

TAS Uses Taxpayer Advocate Directives to Advocate for Change

IRS Delegation Order 13-3 authorizes the National Taxpayer Advocate to issue a Taxpayer Advocate Directive (TAD) “to mandate administrative or procedural changes to improve the operation of a functional process or to grant relief to groups of taxpayers (or all taxpayers) when implementation will protect the rights of taxpayers, prevent undue burden, ensure equitable treatment or provide an essential service to taxpayers.”¹ IRC § 7803(c)(2)(B)(ii)(VIII) requires the National Taxpayer Advocate to identify in her Annual Report to Congress any TAD “which was not honored by the Internal Revenue Service in a timely manner.”²

Under the Delegation Order, the authority to issue a TAD is provided solely to the National Taxpayer Advocate and may not be redelegated. Before the National Taxpayer Advocate may issue a TAD, the Internal Revenue Manual (IRM) generally requires that she issue a “proposed TAD” to apprise senior IRS leaders of her concerns and give them an opportunity to address them.³

TAXPAYER ADVOCATE DIRECTIVES ISSUED IN FY 2020

The National Taxpayer Advocate did not issue any TADs in FY 2020. However, she did issue three proposed TADs. Working collaboratively, TAS and the IRS were able to resolve the National Taxpayer Advocate’s concerns before any formal TADs were issued.⁴ The proposed TADs recommended the IRS take the following actions:

- Proposed Taxpayer Advocate Directive 2020-1 (*Whether the IRS’s Proposed Change to CP Notice 14 Harms Taxpayers and Is Inconsistent With the Requirements of the IRS Restructuring and Reform Act of 1998 (RRA 98) and the Taxpayer First Act (TFA)*)
- Proposed Taxpayer Advocate Directive 2020-2 (*Develop a Process to Immediately Correct Economic Impact Payment Amounts to Eligible Individuals*)
- Proposed Taxpayer Advocate Directive 2020-3 (*Develop a Process to Immediately Address the Backlog of TAS Operations Assistance Requests (OARs) Directed to W&I Submission Processing*)

1 IRM 1.2.2.12.3, Delegation Order 13-3 (formerly DO-250, Rev. 1), Authority to Issue Taxpayer Advocate Directives (Jan. 17, 2001).

2 Section 1301 of the Taxpayer First Act, Pub. L. No. 116-25, 133 Stat. 981 (2019), amended IRC § 7803(c) to codify the process for the IRS to respond to a TAD, how the National Taxpayer Advocate may appeal a modified or rescinded TAD, and a reporting requirement for any TAD not honored by the IRS.

3 See IRM 13.9.1.3(2), The TAD Process (Oct. 8, 2020).

4 Under IRM 13.9.1, Procedures for Taxpayer Advocate Directives (Oct. 8, 2020), a proposed TAD is a written communication from the National Taxpayer Advocate that recommends action (or forbearance of action) to address a systemic problem that affects multiple taxpayers that TAS has brought to the attention of the responsible head of office.