

TAS Proposes Administrative and Legislative Changes to Mitigate Taxpayer Problems

The National Taxpayer Advocate submits two reports to Congress each year: an Activities Report, delivered in January, and an Objectives Report, delivered in June. The law requires that TAS deliver the reports to the Senate Committee on Finance and the House Committee on Ways and Means with no prior review or comment from the IRS Commissioner, the IRS Oversight Board, the Secretary of the Treasury, any other Treasury office or employee, or the Office of Management and Budget.⁴³

Almost every area of the TAS organization contributes to developing the reports, including investigating systemic issues and analyzing data and trends. Many subject matter experts and technical liaisons serve on cross-functional teams with the IRS to learn about issues, propose solutions, and work collaboratively to resolve problems.

Specifically in the Annual Report to Congress, TAS makes formal recommendations to the IRS for administrative changes and to Congress for legislative changes. This year, TAS makes 73 administrative recommendations to the IRS, covering a range of adjustments to improve taxpayers' experiences with the IRS.⁴⁴ The report also proposes 66 legislative recommendations to Congress, highlighting issues the IRS cannot (or declines to) address through administrative remedy.⁴⁵

TAXPAYER ADVOCATE DIRECTIVES

A Taxpayer Advocate Directive (TAD) is a mechanism that provides the National Taxpayer Advocate the opportunity to formally raise systemic issues before IRS officials, requesting that they address her concerns and implement improvements to processes that affect taxpayer rights. IRS Delegation Order 13-3 authorizes the National Taxpayer Advocate to issue a TAD "to mandate administrative or procedural changes to improve the operation of a functional process or to grant relief to groups of taxpayers (or all taxpayers) when implementation will protect the rights of taxpayers, prevent undue burden, ensure equitable treatment, or provide an essential service to taxpayers."⁴⁶ The National Taxpayer Advocate will summarize TAD activity in the Annual Report to Congress, as required by the IRC § 7803(c)(2)(B)(ii).

Taxpayer Advocate Directives Issued in Fiscal Year 2023

The National Taxpayer Advocate issued no TADs or proposed TADs in FY 2023.

⁴³ IRC § 7803(c)(B)(iii).

⁴⁴ For a discussion of the top ten Most Serious Problems this year, see *Most Serious Problems: Introduction: The Most Serious Problems Encountered by Taxpayers*, *supra*.

⁴⁵ See National Taxpayer Advocate 2024 Purple Book, *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration*.

⁴⁶ IRM 1.2.2.13.3, Delegation Order 13-3 (formerly DO-250, Rev. 1), Authority to Issue Taxpayer Advocate Directives (Jan. 17, 2001), https://www.irs.gov/irm/part1/irm_01-002-002. Section 1301 of the Taxpayer First Act, Pub. L. No. 116-25, § 1301, 133 Stat. 981, 991 (2019), amended IRC § 7803(c) to codify the process for the IRS to respond to a TAD and for the National Taxpayer Advocate to appeal a modified or rescinded TAD, and it imposed a reporting requirement on the National Taxpayer Advocate for any TAD not honored by the IRS in a timely manner.