

conducted 592 Problem Solving Day events to meet with taxpayers, discuss their tax issues, and determine eligibility for TAS services.<sup>27</sup> We facilitated five Case Resolution Rooms over 15 days at the IRS Nationwide Tax Forums to meet with hundreds of tax practitioners and resolve their clients' tax issues.<sup>28</sup>

In January, TAS raised awareness among working families about eligibility requirements and the benefits of the Earned Income Tax Credit (EITC) through EITC Awareness Day. TAS also reached taxpayers to educate them about tax responsibilities, tax benefits, tax credits, and how to avoid tax filing pitfalls through Pre-Filing Season Readiness outreach events.

In FY 2024, TAS will continue to partner with LITCs; members of the Taxpayer Advocacy Panel (TAP); staff of local congressional offices; the IRS Stakeholder Partnerships, Education, and Communication function; community-sponsored events and state agencies; and other stakeholders; it will interact with taxpayers during in-person and virtual events to raise awareness about TAS's free services and provide timely critical tax information to taxpayers.

## TAS SYSTEMIC ADVOCACY

TAS strives to improve the taxpayer experience and ensure that the IRS is respecting taxpayers and their rights. As a part of this, TAS makes administrative recommendations to the IRS and legislative recommendations to Congress. These recommendations often endorse actions that create positive resolutions to mitigate problems, reduce taxpayer burden, and ensure the IRS treats all taxpayers fairly.

TAS does not limit itself to a single approach in its advocacy work for taxpayers. While TAS Case Advocacy focuses on work with individual taxpayers or their representatives to resolve their specific problems with the IRS, TAS Systemic Advocacy works to identify systemic issues that affect large numbers of taxpayers. These systemic issues involve systems, processes, policies, procedures, or legislation.

Multiple avenues help identify systemic issues. For example, Systemic Advocacy closely collaborates with TAS Case Advocacy to elevate trends identified through reviews of TAS casework and outreach events. This collaboration is critical to TAS's advocacy work as it looks at taxpayer service holistically to find and resolve problems. Systemic Advocacy learns about some problems via submissions to its Systemic Advocacy Management System (SAMS)<sup>29</sup> database. Systemic Advocacy studies and analyzes these issues to determine how they affect taxpayers. Systemic Advocacy then determines what options are available to resolve the issue. Some options include opening a project to investigate the issue or suggesting rewording of a publication.

TAS employees serve on cross-functional IRS teams so they can recognize potential systemic issues and recommend changes before they become a problem. This proactive approach helps protect taxpayer rights and ensures that the IRS considers and minimizes taxpayer burden. Systemic Advocacy also partners with TAP and LITCs to learn about problems from those working broadly with taxpayers.

### The Most Frequent Issue Submitted to the Systemic Advocacy Management System Related to Taxpayer Refunds<sup>30</sup>

SAMS is a web-based system that allows TAS to receive and prioritize systemic issues and problems. SAMS plays a crucial role in informing TAS about systemic problems in the IRS or the tax law. Anyone – individuals, businesses, academic and research institutions, professional organizations, practitioners, and all

27 Data obtained from Outreach Database (Oct. 1, 2023).

28 See IRS News Release, IR-2023-37, 2023 IRS Nationwide Tax Forums to be Held in Five Cities (Mar. 2, 2023), <https://www.irs.gov/newsroom/2023-irs-nationwide-tax-forums-to-be-held-in-five-cities>.

29 SAMS is a web-based system that allows TAS to receive and prioritize systemic issues and problems.

30 Data obtained from SAMS (Oct. 17, 2022). The top five issues submitted to SAMS for FY 2023 were refunds, collection issues, no categories apply, return processing, and service.

other interested parties – who is aware of a tax problem that affects more than one taxpayer, involves IRS processes, or affects taxpayer rights can submit an issue via SAMS.<sup>31</sup> TAS reviews, researches, and monitors SAMS submissions, advocating for change when appropriate.

Many submissions to SAMS in FY 2023 identified refund issues – 1,831 of 5,206 submissions, or about 35 percent.<sup>32</sup> This illustrates that IRS processing backlogs and operational delays continue to impact the taxpayer's ability to receive their much-needed refunds. In the Case Advocacy function, TAS advocates for taxpayers on an individual level to resolve their issues and get their refunds; on a systemic level, TAS uses its Systemic Advocacy function to urge both the IRS and Congress to make changes that will reduce processing delays.

SAMS submissions this fiscal year showed an encouraging trend as they fell to 5,206, a significant decrease from FY 2022 receipts of 9,433<sup>33</sup> but still much higher than pre-pandemic levels of 888 in 2018 and 897 in 2019.<sup>34</sup>

### Taxpayer Advocacy Panel

TAP is a Federal Advisory Committee established in 2002 under the authority of the Department of the Treasury.<sup>35</sup> Although TAP is independent from TAS in its work, TAS provides essential funding, technical, administrative, and clerical support to this critical grassroots organization. TAP consists of a rotating body of volunteer members made up of a cross-section of the taxpaying public who serve on committees dedicated to reviewing specific areas of the IRS that impact customer service and satisfaction.

TAP committees hold monthly meetings open to the public and provide a forum for taxpayers to speak directly on issues concerning customer service burdens.<sup>36</sup> TAP provides the taxpayer perspective on critical tax administration programs and helps identify grassroots issues through community outreach. TAP also provides opportunities to gather independent taxpayer comments and suggestions regarding IRS service, customer satisfaction, and process improvements.

The committees research and develop recommendations for potential elevation to the IRS for its consideration and response. However, there are no established deadlines or agreement with the IRS on providing responses to TAP's recommendations. In her FY 2024 Objectives Report to Congress, the National Taxpayer Advocate promoted establishing a standardized process for the IRS to review and respond to TAP recommendations. TAS will assist TAP in developing accountable procedures with the IRS BODs when reviewing and responding to public recommendations.

In FY 2023, TAP submitted 222 recommendations to the IRS suggesting improvements to the taxpayer experience. For example, TAP identified concerns about taxpayer guidance on how to file returns completely and accurately for foreign accounts; it made 45 recommendations to help foreign taxpayers avoid the significant penalties for incorrect or missing filings.<sup>37</sup> The recommendations will reduce the IRS's burden of assessing the penalties and responding to taxpayers who believe the IRS assessed the penalties in error or who want to make an abatement request.

31 See SAMS, <https://www.irs.gov/advocate/systemic-advocacy-management-system-sams> (Dec. 5, 2023).

32 Data obtained from SAMS (Oct. 12, 2023).

33 Data obtained from SAMS (Oct. 17, 2023).

34 Data obtained from SAMS (Nov. 7, 2023).

35 Federal Advisory Committee Act, Pub. L. 92-463, §1, 86 Stat. 770, 770 (1972).

36 Taxpayers may also submit issues online through TAP's website, <https://www.improveirs.org/>.

37 Data obtained from TAP (Nov. 14, 2023). Each year, TAP produces an annual report to highlight TAP's accomplishments. See, e.g., IRS, Pub. 4444, Taxpayer Advocacy Panel 2022 Annual Report (Mar. 2023), <https://www.improveirs.org/wp-content/uploads/2023/04/2022-tap-annual-report-v2.pdf>.

## TAS Systemic Advocacy Collaborates With the Office of Taxpayer Correspondence to Improve IRS Letters and Notices

TAS Systemic Advocacy is collaborating closely with the Office of Taxpayer Correspondence (OTC) regarding IRS Strategic Operating Plan Initiative 2.3 to develop taxpayer-centric notices. TAS participated in 233 data gathering calls<sup>38</sup> with the IRS where TAS provided input on IRS guidance, letters, and notices during the development process rather than having to advocate for changes after product creation. These calls led to TAS participating in the creation or revision of 387 letters/notices for FY 2023.<sup>39</sup>

A cooperative partnership with OTC allows TAS to advocate for taxpayer rights and reduce taxpayer burden by ensuring taxpayer correspondence clearly explains what taxpayers need to know and what they need to do to comply with the tax laws. The Taxpayer Bill of Rights (TBOR) entitles taxpayers to clear explanations of the laws and IRS procedures in all notices and correspondence.<sup>40</sup>

To ensure all taxpayers have clear, understandable guidance about TAS's assistance, Systemic Advocacy and OTC have signed a memo of understanding to formalize a new, seamless process to ensure the use of standard language about TAS in more IRS correspondence. The memo standardizes language about TAS and its assistance and identifies the correspondence products in which the IRS should insert it. Also, the memo upholds the incorporation of plain language as required in the Plain Writing Act of 2010; affirms the consistent treatment of TBOR information; eliminates redundant requests to revise TAS language; and eliminates the risk of duplicate, unnecessary, and incorrect language.

## TAS Reviews IRS Publications and Guidance to Relieve Burden and Protect Taxpayer Rights

Systemic Advocacy is proactive in its efforts to ensure that IRS employee guidance and instructions contain the key elements to protect taxpayer rights. TAS works collaboratively with the IRS to review both internal and external IRS products and customer communications, such as IRS notices, forms, and publications, to identify and address items that might unintentionally cause taxpayer burden or harm.

Subject matter experts within TAS examine the IRS guidance, procedures, and materials. They then advocate with IRS BODs to make changes that relieve taxpayer burden, protect and promote taxpayer rights, and ensure the IRS is an efficient tax administrator. TAS reviews IRS materials in advance of publication or may open its own negotiations with the IRS if it discovers problems during TAS's work with taxpayers.<sup>41</sup> Advocating for taxpayers to ensure they receive timely, accurate information ensures TAS fulfills a critical aspect of its mission.

During FY 2023, TAS reviewed 808 internal documents and 722 external IRS products and provided 869 recommendations to modify the drafts – 400 of which directly impacted taxpayer rights. The IRS accepted 706 (81 percent) of our overall recommended changes and 279 (70 percent) of the recommendations impacting taxpayer rights.<sup>42</sup>

38 Data obtained from Internal Management Document/Single Point of Contact (IMD/SPOC) (Nov. 15, 2023).

39 *Id.*

40 IRC § 7803(a)(3).

41 IRM 13.2.1.5.1, IMD/SPOC Reviews (Sept. 29, 2020), [https://www.irs.gov/irm/part13/irm\\_13-002-001](https://www.irs.gov/irm/part13/irm_13-002-001).

42 IMD/SPOC data obtained from Systemic Trends and Analysis Report (Oct. 13, 2023).

## 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.<sup>43</sup>

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.<sup>44</sup> The report also proposes 66 legislative recommendations to Congress, highlighting issues the IRS cannot (or declines to) address through administrative remedy.<sup>45</sup>

## 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.”<sup>46</sup> 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.

<sup>43</sup> IRC § 7803(c)(B)(iii).

<sup>44</sup> 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*.

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

<sup>46</sup> 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](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.