE.

³⁷ IRM 13.1.7 (July 23, 2007).

- Centralized OARs submitted to the Office of Appeals³⁸ and the Criminal Investigation (CI) division to improve efficiency, reduce delays, and eliminate routing confusion; and
- Continued to pursue centralization of OARs with other IRS business units to improve efficiencies and eliminate routing problems.

The OAR process allows TAS to track and monitor our communications requesting IRS take certain actions to resolve taxpayer issues. TAS uses many other types of communications with the IRS, taxpayers, and stakeholders to improve TAS education, awareness, outreach to meet its mission.

X. PROVIDING COMMUNICATIONS AND OUTREACH

The TAS Office of Communications and Liaison (C&L) coordinates and implements marketing strategies to inform stakeholders and external customers about TAS. In addition to maintaining a TAS presence on the IRweb and IRS.gov, C&L is responsible for the Congressional Affairs Program (CAP), Communications Liaison Group (CLG), outreach (internal and external), TAS education and awareness, marketing campaigns, media relations, and other communication vehicles and products. C&L also develops TAS Standard Language to communicate the TAS mission and purpose in various publications, forms, and brochures.³⁹

A. Congressional Outreach

C&L collaborated with internal and external stakeholders to publicize the release of the National Taxpayer Advocate's 2007 Annual Report to Congress (ARC). TAS placed articles in TreasNet, the IRS's *Congressional Newsletter Update*, and in the Headlines area of the IRS intranet home page.

C&L also developed a "poll question" for IRS employees to coincide with the release of the ARC.⁴⁰ The ARC poll question appeared on the IRS

³⁸ The reject rate of OARs to Appeals for all of FY 2007 was 25.3 percent. During the first quarter of FY 2007, the reject rate was as high as 28.3 percent. After centralization, the reject rate of OARs to Appeals for the first quarter of FY 2008 has dropped to 14.8 percent, an improvement of 47.7 percent.

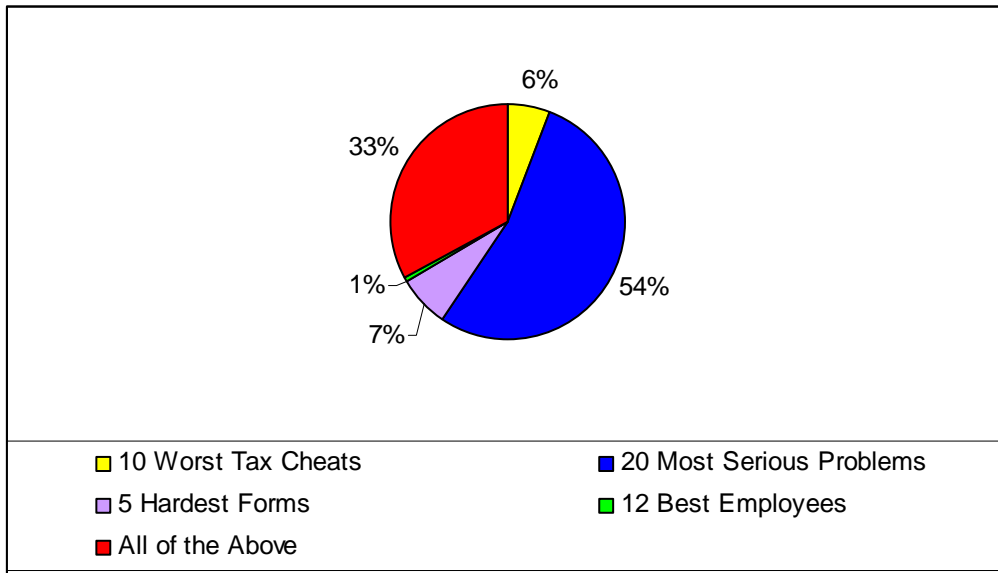
³⁹ Appendix A-I – Taxpayer Advocate Service Standard Language.

⁴⁰ These questions appear weekly on the IRweb (intranet) homepage, and may deal with tax issues, history, or current events (e.g., Black History Month).

intranet homepage on Friday, January 11, 2008. That day, C&L ran an article in a weekly newsletter for TAS managers, informing them that the question was live and encouraging them and their employees to participate. Results show that 15,450 IRS employees responded to the question, which made it one of the top ten questions posed so far this fiscal year (55 questions this year as of May 31, 2008). The poll questions and results are below.

Poll question: *“The Internal Revenue Code requires the National Taxpayer Advocate to report what to Congress annually?”⁴¹*

Chart 1, “What do you think?” IRS Employee Poll Results



B. Congressional Affairs Program

TAS held the annual Leadership and Congressional Affairs Program (CAP) conference in Washington, DC, February 11 – 13, 2008. The Local Taxpayer Advocates scheduled meetings with their respective congressional offices to deliver and discuss the ARC. Before the conference, TAS trained its new Local Taxpayer Advocates on how to conduct successful and productive meetings with members of Congress and their staffs.

The discussions at the conference highlighted two of the Most Serious Problems facing taxpayers in the 2007 Annual Report: the tax

⁴¹ See “What do you think?” employee poll on IRWeb (Jan. 11, 2008). Total exceeds 100 percent due to rounding. The correct answer is: 20 Most Serious Problems.

consequences of cancellation of debt income⁴² and mortgage verification.⁴³ TAS subsequently provided Local Taxpayer Advocates with computer diskettes containing individual tax filing statistics by state, stratified by congressional districts, to send to congressional members as a follow-up to their meetings in Washington, DC. Local Taxpayer Advocates will conduct similar outreach meetings with local congressional offices throughout the year. TAS is planning the 2009 CAP conference and developing the individual filing statistics by state for next year.

C. Economic Stimulus Payments

TAS devoted significant time and resources to providing Economic Stimulus Payment (ESP) material and information to internal and external stakeholders and taxpayers. President Bush signed the Economic Stimulus Act of 2008⁴⁴ into law while the local advocates were in Washington, DC, delivering the 2007 ARC during their visits to Capitol Hill. The Local Taxpayer Advocates were provided talking points regarding ESP equipping them to address any questions from congressional staffs.

C&L participated on the IRS communications team, sponsored a TAS team, and immediately began delivering updated information to TAS employees and managers through weekly e-mail newsletters addressing many issues surrounding ESPs. Conference calls were scheduled weekly with the TAS team to prepare a consolidated plan and provide all TAS functions the most current information. TAS created a special page for all employees on its intranet website to provide information and case-related guidance about the payments, and established a separate electronic mailbox to control and elevate questions to the appropriate areas of the IRS and post responses.

C&L provided Taxpayer Advocacy Panel (TAP) members and the Low Income Taxpayer Clinics (LITC) information and links to the IRS.gov website regarding ESPs. In addition, TAS invited all LITCs to a nationwide phone forum on March 6, 2008 to address questions and concerns. Guest speakers from IRS C&L, the IRS Office of Chief Counsel, and the W&I Customer Assistance, Relationships, and Education (CARE) organizations participated in the call using TAS's talking points.

C&L created an Economic Stimulus page on the TAS pages of IRS.gov,⁴⁵ and provided an e-mail address for taxpayers to elevate questions. C&L

⁴² National Taxpayer Advocate 2007 Annual Report to Congress 13.

⁴³ *Id.* at 116.

⁴⁴ Pub. L. No. 110-185, 122 Stat. 613 (Feb. 13, 2008).

⁴⁵ Available at <http://www.irs.gov/advocate/article/0,,id=179751,00.html>.

also developed talking points and helped to produce a TAScast (*i.e.*, podcast) featuring the National Taxpayer Advocate providing facts about ESP for taxpayers who normally are not required to file returns but must do so this year to receive the ESP.

D. Outreach Strategies and Tools

TAS issued local outreach plans and guidelines for FY 2008 to Local Taxpayer Advocates to improve TAS's ability to identify and respond to taxpayer concerns, and identify significant sources of TAS casework. To assist in this effort, many tools are available for use by local advocates.

The redesigned Advocate Tool Kit serves as Local Taxpayer Advocates' one-stop outreach resource for grassroots, congressional, practitioner, small business, and other outreach events. It includes PowerPoint presentations, speaker notes, a poster describing TAS, a specialized flyer for internal outreach to IRS employees, and a myriad of other marketing materials that promote successful outreach to internal and external stakeholders, and taxpayers.

For outreach to IRS employees, C&L prepared a TAS and Taxpayer Rights Instructor Guide and Student Guide for a Continuing Professional Education (CPE) for Wage and Investment (W&I) Accounts Management employees. TAS also produced *Working with the Taxpayer Advocate Service*, a ten-minute DVD featuring an overview of TAS case acceptance criteria and the TAS case referral process, for internal outreach.

This year, W&I included a TAS training requirement in its training plan. Many LTAs have initiated contact with W&I to coordinate participation in these sessions.

E. Marketing Campaign and External Outreach

TAS has identified three contracting tasks needed to market TAS to taxpayers. C&L will work two tasks with an outside vendor: (1) preparing a satellite media tour and (2) developing marketing products. C&L will pursue the third task, maintaining TAS's web-based toolkits (Electronic Press Kit, Advocate Toolkit, and Tax Toolkit) with another vendor.

TAS continues to develop and deploy a campaign targeting several underserved taxpayer segments identified in the 2007 Russell Research market analysis: *financially distressed; low income singles; low income families, and middle income families*. Other segments, identified through TAS research analysis or at the discretion of the National Taxpayer

Advocate, may include small business owners, practitioners, and military taxpayers. All local TAS offices are participating in the campaign, which will roll out in the third and fourth quarters of FY 2008. TAS presented the revised outreach strategy to Local Taxpayer Advocates and leadership at the CAP Conference in February 2008.

TAS provided LTAs, the TAP, and LITCs with copies of the Tax Toolkit (TTK) DVD developed in conjunction with the IRS's SB/SE and W&I operating divisions. The DVD, which incorporates the Spanish version of Publication 4580, *Basic Tax Responsibility*, covers seven general tax topics in Spanish with English subtitles. It explains the role of TAS to assist LITCs, the TAP, and the taxpayers they serve. The online version of the Tax Toolkit covers 15 general tax topics in English and Spanish. The print version, Publication 4659, *Taxes: What You Need to Know, Responsibilities and Benefits*, contains the 15 topics from the online toolkit and two additional pages: *Taxpayer Advocate Service - Your Voice at the IRS*, and *Low Income Taxpayer Clinics*. Like the online version, the print publication is available in Spanish (publication 4659SP).

TAS also provided special guidance for LTAs about conducting their required LITC site assistance visits and shared information with the communication directors of other IRS units (via the Advocate Toolkit) to disseminate through their stakeholder groups.

F. National Taxpayer Advocate Satellite Media Tour and Other Media Coverage

On January 24, 2008, National Taxpayer Advocate Nina Olson held her annual satellite media tour by conducting interviews with 19 television and radio networks and stations around the country to discuss the 2007 Annual Report to Congress and TAS's role in resolving tax problems.⁴⁶ Highlights of the National Taxpayer Advocate's virtual trip included:

- National interviews with Wall Street Journal Radio and the USA Radio Network;
- Local radio interviews, including stations in Atlanta, Philadelphia, Sacramento, and Washington, DC; and
- Local television interviews, including the Austin, Grand Rapids (Michigan), Tampa, and Wichita markets.

⁴⁶ Porter Novelli, *Multiview Report* (vendor report on coverage of satellite media tour) (Feb. 19, 2008).

The interviews reached a potential audience of 11.3 million with a projected media value of \$251,353. Additionally, TAS issued an audio news release of the National Taxpayer Advocate's ARC that generated 6,324 additional airings with a potential audience of 81.9 million. TAS also issued a multimedia news release of the National Taxpayer Advocate's ARC with the potential to generate additional coverage via the Internet.

G. Nationwide Tax Forums Case Resolution Room

The Case Resolution Room at each year's IRS Nationwide Tax Forums is staffed primarily by TAS case advocates and managers, with support from the W&I and SB/SE operating divisions, providing an opportunity for practitioners to resolve difficult cases. In 2007, the program resolved 1192 of 1301 cases for a 92 percent resolution rate. TAS retains all cases not resolved onsite.

H. Promoting Access to TAS⁴⁷

C&L continues to develop marketing material for offices to use in the targeted areas for promoting the re-branded intake line. For example, TAS developed the new Publication 1546-EZ, *Taxpayer Advocate Service - Your Voice at the IRS*, which describes the role of TAS and how to contact us. Additional efforts to strengthen this objective include working with the IRS's Multilingual Strategy Office to translate Publication 1546 into French and Creole, with a tentative release date of June 2008; producing TAScasts (*i.e.*, podcasts) of the National Taxpayer Advocate discussing TAS and its role and services, with emphasis on the re-branding message developing a poster regarding taxpayers rights for posting in all Taxpayer Assistance Center (TAC) lobbies; and revitalizing the government listings initiative within the IRS to place correct phone listings in directories across the country as their government listings are updated.⁴⁸

C&L's operational priorities for FY 2009 include deploying and maintaining TAS's new intranet site. Also, in support of TAS's goal of becoming a known and accessible taxpayer assistance organization, C&L will continue its outreach and marketing campaign to targeted segments of the

⁴⁷ National Taxpayer Advocate Fiscal Year 2008 Objectives Report to Congress xxxiii.

⁴⁸ In several TAScast videos, the National Taxpayer Advocate urges taxpayers to call the rebranded 1-877-ASK-TAS1 number if they are facing economic harm or other tax problems. One script says in part, "You can contact the Taxpayer Advocate Service by calling or writing your local taxpayer advocate, whose address and phone number are listed in the government listings in your local phone book, or call the TAS toll-free case intake line at 1-877-ASK-TAS1."

population, deliver key messages to targeted audiences on the issues identified in the National Taxpayer Advocate's 2008 Annual Report to Congress (ARC), and educate IRS employees about taxpayer rights and the role of TAS.

Challenges include making TAS's website fully compliant with § 508 of the Rehabilitation Act;⁴⁹ funding the development and deployment of outreach products, toolkits, and marketing strategies; transcreating TAS marketing materials in languages other than English to meet the diverse needs of the taxpaying public; and training employees about where to find information on the new website.

I. Recruitment Initiative⁵⁰

C&L developed a recruitment folder to support the hiring initiative and help bring new employees to TAS. This material includes general information about TAS, applying for a job with the IRS, how to become a Taxpayer Advocate, quick tips on the USAJOBS (Office of Personnel Management) registration process, and job descriptions for TAS intake advocate and case advocate positions. TAS also collaborated with IRS's Human Capital Office to have TAS's recruitment information posted to several pages of the IRS employment website (www.jobs.irs.gov).

⁴⁹ 29 U.S.C. § 794.

⁵⁰ National Taxpayer Advocate Fiscal Year 2008 Objectives Report to Congress xviii.

APPENDIX A-I: TAXPAYER ADVOCATE SERVICE STANDARD LANGUAGE

Standard TAS Language for use in publications/forms/brochures/websites (Long, Medium, and Short versions depending on space available)

TAS Mission Statement

As an independent organization within the IRS, we help taxpayers resolve problems and recommend changes that will prevent the problems.

TAS Standard Language:

Long Version with Bullets

The Taxpayer Advocate Service is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. You may be eligible for assistance if:

- You are experiencing economic harm or significant cost (including fees for professional representation),
- You have experienced a delay of more than 30 days to resolve your tax issue, or
- You have not received a response or resolution to the problem by the date that was promised by the IRS.

The service is free, confidential, tailored to meet your needs, and available for businesses as well as individuals. There is at least one local taxpayer advocate in each state, the District of Columbia, and Puerto Rico.

Because advocates are part of the IRS, they know the tax system and how to navigate it. If you qualify, you will receive personalized service from a knowledgeable advocate who will:

- Listen to your problem,
- Help you understand what needs to be done to resolve it, and
- Stay with you every step of the way until your problem is resolved.

You can contact the Taxpayer Advocate Service by:

- Calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059,
- Calling or writing your local taxpayer advocate, whose address and phone number are listed in the government listings in your local telephone directory and in Publication 1546, Taxpayer Advocate Service – Your Voice at the IRS.
- Filing Form 911, Request For Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), with the Taxpayer Advocate Service, or
- Asking an IRS employee to complete Form 911 on your behalf.

To get a copy of Form 911 or learn more about the Taxpayer Advocate Service, go to www.irs.gov/advocate.

Medium

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

You can contact the Taxpayer Advocate Service by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059 to determine whether you are eligible for assistance. You can also call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Publication 1546, Taxpayer Advocate Service – Your Voice at the IRS. You can file Form 911, Request For Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), or ask an IRS employee to complete it on your behalf. For more information, go to www.irs.gov/advocate.

Short

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that 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 case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Standard TAS Language for use in most Notices

If you are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, you may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

LITC Language**Low Income Taxpayer Clinics (LITCs)**

LITCs are independent organizations that provide low income taxpayers with representation in federal tax controversies with the IRS for free or for a nominal charge. The clinics also provide tax education and outreach for taxpayers who speak English as a second language. Pub. 4134, Low Income Taxpayer Clinic List, provides information on clinics in your area. It is available at www.irs.gov or your local IRS office.



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