

12. INCREASE ACCESSIBILITY AND IMPROVE FUNCTIONALITY OF DIGITAL SERVICES FOR INDIVIDUAL AND BUSINESS TAXPAYERS AND TAX PROFESSIONALS

When taxpayers can quickly communicate with the IRS to resolve issues and receive answers to their questions simply and securely, it has a positive effect on the taxpayer experience, which in turn raises taxpayers' overall satisfaction and trust in the IRS. TAS held focus groups during the 2022 IRS Tax Forums to gather ideas from tax professionals about taxpayers' needs and preferences for online services. Participants expressed feeling frustrated, exasperated, disappointed, and angry with their inability to effectively communicate with the IRS.⁶⁴ A 2022 TAS research report compared online accounts and the digital services available on [IRS.gov](https://www.irs.gov) to more than 41 state taxing authority websites and the Canadian, Australian, and United Kingdom's taxing authority websites.⁶⁵ The report identified three areas where the IRS website lacks features commonly found on other taxing authority websites: 1) full online filing options; 2) the ability to receive and respond to most notices online; and 3) robust in-person and digital contact options.⁶⁶ In addition to serving the needs of taxpayers, tools that enable taxpayers to digitally communicate and transmit documents will reduce demand for phone service and paper processing – two service channels in which the IRS has struggled to provide quality service.⁶⁷

Online Account for Individuals

Since the IRS introduced Online Account in 2016, user volume has grown slowly, as has functionality. Online Account allows individual taxpayers to view basic account information and arrange payments, and 19 notices are currently available for taxpayers to view and download.⁶⁸ The IRS plans to add six additional notices before the end of July 2023.⁶⁹ About 20 million unique users accessed their Online Account in 2022. The IRS prioritized offering payment options in the development of Online Account, and taxpayers made 6.25 million payments worth \$42.8 billion through Online Account in 2022.⁷⁰

Online Account lacks one-stop access to digital services and capabilities, essential to improving the taxpayer self-service experience and access. The IRS “has prioritized 72 additional notices” for inclusion into Online Account in FY 2024.⁷¹

Tax Pro Account for Tax Professionals

The IRS introduced Tax Pro Account in 2021 for use by tax professionals. It allows tax professionals to perform limited functions, such as initiating a representation authorization and viewing a client transcript. These limited features have limited user growth; there have only been 10,835 completed power of attorney requests since the tool launched in July 2021.⁷² Practitioners want to request, receive, and terminate a power

64 National Taxpayer Advocate 2022 Annual Report to Congress 222-242 (Research Report: *A Review of Online Accounts and Web Services Offered by U.S. State and Foreign Country Taxing Authorities*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_CA_Online-Accounts.pdf.

65 *Id.*

66 *Id.*

67 National Taxpayer Advocate 2022 Annual Report to Congress 90-103 (Most Serious Problem: *Online Access for Taxpayers and Tax Professionals: Inadequate Digital Services Impede Efficient Case Resolution and Force Millions of Taxpayers to Call or Send Correspondence to the IRS*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_MSP_05_Online-Access.pdf.

68 IRS response to TAS information request (May 2, 2023).

69 *Id.*

70 IRS response to TAS information request (Nov. 1, 2022).

71 National Taxpayer Advocate 2022 Annual Report to Congress 90-103 (Most Serious Problem: *Online Access for Taxpayers and Tax Professionals: Inadequate Digital Services Impede Efficient Case Resolution and Force Millions of Taxpayers to Call or Send Correspondence to the IRS*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_MSP_05_Online-Access.pdf; IRS, Pub. 3744, *IRS Inflation Reduction Act Strategic Operating Plan 52* (Apr. 2023).

72 IRS response to TAS information request (May 2, 2023) (as of Apr. 22, 2023).

of attorney through Tax Pro Account without the need for their client to establish their own online account.⁷³ Tax professionals should have the ability to access each of their client's accounts in one location for ease of assisting clients with IRS issues, as requested by participants in the Tax Forum focus groups.⁷⁴ Because practitioners are key to a successful tax administration, the IRS should move quickly in this space.

Business Online Account

The IRS expects to launch an early version of Business Online Account (BOLA) during 2023; however, it will only have basic functionality that will allow business taxpayers to make and view tax payments, view tax balance(s) due, and manage business information on a profile page.⁷⁵ The IRS SOP describes numerous features, including several TAS has recommended, that could be available in the near future (2024-2026), such as reminders explaining tax credits and deductions for which a taxpayer may be eligible, chatbot and callback features, refund tracking, and real-time alerts about return errors with the ability to fix the errors online.⁷⁶ These features would make BOLA a highly useful tool to attract new users.

In-Person Identity Proofing

The IRS must ensure the security of taxpayer data when offering access to sensitive taxpayer data. Taxpayers can have difficulty completing the identity proofing process required for Online Account access for many reasons, including having unacceptable documents or being former victims of identity theft. The IRS SOP described success as “credentialing service providers for identity-proofing expanded, more services made available to authenticated taxpayers, and access expanded for certain types of taxpayers, such as ITIN [Individual Taxpayer Identification Number] holders and international taxpayers” but did not provide specific dates for implementation.⁷⁷ The IRS must maintain the security of taxpayer information but also strive to improve the taxpayer experience for those who need additional assistance accessing online tools. The IRS is launching an in-person innovation study to offer alternatives for in-person identity proofing and obtaining credentials for future access to IRS online applications that require secure access.⁷⁸

Objective 12 for FY 2024 – TAS will work with the IRS to improve access to digital tools for individual and business taxpayers and tax professionals.

- Activity 1: Provide recommendations for the development, rollout, and education supporting digital services or products relating to individual and business taxpayers and tax professionals.
- Activity 2: Recommend TAS be recognized as an interested business partner during the development, implementation, education, and upgrades of taxpayer-facing digital services and products and be granted an opportunity to provide input throughout each process.
- Activity 3: Provide recommendations for the development of an in-person identity proofing process for taxpayers to obtain credentials for future access to IRS online applications that require identity proofing.

73 National Taxpayer Advocate 2022 Annual Report to Congress 222-242 (Research Report: *A Review of Online Accounts and Web Services Offered by U.S. State and Foreign Country Taxing Authorities*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_CA_Online-Accounts.pdf.

74 *Id.*

75 IRS, Pub. 3744, IRS Inflation Reduction Act Strategic Operating Plan 27 (Apr. 2023); IRS response to TAS information request (May 2, 2023).

76 IRS, Pub. 3744, IRS Inflation Reduction Act Strategic Operating Plan 27 (Apr. 2023).

77 *Id.* at 44.

78 IRS, Authentication, Authorization, and Access Executive Government Board (Apr. 27, 2023).