

Taxpayers Face Significant Difficulty Reaching IRS Representatives Due to Outdated Information Technology and Insufficient Staffing

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TAXPAYER RIGHTS IMPACTED¹

- *The Right to Be Informed*
- *The Right to Quality Service*
- *The Right to Privacy*
- *The Right to a Fair and Just Tax System*

EXPLANATION OF THE PROBLEM

The ability to speak to an IRS employee and receive quality service, whether over the phone or in person, is critical to meeting taxpayer needs as part of the IRS's mission to provide "top quality service."² However, the IRS's level of service (LOS) on IRS phone lines remains low,³ and more Taxpayer Assistance Center (TAC) offices have closed in the last two years.⁴ The pandemic only exacerbated this problem. To improve customer service, the IRS must update its technology to support innovative tools for assisting and communicating with taxpayers and increase its levels of staffing and future workforce hiring to support taxpayers. Although this

1 See Taxpayer Bill of Rights (TBOR), www.TaxpayerAdvocate.irs.gov/taxpayer-rights. The rights contained in the TBOR are also codified in the IRC. See IRC § 7803(a)(3).

2 IRS, The IRS Mission, <https://www.irs.gov/about-irs/the-agency-its-mission-and-statutory-authority> (last visited July 31, 2020).

3 IRS's Fiscal Year (FY) 2020 budget for Taxpayer Services supported an LOS of 60 percent. IRS, Pub. 4450, Congressional Budget Justification & Annual Performance Report and Plan Fiscal Year 2021, at 12 (Feb. 2020).

4 Between 2011 and 2014, the number of TACs declined from 401 to 382, and the number of TACs with zero or one full-time employee increased from 37 to 80. IRS Wage and Investment Division (W&I) response to TAS information request (Dec. 23, 2014). As of the end of calendar year (CY) 2017, the IRS operated 371 TACs in 50 states, the District of Columbia, and Puerto Rico. Nina E. Olson, Overall the Filing Season at Taxpayer Assistance Centers Ran Smoothly, But Room for Improvement Remains, NATIONAL TAXPAYER ADVOCATE BLOG, www.taxpayeradvocate.irs.gov/news/ntablog-overall-the-filing-season-at-taxpayer-assistance-centers-ran-smoothly-but-room-for-improvement-remains/ (July 11, 2018). There are currently 358 TACs. IRS response to TAS information request (Sept. 30, 2020).

Most Serious Problem focuses on telephone and in-person service, other Most Serious Problems in this report will discuss additional aspects of the omnichannel approach to customer service.⁵

ANALYSIS

The Taxpayer First Act Provides a Great Opportunity to Reimagine Customer Service

Congress is aware of low levels of IRS customer service and has annually approved budgets with projected low telephone LOS. However, in July 2019, it passed the Taxpayer First Act (TFA),⁶ requiring the IRS to create and submit a comprehensive customer service strategy to Congress, which the IRS plans to deliver in December 2020.⁷ This is the perfect time for the IRS to rethink and implement its new approach to customer service. In the private sector, companies take bold and innovative approaches to reach customers, and the IRS can be creative, too.⁸

One TFA strategy proposal is its plan to create a “concierge,” or seamless, service for taxpayers, which the National Taxpayer Advocate wholeheartedly endorses. Once implemented, this system would greatly improve taxpayers’ experience by allowing them to efficiently get their problem solved using their preferred method of communication to work with the IRS. The IRS strategy provides:

[A] taxpayer could begin their journey on IRS.gov, then could shift to ‘click-to-call’ or chat options to engage an assistor without leaving the channel they initially entered. With the introduction of Artificial Intelligence (AI) and robotics, the IRS would assist in diagnosing issues not resolved on the web and shepherd the taxpayer to a “concierge” type assistor, proactively. If the account issue is complex in nature, the concierge would escalate the issue to a subject matter expert (SME). If a SME is not readily available, the concierge would use an appointment process or callback technology to facilitate the transition between interactions and make the process seamless for the taxpayer.⁹

A concierge system will considerably improve customer service, but the IRS faces several challenges to make it work. First, the IRS is working to develop its Enterprise Case Management (ECM) system, which will consolidate various information and case management systems across the IRS and replace them with a cloud-based case management system.¹⁰ But due to the lack of a dedicated multiyear funding commitment, the process will be slow to final completion based upon the number of existing standalone systems that the IRS must replace. Without such a system, a customer service representative (CSR) lacks the taxpayer’s complete

5 See Most Serious Problem: *Information Technology Modernization: Antiquated Technology Jeopardizes Current and Future Tax Administration, Impairing Both Taxpayer Service and Enforcement Efforts*; Most Serious Problem: *Digital Communications: Limited Digital Communications With the IRS Make Problem Resolution Unnecessarily Difficult for Taxpayers*; Most Serious Problem: *E-Filing and Digitalization Technology: Failure to Expand Digitalization Technology Leaves Millions of Taxpayers Without Access to Electronic Filing and Wastes IRS Resources*; Most Serious Problem: *Online Records Access: Limited Electronic Access to Taxpayer Records Through an Online Account Makes Problem Resolution Difficult for Taxpayers and Results in Inefficient Tax Administration, infra.*

6 TFA, Pub. L. No. 116-25, 133 Stat. 981 (2019).

7 See TFA, Pub. L. No. 116-25, § 1101, 133 Stat. 981 (2019).

8 For instance, Capital One has begun creating a presence in communities by building cafes that offer traditional banking services as well as financial coaching classes and workshops. However, the cafes also provide space for community events, all within a coffee shop environment. Capital One, *Nine Things You Can Do at a Capital One® Café* (Oct. 24, 2020), <https://www.capitalone.com/learn-grow/money-management/explore-capital-one-cafes/>.

9 IRS, FY 2022 Treasury Departmental Budget Submission 13 (June 5, 2020).

10 See also Most Serious Problem: *Information Technology Modernization: Antiquated Technology Jeopardizes Current and Future Tax Administration, Impairing Both Taxpayer Service and Enforcement Efforts, infra*; IRS, *IRS Creates New Enterprise Digitalization and Case Management Office*; Smith, Abold-LaBreche to Serve as Co-directors (July 21, 2020), <https://www.irs.gov/newsroom/irs-creates-new-enterprise-digitalization-and-case-management-office-smith-abold-labreche-to-serve-as-co-directors>.

taxpayer history. In fact, with the implementation of a robust ECM that is widely available online, taxpayers could efficiently answer their own questions in some instances.¹¹

Second, to be effective, the concierge system will require higher-grade employees who are well-trained on technical issues and possess a strong working knowledge of IRS systems and routes of possible resolution for a wide variety of procedural and technical issues. It will need to ensure CSRs are trained to effectively communicate with taxpayers so that the nature of the taxpayer's problem is quickly identified and fully understood. Employees will need training on the various areas of the IRS so that they have competency to quickly route the taxpayer to the correct subject matter expert or proper function within the IRS.

The IRS Faces Challenges Before It Can Make Improvements

Level of Service Measurements Do Not Accurately Portray a Taxpayer's Experience With the IRS

The IRS received about 100.5 million telephone calls in FY 2020.¹² Calls to the Accounts Management (AM) telephone lines account for over 82 percent of all "Enterprise Total" calls in FY 2020, as these lines are where taxpayers go for answers to tax law questions, account inquiries, adjustments to accounts, and resolution of the "majority of issues and questions" to settle accounts.¹³

The IRS uses the CSR LOS as the rate of success a taxpayer has in reaching a CSR. However, this measure does not account for the total number of taxpayer calls the IRS receives or the time it took the average taxpayer to reach a CSR.¹⁴ The current budget requested by the IRS and approved by Congress targets LOS measurements for FY 2021 at 60 percent, which is an acknowledgement that the IRS and Congress expect that four out of every ten taxpayers calling the IRS cannot get through to a CSR due to staffing issues.¹⁵ This projection for FYs 2020 and 2021, which will likely be lower for FY 2020 due to the COVID-19 pandemic, is a decrease from previous years.¹⁶ Figure 1.2.1 shows a breakdown of the LOS on some of the main telephone lines.

11 See Most Serious Problem: *Information Technology Modernization: Antiquated Technology Jeopardizes Current and Future Tax Administration, Impairing Both Taxpayer Service and Enforcement Efforts, infra.*

12 IRS, Joint Operations Center (JOC) Snapshot Reports, Enterprise Total (week ending Sept. 30, 2020).

13 IRS, JOC, Snapshot Reports: Enterprise Snapshot (week ending Sept. 30, 2020), Internal Revenue Manual (IRM) 21.1.1.3, Responsibilities - Accounts Management, Compliance Services and Field Assistance (Oct. 1, 2020). Enterprise total refers to the total number of calls the IRS receives on its toll-free assistance lines. National Taxpayer Advocate 2017 Annual Report to Congress 22, 24 (Most Serious Problem: *Telephones: The IRS Needs to Modernize the Way It Serves Taxpayers Over the Telephone, Which Should Become an Essential Part of an Omnichannel Customer Service Environment*).

14 The IRS's formula for determining LOS is more complex than just number of calls received divided by number of calls answered. The CSR LOS formula is: (Assistor Calls Answered + Automated Calls Answered (Info Messages)) divided by (Assistor Calls Answered + Automated Calls Answered (Info Messages) + Emergency Closed + Secondary Abandons + (Add either Calculated Busy Signal OR Network Incompletes) + (Add either Calculated Network Disconnects OR Total Disconnects)). IRS, JOC, Snapshot Reports: Enterprise Snapshot (week ending Sept. 30, 2020). In contrast to the LOS measure, the Treasury Inspector General for Tax Administration (TIGTA) has noted that other agencies with similar telephone lines look at the "Level of Access," an indicator that reflects the total of all callers seeking assistance that ultimately receives the assistance from IRS. See TIGTA, Ref. No. 2019-40-041, *Telephone Performance Measures Do Not Provide an Accurate Assessment of Service to Taxpayers* (June 2019).

15 IRS, Pub. 4450, Congressional Budget Justification & Annual Performance Report and Plan Fiscal Year 53 (Feb. 2020). W&I plans to deliver a FY 2021 CSR LOS of 50 percent and a Filing Season CSR LOS of 55 percent. This will result in essentially five out of every ten taxpayers calling the IRS to not be able to get through to a CSR. IRS response to TAS fact check (Nov. 16, 2020).

16 The LOS had a low of 38.1 percent in FY 2015 but had risen to 75.9 percent in FY 2018. IRS, Pub. 4450, Congressional Budget Justification & Annual Performance Report and Plan Fiscal Year 114 (Feb. 2020).

FIGURE 1.2.1, Call Attempts, Calls Answered, and LOS for IRS Phones, FYs 2018-2020¹⁷

Line and Measure	FY 2018	FY 2019	FY 2020	Percent Change From FY 2019 to FY 2020
Enterprisewide Call Attempts	98,532,231	99,373,456	100,514,299	1.1%
Enterprisewide Assistor Calls Answered	34,703,578	28,558,862	24,192,386	-15.3%
Enterprisewide LOS	68.96%	56.23%	51.17%	-9.0%
AM Call Attempts	77,715,282	76,814,886	82,578,446	7.5%
AM Assistor Calls Answered	25,295,849	21,257,015	17,852,748	-16.0%
AM LOS	75.92%	65.42%	53.15%	-18.8%
Consolidated ACS Call Attempts	12,073,311	15,033,568	11,995,745	-20.2%
Consolidated ACS Assistor Calls Answered	5,924,227	4,663,706	4,206,875	-9.8%
Consolidated ACS LOS	52.71%	34.27%	39.83%	16.2%
PPS (Practitioner Priority Service) Call Attempts	3,099,832	3,484,100	4,775,636	37.1%
PPS Assistor Calls Answered	2,233,960	2,139,275	1,875,399	-12.3%
PPS LOS	84.88%	78.29%	56.28%	-28.1%

The IRS’s use of the LOS measure to gauge the customer experience is misplaced. The Treasury Inspector General for Tax Administration (TIGTA) noted that, “[t]he LOS only measures the success rate of access to the telephone system using the number of calls answered by CSRs.”¹⁸ The COVID-19 pandemic demonstrated one deficiency with the IRS’s LOS measurement when the IRS reported 100 percent LOS on closed AM phone lines because all callers received a recorded message.¹⁹ This shows that the IRS must change its measurement for LOS before it can identify where to focus its improvements. However, the IRS does not intend to change how the LOS is measured and instead is working to improve the LOS numbers.²⁰

First Contact Resolution as a Customer Satisfaction Measurement

There are additional ways to measure taxpayers’ experience when contacting the IRS. According to TAS research, the primary drivers for telephone satisfaction were the time it took to get through on the phone and

17 IRS, JOC, Snapshot Reports: Enterprise Snapshot, Executive Level Summary (week ending Sept. 30, 2019); IRS, JOC, Snapshot Reports: Enterprise Snapshot, Executive Level Summary (week ending Sept. 30, 2020).

18 TIGTA, Ref. No. 2019-40-041, *Telephone Performance Measures Do Not Provide an Accurate Assessment of Service to Taxpayers 7* (June 12, 2019).

19 National Taxpayer Advocate Fiscal Year 2021 Objectives Report to Congress 18 (Systemic Advocacy Objective: *Protecting the Rights of Taxpayers Impacted by the COVID-19 National Emergency and Restoring Much-Needed Taxpayer Services*). The phone lines were shut down during the pandemic, but since all taxpayers got through and received an automated message, the LOS measured at 100 percent.

20 IRS response to TAS information request (Sept. 30, 2020). The IRS reports that changes to improve the LOS measurement include such things as hiring staff, opening a new call site, redesigning notices, text chatting, utilizing callback technology, upgrading functionality for Online Payment Agreement and Online Account applications, and processing IRM changes.

the number of steps required to get to someone who could help.²¹ Likewise, “first contact resolution” (or FCR) is a metric strongly tied to high customer satisfaction.²² It measures “the percentage of all calls that are resolved on the first attempt, without the agent needing to refer the customer to a colleague, their manager or calling the customer back.”²³ A majority (77 percent) of respondents to the FY 2020 survey of customer satisfaction on the AM line reported that their call eliminated the need for future calls; that group reported an overall satisfaction of 90 percent.²⁴ However, respondents who reported needing to make additional calls only reported a general satisfaction rate of 70 percent.²⁵ The most suggested improvement on that survey after “other” was if the IRS could resolve the taxpayer’s issue.²⁶ Using FCR in the IRS customer service plan will more accurately gauge the taxpayer’s experience when calling the IRS and could lead to more fine-tuned improvements.

The IRS Should Expand Callback Technology to All Phone Lines

The IRS has identified many of the technological updates needed to create a concierge system. For instance, customer callback technology (“callback”) is “an automated service that lets taxpayers choose between waiting on the line or receiving a call back when an assistor is available.”²⁷ It allows the taxpayer the flexibility of receiving a call back from the IRS instead of waiting on hold for the next representative.

The IRS concluded the first phase of Customer Callback technology testing on August 30, 2019.²⁸ In FY 2019, IRS customer callback saved taxpayers contacting certain IRS telephone lines regarding their balance due an estimated 111,000 hours of “hold” time.²⁹ In January 2020, the IRS offered callbacks to 31.5 percent of its queued calls, and 68.4 of those taxpayers used the feature.³⁰ In June 2020, the IRS offered the callback feature to 28.5 percent of the queued calls, and 67.8 percent of those taxpayers used the feature.³¹ The IRS estimates that using the callback feature saved 50,973 hours on hold in January 2020 and 35,638 hours in

21 National Taxpayer Advocate 2017 Annual Report to Congress vol. 2, at 64 (*A Further Exploration of Taxpayers’ Varying Abilities and Attitudes Toward IRS Options for Fulfilling Common Taxpayer Service Needs*).

22 Jeff Rumburg & Eric Zbikowski, *The Seven Most Important Performance Indicators for the Service Desk*, METRICNET, https://www.thinkhdi.com/~media/HDICorp/Files/Library-Archive/Rumburg_SevenKPIs.pdf (last visited Oct. 6, 2020).

23 International Finance Corp., *Measuring Call Center Performance: Global Best Practices*, <https://www.ifc.org/wps/wcm/connect/3a656e01-ad18-459a-b1ed-87784c1f1616/Tool+9.4.+Measuring+Call+Center+Performance.pdf?MOD=AJPERES&CVID=jENLHxM> (last visited Oct. 6, 2020).

24 IRS, W&I, Accounts Management Toll-Free Customer Satisfaction Survey FY 2020 Semiannual Report 6 (July 30, 2020).

25 *Id.*

26 IRS, W&I, Accounts Management Toll-Free Customer Satisfaction Survey FY 2020 Semiannual Report 8-9 (July 30, 2020). Thirty-seven percent of respondents reported “other” to improve their experience and 35 percent said that resolving their issue would improve their experience.

27 IRS SERP Alert 20A0272, Customer Callback FAQs (June 25, 2020). Callback saves the caller’s place in the queue and when an assistor becomes available, the Callback system automatically calls him or her back. No assistor training is required. To an assistor, it looks just like any other inbound call. Callbacks are offered to randomly selected taxpayers when estimated wait times are greater than 15 minutes. Callback is currently offered on these applications: AM: App 25 - BMF Accounts; App 42 - EIN, SB/SE: App 10 - Bal Due; App 12 - Bal Due Agreed; App 841 - AUR. Based upon the taxpayer’s estimated wait time, the callback system will “assign” the taxpayer to one of five predetermined callback buckets (20, 29, 38, 47, or 56 minutes). IRS response to TAS fact check (Nov. 16, 2020).

28 W&I, FY 2019 Q4 Business Performance Review (BPR) 11 (Nov. 2019).

29 W&I, FY 2020 Q1 BPR 10-11 (Feb. 2020).

30 IRS, W&I, Customer Account Services, JOC, Program Management Office, Customer Callback (CCB) FY 20 Quarterly Status Update 04/01/20-06/30/20, at 4 (July 7, 2020). In January 2020, the IRS had 704,000 calls in its queue and offered 204,000 callbacks to taxpayers (31.5 percent of the queued calls) and 137,000 taxpayers used the callback feature, an acceptance rate of 68.4 percent.

31 IRS, W&I, Customer Account Services, JOC, Program Management Office, Customer Callback (CCB) FY 20 Quarterly Status Update 04/01/20-06/30/20, at 4 (July 7, 2020). In June 2020, the IRS had 407,000 calls in its queue, and it offered 107,000 taxpayers the callback feature (28.5 percent of the queued calls) and 74,000 taxpayers accepted the service, an acceptance rate of 67.8 percent.

June 2020.³² These measures show a meaningful improvement for taxpayers, and the IRS should extend the callback feature to all major phone lines.

The TFA mandates the IRS include callback services as part of its customer service strategy.³³ Among respondents to an IRS study, 74 percent of taxpayers who did not recall being offered the callback option were “very interested” or “somewhat interested” in the option.³⁴ The IRS uses the callback feature with five telephone lines but plans to expand it to 11 more lines, for a total of 16.³⁵ If the IRS received sufficient dedicated multiyear funding, it could upgrade its phone system to allow for a full roll-out of callback technology on all lines instead of expanding it in a piecemeal fashion.

The IRS Can Address Long Wait Times With Estimated Times and Text Chats

Customer satisfaction survey results from the Small Business/Self-Employed (SB/SE) Automated Collection System (ACS) Interactive Voice Recognition (IVR) line show that the largest number of taxpayer comments for improvement related to improving wait time.³⁶ And of the respondents to the AM toll-free FY 2020 customer satisfaction survey who reported that the call length was unreasonable, 77 percent also said it was because of the wait time.³⁷ TAS research demonstrates that among the taxpayers who used the telephone but were unable to resolve their problem, about 41 percent reported that their problem was unresolved because the hold time to talk to a CSR was too long.³⁸ The IRS should research why taxpayers hang up either before or after they are placed in a queue.³⁹ For FY 2020, the wait time on the AM phone line was 16.8 minutes compared to 8.3 minutes on the National Taxpayer Advocate toll-free line.⁴⁰ To assist taxpayers, the IRS could update its technology to create an online “contact dashboard” like the California Franchise Tax Board uses⁴¹ that would allow a user to find the hours of operation along with estimated wait times for various contact methods.⁴² A taxpayer calling the IRS could save time by using this tool to determine the best time to call. The IRS shares an estimated wait time on major phone lines once the taxpayer calls, but it is difficult for the IRS to predict time on the smaller lines. None of this information is available to taxpayers online.

In 2017, the IRS started a text chat pilot within its ACS program.⁴³ Text chat generally assists taxpayers who receive certain ACS letters, visit certain IRS.gov web pages, or are routed out of the Online Payment Agreement application when attempting to establish an installment agreement. Using text chat has shown

32 IRS, W&I, Customer Account Services, JOC, Program Management Office, Customer Callback (CCB) FY 20 Quarterly Status Update 04/01/20-06/30/20, at 6 (July 7, 2020).

33 TFA, Pub. L. No. 116-25, § 1101(a)(1), 133 Stat. 981, 986 (2019).

34 IRS, W&I Strategies and Solutions Research Group 1, Highlights from the 2019 Taxpayer Experience Survey (TES) 13 (Feb. 2020).

35 IRS response to TAS information request (Sept. 30, 2020); IRS, SERP Alert 20A0459, Planned Customer Callback Temporary Outage (Nov. 6, 2020).

36 IRS, SB/SE Research, SBSE ACS IVR Customer Satisfaction Report Survey Year 2019 (April 2019 through March 2020) 9 (Sept. 2020). On the survey, the taxpayer is asked to report the number of minutes to resolve his or her issue, including wait time. However, the taxpayer is only asked to report satisfaction with the call once he or she reached a representative.

37 IRS, W&I, Accounts Management Toll-Free Customer Satisfaction Survey FY 2020 Semiannual Report 31 (July 30, 2020).

38 National Taxpayer Advocate 2017 Annual Report to Congress vol. 2, at 85 (*A Further Exploration of Taxpayers' Varying Abilities and Attitudes Toward IRS Options for Fulfilling Common Taxpayer Service Needs*).

39 See National Taxpayer Advocate 2019 Annual Report to Congress 10 (*Most Serious Problem: Customer Service Strategy: The IRS Needs to Develop a Comprehensive Customer Service Strategy That Puts Taxpayers First, Incorporates Research on Customer Needs and Preferences, and Focuses on Measurable Results*). IRS response to TAS information request (July 2, 2019). National Taxpayer Advocate Fiscal Year 2021 Objectives Report to Congress 127 (*IRS Responses to Administrative Recommendations Proposed in the National Taxpayer Advocate's 2019 Annual Report to Congress*).

40 IRS, JOC, Snapshot Reports: Enterprise Snapshot, Executive Level Summary (week ending Sept. 30, 2020).

41 See California Franchise Tax Board, *myFTB Features* (July 8, 2020), <https://www.ftb.ca.gov/myftb/features.html>.

42 California Franchise Tax Board, *Wait Times*, <https://www.ftb.ca.gov/help/time-frames/#contact> (last visited Sept. 30, 2020).

43 Director, Collection Inventory Delivery and Selection, Interim Guidance on ACS Text Chat Pilot (May 22, 2019).

positive results with an average wait time of 91 seconds in FY 2019 and 35 seconds in FY 2020.⁴⁴ The IRS should expand the use of text chat as a way for taxpayers to get the personal service they need efficiently. Such an application would also support the concierge system.

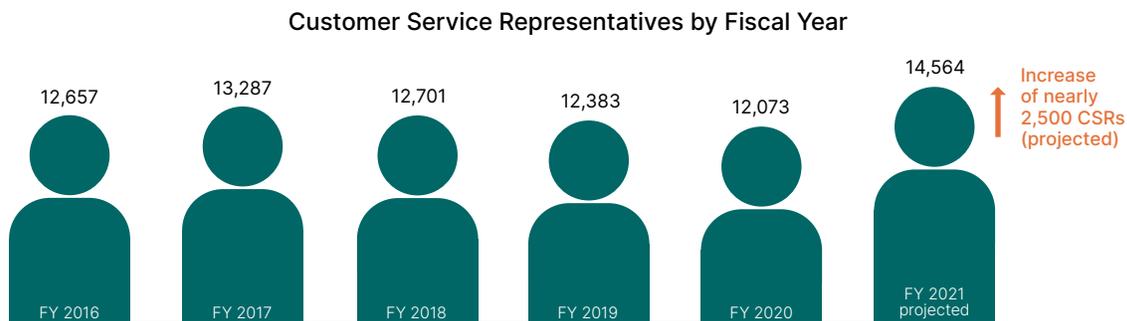
The Natural Language Pilot Saves Taxpayer Time

The IRS is piloting an application called “Natural Language,” which allows interaction with the taxpayer by having the phone system ask an open-ended question and wait for a response. Based on the taxpayer’s response, the taxpayer can receive self-service through automation, or the system routes the taxpayer to an assistor.⁴⁵ A soft launch of this pilot is tentatively planned for January 19, 2021, through February 4, 2021.⁴⁶ This tool can help taxpayers navigate the phone system and speak with an employee trained in a specific area quickly.

The IRS Needs to Increase the Customer Service Representative Skillset and Staffing Levels to Improve Current Levels of Service

Sufficient staffing and an increased skillset are critical for offering personal service. Figure 1.2.2 shows the level of staffing for FYs 2016 through the end of September 2021 (projected).

FIGURE 1.2.2⁴⁷



Additionally, the operating plan for FY 2019 included a taxpayer services budget of \$2.56 billion to allow for 28,531 full-time taxpayer service employees. However, the enacted budget for FY 2020 saw a decrease of funding to \$2.54 billion to provide for 26,760 taxpayer service employees (a decrease of 1,771 employees).⁴⁸ The enacted budget for taxpayer services in FY 2021 then increased to approximately \$2.56 billion but allowed for only 25,678 taxpayer service employees, a decrease of 2,853 full-time employees from FY 2019.⁴⁹ These levels of staffing and funding bring LOS measurements that do not meet the needs of taxpayers. To improve the LOS and implement the changes discussed above, the IRS not only requires more staff but also

⁴⁴ For a detailed discussion of this pilot and its results, see *Digital Communications: Limited Digital Communications With the IRS Make Problem Resolution Unnecessarily Difficult for Taxpayers*, *infra*.

⁴⁵ IRS, W&I, Customer Account Services, JOC, Program Management Office, Natural Language Pilot on Economic Impact Payment (EIP) Line 2 (Sept. 20, 2020).

⁴⁶ *Id.* at 7.

⁴⁷ IRS response to TAS information request (Sept. 30, 2020); IRS response to TAS fact check (Nov. 16, 2020).

⁴⁸ IRS, Pub. 4450, Congressional Budget Justification & Annual Performance Report and Plan Fiscal Year 2021, at 1 (Feb. 2020).

⁴⁹ *Id.*

the ability to hire the right skillsets for positions. It is a good step to increase CSRs in FY 2021, and we hope Congress will continue to fund the IRS to further prioritize this.

Taxpayer Assistance Centers Provide a Unique Service Within the IRS

TACs are unique because they provide the IRS with a physical presence in local communities. TAC employees assist taxpayers “whose issues cannot be resolved through other convenient and efficient methods or who choose to obtain information and assistance in the TAC” and sometimes offer necessary face-to-face service for issues such as identity verification.⁵⁰ In FY 2020, through March 14, 2020, 943,448 taxpayers received face-to-face assistance at TACs.⁵¹ From June 29 through September 12, 2020, TACs offered limited service by appointment,⁵² with 78,695 taxpayers receiving face-to-face service after the stay-at-home order lifted for TAC employees.⁵³

TACs provide a wide range of key services, such as account inquiries, account adjustments, refund inquiries, and tax law assistance.⁵⁴ To schedule an appointment for services, taxpayers must call a toll-free appointment line.⁵⁵ When a taxpayer calls the appointment line, the IRS employee must identify the taxpayer’s issue and provide any self-help options available on IRS.gov or resolve the issue if he or she is trained to do so.⁵⁶ If a taxpayer arrives at a TAC without an appointment, the TAC will provide a same-day appointment if one is available; if not, the TAC will direct the taxpayer to the toll-free line.⁵⁷ Facilitated Self Assistance (FSA) kiosks, discussed below, are also offered to taxpayers without an appointment who need a service they can complete on the IRS website.⁵⁸

Five situations require the taxpayer to visit a TAC since the IRS cannot fix the problem on the TAC appointment line, including when a taxpayer requests an immediate levy release.⁵⁹ However, these taxpayers must still call the appointment line to schedule. To incorporate the spirit of concierge service under TFA, the IRS should allow taxpayers who must seek in-person TAC assistance to schedule their appointments online instead of having to call the toll-free line first.

50 IRM 21.3.4.1.1, Background (Oct. 1, 2020). See IRM 21.3.4.2 for a full list of services available at a TAC, which vary by location. IRM 21.3.4.2, Standard Services in a Taxpayer Assistance Center (Oct. 1, 2019).

51 IRS response to TAS information request (Sept. 30, 2020).

52 On March 20, 2020, TACs were closed due to the COVID-19 pandemic. IRS, Taxpayer Assistance Centers Statement (Mar. 20, 2020), <https://www.irs.gov/newsroom/taxpayer-assistance-center-statement>. TACs were opened on a limited basis on June 29, 2020. IRS, IRS Operations During COVID-19: Mission-Critical Functions Continue, <https://www.irs.gov/newsroom/irs-operations-during-covid-19-mission-critical-functions-continue> (rev. Aug. 3, 2020). IRS response to TAS fact check (Nov. 16, 2020).

53 IRS response to TAS information request (Sept. 30, 2020).

54 IRM 21.3.4.2, Standard Services in a Taxpayer Assistance Center (TAC) (Oct. 1, 2019).

55 IRM 21.3.4.2.4, Taxpayer Assistance Center (TAC) Appointment Service (Feb. 8, 2018). In many instances the taxpayer can receive assistance from the employee who takes his or her call on the appointment line. In FY 2020 (through March 2020), 75 percent of respondents to a customer satisfaction survey reported that the CSR taking their call for a TAC appointment offered to address their problem over the phone. IRS, Field Assistance Appointment Services Report FY 2020 Q2, at 2 (Apr. 2020).

56 IRM 21.3.4.2.4.5.1, Addressing, Targeting and Resolving Issues Without an Appointment (Oct. 9, 2019). Self-help tools can include the ability to get a transcript. IRS, Welcome to Get Transcript, <https://www.irs.gov/individuals/get-transcript> (last visited Oct. 22, 2020).

57 IRM 21.3.4.2.4.2, TAC Appointment Exception Procedures (Oct. 1, 2019). Managerial discretion does allow TAC employees to make an exception for special situations, including an elderly taxpayer, taxpayer with a disability, or a taxpayer who has traveled a long distance.

58 IRM 21.3.4.2.2, Facilitated Self Assistance (FSA) (Oct. 1, 2018).

59 IRM 21.3.4.2.4.5.5, Taxpayer Issues That Require a TAC Visit (Oct. 1, 2019). The five issues are alien clearance (sailing permits); Individual Taxpayer Identification Number; immediate levy or lien release; Letter 5747C - TAC authentication only and Letter 5071C/4883C only if failed telephone authentication; and Secure Access Authentication.

With its 358 TACs, the IRS does not plan to expand or close TAC offices in FY 2021 and has an “aggressive” hiring plan to staff previously unstaffed TAC offices.⁶⁰ In TAS’s 2017 survey, TACs and the IRS website received the highest customer satisfaction ratings;⁶¹ therefore, expanding TAC services represents a good customer service investment.⁶² Even though the IRS is not increasing the number of TAC offices, it can still expand in-person service to taxpayers. For instance, there are six TAC locations that have temporarily moved and are now co-located with a local Social Security Administration office.⁶³ Though services are limited and require appointments for this co-located option, they may ease a taxpayer’s travel burden in some instances.⁶⁴

FSA kiosks with internet access to IRS.gov and SSA.gov are in TAC offices for taxpayer assistance. These kiosks are offered to taxpayers without an appointment when they have a service they can accomplish on the IRS website. Future expansion of kiosks could include “connection to a live assistor, in-person identity proofing for online accounts, printer capabilities for printing transcripts and notices, and credit card payments.”⁶⁵ In these situations, TAC employees would serve as facilitators rather than provide actual assistance.

Virtual Service Delivery Is Technology Particularly Useful for Taxpayer Assistance Centers

Another taxpayer tool is Virtual Service Delivery (VSD), which uses “video conferencing technology to assist taxpayers at IRS partner sites to provide alternative service delivery channels.”⁶⁶ Thirty IRS partner sites offer VSD to support customer assistance.⁶⁷ In the first two quarters of FY 2019, 606 taxpayers used VSD services, and during the comparable period in FY 2020, only 143 taxpayers used VSD because service was abruptly ended as a result of the COVID-19 pandemic.⁶⁸ Despite the low numbers using VSD, taxpayers who use the tool report a high level of satisfaction. In the FY 2019 annual survey of Field Assistance services, VSD users reported the highest overall customer satisfaction (98 percent) compared to taxpayers who called the appointment line (90 percent) and taxpayers who used a kiosk (89 percent).⁶⁹ However, taxpayers rated VSD the lowest ratings for privacy of contact (79 percent) and easy-to-find office (59 percent).⁷⁰ These are areas of videoconferencing technology the IRS should improve. TIGTA reviewed the VSD program and found that low usage may be due to a lack of vision and meaningful performance measures, without which “it is not

60 IRS response to TAS information request (Sept. 30, 2020).

61 National Taxpayer Advocate 2017 Annual Report to Congress vol. 2, at 64 (*A Further Exploration of Taxpayers’ Varying Abilities and Attitudes Toward IRS Options for Fulfilling Common Taxpayer Service Needs*).

62 *Id.* at 85.

63 IRM 21.3.4.2.4.5.6.2, TACs Co-located in Social Security Administration (SSA) Offices (Oct. 1, 2020). The six locations are Presque Isle, ME; Norwich (New London), CT; Danville, VA; North Platte, NE; Mansfield, OH; and Mount Vernon, IL.

64 See IRM 21.3.4.2.4.5.6.2(2) for information on what services are not available at a co-located TAC office.

65 IRS response to TAS information request (Oct. 21, 2020).

66 IRM 21.3.4.2.3, Virtual Services Delivery (VSD) (Oct. 1, 2020). See also IRM 21.3.4.2.3 for a list of services available through VSD and those that are not available. For additional information on this topic, see Most Serious Problem: *Digital Communications: Limited Digital Communications With the IRS Make Problem Resolution Unnecessarily Difficult for Taxpayers*, *infra*. TAS has had three operational VSD locations (located in Kenai, AK; Tampa, FL; and Spokane, WA) to interact with taxpayers. However, TAS will be discontinuing the use of this technology and migrating to other interactive technologies including WebEx, Zoom, and secure email (discussed in detail later).

67 IRS response to TAS information request (Sept 30, 2020). IRS response to TAS fact check (Nov. 16, 2020).

68 IRS response to TAS information request (Sept 30, 2020). As of September 30, 2020, it was unclear when VSD services would resume.

69 IRS response to TAS information request (Sept. 30, 2020). In the first quarter of FY 2020, VSD users reported an overall satisfaction rate of 94 percent. In the third quarter of FY 2020, VSD users reported an overall satisfaction rate of 79 percent. IRS response to TAS information request (Sept. 30, 2020). The cause for this decline, perhaps due to COVID-19 complications, could be one area for the IRS to investigate.

70 IRS response to TAS information request (Sept. 30, 2020).

possible to objectively measure whether the program is operating effectively or efficiently.⁷¹ Nonetheless, TIGTA suggested that the IRS work to expand the services available through VSD, in particular the ability to verify identification to resolve an identity theft problem.⁷² Unfortunately, four VSD sites were closed in FY 2020 based on decisions made by the partnering organizations, and the IRS does not have plans in FY 2021 to expand VSD services.⁷³ As of September 1, 2020, VSD services are still not operational at TACs or partner sites due to COVID-19; it is unknown when services will resume at partner sites.⁷⁴

VSD is a tool to enhance existing face-to-face options, but the IRS should not expand it at the expense of in-person contact with the IRS. Videoconferencing technology could fill voids in TAC services or provide service in remote areas, especially during large-scale emergencies. The IRS is not allowing circuit-riding, which is when TAC employees travel between offices, during the COVID-19 pandemic, and the IRS could have used videoconferencing to fill this gap.⁷⁵ Going forward, videoconferencing could be expanded to post offices and other federal, state, or local government organizations that maintain service during emergencies.⁷⁶ As part of the TFA, the IRS reported in its Taxpayer Experience Strategy it planned to shift VSD to “Virtual Face-to-Face” (referred to as WebSD, discussed below), which would allow a scheduled video chat with an IRS employee, using computer, tablet, or mobile phone.⁷⁷

The IRS Has Adopted Pilots to Enhance Taxpayer Assistance Center Presence in Communities

The IRS had two pilots planned prior to the COVID-19 pandemic to test if providing temporary, or “pop up,” TAC services is possible. One pilot, “IRS Community Assistance Visits,” has not yet launched but will test providing limited face-to-face assistance offsite to taxpayers in remote areas during two-day visits.⁷⁸ The IRS also started a WebSD pilot, which “enables taxpayers to attend a virtual appointment from any remote location over the internet” staffed by a group of TAC assistors.⁷⁹ It is similar to VSD technology except taxpayers can have access from any computer, tablet, or mobile phone. The IRS planned for the pilot to start on February 1, 2020, and run for 120 days, but COVID-19 intervened.⁸⁰ The IRS resumed the pilot on October 30, 2020, but due to the pandemic limiting services, it is currently offering WebSD only for taxpayers who needed assistance related to Economic Impact Payments.⁸¹ The IRS plans to continue a pilot of this program in FY 2021.⁸² In 2018, TIGTA noted that a web-based pilot such as WebSD could prove easier

71 TIGTA, Ref. No. 2019-IE-R002, *Although Virtual Face-to-Face Service Shows Promise, Few Taxpayers Use It* 4 (Nov. 13, 2018). TIGTA also pointed out that many VSD partner sites are located near a TAC office and taxpayers prefer to use a TAC, and the IRS does not advertise the VSD program. *Id.* at 8-9.

72 TIGTA, Ref. No. 2019-IE-R002, *Although Virtual Face-to-Face Service Shows Promise, Few Taxpayers Use It* 10-12 (Nov. 13, 2018).

73 IRS response to TAS information request (Sept 30, 2020). The decision to close a VSD site is made by the participating organization. The four sites were closed in Christian County Library, Hopkinsville, KY; Human Resources Development Commission (HRDC), La Vale (Cumberland), MD; Salvation Army Rockland County, Spring Valley, NY; and PACE Coalition, Elko, NV.

74 IRS response to TAS information request (Sept. 30, 2020).

75 *Id.*

76 Erin M. Collins, *Lessons Learned From COVID-19: The Critical Need to Improve IRS Digital Services*, NATIONAL TAXPAYER ADVOCATE BLOG (Sept. 1, 2020), <https://www.taxpayeradvocate.irs.gov/news/ntablog-lessons-learned-from-covid-19-the-critical-need-to-improve-irs-digital-services/>.

77 IRS response to TAS information request (Oct. 21, 2020).

78 IRS, W&I, BPR Q2 FY 2020, at 9 (May 7, 2020).

79 IRS, W&I, BPR Q1 FY 2020, at 10 (Jan. 31, 2020).

80 IRS, SERP Alert 20A0057, *Web Service Delivery (WebSD) Virtual TAC* (Jan. 31, 2020). Topics available to through WebSD include notices/math errors, refund inquiries, individual taxpayer tax law inquiries, prior year return, Automated Underreporter Program, and balance due inquiries. To join the pilot, the CSR scheduling the appointment would offer the option once he or she determined that a face-to-face appointment was necessary.

81 IRS, SERP Alert 20A0089, *Web Service Delivery Virtual TAC* (Oct. 27, 2020). EIP is an advance recovery rebate credit offered through the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) in the beginning of the COVID-19 pandemic. CARES Act, Pub. L. No. 116-136, § 6428, 134 Stat. 281 (2020).

82 IRS response to TAS information request (Oct. 21, 2020). IRS response to TAS fact check (Nov. 16, 2020).

for taxpayers to use than VSD; it also noted that success is contingent partly on the quality of the internet connectivity, and the pilot will need clear objectives and performance measures.⁸³ Congress should provide dedicated multiyear funding to ensure TAC virtual face-to-face capabilities such as WebSD are realized and then maintained.

Problems Related to COVID-19 Highlight Where the IRS Can Improve Phone and Taxpayer Assistance Center Service

In response to the COVID-19 pandemic, the IRS closed all TAC offices and discontinued all face-to-face service on March 20, 2020, unexpectedly leaving many taxpayers without face-to-face assistance during filing season.⁸⁴ The phone lines were impacted on March 30 when the IRS instructed all employees with portable work to telework even if they were not currently eligible to telework. Only employees with mission-critical work they could not accomplish remotely could return to an IRS office.⁸⁵ While the phones were not in operation as a result of the COVID-19 pandemic, the IRS continued to receive 600,000 calls during the week ending April 18, 2020, that went unanswered.⁸⁶ This data shows there will always be a population of taxpayers who prefer or need to speak to someone to resolve their tax problem.

On March 14, 2020, just prior to the stay-at-home order taking effect, there were 3,595 CSRs with laptops, a prerequisite for telework.⁸⁷ By September 30, 2020, 14,502 CSRs had laptops and were teleworking.⁸⁸ Employees did not require other technical updates to be telework-ready. In FY 2021, all CSRs will be eligible to telework if they have access to high-speed internet and a private workspace.⁸⁹ This is great progress and beneficial for taxpayer service. A CSR working from home can largely perform the same tasks as if he or she is working from an IRS office.⁹⁰

Even though all major phone lines reopened by June 26, callers continue to experience long waits.⁹¹ For the week ending September 19, 2020, of the almost 1.7 million calls made to the AM phone lines, only about 22 percent (approximately 388,000 calls) were answered by a CSR, with an average wait time of about 22 minutes.⁹² The IRS needs dedicated multiyear funding to provide for more CSR hiring to improve customer service, and it needs to maintain the current level of telework. The callback feature, which was unavailable

83 TIGTA, Ref. No. 2019-IE-R002, *Although Virtual Face-to-Face Service Shows Promise, Few Taxpayers Use It* 12-14 (Nov. 13, 2018).

84 IRS, Taxpayer Assistance Center Statement, <https://www.irs.gov/newsroom/taxpayer-assistance-center-statement> (Mar. 20, 2020); National Taxpayer Advocate Fiscal Year 2021 Objectives Report to Congress 18 (Systemic Advocacy Objective: *Protecting the Rights of Taxpayers Impacted by the COVID-19 National Emergency and Restoring Much-Needed Taxpayer Services*).

85 IRS, Human Capital Office (HCO), *New Work at Home Directive Begins March 30* (Mar. 30, 2020).

86 National Taxpayer Advocate Fiscal Year 2021 Objectives Report to Congress 18 (Systemic Advocacy Objective: *Protecting the Rights of Taxpayers Impacted by the COVID-19 National Emergency and Restoring Much-Needed Taxpayer Services*).

87 IRS response to TAS information request (Sept. 30, 2020). A breakdown of employees with laptops is as follows: Accounts Management had 238; Collection ACS had 185; SB/SE ACS had 1,800; and Campus Exam had 1,372.

88 IRS response to TAS information request (Sept. 30, 2020). A breakdown of employees with laptops is as follows: Accounts Management had 9,824; SB/SE ACS had 2,900; and Campus Exam had 1,778. No information was provided for Collection ACS.

89 IRS response to TAS information request (Sept. 30, 2020). These two requirements are the major reason why some CSRs are not currently teleworking.

90 IRS response to TAS information request (Sept. 30, 2020). Campus Examination did report some problems related to paper-based inventory when employees and their managers were not allowed to enter IRS buildings. Some jobs like Campus Support operations must be done in an office. Specialized units such as the Centralized Authorization File Unit are not portable, but the IRS is working to make the work portable.

91 W&I, BPR Q3 FY 2020, at 3-4 (Aug. 7, 2020).

92 For comparison, during the same week in FY 2019, about 41 percent of the calls were answered by a CSR (304,869 out of 942,564), and the average speed of answer was almost 13 minutes. The IRS reports a LOS for the week ending Sept. 19, 2020, of 44 percent, but this number also includes calls answered by automation. IRS JOC Snapshot Reports: Enterprise Snapshot (week ending Sept. 19, 2020).

during the COVID-19 shutdown, resumed on June 25, 2020.⁹³ Going forward, this tool could alleviate staff shortages during a state of emergency; however, the IRS must prioritize the importance of the callback feature so it does not face additional disruptions.

To protect the health and safety of taxpayers and employees, the IRS shut down all TACs on March 20, 2020, as part of its stay-at-home order.⁹⁴ Although the IRS has some videoconferencing capability, TACs could not continue to provide service. The IRS lacks the hardware and server capacity to virtually connect employees working remotely with taxpayers seeking TAC appointments. The IRS reopened the TAC offices in phases and offered limited face-to-face service on June 29, 2020.⁹⁵ Since July 27, 2020, between 200 and 220 TAC offices have provided face-to-face services.⁹⁶ But the staffing problem is not resolved. As of September 22, 2020, 457 frontline TAC employees were not in the office because of the stay-at-home order.⁹⁷ The IRS is replacing TAC employees' desktops with laptops, with planned completion of the conversion by the end of the 2020 calendar year.⁹⁸ Although telework for TAC employees will allow for "assignment of portable account work" when the IRS must close offices, the IRS needs to study this avenue more closely.⁹⁹ These upgrades will be essential for dealing with future service disruptions and require dedicated multiyear funding.

Taxpayers Suffered Sudden Loss of Free Tax Preparation Services Due to the COVID-19 Shutdown

Eligible low-income and elderly taxpayers can have their income tax returns prepared free at volunteer partner sites participating in the IRS's Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs.¹⁰⁰ In calendar year (CY) 2019, VITA and TCE in combination prepared approximately 3.6 million tax returns.¹⁰¹ However, once the COVID-19 pandemic hit during the 2020 filing season, 10,792 of the 11,014 partner sites closed.¹⁰² In CY 2020, VITA and TCE prepared 2.5 million tax returns, a decrease of nearly 30 percent from last year.¹⁰³

The IRS Office of Stakeholder Partnerships, Education and Communication (SPEC), which oversees the VITA and TCE programs, is developing a strategy to meet the needs of taxpayers who rely on the services provided by VITA and TCE partners. It acknowledges that face-to-face assistance is a preferred way to provide tax preparation services, and it will be allowing grant recipients to use grant money to buy personal protective gear.¹⁰⁴ However, SPEC is also taking proactive measures to allow contactless tax preparation. It is guiding partners to allow a "completely contactless, virtual option, using security-compliant software for file-sharing, videoconferencing, and signing documents."¹⁰⁵ One existing program uses a type of facilitated

93 IRS, SERP Alert 20A0272, Customer Callback (June 25, 2020).

94 IRS, Taxpayer Assistance Centers Statement (Mar. 20, 2020), <https://www.irs.gov/newsroom/taxpayer-assistance-center-statement>.

95 IRS, IRS Operations During COVID-19: Mission-Critical Functions Continue, <https://www.irs.gov/newsroom/irs-operations-during-covid-19-mission-critical-functions-continue> (rev. Aug. 3, 2020).

96 IRS response to TAS information request (Sept. 30, 2020). The number fluctuates due to COVID-19.

97 *Id.*

98 *Id.*

99 *Id.*

100 IRS, Free Tax Return Preparation for Qualifying Taxpayers, <https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers> (last visited Oct. 13, 2020).

101 IRS, Filing Season Weekly Reports cumulative through Oct. 16, 2020 (Oct. 23, 2020).

102 IRS response to TAS information request (Sept. 30, 2020).

103 *Id.*

104 *Id.*

105 *Id.*

self-assistance technology already available in TAC offices. With this service, a VITA/TCE partner gets access to laptops and software to help multiple taxpayers at once while identifying taxpayers who need one-on-one assistance.¹⁰⁶ These improvements will likely reduce taxpayer burden during any future large-scale disruption of service.

CONCLUSION AND RECOMMENDATIONS

Taxpayers trying to reach the IRS often face long wait times and may not reach a CSR. With the enactment of the TFA, the IRS has the opportunity to pursue novel approaches to improving its customer service via an omnichannel approach.¹⁰⁷ Many of these approaches have already proven to be a success, such as the callback feature. However, the IRS cannot implement all approaches because it does not have the staffing or IT resources. To embrace the concierge system of service envisioned by the TFA, the IRS must receive sufficient dedicated multiyear funding to improve outdated technology and increase staffing levels with the right skillset – the workforce of the future. The IRS must also understand the taxpayer experience through better measurements before it can determine where to appropriately focus its improvements. Improved customer service is not an option; it is a requirement. Americans deserve best in class service and top-quality tax administration.

Preliminary Administrative Recommendations to the IRS

The National Taxpayer Advocate preliminarily recommends that the IRS:

1. Prioritize expanding customer callback technology to relieve taxpayers of the frustration associated with long hold times and low levels of service.
2. Provide taxpayers with the option of receiving face-to-face service through videoconferencing technology. The IRS's use of this technology was restricted during the initial months of the pandemic due to limited bandwidth, which the IRS must address as it further incorporates this technology into its operations.
3. Continue to explore the feasibility of incorporating and providing incentives for partner sites to implement the use of videoconferencing software into the VITA and TCE programs.
4. Ensure meaningful performance measures for existing and/or newly emerging telephone, online, and in-person assistance methods to objectively measure customer service.

Legislative Recommendation to Congress

The National Taxpayer Advocate recommends that Congress:

1. Provide dedicated multiyear funding to increase the “Level of Service” on both the IRS’s Accounts Management and Compliance telephone lines to 80 percent, with average hold times not to exceed five minutes.¹⁰⁸ The IRS needs congressional support to continue and maintain upgrades allowing the IRS to make new investments in staffing, training, and improved telecommunications technology.

¹⁰⁶ IRS, Pub. 5047, IRS Offers Facilitated Self Assistance (Nov. 2012).

¹⁰⁷ See National Taxpayer Advocate 2017 Annual Report to Congress 22-35 (Most Serious Problem: *Telephones: The IRS Needs to Modernize the Way It Serves Taxpayers Over the Telephone, Which Should Become an Essential Part of an Omnichannel Customer Service Environment*).

¹⁰⁸ National Taxpayer Advocate 2019 Purple Book, Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 7-8 (*Provide the IRS With Sufficient Funding to Meet Taxpayer Needs and Improve Federal Tax Compliance*).

IRS COMMENTS

The IRS is continually working to improve service delivery to taxpayers who have questions or need assistance. All face-to-face and toll-free customer service was suspended in late March 2020, in response to state and local shelter-in-place orders due to the COVID-19 pandemic. The IRS immediately began developing plans to safely return to business and re-establish in-person and telephone services including the rapid enabling of employees to telework.

The IRS began reopening toll-free telephone lines on April 13, 2020, with the major toll-free telephone lines open by June. For example, after reopening, the Automated Collection System (ACS) level of service (LOS) was 58.7%, with an average wait time of 15 minutes. By the end of September, nearly 11,000 telework and in-office Customer Service Representatives (CSR) were answering calls and/or working priority paper inventory. The IRS was able to deliver a fiscal year (FY) 2020 CSR LOS of 53.1% (53.5% for the extended filing season) and end the FY with a paper inventory of comparable to previous years, plus any correspondence mail yet to be opened. The CSR LOS is dependent on the level of funding available for staffing resources to address telephone demand for assistors. The IRS has a full suite of measures and metrics used to evaluate services available for taxpayers online, in-person, on the telephone, and related to paper processing.

The IRS quickly deployed a dedicated Economic Impact Payment (EIP) toll-free line, to provide informational recordings, on April 11, 2020. In mid-May, the IRS staffed the line with vendor-provided assistors to answer non-account EIP-related questions. The EIP line included Over-the-Phone Interpreter service to allow for assistance in multiple languages. Through the end of July, this line had handled over 1.9 million calls. The IRS also assisted with answering over 185,000 FEMA calls with a 99.6% LOS in the wake of several hurricanes that hit the country during 2020.

Taxpayer Assistance Centers (TAC) began a return to limited, appointment-only, service in late June. In FY 2020, we provided face-to-face assistance to more than a million taxpayers, including almost 80,000 taxpayers without appointments. We continue to resolve many potential visits through the TAC toll-free appointment service line. The IRS plans to relaunch a pilot in early FY 2021 of the Web Service Delivery to assess our capability to provide face-to-face service to taxpayers via a virtual connection.

The IRS continues to develop technology improvements. Text chat has expanded to 11 of the 19 ACS call sites (including bilingual sites), and now allows taxpayers to attach documents such as installment agreement forms and delinquent returns. The IRS plans to expand customer callback from five to 16 toll-free applications in FY 2021, with future expansions planned subject to available funding. The IRS is exploring natural language capabilities on the EIP line to allow callers to self-route to get help with queries.

To mitigate the pandemic impact, most training for customer service focused employees is being conducted virtually. The IRS developed a strategy for VITA/TCE partners to provide virtual

assistance where needed, increased hiring to reduce the number of unstaffed TACs to the lowest level since 2017, and is equipping more employees with new laptops for in-office and remote work.

TAXPAYER ADVOCATE SERVICE COMMENTS

TAS acknowledges the efforts made by the IRS to restore taxpayer services after the state and local shelter-in-place orders across the country took effect. The IRS navigated a process of enabling employees to telework. The IRS also continued working on implementing new technology, such as the callback feature, which has proven to be a success for the IRS and taxpayers. It ensured training was available in the new virtual environment.

However, even before the pandemic, the IRS requested funding levels that only allow for a 60 percent LOS. This did not allow for top quality customer service. The pandemic only exacerbated existing problems. TAS identified weak spots brought on by the pandemic, such as an inability to obtain tax preparation services through VITA or TCE. To offer the best service possible to taxpayers and to fulfill the IRS's plan to create a concierge system for taxpayers, the IRS must receive dedicated multiyear funding. This funding should prioritize callback technology and videoconferencing technology, both services that benefit taxpayers. Last, the IRS must consider metrics such as first contact resolution when it makes its decisions for allocating resources for taxpayer service.

RECOMMENDATIONS

Administrative Recommendations to the IRS

The National Taxpayer Advocate recommends that the IRS:

1. Prioritize expanding customer callback technology to relieve taxpayers of the frustration associated with long hold times and low levels of service.
2. Provide taxpayers with the option of receiving face-to-face service through videoconferencing technology. The IRS's use of this technology was restricted during the initial months of the pandemic due to limited bandwidth, which the IRS must address as it further incorporates this technology into its operations.
3. Continue to explore alternative telephonic support by developing an automated telephone tool designed to complete specific software-based tasks and/or voice chatbot. Either system could handle routine questions or tasks which would free up CSRs for those individuals who have more complex issues or have a need to speak with a human.
4. Continue to explore the feasibility of incorporating and providing incentives for partner sites to implement the use of videoconferencing software into the VITA and TCE programs.
5. Ensure meaningful performance measures for existing and/or newly emerging telephone, online, and in-person assistance methods to objectively measure customer service.

Legislative Recommendation to Congress

The National Taxpayer Advocate recommends that Congress:

1. Provide dedicated multiyear funding to increase the “Level of Service” on both the IRS’s Accounts Management and Compliance telephone lines to 80 percent, with average hold times not to exceed five minutes.¹⁰⁹ The IRS needs congressional support to continue and maintain upgrades allowing the IRS to make new investments in staffing, training, and improved telecommunications technology.

¹⁰⁹ National Taxpayer Advocate 2019 Purple Book, Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 7-8 (*Provide the IRS With Sufficient Funding to Meet Taxpayer Needs and Improve Federal Tax Compliance*).