

Currently, at the conclusion of some cases, Appeals will draft an Appeals Case Memorandum (ACM), which sets forth the reasoning for and implications of the settlement.¹⁰¹ Appeals sends the ACM to Compliance, and on some occasions, Appeals will hold a post-settlement conference with Compliance as well.¹⁰² Appeals does not give taxpayers access to the ACM or the post-settlement conference, even though they specifically address the taxpayer's own case. TAS will keep pressing Appeals to provide taxpayers with the ACMs whenever they are drafted and to invite taxpayers to post-settlement conferences, even if in the capacity of an observer.

In addition to providing taxpayers with clear and concise explanations of Appeals decisions, Appeals should work with the IRS to help ensure that tools, such as coordination of issues and the designation of cases for litigation, are used in only the most essential of situations. As a practical matter, these mechanisms limit the discretion of assigned AOs and can be extremely frustrating for taxpayers and practitioners. Rather than receiving the unbiased and objective case review they seek, taxpayers are left with the impression that their cases are being controlled, and sometimes decided by, the same institution with which they have already disagreed. This perceived lack of independence also arises when AOs invite Counsel and Compliance to participate in large-case Appeals conferences. Appeals can facilitate this participation, even against the wishes of taxpayers. In FY 2024, TAS will continue to urge Appeals to revise this practice to better fulfill its role as an independent decision-maker.

Objective 16 for FY 2024 – TAS will advocate for improvements and increased independence within Appeals.

- Activity 1: TAS-Appeals liaisons will hold a meeting with Appeals to advocate for providing taxpayers with the ACMs whenever they are drafted and inviting taxpayers to post-settlement conferences, even if in the capacity of an observer.
- Activity 2: TAS-Appeals liaisons will hold a meeting with Appeals to reiterate to Appeals the negative impact on independence of including Counsel and Compliance in Appeals conferences without taxpayer consent.
- Activity 3: TAS-Appeals liaisons will hold a meeting with Appeals to encourage Appeals to collect and analyze data, such as settlement percentages and cycle times, that it can use to create fair and transparent Appeals policies and to ensure that these policies are consistently applied.
- Activity 4: TAS subject matter experts will offer to review Appeals' IRMs and training materials to assess potential recommendations for improving Appeals' independence.
- Activity 5: TAS-Appeals liaisons will hold a meeting with Appeals to encourage Appeals to provide service to the taxpayer in a reasonable timeframe and to give TAS cases priority.

17. REDUCE COMPLIANCE BARRIERS FOR OVERSEAS TAXPAYERS

Overseas taxpayers face numerous and significant challenges complying with their U.S. tax obligations.¹⁰³ This population of taxpayers includes U.S. citizens and resident aliens residing abroad in addition to foreign individuals and businesses with U.S.-source income or operations. The challenges these taxpayers face include difficulty understanding applicable tax laws, meeting their filing and payment obligations, accessing online resources, and interacting with the IRS. For example, overseas taxpayers face barriers in obtaining Taxpayer Identification Numbers, electronically filing tax and information returns, and receiving mailed correspondence from the IRS. Moreover, there is only one telephone line for taxpayers abroad, and it is not toll-free. To protect taxpayer rights and improve voluntary compliance for this population, it is essential that the IRS

¹⁰¹ IRM 8.6.2.2, Introduction to Appeals Case Memos (ACMs) (Aug. 17, 2017).

¹⁰² IRM 8.1.10.4.1.4, Post-Settlement Conferences (June 21, 2012).

¹⁰³ National Taxpayer Advocate 2022 Annual Report to Congress 157-173 (Most Serious Problem: *Overseas Taxpayers: Taxpayers Outside of the United States Face Significant Barriers to Meeting Their U.S. Tax Obligations*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_MSP_10_Overseas.pdf.

improve customer service options for international taxpayers, reduce barriers for them to meet their filing and payment obligations, and minimize the burdens imposed on this population by enforcement procedures.

Objective 17 for FY 2024 – TAS will identify compliance barriers for overseas taxpayers and make administrative recommendations to minimize the burdens imposed on this population.

- Activity 1: Review content on [IRS.gov](https://www.irs.gov) directed at U.S. taxpayers residing or doing business overseas and provide specific suggestions to the IRS about how to improve that content, including filing and paying taxes from abroad; dealing with foreign tax issues such as the foreign tax credit, foreign earned income exclusion, and reporting requirements for foreign financial accounts and foreign assets; utilizing online accounts or other tools; and resolving tax disputes to make content more transparent and useful to taxpayers living abroad.
- Activity 2: Meet with representatives and stakeholders for international taxpayers to better understand the challenges they face in complying with their U.S. tax obligations and make administrative recommendations to reduce such compliance burdens.
- Activity 3: Review Internal Revenue Manual provisions and IRS correspondence products to identify circumstances where the IRS should revise its procedures to provide international taxpayers additional time to respond.