



TAX AND FINANCIAL LITERACY

Limited Tax and Financial Knowledge Is Causing Serious Consequences for Taxpayers

WHY THIS IS A SERIOUS PROBLEM FOR TAXPAYERS

Insufficient knowledge about taxes leads to serious consequences for taxpayers. It can cause taxpayers to make mistakes on their taxes, which can have significant costs for those who fail to claim benefits for which they are eligible and for those who claim benefits they should not. Limited tax literacy imposes a variety of other costs that burden taxpayers, resulting in compliance costs and lost revenue for the government. Further, the consequences are not just tax related. Tax literacy is a key component of financial literacy, and insufficient tax knowledge can lead to a range of financial and related consequences that negatively affect individuals, families, and small businesses.

EXPLANATION OF THE PROBLEM

Limited tax and financial literacy are a significant problem in this country. It is estimated that in 2023 alone insufficient financial literacy in the United States cost more than \$388 billion, or about \$1,506 per adult.¹ It is easy to see how this can commonly occur:

- A low-income family who does not understand how to claim the Child Tax Credit misses out on thousands of dollars for which it was otherwise eligible;
- A stressful tax situation overwhelms parents, so they do not file a tax return, not realizing that their failure to file could prevent their children from receiving college financial aid;
- A young mother without a driver's license does not know how to open a checking account and obtain government benefits for her and her child; and
- A young adult renting his first apartment financially overcommits because he did not understand how much of his paycheck would go to withholding and benefits.

1 Nat'l Fin. Educators Council, *Financial Illiteracy Cost Americans \$1,506 in 2023*, <https://www.financialeducatorsCouncil.org/financial-illiteracy-costs> (last visited Oct. 9, 2024).

Tax literacy and financial literacy are fundamentally intertwined when it comes to everyday financial decision-making such as household spending, investing for retirement, paying for education, buying a house, or starting or growing a business. Yet, many Americans have a limited understanding of taxes and the U.S. tax system. This is understandable as the U.S. tax system is complicated, and the tax code is estimated to be an eye-popping 4,000,000 words.² Nonetheless, while understandable, limited tax literacy is a serious problem.

- It results in taxpayers making costly errors when they do not claim tax benefits to which they are entitled or when they claim tax benefits for which they are ineligible.
- It leads to taxpayers making tax-related decisions without fully understanding the consequences, resulting in people not making the best financial decision for their circumstances.
- It imposes other costs and burdens on taxpayers, including stress from fear of making mistakes when filing their taxes.
- It is costly for the government in the form of compliance costs and improper payments, contributing to the country's \$696 billion tax gap.³
- It can undermine Congress's policy goals, such as when taxpayers do not understand how to take advantage of tax benefits intended to encourage activities such as saving.
- It leads to non-tax consequences that can be particularly devastating for families and small businesses.
- It can be a challenging problem to address as people generally have limited opportunities to learn about taxes.
- It can cause people to feel disconnected from the U.S. tax system and the purpose of paying taxes, which can discourage compliance.

ANALYSIS

Limited tax literacy is a widespread problem in this country. A 2024 Tax Foundation survey of U.S. taxpayers found that “[o]n average, over 61 percent of respondents did not know or were not sure of basic tax concepts related to income tax filing.”⁴ This survey and others have highlighted gaps in basic tax knowledge, such as:

- *When are taxes due?* In one survey, almost half of the youngest cohort of respondents did not know about the April 15 deadline.⁵
- *How much income to report?* That same survey found 62 percent of first-time filers were not sure where to get their Forms W-2 and 1099.⁶
- *What records and receipts do they need?* In a survey of small businesses and the self-employed, 15 percent of respondents did not know or were unsure of what kinds of records and receipts they must keep for tax purposes.⁷
- *What is more valuable: a \$1,000 tax credit or a \$1,000 tax deduction?* Given a hypothetical in which a taxpayer with \$10,000 of income was taxed at a rate of ten percent, 64 percent of survey respondents answered incorrectly that the tax deduction was worth more than the credit or were unsure of the answer.⁸

2 See National Taxpayer Advocate 2017 Annual Report to Congress 84 (Most Serious Problem: *Employee Training: Changes to and Reductions in Employee Training Hinder the IRS's Ability to Provide Top Quality Service to Taxpayers*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/ARC17_Volume1_MSP_07_EmployeeTraining.pdf.

3 IRS, Research, Applied Analytics and Statistics, Pub. 5869, Federal Tax Compliance Research: Tax Gap Projections for Tax Year 2022 (Oct. 2024), <https://www.irs.gov/pub/irs-pdf/p5869.pdf>.

4 Zoe Callaway, *New National Tax Literacy Poll Highlights Need for Better Tax Education*, TAX FOUND. (Apr. 8, 2024), <https://taxfoundation.org/blog/national-tax-literacy-poll-education>.

5 Suzanne Blake, *Gen Z Expects Parents to Help Them With Their Taxes*, NEWSWEEK (Mar. 26, 2024) (reporting on Cash App Taxes survey), <https://www.newsweek.com/gen-z-expects-parents-file-taxes-them-1883584>.

6 *Id.*

7 Caroline Bruckner, Collin Coil, & Barbara J. Robles, *Using AI to Measure and Mitigate Tax Literacy Challenges* (2024) (on file with TAS).

8 Zoe Callaway, *New National Tax Literacy Poll Highlights Need for Better Tax Education*, TAX FOUND. (Apr. 8, 2024), <https://taxfoundation.org/blog/national-tax-literacy-poll-education>.

- *What is the highest tax bracket?* In one survey, only 33 percent of respondents correctly chose 37 percent as the highest tax bracket when given a choice among 22 percent, 32 percent, 37 percent, 43 percent, or not sure.⁹
- *How do tax brackets work?* In the same survey, over half of respondents did not understand how graduated income tax rates operate.¹⁰

Limited Tax Literacy Leads to Costly Tax Consequences for Taxpayers

A key part of tax literacy is people understanding their own tax situation. The tax code and tax system are complicated, and trying to understand them is a daunting task, but such knowledge is fundamental to taxpayer rights. Taxpayers have the *right to be informed*, meaning they have the right to know what they need to do to comply with the tax laws, as well as the *right to pay no more than the correct amount of tax*.¹¹

When families and businesses fail to claim the benefits for which they are eligible, they lose out and potentially pay more taxes than required. For example, around 20 percent of eligible taxpayers fail to claim the Earned Income Tax Credit (EITC), which is a refundable credit intended to assist low-income workers.¹² Workers who are at heightened risk of missing out on the credit include those who live in rural areas, the self-employed, and grandparents raising grandchildren.

On the other side, taxpayers who mistakenly claim tax benefits they should not can face unexpected costs, as the mistake may lead to audits and additional tax liabilities, plus penalties and interest. In some cases, taxpayers do not meet their tax obligations because they are unaware of them, such as the information reporting requirements on certain foreign accounts and transactions. The failure to file these information returns can lead to life-altering penalties that overwhelmingly impact lower- and middle-income individuals who voluntarily come forward and file their return, albeit late.¹³

Certain groups of taxpayers face particular burdens due to the U.S. tax system's complexity, and limited tax literacy exacerbates these challenges. One key example is small businesses, including the self-employed. This is a significant cohort of taxpayers. Small businesses number more than 33 million, account for 99.9 percent of U.S. businesses, and employ 61.6 million employees (45.9 percent of the country's workforce overall and 56.6 percent in rural areas).¹⁴ Roughly ten percent of U.S. workers are self-employed, and an estimated 16 percent of U.S. workers have earned money from the gig economy.¹⁵

Small businesses and the self-employed must deal with complicated tax situations, yet stakeholders regularly stress there is a lack of IRS resources available to educate them in a meaningful way. Further, small business owners are often not familiar with tax benefits intended to assist them. For example, a survey by the National

9 Zoe Callaway, *New National Tax Literacy Poll Highlights Need for Better Tax Education*, TAX FOUND. (Apr. 8, 2024), <https://taxfoundation.org/blog/national-tax-literacy-poll-education>.

10 *Id.*

11 See Taxpayer Bill of Rights (TBOR), <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited Oct. 9, 2024). The rights contained in TBOR are also codified in IRC § 7803(a)(3).

12 IRS, EITC Participation Rate by States Tax Years 2014 Through 2021, <https://www.eitc.irs.gov/eitc-central/participation-rate-by-state/eitc-participation-rate-by-states> (last updated Aug. 9, 2024).

13 See Most Serious Problem: *Civil Penalty Administration: The IRS's Administration of Penalties Is Often Unfair, Is Inconsistently Detering Improper Behavior, Is Not Promoting Efficient Administration, and Thus Is Discouraging Tax Compliance, infra*; National Taxpayer Advocate 2023 Annual Report to Congress 101 (Most Serious Problem: *International: The IRS's Approach to International Information Return Penalties Is Draconian and Inefficient*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/01/ARC23_MSP_08_International.pdf.

14 U.S. SMALL BUS. ADMIN. OFF. OF ADVOC., 2023 SMALL BUSINESS PROFILE FOR THE UNITED STATES 1 (2023), <https://advocacy.sba.gov/wp-content/uploads/2023/11/2023-Small-Business-Economic-Profile-US.pdf>. In rural areas, small businesses account for 56.6 percent of employment. See U.S. SMALL BUS. ADMIN. OFF. OF ADVOC., 2024 RURAL AREAS SMALL BUSINESS PROFILE (2024), https://advocacy.sba.gov/wp-content/uploads/2024/08/Rural-Areas-Profile-2024_080524.pdf.

15 U.S. BUREAU OF LAB. STATS., LABOR FORCE STATISTICS (CPS), tbl. A-9 Selected Employment Indicators, <https://www.bls.gov/webapps/legacy/cpsatab9.htm> (last visited Aug. 19, 2024); Bd. of Govs. of the Fed. Rsrv. Sys., ECONOMIC WELL-BEING OF U.S. HOUSEHOLDS IN 2022, at 26 (May 2023), <https://www.federalreserve.gov/publications/2023-economic-well-being-of-us-households-in-2022-employment.htm>.

Federation of Independent Business (NFIB) found that nearly half of small business owners were unfamiliar with the small business deduction, which provides a 20 percent tax deduction on qualified business income.¹⁶ Small business owners are at a competitive disadvantage when they do not understand the tax benefits for which they qualify.

Example of Costly Tax Consequences for Newly Self-Employed Worker

In 2023, Sally starts as a driver for a rideshare app, becoming an independent contractor for the first time. In early 2024, she gets Form 1099-NEC from the company reporting her income and heads to a return preparer to do her taxes. The return preparer asks for her business records and the amounts she paid in quarterly estimated taxes. Sally panics as this is all new to her. In previous jobs, her employers kept track of things and withheld money from her paycheck. Sally explains she was unaware of the requirement to pay estimated taxes, and her heart sinks as she realizes she is going to have to pay penalties. She is not alone, as one survey found approximately one-third of small business owners and self-employed respondents did not know they needed to make quarterly payments and set aside money for taxes.¹⁷

A survey of small business owners also reported that 13.2 percent of respondents indicated the thing that *most* concerned them when filing any type of Form 1099 income was whether they had correctly paid their estimated taxes.¹⁸

Sally's preparer explains complicated rules regarding expenses and deductions. She tells the preparer she has Form 1099-NEC and can log into the rideshare app to see her trips but otherwise hadn't kept records during the year, thinking the app tracked everything. Sally did not keep a mileage record of trips from her home to her first ride each day or records relating to a home office. Her incomplete records are a costly mistake as her preparer cannot determine if she qualifies for various tax benefits, including home office and business mileage deductions. She is not alone in her failure to keep adequate records. The same survey noted above found that 16 percent of respondents reported the thing that *most* concerned them when filing their return claiming Form 1099 income was not knowing what qualifies as a deduction, and 12 percent reported it was not having kept track of expense receipts.¹⁹

Limited Tax Literacy Can Lead Taxpayers to Make Poor Tax-Related Financial Decisions

Limited tax literacy can lead to taxpayers making tax-related decisions without fully understanding the consequences, perhaps resulting in people not making the best financial decision for their circumstances.

- *Is a large refund good or bad?* Financial experts and tax professionals routinely advise taxpayers that it is generally not a good idea to make excess tax payments because they are, in effect, giving the government an interest-free loan that the government pays back when the taxpayer receives a tax refund.²⁰ A recent survey found that while 48 percent of respondents disagreed with the statement

16 See, e.g., NFIB RSCH. CTR., NFIB TAX SURVEY 2021, at 12, Q10 (2021), <https://assets.nfib.com/nfibcom/NFIB-Tax-Survey-Full-Report.pdf>.

17 See Caroline Bruckner & Collin Coil, *AI and the Modern Tax Agency: Adopting and Deploying AI to Improve Tax Administration* (Jan. 2024) (on file with TAS); see also Caroline Bruckner, *Shortchanged: The Tax Compliance Challenges of Small Business Operators Driving the On-Demand Platform Economy* 12 (May 2016), <https://ssrn.com/abstract=2784243> (a survey of gig economy workers found 34 percent did not know they needed to submit quarterly payments and 43 percent had not set aside money to pay their taxes and did not know how much they owed).

18 See Caroline Bruckner, Collin Coil, & Barbara J. Robles, *Using AI to Measure and Mitigate Tax Literacy Challenges* (2024) (on file with TAS). The fact that quarterly due dates are illogical does not help this confusion. See National Taxpayer Advocate 2025 Purple Book, *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration* (Legislative Recommendation: *Adjust Individual Estimated Tax Payment Deadlines to Occur Quarterly*).

19 See Caroline Bruckner, Collin Coil, & Barbara J. Robles, *Using AI to Measure and Mitigate Tax Literacy Challenges* (2024) (on file with TAS).

20 See, e.g., Emmie Martin, *Suze Orman: Getting a Tax Refund Means You're Making a Big Mistake*, CNBC MAKE IT (Mar. 21, 2019), <https://www.cnbc.com/2019/03/21/suze-orman-getting-a-tax-refund-means-youre-making-a-big-mistake.html>; Aimee Picchi, *The Great Tax Refund Debate: Is It Financially Wiser to Get a Big Refund – or Nothing?*, CBS NEWS MONEYWATCH (Mar. 21, 2023), <https://www.cbsnews.com/news/tax-refund-debate-big-refund-zero-refund-cbs-news-explains>.

that large tax refunds are a good thing, 28 percent agreed with it, and 24 percent were not sure.²¹ If a taxpayer wants to adjust withholding to get a smaller refund, stakeholders emphasize that many struggle with the process.

- *What are the effects of filing for an extension?* When taxpayers file for an extension to file their tax return because they cannot meet the April 15 deadline, they must still pay any taxes owed by April 15. An extension to file is not an extension to pay. This can be a costly mistake for unaware taxpayers, leading to the assessment of unexpected interest and penalties.
- *Are refund anticipation loans worth it?* Taxpayers without a strong foundation in tax and financial literacy might not understand the disadvantages of refund anticipation loans (RALs), which are short-term loans based on the expected tax refund. Although a RAL may be a convenient way to get cash quickly during filing season depending upon the terms of the loan, these loans may make little financial sense for taxpayers and can have deceptively high fees. Data shows an uptick in the use of RALs. In tax year (TY) 2023, over 639,000 individual electronic filers had a RAL, up 33.6 percent from over 478,000 in TY 2022.²² Taxpayers should understand the risks and benefits when agreeing to a RAL.
- *Are taxpayers aware of the risk of tax scams?* Insufficient tax literacy can make taxpayers vulnerable to falling victim to scams, which can have huge financial and emotional costs for those individuals. Scams are another Most Serious Problem facing taxpayers, with millions of Americans losing billions of dollars to tax-related scams.²³ A key aspect of scams is social media influencers spreading disinformation, and insufficient tax literacy can make taxpayers vulnerable. The IRS can help counter this disinformation by establishing itself as a trusted source of fundamental tax knowledge.

Limited Tax Literacy Imposes Other Costs and Burdens on Taxpayers

The tax laws are overly complex, and insufficient tax literacy only makes understanding and complying with them all that more difficult. Many taxpayers struggle with preparing their tax returns and face associated burdens and costs, such as:

- *Stress.* Stakeholders repeatedly emphasize the stress and fear that people feel about filing taxes, particularly younger taxpayers.²⁴ Improving tax literacy could alleviate stress as people would be better informed of their tax obligations, their eligibility for tax benefits, and the process for filing and paying taxes.
- *Time.* The IRS estimates that taxpayers spend, on average, 13 hours to prepare and file the Form 1040 tax return.²⁵
- *Money.* The IRS estimates that the average cost for taxpayers to prepare and file the Form 1040 is \$270.²⁶

Most filers pay someone to do their taxes for them. A 2021 IRS survey of individuals found that 53 percent used a paid preparer.²⁷ For small businesses, that rate increases to more than 90 percent.²⁸ Paid preparers and software provide valuable services to taxpayers. However, concerns arise when taxpayers, due to limited

21 Zoe Callaway, *New National Tax Literacy Poll Highlights Need for Better Tax Education*, TAX FOUND. (Apr. 8, 2024), <https://taxfoundation.org/blog/national-tax-literacy-poll-education>.

22 IRS, Compliance Data Warehouse (CDW), Electronic Tax Administration Research and Analysis System (as of Sept. 2024).

23 See IRS, Tax Scams/Consumer Alerts, <https://www.irs.gov/newsroom/tax-scamsconsumer-alerts> (last updated Aug. 12, 2024). The Federal Trade Commission estimates 2.6 million fraud incidents with a total loss of \$10 billion in 2023 alone. See FED. TRADE. COMM'N, 2023 CONSUMER SENTINEL NETWORK DATA BOOK 10 (Feb. 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Annual-Data-Book-2023.pdf. See also Most Serious Problem: Tax-Related Scams: More Taxpayers Are Falling Victim to Tax-Related Scams, *supra*.

24 See also Andrew Marder, *NerdWallet 2024 Tax Report*, NERDWALLET (Jan. 30, 2024), <https://www.nerdwallet.com/article/taxes/taxes-study-2024>.

25 IRS, Tax Year 2023 Form 1040 (and 1040 SR) Instructions 108.

26 *Id.*

27 IRS, Research, Applied Analytics and Statistics, Pub. 5296, Comprehensive Taxpayer Attitude Survey (CTAS) 2021, at 39 (Jan. 2022), <https://www.irs.gov/pub/irs-pdf/p5296.pdf>.

28 See, e.g., NFIB RSCH. CTR., NFIB TAX SURVEY 2021, at 9 (2021), <https://assets.nfib.com/nfibcom/NFIB-Tax-Survey-Full-Report.pdf>.

tax and financial literacy, may not know a fair price for the services, may not understand the prevalence of and potential risk in using uncredentialed preparers, and may not know what to do if they get conflicting advice from preparers. Taxpayers might also agree to suboptimal payment arrangements, such as paying the preparer a percentage of their refund, where the cost might be less apparent versus paying the fee up front. Highlighting these concerns, a recent survey of U.S. adults found that slightly more than 25 percent did not know how much it would cost them to prepare their taxes, and another survey found that one-third of small business respondents did not ask their preparers basic questions about their return or whether the preparer would assist in the event of an audit.²⁹

Example of Costs and Burdens on Taxpayers Living Abroad to Comply

John and Queena moved to France in July 2020 to be closer to their clients in Europe and to expand their architecture firm. After settling in, they realized they needed to pay taxes to France for the six months they lived there and likely the United States as well. What they needed to do was not clear, so they found themselves trying to navigate a complex tax system they did not really understand. They contacted the IRS but found a lack of accessible real-time assistance and limited guidance for their tax inquiries. They downloaded and read through IRS publications online but found more questions than answers and became even more confused.

John had read they could take a Foreign Earned Income Exclusion that would help to exempt them from U.S. taxes while living abroad. Queena prepared and paid their taxes to the French government online, which was fairly straightforward. They also filed a return with the IRS, claiming the exclusion; that return was not so straightforward. Several months passed, and the couple received an IRS notice stating they could not take the exclusion and that they owed more in taxes as well as an assessed penalty. They consulted with an accountant in the United States who confirmed they did not meet the exclusion's complicated tests and did in fact owe taxes and penalties to the IRS.

Frustrated, John and Queena decided to hire a private tax preparer in France specializing in expatriate tax preparation to take care of their future business returns, personal French tax returns, and U.S. tax returns. This proved to be costly each year at around \$1,600 for all of their filings. In years when they had a U.S. tax refund, John and Queena received a paper check from the IRS, which they could not deposit in a European bank. In the years when they owed a small amount to the IRS, the cost to mail their filings was often greater than what they owed.

In some cases, the costs of using a paid preparer may be unnecessary because the taxpayer could file the return for free. There are several free filing options for qualifying taxpayers, including IRS Free File, where taxpayers file their returns for free via certain software providers; Direct File, which allows taxpayers in certain states to file for free directly with the IRS; the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs; MilTax, which the Department of Defense provides for members of the military; and free services provided by some software providers for simple returns.³⁰ But many taxpayers are unaware of the programs. For example, while 70 percent of taxpayers (100 million) are eligible to use Free File, only about three percent generally do, and a recent survey indicates that 13 percent of filers do not even know if they are eligible for the program.³¹

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- 29 See Andrew Marder, *NerdWallet 2024 Tax Report*, NERDWALLET (Jan. 30, 2024), <https://www.nerdwallet.com/article/taxes/taxes-study-2024>; Caroline Bruckner & Barbara J. Robles, *Understanding Tax Literacy Gaps for Small Business and the Growing Gig Workforce*, AM. UNIV. (Apr. 2023), https://8614653.fs1.hubspotusercontent-na1.net/hubfs/8614653/Small-Business-Literacy-Infographic_rd1.pdf; Caroline Bruckner, Collin Coil, & Barbara J. Robles, *Using AI to Measure and Mitigate Tax Literacy Challenges* (2024) (on file with TAS).
- 30 See IRS, IRS Free File: Do Your Taxes for Free, <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free> (last updated Dec. 16, 2024); IRS, IRS Direct File: File Taxes for Free Directly With IRS, <https://www.irs.gov/filing/irs-direct-file> (last updated Dec. 11, 2024); IRS, Free Tax Return Preparation for Qualifying Taxpayers, <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers> (last updated Oct. 17, 2024); Military OneSource, MilTax: Free Software and Support, <https://www.militaryonesource.mil/financial-legal/taxes/miltax-military-tax-services> (last visited Nov. 7, 2024); Sabrina Parys, *7 Free Tax Filing Options for 2024*, NERDWALLET (Oct. 7, 2024), <https://www.nerdwallet.com/article/taxes/free-tax-filing-how-to-file-taxes-for-free>.
- 31 See IRS, IRS Free File: Do Your Taxes for Free, <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free> (last updated Dec. 16, 2024); Government Accountability Office (GAO), *Why Don't More Taxpayers Take Advantage of Free Help Filing Taxes Online*, WATCHBLOG (May 10, 2022), <https://www.gao.gov/blog/why-dont-more-taxpayers-take-advantage-free-help-filing-taxes-online>; IRS News Release, IR-2024-58, IRS Free File Program Sees Early Increase in Use; Filings Up Nearly 10% (Mar. 1, 2024), <https://www.irs.gov/newsroom/irs-free-file-program-sees-early-increase-in-use-filings-up-nearly-10-percent>; Caroline Bruckner, Collin Coil, & Barbara J. Robles, *Using AI to Measure and Mitigate Tax Literacy Challenges* (2024) (on file with TAS).

One unexpected consequence of using paid preparers is the degree to which it further undermines tax literacy, as taxpayers come to rely on their preparer's tax knowledge rather than developing their own. For example, the NFIB has noted that "[t]he widespread use of tax professionals to ensure compliance with tax laws may be eroding [small business] owners' familiarity with the tax provisions available to them..., especially owners of smaller businesses."³² While not a reason to discourage the use of paid preparers, it is something to consider when developing ways to improve tax literacy.

Limited Tax Literacy Is Costly to the Government, Raising Compliance Costs and Reducing Revenue

When taxpayers make mistakes due to insufficient tax knowledge, there are compliance costs for the government, such as the IRS expending resources to audit and otherwise ensure compliance.

The U.S. tax system relies heavily on withholdings, estimated payments, and self-assessments. Evidence shows that increasing tax morale (the intrinsic willingness to pay tax), which tax literacy and education can strengthen, can increase compliance.³³

Taxpayer mistakes also contribute to the rate of improper payments, which are payments the government should not have made or made in incorrect amounts.³⁴ Four refundable tax credits – the EITC, the American Opportunity Tax Credit, the Premium Tax Credit, and the Additional Child Tax Credit – have estimated improper payment rates exceeding ten percent, costing the government an estimated \$26 billion in fiscal year (FY) 2022.³⁵

Relatedly, taxpayer mistakes also contribute to the tax gap, which is the difference between taxes owed and taxes not paid on time. The most recent estimated projection of the gross tax gap is \$696 billion for tax year 2022, with individual income tax underreporting estimated to account for over half of that amount.³⁶ While taxpayer mistakes are just one factor, improving tax literacy would reduce the number of mistakes and serve as a useful tool to reduce the amount of improper payments and the tax gap.

Improving tax literacy should go hand-in-hand with other actions to improve taxpayers' understanding of the tax gap and the government's finances. For example, the IRS Advisory Council recommends the IRS take steps to provide reliable and accessible information to the public about the tax gap, such as by developing a dedicated webpage on IRS.gov with visually interesting graphics, so the public better understands how the tax gap impacts them and how actions to reduce it can benefit them.³⁷

Limited Tax Literacy Undermines Congress's Policy Goals

Limited tax literacy can directly undermine congressional intent in enacting tax policies. For example, Congress has created tax-advantaged savings accounts to encourage individuals and families to save for retirement, college and other education costs, and health-related needs.³⁸ While multiple factors affect taxpayers' use of these accounts, one factor may be that some taxpayers are simply not aware of them or do

32 See, e.g., NFIB RSCH. CTR., NFIB TAX SURVEY 2021, at 9 (2021), <https://assets.nfib.com/nfibcom/NFIB-Tax-Survey-Full-Report.pdf> (a survey found that about half of the small business respondents were unfamiliar with the small business deduction).

33 See, e.g., Marina Bornman & Pushetso Ramutumbu, *A Conceptual Framework of Tax Knowledge*, MEDITARI ACCT'ANCY RSCH. 826-27 (Mar. 6, 2019) (summarizing various research studies), <https://doi.org/10.1108/MEDAR-09-2018-0379>; GAO, GAO-11-439, *Information on Selected Foreign Practices That May Provide Useful Insights* (2011), <https://www.gao.gov/assets/files/gao.gov/assets/gao-11-439.pdf>.

34 See 31 U.S.C. § 3351(4) for the definition of improper payment.

35 DEP'T OF THE TREASURY, AGENCY FINANCIAL REPORT FISCAL YEAR 2023, at 244 fig.8 (2023), <https://home.treasury.gov/system/files/266/Treasury-FY-2023-AFR-111523.pdf>.

36 IRS, Research, Applied Analytics & Statistics, Pub. 5869, Federal Tax Compliance Research: Tax Gap Projections for Tax Year 2022 (Oct. 2024), <https://www.irs.gov/pub/irs-pdf/p5869.pdf>.

37 IRS, Pub. 5316, IRS Advisory Council Public Report 22-24 (Nov. 2024), <https://www.irs.gov/pub/irs-pdf/p5316.pdf>.

38 See, e.g., BRENDAN McDERMOTT, CONG. RSCH. SERV., R47492, *Tax-Advantaged Savings Accounts: Overview and Policy Considerations* (Mar. 31, 2023), <https://crsreports.congress.gov/product/pdf/R/R47492>.

not understand how they work. Those taxpayers not only lose out on the tax benefits of the accounts (thus paying more tax than they would otherwise) but may also face significant impacts on their lives, such as having inadequate savings when they reach retirement.

Another example concerns the EITC, which is one of the country's main anti-poverty programs. Limited tax literacy can impact the EITC's policy goals by causing eligible taxpayers to fail to claim the credit, undermining the program's anti-poverty effect. It can also lead taxpayers to decide to pay for tax preparation. When taxpayers expend resources to obtain the EITC, it drains resources from households, an outcome that can seem particularly odd as taxpayers are paying a professional to figure out whether they qualify for a public benefit targeted to improve the financial circumstances of low-income workers and their families.³⁹

The IRS Should Develop a Concerted Plan to Improve Tax Literacy for Taxpayers

In light of these significant costs to taxpayers and the government, the IRS should prioritize a plan of action to improve tax literacy for taxpayers. It is already taking actions that are commendable. For example, the IRS reports that all VITA and TCE sites include some type of financial education and asset building activities, which the IRS Stakeholder Partnerships, Education and Communication function facilitates.⁴⁰ Financial education and asset building activities include helping taxpayers understand the benefits of direct deposit and how to use the split refund option to fund a saving-type account such as an individual retirement account.⁴¹ Additionally, the IRS has built strong relationships with key stakeholders, including state agencies, non-profit groups, tax practitioners, and software providers, and has leveraged these relationships into successful outreach and taxpayer educational activities.⁴²

While recognizing the IRS's significant efforts in taxpayer outreach and education, there is an opportunity for a more concerted effort focused on improving tax literacy. Stakeholders within and outside the IRS have exhibited enthusiasm for the agency taking a more active and focused role in improving tax literacy. Being able to effectively message tax literacy requires a variety of skills as well as an understanding of different taxpayers and the ways to effectively communicate with them. There are significant useful resources available to the IRS, and stakeholders with a range of expertise are willing to assist.

The IRS should commit to improving tax literacy by establishing a task force with stakeholders to take advantage of the wealth of knowledge these individuals and entities hold and their specialized experiences working with different cohorts of taxpayers, seeing the pain points, and successfully messaging strategies. The IRS and members of the task force should develop a comprehensive strategy to:

- Develop standardized metrics for measuring tax literacy and regularly conduct surveys to evaluate tax literacy among specific types of taxpayers;
- Identify metrics to gauge the success of tax literacy outreach efforts;
- Identify opportunities to seek input from stakeholders and the public;
- Create customized tax literacy outreach, including for platforms inside and outside IRS.gov for specific types of taxpayers and their individual circumstances;
- Identify strategies to partner with state agencies (including state departments of revenue, secretaries of states, and state treasurers) to provide accessible tax education at key moments during the lives of individuals and families and the lifecycles of businesses;

39 See Tax Pol'y Ctr., *Why Do Low-Income Families Use Tax Preparers?*, TAX POL'Y CTR. BRIEFING BOOK, <https://www.taxpolicycenter.org/briefing-book/why-do-low-income-families-use-tax-preparers> (last visited Oct. 8, 2024).

40 IRS response to TAS information request (Oct. 3, 2024).

41 *Id.*

42 IRS response to TAS information request (Oct. 11, 2024).

- Develop accessible tax education materials in consultation with tax preparer communities, including enrolled agents, VITA and TCE programs, and software providers, that these communities can integrate into their existing communications with taxpayers; and
- Develop tax education materials targeted to vulnerable populations including the elderly, immigrants, individuals with disabilities, and low-income taxpayers.

Improving tax literacy will necessitate changes in the way IRS.gov presents information. Taxpayers, practitioners, and other stakeholders frequently note the difficulties they have in finding information on IRS.gov, with a common criticism being that the site contains too little or too much information that is often duplicative, unclear, and difficult to search. One challenge the IRS will face is determining how to sustain a long-term effort to reimagine IRS.gov with a focus on promoting tax literacy.

Limited Tax Literacy Leads to Non-Tax Consequences That Can Be Particularly Devastating for Families and Small Businesses

Limited tax literacy does not just impact a person's taxes. Having a basic understanding of taxes and the U.S. tax system is important because it can influence how people make decisions that impact so many different areas of their lives. Tax and financial literacy are intertwined when it comes to people's financial decision-making, including managing a household budget, saving for retirement, paying for education, buying a house, or starting or expanding a small business.

There are many important ways that failing to file tax returns or otherwise comply with tax obligations can impact people's lives, as these examples illustrate:

- *Education:* Families must generally provide federal income tax returns, Forms W-2, and other records of income to file the Free Application for Federal Student Aid.⁴³
- *Small business loans:* The Small Business Administration (SBA) may require the submission of copies of federal tax returns to determine eligibility for various types of loans and contracting preferences.⁴⁴
- *Mortgages:* Lenders may require prospective homebuyers to provide copies of tax returns to qualify for residential mortgages.
- *Immigrants:* The Department of Homeland Security may treat permanent residents who fail to file a tax return or who file as a nonresident alien as having abandoned their permanent resident status.⁴⁵
- *Passports:* The State Department generally cannot issue passports to taxpayers with seriously delinquent tax debts and may deny such a taxpayer's passport application or renewal or revoke their current passport.⁴⁶

These examples highlight that financial decision-making often involves other agencies. TAS commends the IRS for its sustained efforts to coordinate with other federal agencies, such as the Department of Education, the Federal Emergency Management Agency, the SBA, the Federal Trade Commission, the Social Security Administration, and the Department of Veteran Affairs.⁴⁷ The IRS has identified numerous examples of its ongoing partnership efforts on issues important to the public, including the cross-marketing of critical messaging on tax issues and non-tax issues.⁴⁸

43 U.S. Dep't of Educ., *What Information Will I Need to Fill Out a FAFSA Form?*, <https://studentaid.gov/help/info-needed> (last visited Oct. 8, 2024).

44 See, e.g., 13 C.F.R. §§ 123.104, 127.203.

45 8 CFR § 316.5(c)(2).

46 IRC § 7345.

47 IRS responses to TAS information requests (Oct. 3, 2024; Oct. 11, 2024).

48 *Id.*

However, stakeholders have emphasized that there are some serious gaps in the way federal agencies sometimes present information together. The IRS and other federal agencies need a more coordinated approach to provide tax-focused education in a meaningful systemic way and incorporate tax literacy content into other agencies' financial literacy programming. Other federal agencies, including the Federal Deposit Insurance Corporation, the Consumer Financial Protection Bureau, and the Department of Defense, have already taken steps to provide accessible financial education to the public.⁴⁹ The IRS can include tax literacy in these efforts and raise awareness to taxpayers of the work these other agencies are doing. The IRS does not have to reinvent the wheel, just focus on creating a coordinated approach with other agencies to promote tax and financial literacy. A key component of these interagency efforts should be education targeted to specific types of taxpayers, including small businesses, taxpayers living abroad, and families.

In 2003, Congress took a significant step in improving financial literacy by creating the Financial Literacy and Education Commission (FLEC).⁵⁰ FLEC is a multi-agency task force responsible for developing a national strategy on financial education. In its two decades of existence, FLEC has put together an impressive array of work, including developing the financial education website MyMoney.gov, holding public hearings on important issues, and issuing research and other informational reports that look at financial literacy from a variety of perspectives.⁵¹ The IRS's interaction with FLEC is limited,⁵² which is not surprising given FLEC's statutory mandate and focus on consumer issues. Nonetheless, FLEC can serve as a model for the type of capacity building needed to effectively coordinate the promotion of tax literacy across federal agencies. Congress should show a similar commitment to tax literacy by creating a similar type of interagency commission focused on tax literacy or considering amending the 2003 law that created FLEC to include duties related to promoting tax literacy.

There Is a Need to Expand Opportunities to Learn about Taxes and the Tax System

A big shock for many young adults starting their first job is the difference between how much they earn and how much they actually see in their paycheck. Things become even more confusing at tax filing time when they have to figure out deductions, credits, dependent status, split refund options, etc.

There are limited opportunities to learn about taxes and the U.S. tax system in a meaningful way. A recent survey found that 62 percent of the respondents reported learning how to do taxes on their own and only 7.5 percent learned how to do taxes in high school.⁵³ And the numbers for higher education are not much better. A survey of small business owners and the self-employed found only 13.5 percent of the respondents who had at least a college degree learned about filing their taxes in college.⁵⁴

People do want to learn about these topics. A 2022 survey found that 88 percent of the respondents agreed that their state should require a personal finance course for high school graduation, and 80 percent wish they had been required to take such a class.⁵⁵ Improvements in tax literacy cannot just focus on educating taxpayers when they are actively being taxpayers, *i.e.*, when they are preparing and filing their taxes or making tax-related decisions.

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- 49 Fed. Deposit Ins. Comm., *Money Smart*, <https://www.fdic.gov/consumer-resource-center/money-smart> (last visited Oct. 8, 2024); Consumer Fin'l Prot. Bureau, *Money Milestones*, <https://www.consumerfinance.gov/consumer-tools/money-as-you-grow/teen-young-adult/money-milestones/> (last visited Oct. 10, 2024); Military OneSource, *MilTax*, <https://www.militaryonesource.mil/financial-legal/taxes/miltax-military-tax-services> (last visited Oct. 8, 2024).
- 50 Financial Literacy and Education Improvement Act, Pub. L. No. 108-159, Title V, 117 Stat. 1952, 2003 (2003) (codified at 20 U.S.C. §§ 9701-9707); see also U.S. Dep't of the Treasury, *Financial Literacy and Education Commission*, <https://home.treasury.gov/policy-issues/consumer-policy/financial-literacy-and-education-commission>.
- 51 For examples of FLEC's reports, see U.S. Dep't of the Treasury, *Financial Literacy and Education Commission, Resources*, <https://home.treasury.gov/policy-issues/consumer-policy/financial-literacy-and-education-commission>.
- 52 IRS responses to TAS information requests (Oct. 3, 2024; Oct. 11, 2024).
- 53 Caroline Bruckner & Barbara J. Robles, *Understanding Tax Literacy Gaps for Small Business and the Growing Gig Workforce*, AM Univ. (Apr. 2023), https://8614653.fs1.hubspotusercontent-na1.net/hubfs/8614653/Small-Business-Literacy-Infographic_rd1.pdf.
- 54 Caroline Bruckner, Collin Coil, & Barbara J. Robles, *Using AI to Measure and Mitigate Tax Literacy Challenges* (2024) (on file with TAS).
- 55 Nat'l Endowment for Fin'l Educ. (NEFE), *High School Personal Finance Education Poll March 17-21, 2022* (2022), <https://www.nefe.org/research/polls/Financial-Capability-Month-Poll-summary.pdf>.

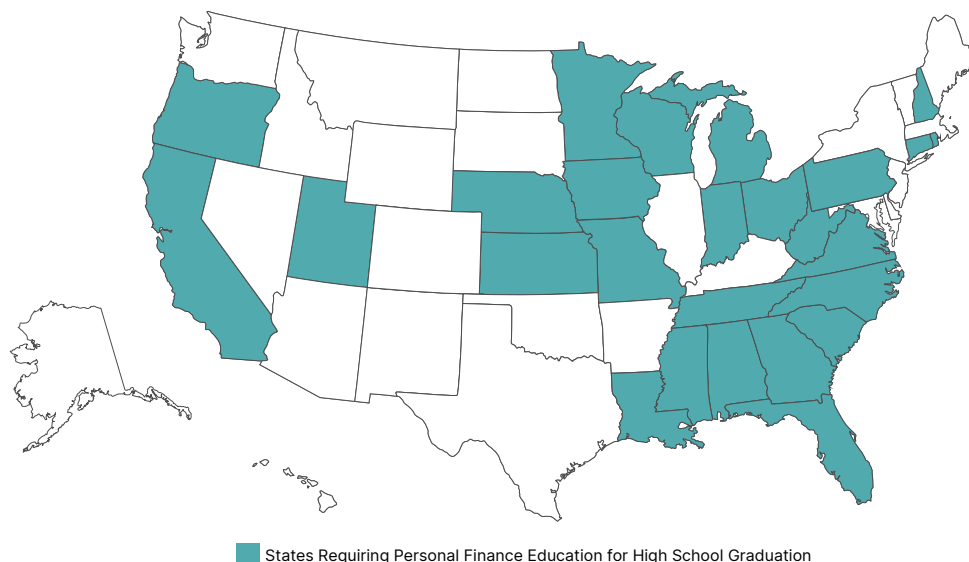
Another critical component of tax literacy is ensuring that the population at large has the opportunity to learn about taxes and the U.S. tax system. This includes teaching young people about taxes to prepare them for their obligations as future taxpayers while also helping them understand the role of taxes in their everyday lives and future financial decision-making. Relatedly, taxes play a critical role in our society as the means to fund the government; thus, improving tax literacy also requires ensuring people have a big-picture view of the tax system, the U.S. economy, and how the government spends their tax dollars.

Opportunities Exist to Expand Tax Education for Students

There is opportunity for the IRS to play a significant role in expanding tax education for students, as states have been responsive to the public’s desire to know more about financial literacy. In recent years, there has been a marked increase in states providing financial literacy to high school students. As illustrated in Figure 2.8.1, 26 states have requirements that high schoolers take a course in financial education to graduate.⁵⁶ The prevalence of these state requirements is welcome news. Other states without such a requirement may take other actions, such as integrating personal finance materials into a related class, such as economics.⁵⁷

FIGURE 2.8.1

States Requiring Personal Finance Education for High School Graduation



While many states do not expressly address tax literacy in their required coursework or educational standards, there is a growing interest in teaching high school students about tax literacy. As just one example, Washington, D.C., adopted Financial Literacy Standards in March 2024 to help ensure that students know how to, among other things, “[u]nderstand the various forms and functions of taxation and requirements for paying taxes” and “[a]nalyze factors which impact individual housing decisions, including individual preferences, discriminatory practices, costs, tax credits, budgets and housing availability.”⁵⁸

56 See NEFE, *Existing K-12 Financial Education Requirements*, <https://www.nefe.org/impact/policy-and-advocacy/exisiting-k12-fin-ed-requirements.aspx> (last visited Oct. 30, 2024); NextGen Personal Finance, *NGPF’s 2024 State of Financial Education Report* (Mar. 2024), https://d3f7q2msm2165u.cloudfront.net/aaa-content/user/files/Files/NGPF_Annual_Report_2024.pdf.

57 See, e.g., Council for Econ. Educ., *2024 Survey of the States*, <https://www.councilforeconed.org/wp-content/uploads/survey-of-states-2024.pdf>.

58 D.C. Off. of the State Superintendent of Educ., *OSSE Adopts Financial Literacy Standards for District of Columbia High School Students* (Mar. 21, 2024), <https://osse.dc.gov/release/osse-adopts-financial-literacy-standards-district-columbia-high-school-students>.

Stakeholders have emphasized there is a real need for the IRS to develop straightforward, non-biased materials that schools can incorporate into these high school financial literacy courses. The IRS would not be starting from scratch as it currently has an “Understanding Taxes” website that contains a lot of good information developed by an external vendor and a team of individuals with educational experience and expertise.⁵⁹ But the IRS presents the information in a dated fashion and has not regularly updated it due to IRS staffing and budget issues; this year, the IRS updated it for the first time in a decade.⁶⁰

The IRS should not leave out states that have decided not to require financial literacy coursework. In developing materials, it should aim to include materials where schools can incorporate tax literacy into standard coursework, including math and government or civics courses. An added bonus to this approach is that the IRS can develop the integrated tax literacy materials to apply to younger students as well; tax literacy is not just for high schoolers.

The IRS should also develop materials targeted toward college students. College students have their own unique set of challenges as they get ready to enter the workforce and get closer to no longer being dependents on their parents’ returns. The IRS should develop materials that colleges can integrate into courses, orientation materials, and work-study programs. In addition to helping young adults understand their filing obligations and the purpose of our tax system, these materials should emphasize the importance of keeping tax information and related data secure. Stakeholders have shared alarming stories of college students falling for refund scams or providing their Social Security numbers to private entities in exchange for items of minimal value such as T-shirts. The IRS should help young adults establish safe habits at this important juncture in their lives.

Limited Tax Literacy Can Cause People to Feel Disconnected From the U.S. Tax System

Tax literacy is not restricted to people understanding their own tax situation. Another important component is understanding the role of the U.S. tax system in the government. Undoubtedly, taxes and the tax system can be confusing and frustrating. When people do not understand something, they do not feel connected to it. Improving tax literacy will increase people’s connectedness to the tax system, providing taxpayers with a better understanding of where their money is going. It is likely that some taxpayers who perceive that connection will be more compliant with their tax obligations.

The public benefits from seeing where the money that funds the government comes from and how the government uses it.⁶¹ IRC § 7523 currently requires the IRS to include in the instructions for Form 1040 two pie charts showing the relative sizes of major income and outlay categories, as illustrated in Figure 2.8.2. Enacted in 1990 when paper instructions were the norm,⁶² the statute reflects a dated view of data visualization. Put simply, there are better ways to visualize and present data to the public.

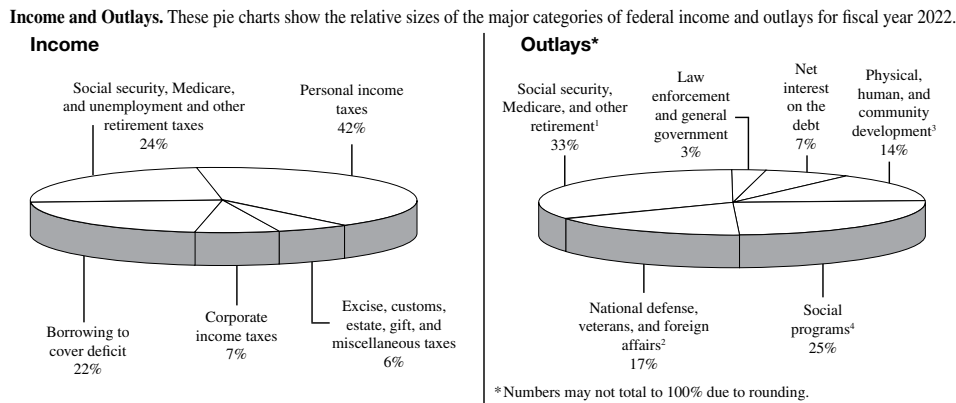
59 IRS, Understanding Taxes, <https://apps.irs.gov/app/understandingTaxes/index.jsp> (last visited Oct. 8, 2024); IRS response to TAS information request (Oct. 3, 2024). There were 601,437 engaged sessions where people viewed 10,360,563 content items through the Understanding Taxes application from October 1, 2023, to September 30, 2024. IRS response to TAS fact check (Nov. 12, 2024).

60 IRS response to TAS information request (Oct. 3, 2024).

61 See, e.g., GAO, GAO-11-439, *Information on Selected Foreign Practices That May Provide Useful Insights* (2011), <https://www.gao.gov/assets/a318727.html>.

62 Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-508, Title XI, § 11622(a), 104 Stat. 1388, 1388-504 (1990).

FIGURE 2.8.2, Pie Charts the IRC Requires the IRS to Include in Form 1040 Instructions⁶³



Additional graphics and other communications could be added beyond the current requirements of IRC § 7523 to provide information to the public on government revenue and spending.⁶⁴ Congress should amend IRC § 7523 to require the IRS publish graphics on government revenue and spending on IRS.gov.⁶⁵ Data visualization is evolving, and there have been recent technological developments and improved digital literacy across the population. The IRS should consider how to take advantage of these developments and use technology to provide people with a bigger picture of the role of taxes in society by using updated graphics.

CONCLUSION AND RECOMMENDATIONS

Insufficient tax literacy is a widespread problem that has significant costs to taxpayers and the government. Having a basic understanding of taxes and the U.S. tax system is important, not only so taxpayers have the knowledge to understand their own taxes but also because it can influence how people make decisions that impact so many different areas of their lives. It is important for the government, as higher levels of tax literacy can promote tax compliance and improve tax administration. Yet, many Americans have a limited understanding of taxes and the U.S. tax system. People generally have few opportunities to meaningfully learn about taxes and the practical role that tax plays in financial literacy.

There has been a focused effort in recent years to improve financial literacy in this country. Some key examples are Congress's creation of FLEC in 2003 and the impressive work this interagency commission has done since then as well as the growing number of states requiring high school students to learn about financial literacy. The IRS should contribute to this important effort by taking further actions to promote tax literacy focused on helping taxpayers better understand their own tax situations and the real-world consequences of the interaction between tax and financial literacy. Providing tax and financial literacy education and informing the public of the impact of their tax dollars are key components of providing quality service.

63 The pie charts in Figure 2.8.2 are taken from the Form 1040 Instructions for TY2023. IRS, Instructions for Form 1040, U.S. Individual Income Tax Return 109 (Dec. 2023), <https://www.irs.gov/pub/irs-pdf/i1040qi.pdf>.

64 The National Taxpayer Advocate has previously recommended that Congress require the IRS to provide taxpayers with a personalized receipt showing their taxes paid and tax benefits claimed. National Taxpayer Advocate 2019 Purple Book, *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 6 (Require the IRS to Provide Taxpayers with a "Receipt" Showing How Their Tax Dollars Are Being Spent)*, https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/ARC19_PurpleBook_01_StrengthRights_3.pdf. The Obama Administration offered a similar type of receipt for several years. See Obama Admin. White House, *Your 2014 Taxpayer Receipt*, <https://obamawhitehouse.archives.gov/2014-taxreceipt> (last visited Oct. 9, 2024); see also Annette Nellen, *Transparency for Individual Taxes*, THE TAX ADVISOR (Apr. 14, 2016), <https://www.thetaxadviser.com/newsletters/2016/apr/transparency-for-individual-taxes.html>.

65 See National Taxpayer Advocate 2025 Purple Book, *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration (Improve Tax and Financial Literacy by Promoting Interagency Collaboration and Modernizing the Requirement That the IRS Publish Graphics Summarizing Government Revenue and Spending)*.

Administrative Recommendations to the IRS

The National Taxpayer Advocate recommends that the IRS:

1. Develop a strategic plan to improve tax literacy among U.S. taxpayers, which should include the establishment of a task force with public and private stakeholders. The plan should include:
 - a. Developing standardized metrics for measuring tax literacy and regularly conducting surveys to evaluate tax literacy among specific types of taxpayers.
 - b. Identifying metrics to gauge the success of tax literacy outreach efforts.
 - c. Identifying opportunities to seek input from stakeholders and the public.
 - d. Creating customized tax literacy outreach, including for platforms inside and outside IRS.gov, for specific types of taxpayers and their individual circumstances.
 - e. Identifying and implementing strategies to partner with state agencies (including state departments of revenue, secretaries of state, and state treasurers) to develop and provide accessible tax education at key moments during the lives of individuals and families and the lifecycles of businesses.
 - f. Developing accessible tax education materials in consultation with tax preparer communities, including enrolled agents, VITA/TCE programs, and software providers, to integrate into their existing communications with taxpayers.
 - g. Developing tax education materials targeted to vulnerable populations including the elderly, immigrants, individuals with disabilities, and low-income taxpayers.
2. Develop tax education materials that states can incorporate into high school financial literacy coursework and integrate into other types of courses, such as math and government or civics, at various educational levels, including elementary school, high school, and higher education.
3. Partner with federal agencies (including the Social Security Administration, the Department of Education, the Department of Labor, and the Department of Health and Human Services) and state agencies, in coordination with Recommendation 1.e., to provide IRS tax education materials at key moments during the lives of individuals and families and the lifecycles of businesses and to incorporate tax literacy content into financial literacy programming across federal agencies.
4. Develop and post graphics on IRS.gov and develop and distribute other communications to provide basic information on the U.S. tax system's role in society, including where the money that funds the government comes from and how the government uses it.

Legislative Recommendations to Congress

The National Taxpayer Advocate recommends that Congress:

1. Consider amending 20 U.S.C. § 9703 to include the promotion of tax literacy among the duties of FLEC or creating a similar multi-agency commission focused on tax literacy.
2. Amend IRC § 7523 to require the IRS to develop, post on IRS.gov, and update at least annually, graphics that present information on government revenue and spending in an accessible way that uses interactive data visualization to provide taxpayers with an understanding of the U.S. tax system and require the IRS to publicize the availability of this information.

RESPONSIBLE OFFICIAL

Doug O'Donnell, Deputy Commissioner