

Technology is not the only area of concern for IRS transparency. The IRS must be proactive in issuing guidance on tax law that is clear and timely and that adequately reflects input from stakeholders while fully complying with the notice-and-comment requirements of the Administrative Procedure Act.²⁶ As the IRS continues to implement its Strategic Operating Plan (SOP), it needs to provide stakeholders with meaningful updates on its progress without overstating successes or minimizing setbacks. These updates must include performance metrics and specific deadlines that objectively report progress toward all initiatives in the SOP, not just modernization efforts the IRS currently prioritizes.²⁷

Objective 3 for FY 2025 – TAS will continue to advocate for the IRS to be fully transparent and provide specific details on its progress toward implementing the SOP, including its efforts to modernize technology and strategically implement AI, and to produce clear and timely guidance and information to taxpayers, tax professionals, industry, and other stakeholders.

- Activity 1: Make recommendations through TAS’s cross-functional working groups, the IRS Advisory Counsel, public speeches, blogs, Reports to Congress, and other avenues that the IRS be transparent when providing updates on its plans for modernization and its progress toward meeting modernization initiatives.
- Activity 2: Review IRS uses of AI to ensure that they comply with government-wide standards on taxpayer rights and data privacy through membership on the Data and Analytics Strategic Integration Board, the AI Assurance Team, or other cross-functional groups involved in AI oversight.
- Activity 3: Conduct listening sessions and other forms of outreach with external stakeholders to identify areas in which the IRS has not provided taxpayers with guidance and information that is timely and clear and that adequately incorporates stakeholder feedback. Use internal meetings, blogs, and Reports to Congress to advocate for the IRS to promptly address these issues.

4. IMPROVE TAXPAYER ACCESS TO TELEPHONE AND IN-PERSON ASSISTANCE

When taxpayers need IRS assistance filing and paying their federal taxes, two of the primary service channels they use are calling telephone lines and seeking in-person assistance at Taxpayer Assistance Centers (TACs).²⁸ The IRS reports its performance assisting callers on the telephone lines using a metric called Level of Service (LOS), which fails to measure several industry standard factors such as:

- Satisfaction (whether the customer is satisfied with service received);
- Confidence/trust (whether the interaction increased confidence in the federal program/service or the ability to serve its relevant population);
- Effectiveness/quality (whether the customer’s need was addressed or issue was resolved);
- Ease/simplicity (whether it was easy to complete what needed to be done);
- Efficiency/speed (whether it took a reasonable amount of time to complete what needed to be done);

26 5 U.S.C. §§ 551-559. See National Taxpayer Advocate 2023 Annual Report to Congress 176-177 (Most Litigated Issues: *Litigation Trend: Challenges Concerning the Administrative Procedure Act*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/02/ARC23_MostLitigatedIssues.pdf.

27 The IRS’s 2024 SOP update and update supplement both present arguments for why the IRS has been successful so far in its modernization efforts, but neither attempts to comprehensively describe IRS progress toward all initiatives in the SOP. See IRS, Pub. 3744-A, 2024 IRA Strategic Operating Plan Annual Update Supplement (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744a.pdf>; IRS, Pub. 3744-B, 2024 IRA Strategic Operating Plan Annual Update (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744b.pdf>.

28 See IRS, Service to Taxpayers (Mar. 13, 2023), <https://www.irs.gov/statistics/service-to-taxpayers>.

- Equity/transparency (whether the customer was treated fairly/understood what was being asked of the customer throughout the process); and
- Employee helpfulness (whether employees the customer interacted with were helpful).²⁹

TAS has advocated for the IRS to adopt a more comprehensive measure of phone service that includes the quality of the caller's experience.³⁰ Although it is commendable that the IRS reported a CSR LOS of 88 percent on its Accounts Management (AM) toll-free phone lines during Filing Season 2024,³¹ that calculation includes calls where the IRS routed a caller to an automated response when they wanted to reach a live assistor, calls where the CSR was unable to answer the caller's questions, and calls where the taxpayer had to call multiple times or was unsatisfied with the service they received from a CSR for other reasons. As such, the LOS is neither a good measurement of service nor an accurate reflection of the taxpayer experience. On other phone lines outside of AM, such as the Installment Agreement/Balance Due lines and the Taxpayer Protection Program line, the IRS achieved low Levels of Service even by its own measurement, reporting Levels of Service of 42 and 17 percent, respectively.³² Assisting taxpayers with collection or fraud issues and improving service must be a priority for the IRS.

The IRS provides face-to-face taxpayer assistance at local TAC offices across the country, the District of Columbia, and Puerto Rico. Taxpayers serviced at TACs rated the quality of their service between 86 and 93 percent during 2023.³³ However, when taxpayers call the IRS for assistance, such as to make a TAC appointment, the IRS only allows them to rate their experience if the IRS CSR resolves the taxpayer's inquiry and the taxpayer agrees to the IRS transferring them to the survey.³⁴ The IRS should allow taxpayers to opt into a survey before it connects them with a CSR, so they can provide feedback on the quality of their experience, regardless of whether the CSR resolves the taxpayer's inquiry. Also, the IRS does not give callers the opportunity to rate the quality of their experience when it disconnects the call. In fact, through April 20, over 23,000 callers to the TAC appointment line, 241,000 callers to the AM lines, and 3.7 million callers on the IRS Enterprise lines during 2024 were unable to rate the quality of their experience because the IRS disconnected their call.³⁵

29 See OMB, *Preparation, Submission, and Execution of the Budget*, Circular No. A-11, Section 280 (July 10, 2020), <https://trumpadministration.archives.performance.gov/cx/assets/files/a11-280.pdf>. OMB developed this list of factors using leading practices from the private and public sectors, including Fortune 500 companies, market research institutions, and international organizations. Transactional surveys, such as the Accounts Management toll-free survey, have been aligned to these standards since 2020; however, the IRS lacks transparency about how the results of these surveys guide operational planning, as it places the majority of focus on LOS measures. The IRS also specifies that telephone calls will be measured for Timeliness, Professionalism, Customer Accuracy, Regulatory/Statutory Accuracy and Procedural Accuracy. See Internal Revenue Manual (IRM) IRM 21.10.1.4.1.1, Accounts Phones Measure (Oct. 1, 2006), https://www.irs.gov/irm/part21/irm_21-010-001.

30 See National Taxpayer Advocate 2023 Annual Report to Congress 48, 63 (Most Serious Problem: *Telephone and In-Person Service: Despite Improvements in Its Service Levels, the IRS Still Does Not Provide Taxpayers and Tax Professionals With Adequate, Timely Telephone and In-Person Service*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/01/ARC23_MSP_04_Telephone-InPerson.pdf.

31 Approximately 35 phone lines reside within the IRS's Taxpayer Services AM function, which typically accounted for about 71 percent of the total call volume the IRS received during Filing Season 2024. IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot, Enterprise Total; IRS, JOC, Snapshot Reports: Accounts Management (week ending Apr. 20, 2024). The IRS's formula for determining LOS is more complex than just number of calls received divided by number of calls answered. The LOS formula is: (Assistor Calls Answered + Automated Calls Answered (Info Messages)) divided by (Assistor Calls Answered + Automated Calls Answered (Info Messages) + Emergency Closed + Secondary Abandons + (Add either Calculated Busy Signal or Network Incompletes) + (Add either Calculated Network Disconnects or Total Disconnects)). Net AM attempts divided by net Enterprise attempts for Filing Season 2024 produced a percentage of 71.

32 IRS, JOC, Snapshot Reports: Product Line Detail (week ending Apr. 20, 2024).

33 IRS response to TAS information request (May 15, 2024).

34 *Id.*

35 *Id.*

Although improved in 2024, staffing shortages still limited taxpayer access to TAC services. During 2024, 22 TACs closed and provided no services for 30 days or more due to staffing shortages.³⁶ As of April 20, 2024, 252 TAC locations were open, and 16 were closed or unstaffed.³⁷ The IRS was able to fully staff only 27 percent of the TACs that stayed open, meaning fewer taxpayers could receive assistance.³⁸ Under normal procedures, taxpayers must make an appointment to receive TAC assistance; however, in a welcome change, the IRS served nearly 85,000 taxpayers without an appointment during regular TAC hours during 2024.³⁹ The average number of days taxpayers waited for a TAC appointment after scheduling decreased from 18.4 days in FY 2021 to 14.5 days in FY 2023, which was a 21 percent reduction, but still fell short of the seven-day waiting period TAS recommended in the 2023 Annual Report to Congress.⁴⁰

The IRS offered special in-person Saturday hours known as Taxpayer Experience Days once a month during February, March, April, and May at many TAC locations. Taxpayers were able to walk in and receive most services routinely offered by the TAC without an appointment.⁴¹ Through May, the IRS had held four Taxpayer Experience Days at 117 TACs during 2024 and served over 15,000 taxpayers.⁴²

TAS has advocated for the IRS to increase availability of TAC in-person assistance so taxpayers can obtain an appointment within seven days and extend hours of operation beyond 8:30 a.m. to 4:30 p.m., Monday through Friday, including regular Saturday hours.⁴³ From January 29 through April 16, 2024, the IRS extended service hours on Tuesdays and Thursdays between 7:30-8:30 a.m. and 4:30-6 p.m. at 242 TAC locations, a positive start.⁴⁴ Over 600 TAC employees provided more than 12,800 additional hours of service at TACs during this filing season, and the TACs served a total of 784,000 taxpayers during regular and extended hours.⁴⁵ Auditors from the Treasury Inspector General for Tax Administration (TIGTA) made unannounced visits to 16 of the locations offering Saturday walk-in service.⁴⁶ TIGTA auditors, acting as taxpayers, posed one of two general tax law questions to TAC assistants and evaluated the TAC environment, including wait times, orderliness, and employee professionalism.⁴⁷ The auditors found that the TAC assistants generally provided accurate and professional assistance, but taxpayers experienced long wait times, ranging from three to seven hours at seven of the sampled TACs, highlighting the need for more service providers to

36 IRS response to TAS information request (May 15, 2024).

37 IRS response to TAS information request (May 23, 2024).

38 IRS response to TAS information request (May 15, 2024).

39 IRS response to TAS information request (May 23, 2024).

40 Treasury Inspector General for Tax Administration (TIGTA), Ref. No. 2024-100-022, *Taxpayer Assistance Centers Generally Provided Quality Service, But Additional Actions Are Needed to Reduce Taxpayer Burden* 4 (2024), <https://www.tigta.gov/sites/default/files/reports/2024-05/2024100022fr.pdf>; National Taxpayer Advocate 2023 Annual Report to Congress 48, 64 (Most Serious Problem: *Telephone and In-Person Service: Despite Improvements in Its Service Levels, the IRS Still Does Not Provide Taxpayers and Tax Professionals With Adequate, Timely Telephone and In-Person Service*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/01/ARC23_MSP_04_Telephone-InPerson.pdf.

41 IRS, Pub. 3744, IRS Inflation Reduction Act Strategic Operating Plan (Apr. 2023), <https://www.irs.gov/pub/irs-pdf/p3744.pdf>; IRS, IRS Face-to-Face Saturday Help (May 17, 2024), <https://www.irs.gov/help/irs-face-to-face-saturday-help>.

42 IRS response to TAS information request (May 23, 2024); TIGTA, Ref. No. 2024-100-022, *Taxpayer Assistance Centers Generally Provided Quality Service, But Additional Actions Are Needed to Reduce Taxpayer Burden* 1 (2024), <https://www.tigta.gov/sites/default/files/reports/2024-05/2024100022fr.pdf>.

43 See National Taxpayer Advocate 2023 Annual Report to Congress 48, 64 (Most Serious Problem: *Telephone and In-Person Service: Despite Improvements in Its Service Levels, the IRS Still Does Not Provide Taxpayers and Tax Professionals With Adequate, Timely Telephone and In-Person Service*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/01/ARC23_MSP_04_Telephone-InPerson.pdf.

44 IRS News Release, IR-2024-25, IRS Offering Additional Time at Taxpayer Assistance Centers for Face-to-Face Help (Jan. 29, 2024), <https://www.irs.gov/newsroom/irs-offering-additional-time-at-taxpayer-assistance-centers-for-face-to-face-help>; IRS response to TAS information request (May 23, 2024).

45 IRS response to TAS information request (May 23, 2024); IRS, CY 2024 Individual Filing Season Report (week ending Apr. 20, 2024).

46 TIGTA, Ref. No. 2024-100-022, *Taxpayer Assistance Centers Generally Provided Quality Service, But Additional Actions Are Needed to Reduce Taxpayer Burden* 9 (2024), <https://www.tigta.gov/sites/default/files/reports/2024-05/2024100022fr.pdf>.

47 *Id.* at 10.

meet taxpayer demand.⁴⁸ The IRS is assessing the possibility of implementing extended hours as a regular, ongoing program, which would provide a great benefit to taxpayers.⁴⁹

Objective 4 for FY 2025 – TAS will work with the IRS to improve taxpayer access to telephone and in-person assistance.

- Activity 1: Advocate for the discontinuation of the LOS measure.
- Activity 2: Propose new methods of measuring the taxpayer experience that include metrics related to quality of service provided for the IRS to put in place by the end of FY 2025.
- Activity 3: Advocate for the IRS to allow callers to opt into a post-call quality survey before they connect to a CSR by the end of FY 2025.
- Activity 4: Promote expanded TAC hours of operation beyond 8:30 a.m. to 4:30 p.m., Monday through Friday, including regular Saturday hours, to be in place by the end of FY 2025 for all TAC offices.

5. INCREASE AWARENESS OF THE NEED FOR IRS OVERSIGHT OF PAID FEDERAL RETURN PREPARERS

Return preparers play an essential role in tax administration. In recent years, paid tax return preparers prepared the majority of the individual income tax returns filed.⁵⁰ Many of these preparers have no credentials and are subject to no minimum standards, such as competency tests, continuing education, or ethical rules. IRS data shows that there are significantly more non-credentialed paid tax return preparers than the total of all credentialed paid preparers preparing individual returns.⁵¹ Non-credentialed preparers disproportionately serve lower-income taxpayers. For example, non-credentialed preparers prepared approximately 82 percent of the tax year (TY) 2022 individual returns claiming the Earned Income Tax Credit (EITC) that were prepared by paid tax return preparers.⁵²

IRS oversight of the profession would protect taxpayers by imposing ethical rules on and ensuring a minimum level of competency for paid federal return preparers. The absence of such oversight exposes taxpayers to harm imposed by inept or dishonest return preparers. Because taxpayers bear ultimate responsibility for the accuracy of their own returns, incompetent and unethical return preparers subject taxpayers to unanticipated tax deficiencies, penalties, interest, overpaid taxes, or lost refunds. Non-credentialed preparers generate a disproportionate level of EITC audit adjustments. For example, of the TY 2021 EITC returns prepared by a paid preparer and subject to audit, approximately 94 percent of the audit adjustments (in dollars) were made to returns prepared by non-credentialed preparers.⁵³ This IRS data suggests that a significant portion of EITC improper payments was attributable to tax returns prepared by non-credentialed paid preparers.⁵⁴

48 TIGTA, Ref. No. 2024-100-022, Taxpayer Assistance Centers Generally Provided Quality Service, But Additional Actions Are Needed to Reduce Taxpayer Burden 10 (2024), <https://www.tigta.gov/sites/default/files/reports/2024-05/2024100022fr.pdf>.

49 IRS response to TAS information request (May 23, 2024).

50 IRS, CDW, Individual Returns Transaction File (IRTF) TYs 2018-2022 (through Dec. 31, 2023).

51 Almost 60 percent of unique Preparer Tax Identification Numbers (PTINs) recorded on TY 2022 individual returns belonged to non-credentialed preparers. Of the approximately 534,000 unique PTINs recorded on TY 2022 individual returns, more than 313,000 were non-credentialed return preparers. IRS, CDW, IRTF TYs 2018-2022, Return Preparers and Providers (RPP) Database (through Dec. 31, 2023). Because the IRS cannot determine the number of ghost preparers preparing tax returns, this figure underestimates the number of non-credentialed return preparers actually preparing returns. Ghost preparers are preparers who fail to appropriately sign and enter their PTIN on the returns they prepare, typically making it appear as if the taxpayer self-prepared the return.

52 IRS, CDW, IRTF TYs 2018-2022, RPP Database (through Dec. 31, 2023).

53 IRS, CDW, IRTF TYs 2018-2022, RPP Database, and Audit Information Management System (AIMS) Closed Case Database (through Dec. 31, 2023).

54 In FY 2023, the IRS estimates the amount of EITC improper payments was \$22 billion, or 33.5 percent of dollars paid out. GAO, GAO-24-106927, *Improper Payments: Information on Agencies' Fiscal Year 2023 Estimates* (2024), <https://www.gao.gov/products/gao-24-106927>.