

to the IRS or presume the IRS disallowed the refund for some other reason.⁹ The study will attempt to quantify the number of suspended refund returns without a taxpayer response that are legitimate, the amount of legitimate refunds the IRS did not pay out, and why the taxpayer never responded to the IRS notice.

Objective 2 for FY 2024 – TAS will provide a report to the National Taxpayer Advocate estimating the volume and amount of legitimate tax year (TY) 2020¹⁰ refund returns still held by the IRS because of taxpayer non-response with a goal of advocating for the IRS to implement additional procedures to release legitimate refund claims to taxpayers.

- Activity 1: Estimate the number and amount of likely legitimate refund returns the IRS still has suspended.
- Activity 2: Estimate the number and amount of legitimate TY 2020 refund returns the IRS is holding by contacting a sample of these taxpayers to determine if they can successfully show their TY 2020 refund claim was valid.

3. ASSESS THE ACCESSIBILITY OF PARTICIPATION IN TAX PROGRAMS DESIGNED TO IMPROVE THE ECONOMIC CIRCUMSTANCES OF TAXPAYERS AND THEIR CHILDREN AS WELL AS THE BARRIERS TO PARTICIPATION IN THESE PROGRAMS

In conjunction with another taxpayer rights agency, TAS will measure access to programs designed to assist financially struggling taxpayers and their children, such as the EITC or ACTC. The study will explore the types of barriers to access taxpayers faced, whether the barriers are more prevalent among certain demographic groups, and steps the IRS could initiate to reduce or eliminate these barriers. TAS plans to conduct a nationwide survey of affected individuals about their awareness of these tax benefits and their willingness to engage with the IRS to receive these benefits. The survey will also address digital literacy and accessibility, preference of service delivery channels, sources of tax information and assistance relating to tax benefit programs, tax return filing experiences, and dispute resolution with the IRS.

The sample population will include first-time filers claiming the credits and likely eligible non-filers. Another part of the survey group will be taxpayers who have claimed the EITC, ACTC, or another credit designed to assist financially disadvantaged taxpayers who were recently audited or had credits disallowed subject to math error processes or who were required to file on paper because someone else claimed the children. TAS is particularly interested in the experiences of these taxpayers in navigating the IRS's audit, fraud, and error detection systems and the impact of these systems on their willingness to file future returns as well as attitudes toward the IRS and the benefits it administers.

Objective 3 for FY 2024 – TAS will conduct and report the findings of a survey along with additional qualitative data from subsequent focus groups to IRS stakeholders that assess the accessibility of tax credits designed to improve the financial circumstances of taxpayers, particularly those with children, and identify the barriers that increase the difficulty or even prevent taxpayers from claiming these credits.

- Activity 1: Survey taxpayers claiming these credits to measure the accessibility of these credits, barriers to claiming these credits, and their experiences dealing with the IRS about their eligibility for these credits.
- Activity 2: Survey non-filers likely eligible for these credits to assess their barriers to claiming these credits.

⁹ Comments from TAS's Focus Groups at the 2022 IRS Nationwide Tax Forums, *Responding to IRS Notices* (Oct. 2022) (on file with TAS).

¹⁰ TY 2020 is the most recent tax year where the IRS has archived suspected identity theft returns.

- Activity 3: Conduct focus groups or interviews with taxpayers regarding their experiences with claiming various tax credits designed for economically disadvantaged taxpayers.

4. REVIEW THE TELEPHONE OPERATIONS, METRICS, AND GOALS OF ENTITIES WITH LARGE INCOMING CALL OPERATIONS TO BETTER EVALUATE IRS TELEPHONE SERVICES AVAILABLE TO TAXPAYERS

The IRS provided very low levels of telephone service to taxpayers in FYs 2021 and 2022, with the IRS calculating its Level of Service (LOS) for these years at about 19 percent and 17 percent, respectively.¹¹ However, the 2023 filing season saw a marked increase in IRS telephone service, with its Accounts Management lines achieving an LOS of over 85 percent.¹² Average wait times decreased from 21 minutes in FY 2021 and 26 minutes in FY 2022¹³ to only slightly over three minutes in the 2023 filing season.¹⁴

However, the question remains as to what constitutes good telephone service for taxpayers. Even though the IRS achieved an 85 percent LOS on its Accounts Management lines during the 2023 filing season, live assistants answered only 31 percent of the telephone calls.¹⁵ Moreover, questions exist about how the IRS should calculate its LOS. For instance, it generally excludes calls answered by automation and calls where the taxpayer hangs up in the call tree before the system routes him or her to a customer service representative.¹⁶ The IRS's typically reported LOS metric only includes calls from certain lines, while calls to compliance lines are excluded from its measure. For the 2023 filing season, the IRS LOS including all of its lines was only 72 percent. Overall, through the week ending April 22 in the 2023 filing season, about 8.5 million hang-up calls occurred.¹⁷ It is unknown if the taxpayer was unable to complete the call for some reason or if the taxpayer became frustrated either by the call tree or because he or she was routed to automation and decided to terminate the call.

This review proposes to research the telephone service provided by entities with large incoming call operations, including the metrics used and the results expected to ensure quality customer service. TAS will use this information to better evaluate the effectiveness of the IRS's toll-free telephone services and recommend changes to its telephone operations, including what metrics it should use to evaluate its telephone operations and the goals for these measures.

Objective 4 for FY 2024 – TAS will review the operations, metrics, and results of other large incoming call telephone service providers through both direct and indirect means to develop recommended metrics and goals for IRS consideration.

- Activity 1: Review public information available for several large incoming call services, particularly focusing on their operations, metrics, and results.
- Activity 2: Contact entities with large incoming call telephone services to obtain unpublished details of their operations, metrics, and results.
- Activity 3: Review IRS operations, metrics, and results of their toll-free telephone service.
- Activity 4: Compare and contrast the operations, metrics, and results of IRS toll-free telephone operations to those of other large entities with large incoming call services.

¹¹ IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot for Enterprise Accounts Management FY 2021 and 2022.

¹² IRS, JOC, Snapshot Reports: Enterprise Snapshot for Enterprise Accounts Management (week ending Apr. 22, 2023).

¹³ IRS, JOC, Snapshot Reports: Enterprise Snapshot for Enterprise Accounts Management (FYs 2021 and 2022).

¹⁴ IRS, JOC, Snapshot Reports: Enterprise Snapshot for Enterprise Accounts Management (week ending Apr. 22, 2023).

¹⁵ *Id.*

¹⁶ IRS, JOC, FY 2022 Snapshot & ELS Reporting Guidelines (Oct. 2021).

¹⁷ IRS, JOC, Snapshot Reports: Enterprise Snapshot for Enterprise Total (week ending Apr. 22, 2023).