9. CONTINUE TO PROPOSE SIMPLIFICATION OF THE TAX CODE AND IRS PROCEDURES TO REDUCE TAXPAYER COMPLIANCE BURDEN

The complexity of the U.S. tax laws and IRS procedures burdens taxpayers and negatively impacts voluntary compliance. Due to such complexity, preparing and filing tax returns is time-consuming and often involves costly tax return preparation fees. Individual taxpayers who claim social benefits through the tax system and small businesses face significant burdens trying to follow the rules. The Internal Revenue Code (the Code) has many antiquated provisions that do not reflect modern life with changing family structures and evolving business models. Simplifying the Code and eliminating complexities in the IRS's procedures would reduce taxpayer compliance burdens by making it easier for taxpayers to understand their filing and payment obligations, and it would also make it easier for the IRS to administer the tax laws. Thus, simplification is essential to the integrity of the U.S. tax system and will enhance voluntary compliance.

Objective 9 for FY 2024 – TAS will continue to propose legislative and administrative changes to reduce taxpayer compliance burdens by making the process of preparing and filing tax returns less complicated.

- Activity 1: Through public-facing communications, such as discussions in the Annual Report to Congress, Objectives Report to Congress, National Taxpayer Advocate blogs, and congressional testimony and speeches, if applicable, recommend that the IRS enhance the online account system to provide taxpayers broader access and the ability to download their wage and income transcript information in time to prepare their tax returns.
- Activity 2: Provide training to Local Taxpayer Advocates on simplification-related legislative proposals in the Purple Book and encourage them to discuss these proposals with congressional members and staff during their outreach events.
- Activity 3: Explore ways to simplify the Earned Income Tax Credit to increase taxpayer compliance and reduce burden and make any necessary administrative and legislative recommendations.
- Activity 4: Monitor the IRS rollout of taxpayer guidance, education, and compliance efforts for Forms 1099-K, Payment Card and Third Party Network Transactions, provided to small businesses for the payment of income received through third-party payment systems, with particular focus on the resulting level of taxpayer confusion, math error notices, and audit notices.

10. IMPROVE IRS HIRING, RECRUITMENT, AND TRAINING STRATEGIES

On April 6, 2023, the IRS unveiled its SOP[55] in response to the additional funding provided in the IRA signed into law in August 2022. In this plan, the IRS stated in broad terms that it plans to "implement fast, streamlined hiring processes that address challenges known today" and "use data to match candidates to the right jobs."[56] It also stated that the IRS seeks to "create hiring and training programs to build a data-savvy workforce… to serve taxpayers and meet mission goals more effectively."[57] TAS welcomes these efforts and hopes that they will come to fruition soon.

Until it implements this plan, the IRS will continue to experience significant challenges with timely recruiting, hiring, and training employees to effectively carry out its mission. As illustrated in the National Taxpayer Advocate 2022 Annual Report to Congress, Direct-Hire Authority (DHA) has improved the time

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55   IRS, Pub. 3744, IRS Inflation Reduction Act Strategic Operating Plan (Apr. 2023).
56   *Id.* at 106.
57   *Id.* at 114.