

NATIONAL TAXPAYER ADVOCATE

OBJECTIVES REPORT TO CONGRESS

Fiscal Year 2026



YOUR VOICE AT THE IRS



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National Taxpayer Advocate's Introductory Remarks

HONORABLE MEMBERS OF CONGRESS:

It is my privilege to submit for your review the National Taxpayer Advocate's Fiscal Year 2026 Objectives Report to Congress. In accordance with statutory requirements, this report outlines the objectives of the Office of the Taxpayer Advocate for the upcoming fiscal year.¹ To provide context regarding the IRS's performance and taxpayer challenges, this report also analyzes the recently completed 2025 tax filing season.

Before addressing our objectives and the filing season performance, I want to acknowledge the extraordinary commitment of the IRS workforce, including Taxpayer Advocate Service (TAS) employees, over recent months. Amid operational uncertainty, telework transitions, and the specter of workforce reductions, IRS employees have continued to uphold the agency's mission with resilience and dedication and to diligently perform their jobs.

In fact, they worked through these challenges to deliver one of the more successful filing seasons in recent memory. Their contributions – processing returns, issuing refunds, developing guidance, answering tens of millions of taxpayer calls, and assisting with over ten million pieces of correspondence – have helped millions of taxpayers navigate their filing and payment obligations.²

There is, of course, no universal “correct” staffing level for government agencies. It is the job of our elected representatives to decide how to balance government costs against government services to meet, or exceed, taxpayer expectations. Regardless of one's views about the ultimate size of the IRS workforce, we owe both IRS and TAS employees a tremendous debt of gratitude for meeting the needs of our nation's taxpayers. IRS employees are instrumental in collecting about \$5 trillion in revenue for our nation, processing about 180 million income tax returns and over five billion information forms.³ Taxpayer Services employees provide taxpayers with guidance and assistance throughout the year, while revenue agents and collection officers help ensure that taxpayers pay what they owe to fund critical government programs, including national defense, Social Security, and Medicare. And while many IRS employees may not engage directly with taxpayers, their support to tax administration is key to the IRS's success. I am particularly thankful for my TAS staff, which has continued to work tirelessly to resolve tens of thousands of taxpayer account issues where taxpayers have not been able to get help through normal IRS channels.

THE 2025 FILING SEASON: A MEASURED SUCCESS⁴

For most Americans, the annual filing season is the only time they interact with the IRS, so delivering a smooth and successful filing season is the agency's highest priority and most visible and important responsibility. Since the COVID-19 pandemic disruptions, the IRS has rebounded to provide much improved taxpayer service. This year marked its third consecutive year of delivering a generally successful filing season, and by some measures, it was the smoothest yet. Most taxpayers filed their returns and paid their taxes or received their refunds without any delays or intervention from the IRS.

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- 1 IRC § 7803(c)(2)(B)(i). By law, the National Taxpayer Advocate must submit the reports directly to Congress without any prior review or comment from the IRS, the Treasury Department, or the Office of Management and Budget.
 - 2 IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot, Enterprise Total (week ending Apr. 19, 2025); IRS, Accounts Management Inventory Reports, National Inventory Age Report (week ending Apr. 19, 2025).
 - 3 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031 (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6292.pdf>; IRS, Pub. 6961, Calendar Year Projections of Information and Withholding Documents for the United States and IRS Campuses 2024 Update (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6961.pdf>.
 - 4 Filing season typically begins in late January and runs through April 15. Millions of taxpayers request extensions and file their returns in the fall.

- Taxpayers filed over 95 percent of individual returns electronically, and the IRS processed the significant majority promptly and without difficulty.⁵
- More than 60 percent of taxpayers received refunds, the majority within standard processing timeframes.⁶
- Many refunds included essential credits such as the Earned Income Tax Credit and Child Tax Credit, which are vital to enable low-income households to meet basic living expenses.

Figure 1.1 shows key filing season statistics.

FIGURE 1.1, Individual Tax Return 2025 Filing Season Statistics⁷

Individual Returns Received	140,633,000
Individual Returns Processed	138,057,000
Refunds Issued	86,021,000
Average Refund Amount	\$2,942
Refunds Issued by Direct Deposit	81,032,000

The IRS “suspended” over 13 million individual returns during processing.⁸ Of those, it suspended more than 2.1 million because they were flagged by the IRS’s identity theft filters.⁹ In these cases, the IRS sent a letter to affected taxpayers notifying them they must authenticate their identities and potentially address the irregularities prior to the IRS issuing their refund or processing their return.

Taxpayer Telephone Access: Improvements and Ongoing Gaps

Each year, the IRS operates one of the largest outbound mail operations in the federal government, sending millions of statutory and non-statutory notices to support its compliance and enforcement activities.¹⁰ These notices frequently prompt follow-up questions from taxpayers, many of whom still rely on telephone service due to limited digital self-service options, particularly in the compliance space. The result is predictable: The IRS receives tens of millions of telephone calls annually regarding the status of return filings, correspondence, or other tax-related issues.¹¹

There has been meaningful progress in improving telephone service. The IRS has met its 85 percent Level of Service (LOS) goal on its Accounts Management (AM) telephone lines for the last three filing seasons, including the current year.¹² This reflects targeted investments and operational improvements on high-

5 See IRS, Filing Season Statistics for Week Ending April 18, 2025 (May 29, 2025), <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-april-18-2025>. The calculation is based on returns received and logged in as of April 18, but it should be noted that the IRS did not receive most paper returns placed in the mail on or just before the April 15 filing deadline in time to include them in these filing season totals. It received more than 1.4 million additional paper-filed returns over the following two weeks, reducing the e-file rate to 96 percent as of May 3. IRS, Taxpayer Services, Individual Return Filing & Services – Post Filing Season (week ending May 3, 2025).

6 *Id.*

7 *Id.*

8 IRS, Submission Processing Program Management/Process Assurance Branch, Filing Season Statistics Reports (weekly 2025 reports through Apr. 18, 2025).

9 *Id.*

10 IRS News Release, IR-2024-19, IRS Launches Simple Notice Initiative Redesign Effort (Jan. 23, 2024) (stating that the IRS “sends about 170 million notices to individual taxpayers every year”), <https://www.irs.gov/newsroom/irs-launches-simple-notice-initiative-redesign-effort>.

11 The IRS received 282 million calls in FY 2021 and 173 million calls in FY 2022 (the pandemic years). It received 93 million calls in FY 2023 and 99 million calls in FY 2024. See IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot, Enterprise Total (weeks ending Sept. 30, 2021, Sept. 30, 2022, Sept. 30, 2023, and Sept. 30, 2024).

12 See IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot, Accounts Management (weeks ending Apr. 22, 2023, Apr. 20, 2024, and Apr. 19, 2025).

volume lines. At the same time, it's important to understand the limitations of the LOS metric. It reflects IRS service only on AM lines; it does not capture the experience of taxpayers calling non-AM lines, including compliance-related lines or other parts of the agency. It also excludes calls routed to automation and those that are dropped before reaching a queue, often because callers anticipate long wait times or believe they won't receive timely help.¹³

Continued attention to taxpayer telephone access is essential, especially for taxpayers with complex issues they can't resolve online. But expanding digital tools for common inquiries and improving transparency around call metrics would help reduce call volumes and enhance service overall while ensuring those who still need to speak with an IRS representative can do so more reliably.

Figure 1.2 shows telephone metrics for all calls received and the breakdown between the AM and non-AM telephone lines.

FIGURE 1.2, IRS Telephone Results for the 2025 Filing Season¹⁴

Telephone Lines	All Calls	Accounts Management	Non-Accounts Management
Calls Received	38.6 mil	27.8 mil	10.8 mil
Number of Calls Answered by an IRS Employee	12.4 mil	8.9 mil	3.5 mil
Percentage of Calls Answered by an IRS Employee	32%	32%	32%
Level of Service	70%	87%	48%
Time on Hold	8 min	3 min	19 min

The IRS answered about 12.4 million calls during both the 2024 and 2025 filing seasons.¹⁵

As the IRS begins to plan for the 2026 filing season, it can reasonably set a target for how many calls it has the capacity to answer, but it cannot control how many calls it receives. Typically, the IRS receives more calls in years following significant changes in the tax law. If Congress enacts the One Big Beautiful Bill Act as drafted, several provisions will retroactively affect the 2025 tax year, thus impacting millions of taxpayers and requiring the IRS to quickly update tax year 2025 tax forms and programming for the 2026 filing season. With new legislation, the IRS is likely to receive a higher volume of calls, so it may need *more* employees, in addition to improved digital tools, to maintain this year's LOS next year.

Identity Theft Victim Assistance: A Lingering Weakness

Despite IRS assurances over the past 18 months, its performance in resolving Identity Theft Victim Assistance (IDTVA) cases continues at a glacial pace. The IRS generally handles two categories of identity theft cases. One involves returns that IRS return processing filters flag as potentially fraudulent. For these cases, taxpayers whose returns the IRS incorrectly flags must authenticate their identities to receive their refunds; the IRS typically resolves these cases in several months. The second category generally involves cases where a thief has stolen a taxpayer's identity and filed a tax return using the legitimate taxpayer's name and Social Security number.

¹³ For additional background on the IRS's telephone metrics, see National Taxpayer Advocate Fiscal Year 2025 Objectives Report to Congress iii, v-x (Preface), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/06/JRC25_Preface.pdf.

¹⁴ IRS, JOC, Snapshot Reports: Enterprise Snapshot, Enterprise Total (week ending Apr. 19, 2025); Email from Taxpayer Services to TAS Research (June 4, 2025) (on file with TAS); Email from Taxpayer Services to TAS Research (June 6, 2025) (on file with TAS).

¹⁵ *Id.*

As of the end of the filing season, the IRS had about 387,000 second category cases in inventory, and *these cases were taking an average of about 20 months to resolve*.¹⁶ Apart from the time and frustration these delays cause, victims entitled to refunds are waiting nearly two years to receive them. We found these delays disproportionately affect vulnerable populations dependent on their refunds to meet basic living expenses. In fiscal year (FY) 2023, 69 percent of affected taxpayers had adjusted gross incomes at or below 250 percent of the Federal Poverty Level.¹⁷ IRS leadership has repeatedly assured TAS that reducing cycle time for IDTVA cases is a top priority, yet the cycle time remains unacceptably long. I continue to urge the agency to focus on dramatically shortening the time it takes to resolve IDTVA cases so it does not force victims, particularly those dependent on their tax refunds, to wait nearly two years to receive their money.

THE FUTURE OF THE TAXPAYER EXPERIENCE

Two primary factors drive the taxpayer experience – personnel and technology. I list personnel first because even where technology is predominant, employees or contractors must develop, program, monitor, evaluate, and update technology to keep pace with changes in law, procedures, and other variables while ensuring that the IRS protects taxpayer rights.

Personnel: IRS Workforce Challenges

Like the workforce at many federal agencies, the IRS workforce looks very different today than at the beginning of 2025. Most notably, the number of employees has been reduced by more than 25 percent.¹⁸ In Figure 1.3, which shows employee reductions by Business Operating Division (BOD)/function, we include all IRS functions in the interest of transparency. In analyzing the data, we note that many functions are more visible to taxpayers and directly impact service delivery, while other functions play vital supporting roles in providing taxpayer service and delivering on the IRS's mission.

¹⁶ IRS, JOC, AM Research, Analysis and Data (RAD) Reports: FY 25 IDTVA Accounts Inventory Report (week ending Apr. 19, 2025); Correspondence Imaging System Closed Case Cycle Time (through April 2025) (showing closed case cycle time of 602 days).

¹⁷ IRS, Compliance Data Warehouse, Individual Master File and Individual Returns Transaction File (Sept. 28, 2023).

¹⁸ The IRS achieved most of the staffing reduction through employee departure incentives – the Deferred Resignation Program (DRP) 1.0, the Treasury Deferred Resignation Program (TDRP) 2.0, the Voluntary Early Retirement Authority (VERA), and the Voluntary Separation Incentive Payment (VSIP) – rather than through layoffs.

FIGURE 1.3, IRS Personnel Losses by BOD/Function (as of June 4, 2025)¹⁹

IRS Business Operating Division/Function	Staffing as of January 25, 2025	Projected Staffing After Separations	Percent Change From January 25, 2025
Chief Counsel	2,740	2,387	▼ -12.88%
Chief Financial Office (CFO)	578	404	▼ -30.10%
Chief Operating Officer (COO)	139	71	▼ -48.92%
Chief Tax Compliance Officer (CTCO)	10	1	▼ -90.00%
Communications and Liaison (C&L)	379	211	▼ -44.33%
Criminal Investigation (CI)	3,589	3,221	▼ -10.25%
Direct File (DF)	27	5	▼ -81.48%
Enterprise Case Management Office (ECMO)	51	15	▼ -70.59%
Facilities Management and Security Services (FMSS)	1,212	894	▼ -26.24%
Human Capital Office (HCO)	2,927	2,079	▼ -28.97%
Independent Office of Appeals (Appeals)	1,775	1,275	▼ -28.17%
Information Technology (IT)	8,647	6,316	▼ -26.96%
IRS Headquarters (HQ)	50	22	▼ -56.00%
Large Business and International (LB&I)	6,763	5,402	▼ -20.12%
Office of Chief Risk Officer (CRO)	37	21	▼ -43.24%
Office of Civil Rights and Compliance (OCRC)	178	90	▼ -49.44%
Office of Professional Responsibility (OPR)	21	15	▼ -28.57%
Online Services (OLS)	220	97	▼ -55.91%
Privacy, Government Liaison and Disclosure (PGLD)	656	456	▼ -30.49%
Procurement	585	306	▼ -47.69%
Research, Applied Analytics and Statistics (RAAS)	620	442	▼ -28.71%
Return Preparer Office (RPO)	119	75	▼ -36.97%
Small Business/Self-Employed (SB/SE)	24,120	15,566	▼ -35.46%
Tax Exempt/Government Entities (TE/GE)	2,286	1,670	▼ -26.95%
Taxpayer Advocate Service (TAS)	1,970	1,480	▼ -24.87%
Taxpayer Experience Officer (TXO)	106	55	▼ -48.11%
Taxpayer Services (TS)	42,134	33,053	▼ -21.55%
Transformation and Strategy Office (TSO)	80	4	▼ -95.00%
Whistleblower Office (WO)	94	69	▼ -26.60%
TOTAL	102,113	75,702	▼ -25.86%

¹⁹ IRS, Human Capital Office data (as of June 4, 2025).

FIGURE 1.4, IRS Personnel Separation Program Utilization by BOD/Function (as of June 4, 2025)²⁰

IRS Business Operating Division/Function	Deferred Resignation Program 1.0	Treasury Deferred Resignation Program 2.0 (Signed Agreement)	Voluntary Early Retirement Authority/ Voluntary Separation Incentive Payment
Chief Counsel	0	186	0
Chief Financial Office (CFO)	20	139	8
Chief Operating Officer (COO)	6	48	2
Chief Tax Compliance Officer (CTCO)	1	3	1
Communications and Liaison (C&L)	11	136	5
Criminal Investigation (CI)	79	152	10
Direct File (DF)	4	6	0
Enterprise Case Management Office (ECMO)	4	20	0
Facilities Management and Security Services (FMSS)	52	220	18
Human Capital Office (HCO)	125	666	30
Independent Office of Appeals (Appeals)	72	341	21
Information Technology (IT)	297	1,754	104
IRS Headquarters (HQ)	8	10	1
Large Business and International (LB&I)	345	609	43
Office of Chief Risk Officer (CRO)	2	10	0
Office of Civil Rights and Compliance (OCRC)	9	64	10
Office of Professional Responsibility (OPR)	2	3	0
Online Services (OLS)	11	101	1
Privacy, Government Liaison and Disclosure (PGLD)	26	166	9
Procurement	21	241	9
Research, Applied Analytics and Statistics (RAAS)	17	131	4
Return Preparer Office (RPO)	9	28	3
Small Business/Self-Employed (SB/SE)	1,294	6,813	304
Tax Exempt/Government Entities (TE/GE)	84	414	30
Taxpayer Advocate Service (TAS)	84	338	33
Taxpayer Experience Officer (TXO)	3	45	0
Taxpayer Services (TS)	1,836	4,896	829
Transformation and Strategy Office (TSO)	6	4	0
Whistleblower Office (WO)	5	18	0
Total by Program	4,433	17,562	1,475
Total Other Personnel Losses (e.g., Deaths, Resignations, Terminations)	2,941		
Total IRS Personnel Losses	26,411		

²⁰ IRS, Human Capital Office data (as of June 4, 2025).

The magnitude of these workforce reductions has presented significant challenges, as has the absence of consistent leadership. The agency had five commissioners or acting commissioners during the first four months of the year, and many of its most experienced leaders chose to accept one of the voluntary departure options. This has left the agency with both fewer frontline employees and managers and fewer experienced leaders to carry out its mission.

The Administration's budget proposal envisions a 20 percent reduction in appropriated IRS funding next year and an overall reduction of 37 percent after taking into account the decrease in supplemental funding from the Inflation Reduction Act.²¹ A reduction of that magnitude is likely to impact taxpayers and potentially the revenue collected.

Moreover, if Congress enacts the proposed reductions, the way it allocates them among the agency's budget accounts matters greatly. The Taxpayer Services BOD is responsible for processing tax returns, answering taxpayer telephone calls, staffing Taxpayer Assistance Centers, and processing taxpayer correspondence. As the name implies, it is responsible for the heaviest lift of serving taxpayers.

I recommend the Administration lift the current hiring freeze and provide Direct Hire Authority so that Taxpayer Services can hire essential filing season employees (customer service representatives (CSRs) and Submission Processing employees) to meet taxpayer needs next year. And if that happens, it is critical the IRS hire them by the end of summer so it can onboard them, provide them with adequate training, and ensure they are prepared to assist taxpayers when the 2026 filing season begins in January. Especially in the short term, the number of total IRS employees is less important than the number of trained IRS employees.

Technology: A Turning Point for the IRS's Modernization Strategy

For decades, the IRS has operated with outdated information technology (IT) infrastructure and a need for improved tools and service. In recent years, the agency has made notable strides in modernizing its systems, launching new online tools, enhancing online account features, increasing cybersecurity protocols, and beginning the long overdue digitization of paper. If this momentum continues, the IRS will be well positioned to deliver higher quality service, enhance the taxpayer experience, and perhaps improve tax compliance at a reduced cost. Importantly, maintaining this progress requires sustained leadership, a clear strategic vision, stakeholder engagement, and phased implementation to minimize disruptions.

Modernization is not without its challenges. Pausing existing projects, budget constraints, system complexity, and the integration of new technology with legacy infrastructure continue to pose risks to progress. Recently, the IRS, in partnership with the Treasury Department and the Department of Government Efficiency (DOGE), has taken a different approach toward improving the agency's IT systems, believing that it can effectively automate much of the agency's work currently performed by employees. There are two key questions to consider from the transparency and taxpayer advocacy perspectives:

- What impact will these changes have on the taxpayer experience next year and in future years?
- How will the changes support the Secretary of the Treasury's three goals of providing high quality service, ensuring fair compliance, and safeguarding taxpayer privacy when interacting with the IRS?

In my view, the jury is still out. The specific projects and changes that leadership undertakes and how and when it implements them will determine the outcome of modernization efforts.

During the past two years, the IRS has used funding from the Inflation Reduction Act to accelerate its modernization efforts. In collaboration with Treasury and DOGE, the agency has reassessed its technology priorities. Many ongoing projects have been indefinitely paused or canceled to allow for reprioritization,

21 IRS, FY 2026 Budget-in-Brief 1 (May 2025), <https://home.treasury.gov/system/files/266/13.-IRS-FY2026-BIB.pdf>.

resulting in the establishment of nine distinct modernization “verticals,” which are technology projects designed to meet specified technology demands.²² These include efforts to implement an application programming interface (API), digitalize paper processing, and improve system interoperability.

While these initiatives are promising, the IRS must provide clear and detailed communication to Congress and the public regarding the objectives, scope, business value, milestones, projected timelines, costs, and anticipated impacts of these nine vertical projects on taxpayer service. Without such transparency, there is a real risk these initiatives could stall or deviate from their intended outcomes.

Unified Application Programming Interface: Benefits and Questions

Among the agency's top priorities is a unified API. This project, if successfully implemented, promises to improve system functionality, facilitate data integration, and streamline taxpayer interactions. However, questions remain:

- What is the priority of systems that will be accessible using the unified API layer?
- What is the product roadmap and timing of when legacy systems will migrate to the unified API layer?
- When will legacy data access methods be safely turned off in favor of the unified API layer to reduce cost?
- Will the unified API require full reconfiguration of legacy applications? And, if so, what is the timing?
- What are the associated costs and implementation timelines for both the unified API and any required reconfigurations?
- What tangible improvements will taxpayers, tax practitioners, and IRS employees realize by the 2026 filing season?

While I do not claim expertise in IT programming, I recognize the downstream benefits of programming improvements. The IRS itself should explain to Congress and the public how a unified API will improve the functionality of IRS systems. Again, I urge the IRS to be transparent and clearly articulate the scope, milestones, business value, projected timelines, cost, and anticipated impact on the taxpayer experience. Specifically, it should detail how and when the API, in conjunction with any necessary reconfiguration of legacy applications, will:

- Improve the ease of use and added functionality of online services;
- Enhance internal data access for CSRs (by utilizing the same tools and data sources across the agency);
- Enable more efficient processing and reduced reliance on paper workflows;
- Improve taxpayer service; and
- Protect security of data.

My concerns and recommendations are designed to ensure we don't take one step forward at the risk of taking two steps back.

End-to-End Digitization and the Zero Paper Initiative

Despite significant improvements in technology, the IRS still receives tens of millions of paper documents each year. It estimates it will receive roughly 43 million paper tax returns and 19 million paper information

22 The IT vertical projects include: (1) Unified API Layer; (2) Zero Paper; (3) Contracts/Vendor Rationalization; (4) Developer Experience Platform; (5) Taxpayer Experience; (6) Taxpayer Service; (7) Case Selection; (8) Case Management; and (9) VMWare/Broadcom Replacement.

returns in 2025.²³ It also sends about 170 million paper notices to individual taxpayers and receives millions of mailed responses.²⁴

During the pandemic, I often remarked that “paper is the IRS’s kryptonite, and the IRS is buried in it.” The COVID-19 pandemic underscored the IRS’s overdependence on paper – a vulnerability that continues to hinder the agency’s effectiveness. The IRS began to make strides over the past two years, including launching its Paperless Processing Initiative in 2023.²⁵ Among other things, the agency said that *by* the 2025 filing season, it would “digitally process all paper-filed tax and information returns.” Although the IRS made some progress, it did not come close to achieving its goal.

To date, the focus has been more on allowing taxpayers to *submit* documents electronically (a “digital inbox” of sorts) than enabling the IRS to *process* them electronically. For example, taxpayers may now respond to notices via a Document Upload Tool (DUT), but when the IRS receives responses through the DUT, it does not have backend systems to process the submissions. The IRS often needs to print the submissions onto paper and route them to an employee to respond, delaying resolution and tying up valuable resources.

The IRS has acknowledged that genuine modernization involves creating a fully digital processing pipeline – from intake through resolution – with as little manual intervention as possible. Tools like the DUT are encouraging developments and important early milestones. However, without corresponding automation on the back end, these tools often merely shift workload rather than reduce it, offering limited improvements in efficiency. True modernization would provide an IT solution from the time the paper arrives at the IRS through the backend processing of the return or correspondence.

Once the IRS digitizes paper, the nature of work within the agency will inevitably evolve. This transformation will require not only new technology but also updated business processes, employee training, performance metrics, and ways of working. Taking a collaborative, integrated approach now will help lay the groundwork for lasting improvements in the future.

Modernization is not just about better tools. It’s about building a better IRS and providing the quality service taxpayers deserve while protecting their rights.

As the IRS moves forward, I strongly recommend that the IT function work hand-in-hand with the BODs to ensure IT priorities meet current and future business needs, not just recreate the paper process. It is critical that the leaders of the BODs have a seat at the table when setting IT priorities. BOD leaders bring firsthand experience and insight into how processes function in practice, where the biggest challenges lie, and how the IRS can improve taxpayer service. Aligning technology development with operational needs – both present and future – will help ensure that we are not simply replicating paper-based processes in digital form but instead are rethinking our processes to take full advantage of new capabilities. I also recommend the IRS involve and coordinate with my office on projects impacting taxpayer service and taxpayer rights to ensure a taxpayer perspective is presented and considered.

I am heartened that the IRS is continuing its efforts to eliminate paper with one of its specified verticals, its Zero Paper Initiative, which will allow it to complete the transformation. Again, I want to emphasize that the ultimate goal should not merely be to allow taxpayers to *submit* documents electronically but also to

23 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031 (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6292.pdf>; IRS, Pub. 6961, Calendar Year Projections of Information and Withholding Documents for the United States and IRS Campuses 2024 Update (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6961.pdf>.

24 IRS News Release, IR-2024-19, IRS Launches Simple Notice Initiative Redesign Effort (Jan. 23, 2024), <https://www.irs.gov/newsroom/irs-launches-simple-notice-initiative-redesign-effort>.

25 IRS Fact Sheet, FS-2023-18, IRS Launches Paperless Processing Initiative: Taxpayers Will Have the Option to Go Paperless for IRS Correspondence by 2024 Filing Season, IRS to Achieve Paperless Processing for All Tax Returns by Filing Season 2025 (Aug. 2023), <https://www.irs.gov/newsroom/irs-launches-paperless-processing-initiative>.

enable the IRS to *process* documents electronically (without the need for employee transcription). I also want to emphasize the importance of the IRS fully understanding the impact of its modernization projects on taxpayers before they flip the switch. It is critical that the agency not proceed with implementing new systems or processes without ensuring they will enhance, not diminish, taxpayer service. Taxpayers are real people and real businesses, and the IRS must ensure it does not roll out procedures or programming that isn't sufficiently tested and does not inadvertently impose needless burdens or create hardships.

An Integrated Case Management System to Improve System Interoperability

The IRS currently stores taxpayer data on some 60 separate case management systems that do not communicate with each other. CSRs and other IRS employees often lack access to comprehensive account data and must toggle between systems, creating delays and inefficiencies. If a taxpayer calls about a notice, the CSR cannot see the notice and may ask the taxpayer to read it aloud or provide a reference number so the CSR can pull up a generic sample of a similar letter. The CSR has access to some – but not all – of the 60 case management systems.²⁶ Even where the CSR has access, each system operates on a different screen, often requiring the CSR to key in the taxpayer's Social Security number multiple times to pull up the account on multiple systems. CSRs also have a different view than what the taxpayer sees in an online account, so they have no idea what information the taxpayer is able to view.

For these reasons, a call to a CSR can take much longer than it should. The CSR may have to put the taxpayer on hold multiple times to launch different systems and ultimately may still not be able to access the system relevant to the taxpayer's issue, requiring a transfer or a call to a different IRS function. This fragmentation contributes to poor customer service and taxpayer frustration. IRS employees and taxpayers should have access to the same tools and same data sources no matter which channel the taxpayer uses. The information should be available quickly, accurately, and reliably.

Under an initiative called Taxpayer 360, the IRS was aiming to address these limitations by creating an integrated case management system that consolidates all relevant information a CSR may need to help taxpayers in a single database. Given that the IRS handles approximately 100 million telephone calls each year,²⁷ giving CSRs faster and more complete access to taxpayer data would go a long way toward improving the timeliness and effectiveness of telephone service. I strongly recommend the IRS continue to prioritize this initiative.

Priority Technology Recommendations

There is no shortage of IT improvements the IRS can pursue. In fact, the sheer breadth of needed upgrades has contributed to past inefficiencies. As the saying goes, "If everything is a priority, nothing is a priority." To ensure success, the IRS must focus its efforts on a manageable number of projects that provide the greatest value to taxpayers, employees, and the tax system while ensuring that taxpayers are not harmed during the transition period. Above, I noted two projects that I think should receive high priority: the Zero Paper Initiative and an integrated case management system. A third priority – in my view the most crucial – should be fully functional online accounts for all taxpayers, which can be achieved by embracing a "digital first" strategy.

Fully Functional Online Accounts for All Users. The IRS should continue to prioritize providing online functionality that mirrors the robust functionality offered by banks and other financial institutions. For at least two decades, most of us have been able to conduct almost all our financial activity using online accounts. At banks, that includes making deposits, paying bills, transferring funds between accounts, and even applying for mortgages and home equity lines of credit. At brokerages, it includes buying and selling stocks and

²⁶ See IRM 1.1.12.2.1, Enterprise Case Management (Feb. 24, 2021) https://www.irs.gov/irm/part1/irm_01-001-012.

²⁷ As noted earlier, the IRS received 282 million calls in FY 2021 and 173 million calls in FY 2022 (the pandemic years). It received 93 million calls in FY 2023 and 99 million calls in FY 2024. See IRS, JOC, Snapshot Reports: Enterprise Snapshot, Enterprise Total (weeks ending Sept. 30, 2021; Sept. 30, 2022; Sept. 30, 2023; Sept. 30, 2024).

securities. With our credit card companies, it includes paying bills, monitoring charges, disputing charges, and paying off balances. In dealing with airlines, most of us can buy tickets, reserve seats, and change flight reservations from the convenience of our personal devices.

The good news is that over the past few years, the IRS has made considerable progress and added increased functionality to individual online accounts. Currently, individual taxpayers can view key data, access transcripts of their accounts, check the status of their refunds, see digital copies of several notices the IRS issues, make payments, create payment plans, and view their balances. In addition, the business account features are moving in the right direction, and the online account for tax professionals, Tax Pro, has some basic functions for processing or withdrawing power of attorney forms and requesting a Centralized Authorization File number.

But the IRS must do more. I believe the IRS's top technology priority should be to allow taxpayers to conduct all transactions with the IRS from the "one-stop shop" of an online account, just as they can with other financial institutions. This should include providing robust online accounts for individual taxpayers, business taxpayers, and practitioners, where they can interact digitally with the IRS for all their needs. When taxpayers receive IRS notices, they should be able to view what the IRS sent. And if they wish to respond, they should be able to upload their response to their online account and have it routed to the appropriate function within the IRS. Tax professionals should be able to view a client's information from their Tax Pro account so they can assist their clients/taxpayers without the need for the taxpayers to mail or email their documents to the tax professional.

Embrace a "Digital First" Approach to Taxpayer Service. I strongly recommend that the IRS's leadership champion and that Congress fund a "digital first" strategy to improve taxpayer service. The IRS already possesses vast data on why taxpayers call, write, or visit the IRS – data that clearly outlines what taxpayers are trying to do and where service gaps exist. It's time to use these insights to improve digital services and close service gaps.

On a transaction-by-transaction basis, each IRS BOD should continue directing its IT partners to prioritize, develop, and deploy secure and user-friendly online services that provide real alternatives to calling a help line, visiting a Taxpayer Assistance Center, or reaching out to other IRS functions. This approach is not speculative – it has already worked. The success of the [Where's My Refund?](#) and [Where's My Amended Return?](#) tools, streamlined [IRS Installment Agreements](#), and [IRS Direct Pay](#) are proof points. The IRS designed these services to reduce call volumes and paper processing and improve taxpayer service, and over time, they are becoming important and potentially primary channels for checking refund status, entering into installment agreements, and making payments.

Let me be clear: "Digital first" does not mean "digital only." ***The IRS's core objective must remain to meet taxpayer needs by meeting taxpayers where they are.*** Digital access should expand service, not limit it. Taxpayers should still be able to call, walk in, or use mail services. But recent experience has shown that when the IRS has delivered well-designed, trustworthy, and easy-to-use online tools, taxpayers have migrated and will continue to migrate to those channels naturally – because they're easier, faster, and more convenient to use.

This is not about cost-cutting or automation for its own sake. This is about trust, access, and modern service delivery. A "digital first" mindset helps the IRS serve more taxpayers more efficiently and with more consistency – while preserving and protecting non-digital options for those who need them. But when the IRS introduces new digital tools or self-service options, taxpayers, tax professionals, and Congress must feel confident that these tools are accurate, secure, and user-friendly. Without trust, even the best designed technology may go unused, forcing continued reliance on more costly or less efficient service channels.

In summary, there are numerous technologies and tools that can assist taxpayers, businesses, and tax professionals here and abroad that would significantly improve their interactions with the IRS. The IRS should not pause its efforts to improve online accounts and other digital tools while reassessing its IT

priorities. The IRS must keep the trains moving forward and on schedule, and progress in IT modernization will free up IRS personnel to assist taxpayers who have more complex issues or who are unable to use technology or are uncomfortable doing so.

Let's build a future where digital self-service is the preferred path – not because it's the only option but because it's trusted and the best option.

The Need for Sustained IRS Technology Investment

The amount of funding the IRS receives has generated considerable controversy over the last few years. My office does not have the financial expertise to recommend any particular IT funding level. But when it comes to technology, I believe there is truth to the adage, “You get what you pay for.” While private financial institutions invest billions annually in technology, the IRS's Business Systems Modernization (BSM) budget remains relatively modest. In a 2023 blog, I discussed the importance of funding technology upgrades:

Large U.S. banks spend between \$10 billion and \$14 billion a year on technology, often more than half on new technology systems.

Yet in fiscal year (FY) 2022, Congress appropriated just \$275 million for the IRS's Business Systems Modernization (BSM) account. That's less than five percent of what the largest banks are spending on new technology each year, and the IRS serves far more people and entities than any bank.

This comparison isn't exactly apples-to-apples because there are differences in the components of the banks' technology accounts and the IRS's BSM account. But overall, the comparison tells you everything you need to know to understand why the IRS is still using antiquated information technology (IT) systems, some dating to the 1960s, and why taxpayer service has been abysmal in [past years].²⁸

As Congress and the Administration set funding priorities, I encourage them to ensure the IRS has the funding and expertise to continue to modernize its IT systems, with particular focus on the ability of taxpayers and practitioners to interact with the agency through online taxpayer accounts.

ENSURING A SUCCESSFUL 2026 FILING SEASON

Each year, the IRS embarks on the enormous task of collecting about \$5 trillion in revenue through individual and business tax filings. This includes processing about 180 million income tax returns and over five billion information forms.²⁹ With the 2026 filing season on the horizon amid potential legislation changes and continued staffing constraints, early preparation is essential to ensure the IRS can deliver both effective taxpayer service and secure operations.

A successful filing season is not only an IRS imperative but also a national one. The smooth functioning of the U.S. tax system directly supports government operations and the lives of millions of taxpayers who rely on timely refunds. Efficient service, responsive communication, and secure data practices are core to maintaining public confidence and financial stability.

28 See, e.g., Erin M. Collins, National Taxpayer Advocate Urges Congress to Maintain IRS Appropriations But Re-Direct Some Funds Toward Taxpayer Service and Information Technology Modernization, NATIONAL TAXPAYER ADVOCATE BLOG (Mar. 16, 2023), <https://www.taxpayeradvocate.irs.gov/news/nta-blog/nta-blog-nta-urges-congress-to-maintain-irs-appropriations-but-re-direct-some-funds-toward-taxpayer-service-and-it-modernization/2023/03>.

29 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031 (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6292.pdf>; IRS, Pub. 6961, Calendar Year Projections of Information and Withholding Documents for the United States and IRS Campuses 2024 Update (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6961.pdf>.

The Importance of Security and Trust

The security of taxpayer data must remain an uncompromised priority. The recent criminal case involving an outside contractor, Charles Edward Littlejohn, who unlawfully disclosed a trove of sensitive tax data, exposed significant deficiencies in data access controls. The incident underscores the need for rigorous controls, especially when involving external contractors or access to large data repositories. The IRS must implement the strongest possible safeguards to prevent unauthorized disclosures, protect privacy, and restore public confidence.

Operational Readiness and Staffing Concerns

Typically, the IRS initiates hiring seasonal and essential employees and training customer service employees well in advance of the filing season, while simultaneously updating forms, publications, and processing systems in coordination with industry partners. These early milestones are critical to ensuring readiness. As of mid-2025, there are concerns the IRS has not yet performed key preparatory activities, including preparatory activities to hire and train seasonal and permanent filing season employees, thereby raising risks to the integrity and timeliness of the 2026 filing season.

Trained and knowledgeable personnel remain central to this effort. Staffing reductions and the loss of experienced personnel, particularly in mission-critical areas, create vulnerabilities in service delivery, return processing, and taxpayer assistance. To deliver a successful filing season, the IRS must complete the hiring of allocated customer service personnel and train them before the filing season begins.

Technology Capacity and Implementation of New Legislation

The IRS's ability to implement new tax laws quickly and accurately will also be a determining factor in the success of the filing season. Most observers only see the finished product of a filing season. Most use a tax return preparer or a tax software package to prepare their returns, so they don't realize the amount of work required to implement tax law changes. The task is huge and includes rapidly updating tax forms and instructions; reprogramming core processing systems; providing timely and clear public guidance; training frontline staff to handle taxpayer inquiries; and educating taxpayers and tax professionals regarding the changes Congress enacted and how to report information accurately to reduce the chance that their returns will be subject to math error adjustments, audits, or penalties and interest due to inadvertent errors.

These tasks require a robust and flexible IT infrastructure capable of adapting to late-breaking legislative changes and managing high volumes of return data and correspondence.

Learning From the Past: 1985 and the Pandemic

It is essential for taxpayers and the nation that the IRS not repeat the mistakes of the 1985 filing season – a cautionary tale of rushed implementation, insufficient IT capacity, and widespread service failure.³⁰ That year, the IRS rushed well-intentioned technology plans, and the intricate pieces of the IRS system unraveled, creating a domino effect of cascading problems. The processing centers were unable to quickly process paper tax returns. Problems snowballed due to poor planning and budgetary challenges, including a new computer system with inadequate capacity and faulty software. Unprocessed paper tax returns piled up. In the chaos, tens of thousands of returns went missing, refunds were delayed, and there was a significant erosion of public trust.

During the COVID-19 pandemic, the IRS similarly faced significant processing backlogs due to paper return volumes, workforce limitations, and outdated technology. Tens of millions of taxpayers experienced refund delays stretching six months or more to receive their biggest check of the year, with some forced to refile returns.

30 Terry Lemons, Opinion: A Warning From 1985, the 'Tax Season From Hell,' THE HILL, Apr. 15, 2025, <https://thehill.com/opinion/finance/5248369-a-warning-from-1985-the-tax-season-from-hell>.

The lessons from these events are clear. The IRS must match technology upgrades with planning, testing, and staffing capacity. Investments in IT modernization cannot substitute for the foundational elements of personnel readiness, sound implementation strategy, and timely taxpayer communication.

As the IRS deals with the loss of knowledgeable and experienced personnel, changes to its IT systems, and the anticipated passage of tax legislation, IRS leadership must prepare to juggle its resources to overcome any anticipated challenges that could negatively impact the filing season. The IRS cannot afford another filing season characterized by refund delays, unprocessed returns, or unresponsive service channels. With thoughtful planning, targeted investment, and early execution, the IRS can meet its dual obligations of collecting the nation's revenue and serving the public with integrity while protecting taxpayer rights.

TAXPAYER ADVOCATE SERVICE CASE ADVOCACY OPERATIONS

Congress established TAS to serve as an independent “safety net” for taxpayers experiencing problems in their interactions with the IRS. TAS continues to provide critical support for individuals facing economic hardships or dealing with unresolved systemic issues. However, recent staffing reductions have impacted our capacity to assist taxpayers at historical levels.

Since January, TAS has experienced a reduction in staffing of about 25 percent. Even with this significant constraint, we are committed to meeting our mission by prioritizing cases involving financial hardship and streamlining support for systemic burden cases where broader bureaucratic failures have affected taxpayers.

To continue delivering essential services in the face of reduced resources, we are implementing revised strategies. These include centralized case handling, bulk Operations Assistance Requests for similar categories of issues (such as Employee Retention Credit cases), and internal reallocation of cases to better balance our inventory across our local offices. These process enhancements will allow us to provide taxpayer support while seeking greater operational efficiency.

Part of my role as the National Taxpayer Advocate is to identify and report on issues where IRS service falls short. I believe it is equally important to be transparent about areas where TAS may not be meeting the standards we set. In a blog post in September 2024, I candidly acknowledged that TAS was not opening cases or returning phone calls as promptly as taxpayers deserve.³¹ This decline in service was due in part to a significant increase in case receipts combined with a shortage of experienced Case Advocates. I also shared the corrective actions underway to address these challenges in both the near and longer terms.

While we have seen early signs of improvement, the staffing reductions caused by recent IRS downsizing have reduced TAS's capacity and highlighted the critical importance of ensuring TAS has adequate resources to fulfill its statutory mission to assist taxpayers individually and to identify and make recommendations to correct systemic problems that are harming groups of taxpayers.

Despite these operational challenges, I am immensely proud of our dedicated employees who continue to work tirelessly on behalf of taxpayers. TAS remains committed to its role as an advocate for individuals and businesses navigating the tax system, and I will continue to work closely with the IRS while keeping Congress and the public informed about our performance. Our mission to assist as many taxpayers as possible as quickly and effectively as we can remains unchanged.

31 Erin M. Collins, TAS Is Taking Steps to Better Serve Taxpayers, NATIONAL TAXPAYER ADVOCATE BLOG (Sept. 19, 2024), <https://www.taxpayeradvocate.irs.gov/news/nta-blog/tas-is-taking-steps-to-better-serve-taxpayers/2024/09>.

CONCLUSION

The 2025 filing season generally went smoothly for taxpayers. This was likely due to at least three factors. First, the IRS did extensive advance work prior to the filing season – early hiring, training, and IT modifications. Second, there were no significant tax law changes during 2024, which meant less uncertainty and a reduced likelihood of mistakes. Third, the IRS workforce was the largest it has been in years – more than 100,000 employees – so there were Submission Processing employees available to process paper-filed tax returns and CSRs available to answer telephone calls and process correspondence.³²

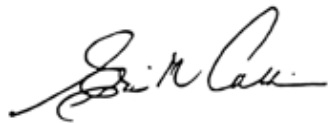
Looking forward, taxpayers may face more challenges. At this writing in early June, Congress is expected to extend key provisions of the Tax Cuts and Jobs Act and make additional changes in the law. Most changes won't take effect until January 1, 2026, but several provisions impacting tens of millions of taxpayers will likely be effective during 2025. This suggests additional complexity when taxpayers file their 2025 tax returns during the 2026 filing season and more complexity the following year. In addition, the reduction of more than 25 percent in the IRS workforce has the potential to reduce taxpayer services.

For several decades, the holy grail in tax administration has been developing and deploying technology systems that automate key IRS functions in a way that improves taxpayer service and compliance and reduces the need for a large workforce. The IRS made notable strides during the last couple of years, and the Treasury Department's leadership has committed to continue accelerating the IRS's IT progress.

I encourage Congress to provide the support and oversight the IRS needs to automate key taxpayer services, particularly the development of robust online accounts taxpayers can use to conduct all business with the IRS, the digitization of all paper, and the implementation of an enterprise case management system that will enable IRS employees to access all taxpayer information in one place.

As always, I look forward to continuing to work with the IRS and Members of Congress to help transform the taxpayer experience, with a particular focus on protecting taxpayer rights.

Respectfully submitted,



Erin M. Collins
National Taxpayer Advocate
June 25, 2025

³² Employees who accepted one of the deferred resignation or retirement incentives generally were required to remain in their jobs until after the filing season had concluded.

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REVIEW OF THE 2025 FILING SEASON

INTRODUCTION

Filing Season (FS) 2025 unfolded during a period of significant change, but the IRS provided a generally successful filing season and continued to build on its recent customer service accomplishments.

Among the key FS 2025 achievements, the IRS:

- Timely processed over 98 percent of individual returns;
- Issued refunds for more than 60 percent of filed individual returns;¹
- Provided taxpayers with the ability to e-file 22 additional tax forms;²
- Achieved an 87 percent Level of Service (LOS) with only a three-minute average call wait time on its Accounts Management (AM) toll-free phone lines;³
- Provided a callback option 2.6 million times when customer service representatives (CSRs) were projected to be able to call the taxpayer back;⁴
- Provided taxpayers with the ability to download nine types of information returns for tax year (TY) 2024 using Individual Online Accounts;⁵ and
- Offered 15,000 extended weekday hours at Taxpayer Assistance Centers (TACs).⁶

These achievements reflect meaningful progress. Most taxpayers successfully filed their returns without encountering significant difficulties, and the IRS's core operations continued to run relatively smoothly.

1 IRS, Filing Season Statistics for Week Ending April 18, 2025 (May 29, 2025), <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-april-18-2025>.

2 IRS response to TAS information request (May 15, 2025).

3 The AM toll-free phone lines are comprised of 35 phone lines providing service to taxpayers seeking assistance with tax law, account inquiries, tax account adjustments, or information on the status of the processing of their tax returns or issuance of their tax refunds. IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot, Accounts Management (week ending Apr. 19, 2025).

4 IRS response to TAS information request (May 15, 2025).

5 IRS News Release, IR-2025-43, IRS Reminds Taxpayers to Access or Create an IRS Online Account Today (Apr. 9, 2025), <https://www.irs.gov/newsroom/irs-reminds-taxpayers-to-access-or-create-an-irs-online-account-today>; IRS News Release, IR-2025-28, Tax Documents Added to IRS Individual Online Account Tool, Enhancing Services and Convenience for Taxpayers (Feb. 27, 2025), <https://www.irs.gov/newsroom/tax-documents-added-to-irs-individual-online-account-tool-enhancing-services-and-convenience-for-taxpayers>.

6 IRS response to TAS information request (May 15, 2025).

However, systemic issues remain unresolved. Processing delays continue to impact amended returns, paper correspondence, and Identity Theft Victim Assistance (IDTVA) cases, undermining taxpayer trust and delaying refunds.

As of April 18, 2025, the IRS received 140.6 million individual income tax returns and processed 138.1 million individual returns – an impressive 98 percent. The agency issued 86.0 million refunds totaling approximately \$253.1 billion, with an average refund of \$2,942.⁷ However, the IRS still had almost 3.4 million returns suspended for reasons such as error resolution, potential identity theft, processing rejects, and unpostable returns.⁸

This report examines the IRS's performance during FS 2025, highlighting both improvements and areas requiring congressional attention. While the IRS's technological investments and service enhancements are key, sustained oversight and support are critical to ensuring all taxpayers, especially those most vulnerable, receive the timely, accurate, and respectful service to which the Taxpayer Bill of Rights (TBOR) entitles them.⁹

FILING SEASON PERFORMANCE

January 27, 2025 – Opening of the Filing Season¹⁰

The IRS began accepting TY 2024 returns for processing on January 27, 2025, and the filing season closed on April 15, 2025. The IRS timely processed most returns and issued refunds.

Figure 2.1 presents an overview of returns processed and refunds issued during FS 2025 and the past two filing seasons, highlighting the IRS's progress over the last three years.

7 IRS, Filing Season Statistics for Week Ending April 18, 2025 (May 29, 2025), <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-april-18-2025>.

8 IRS response to TAS information request (May 15, 2025). Unpostable tax returns are commonly caused by entity problems with the taxpayer's identification number, name, or both. For example, a recently married taxpayer signs her tax return using her new spouse's last name. However, the return cannot post because the last name on her return does not match the name on file in the IRS and Social Security Administration (SSA) databases. The IRS will send the taxpayer a letter informing her of the problem and instructing her to contact SSA to update its records with her new name. See Erin M. Collins, Lifecycle of a Tax Return, NATIONAL TAXPAYER ADVOCATE BLOG (May 18, 2021), <https://www.taxpayeradvocate.irs.gov/news/nta-blog/nta-blog-lifecycle-of-a-tax-return/2021/05/>.

9 See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited May 16, 2025). The rights contained in TBOR are also codified in IRC § 7803(a)(3).

10 IRS News Release, IR-2025-08, IRS Announces Jan. 27 Start to 2025 Tax Filing Season; Agency Continues Historic Improvements to Expand, Enhance Tools and Filing Options to Help Taxpayers (Jan. 10, 2025) <https://www.irs.gov/newsroom/irs-announces-jan-27-start-to-2025-tax-filing-season-agency-continues-historic-improvements-to-expand-enhance-tools-and-filing-options-to-help-taxpayers>.

FIGURE 2.1, Comparing Filing Seasons 2023-2025¹¹

		FS 2023 (Through April 21, 2023)	FS 2024 (Through April 19, 2024)	FS 2025 (Through April 18, 2025)	Percent Change 2024-2025
Individual Income Tax Returns	Total Receipts	137.1 mil	139.1 mil	140.6 mil	▲ 1.1%
	Total Processed	134.6 mil	136.1 mil	138.1 mil	▲ 1.5%
E-Filing Receipts	Total E-Filing	132.0 mil	134.5 mil	136.2 mil	▲ 1.3%
	Filed by Tax Professionals	70.5 mil	71.3 mil	72.5 mil	▲ 1.7%
	Self-Prepared	61.5 mil	63.2 mil	63.7 mil	▲ 0.8%
Total Refunds	Number	85.9 mil	86.1 mil	86.0 mil	0.0%
	Amount	\$236.6 bil	\$245.2 bil	\$253.1 bil	▲ 3.2%
	Average Refund	\$2,753	\$2,850	\$2,942	▲ 3.3%
Direct Deposit Refunds	Number	81.8 mil	80.0 mil	81.0 mil	▲ 1.3%
	Amount	\$231.3 bil	\$235.8 bil	\$245.0 bil	▲ 3.9%
	Average Refund	\$2,827	\$2,947	\$3,023	▲ 2.6%

Figure 2.1 shows relatively consistent data over the past few years, although refund amounts were slightly larger in FS 2025 compared with FS 2024.

Over 4.4 Million Paper Individual Tax Returns Required Manual Processing¹²

Despite continued processing improvements for paper returns, as of April 18, 2025, there were still 5.7 million current year individual and business income tax returns awaiting processing for various reasons, including error resolution, possible identity theft, processing rejects, and unpostable returns.¹³ Encouragingly, more taxpayers are filing their returns electronically, reducing the strain on IRS resources and generally resulting in faster refunds. Figure 2.2 shows the FS 2025 inventory of returns requiring manual processing.

11 IRS, Filing Season Statistics for Week Ending April 18, 2025 (May 29, 2025), <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-april-18-2025>; IRS, Filing Season Statistics for Week Ending April 19, 2024 (May 29, 2025), <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-april-19-2024>.

12 IRS, Filing Season Statistics for Week Ending April 18, 2025 (May 29, 2025), <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-april-18-2025>.

13 IRS response to TAS information request (May 15, 2025). The Error Resolution System (ERS) is an IRS system used to identify and correct errors on tax returns. See Internal Revenue Manual (IRM) 3.12.37.13.1, General Concepts (Jan. 1, 2023), https://www.irs.gov/irm/part3/irm_03-012-037r. To address the error resolution inventory, the IRS required certain employees at the Kansas City processing center to work "eight hours of mandatory overtime on the weekends of Saturday, May 10 and Saturday, May 17." Jory Heckman, *IRS Taps Some Employees to Work Mandatory Overtime to Handle Backlog*, FEDERAL NEWS NETWORK (May 6, 2025), <https://federalnewsnetwork.com/workforce/2025/05/irs-taps-some-employees-to-work-mandatory-overtime-to-handle-backlog/>.

FIGURE 2.2, Status of Inventory Requiring Manual Processing, Filing Season 2025 Through April 18, 2025¹⁴

	Individual	Business	Total
Paper Returns Awaiting Processing – Received in Calendar Year (CY) 2025	1.14 mil	1.13 mil	2.27 mil
Paper and Electronic Returns – Processing Suspended	1.94 mil	1.46 mil	3.40 mil
Amended Returns Inventory	1.20 mil	1.39 mil	2.59 mil
Total Unprocessed Returns	4.27 mil	3.98 mil	8.25 mil
Correspondence/Accounts Management Cases (Excluding Amended Returns)	309,000	440,000	749,000
Total Inventory Requiring Manual Processing	4.58 mil	4.42 mil	9.00 mil

The IRS expanded e-file capabilities to 22 additional tax forms in FS 2025, but there are still more than 100 IRS forms taxpayers cannot e-file.¹⁵ Nevertheless, millions of taxpayers still file paper tax returns, either by choice or necessity. Paper returns require manual processing and tie up IRS resources. In FS 2025, taxpayers filed 4.4 million paper returns compared to 4.6 million in FS 2024, a decrease of about 4.3 percent.¹⁶

The IRS is at the early stage of utilizing a new method to scan paper returns. During FS 2025 through April 18, 2025, the IRS scanned nearly 500,000 returns and forms (about six percent), primarily Forms 940, Employer's Annual Federal Unemployment (FUTA) Tax Return; Forms 941, Employer's Quarterly Federal Tax Return; and Forms 1040, U.S. Individual Income Tax Return. The accuracy rate for all scanned paper returns during this filing season was over 87 percent, which decreased from over 92 percent during FS 2024.¹⁷

The IRS Prioritized Phone Service Over Other Operations to Achieve a High Level of Service

The IRS operates approximately 100 toll-free phone lines for taxpayers and representatives, collectively referred to as Enterprise lines.¹⁸ During FS 2025, the IRS received almost 39 million calls to its Enterprise lines, which is a slight decrease from the almost 40 million calls during the same period last filing season.¹⁹

The IRS targeted and once again achieved at least an 85 percent LOS on its 35 AM phone lines,²⁰ which handle taxpayer questions related to tax law, account inquiries, tax account adjustments, and refund status. The remaining phone lines were not subject to this goal, and the IRS did not make LOS a priority for these lines. As a result, the LOS on these lines was lower than on the AM lines.

¹⁴ IRS response to TAS information request (May 15, 2025). Row totals and column totals may differ because of rounding.

¹⁵ IRS response to TAS information request (May 15, 2025); National Taxpayer Advocate 2024 Annual Report to Congress 25 (Most Serious Problem: Return Processing: Continuing Delays in IRS Return Processing Are Frustrating Taxpayers and Causing Refund Delays), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_MSP_02_Processing.pdf.

¹⁶ IRS response to TAS information request (May 15, 2025).

¹⁷ *Id.*

¹⁸ See Treasury Inspector General for Tax Administration, Ref. No. 2024-IE-R001, *Actions Are Needed to Improve the Quality of Customer Service in Telephone Operations 1* (2023), <https://www.tigta.gov/reports/inspection-evaluation/actions-are-needed-improve-quality-customer-service-telephone>.

¹⁹ IRS, JOC, Snapshot Reports: Enterprise Snapshot, Enterprise Total (week ending Apr. 19, 2025); Email from Taxpayer Services to TAS Research (June 2, 2025) (on file with TAS). The IRS measures automated calls using the LOS (Automation) measure, which includes assistor calls answered and completed contacts handled by the Interactive Customer Contact Environment. IRS response to TAS information request (May 16, 2025).

²⁰ IRS response to TAS information request (May 15, 2025); IRS, JOC, Snapshot Reports: Enterprise Snapshot, Accounts Management (week ending Apr. 19, 2025).

Due to antiquated technology and certain other factors, CSRs were not able to multitask while waiting for calls, resulting in over one million hours spent waiting idle rather than assisting taxpayers on the phone or processing amended tax returns or taxpayer correspondence.²¹

Putting aside how the IRS calculates its LOS, it is commendable that the IRS has met its high LOS goals for this filing season and the previous two. But the IRS did so by prioritizing select phone lines and IRS operations, leading to lower LOS for other IRS phone lines deemed lower priority and greater delays in processing correspondence and amended returns.²²

To improve service, the IRS has continued to modernize its phone lines with callback options available for 95 percent of callers seeking live assistance on its main toll-free phone applications when CSRs were available.²³ If the IRS projects the call wait time will be longer than 15 minutes and it estimates the callback will fit within IRS phone hours of CSR availability, the system offers the caller the opportunity to provide their callback number, hang up, and move on with other activities while awaiting a callback once an assistor becomes available. During FS 2025, 2.6 million taxpayers were eligible for the callback service, and 1.6 million (62 percent) elected to use it. Ultimately, the IRS successfully connected 82 percent of callers who elected to use the callback service to an assistor.²⁴

Level of Service on Key IRS Phone Lines

While the AM phones achieved an overall LOS of nearly 87 percent, many of the non-AM lines experienced a much lower LOS. Figure 2.3 summarizes calls received, calls answered, LOS, and time on hold for some of the IRS's busiest phone lines, ranked by the number of calls received.²⁵

21 IRS response to TAS information request (May 15, 2025).

22 IRS, JOC, Snapshot Reports: Enterprise Snapshot, Accounts Management (week ending Apr. 19, 2025). As of April 19, 2025, the IRS Taxpayer Protection Program (TPP) phone line had an LOS of 29 percent. IRS, JOC, Snapshot Reports: Enterprise Snapshot, Product Line Detail, Enterprise Performance (week ending Apr. 19, 2025).

23 IRS Pub. 4450, Fiscal Year 2025 Congressional Budget Justification & Annual Performance Report and Plan (Feb. 2024), <https://www.irs.gov/pub/irs-pdf/p4450.pdf>.

24 IRS response to TAS information request (May 15, 2025).

25 IRS, JOC, Snapshot Reports: Product Line Detail, Enterprise Performance (week ending Apr. 19, 2025). Time on Hold refers to Average Speed of Answer, which is the time it takes a taxpayer to reach a live CSR, including the time needed to respond to any automated prompts.

FIGURE 2.3, Metrics for Ten Most Frequently Called Phone Lines, Filing Season 2025 Through April 19, 2025²⁶

Phone Lines	Calls Received	Number of Calls Answered by a CSR	Percentage of Calls Answered by a CSR	Level of Service	Time on Hold
Individual Income Tax Services	4.3 mil	2.3 mil	53%	92%	2 min
Installment Agreement/Balance Due	3.5 mil	1.6 mil	46%	46%	26 min
Business and Specialty Tax Services	2.1 mil	1.3 mil	60%	84%	5 min
Taxpayer Assistance Center Appointments	1.9 mil	908,000	49%	87%	2 min
Taxpayer Protection Program	1.9 mil	499,000	27%	29%	17 min
Practitioner Priority Service	1.7 mil	1.4 mil	80%	88%	5 min
Wage and Investment Identity Theft	1.2 mil	528,000	45%	85%	2 min
Tax Law	781,000	576,000	74%	80%	5 min
Forms Order	727,000	410,000	56%	81%	12 min
Automated Underreporter	401,000	109,000	27%	38%	12 min

Despite technological improvements and an increase in the number of CSRs, some phone lines, notably two non-AM lines – the Taxpayer Protection Program (TPP) line and the Installment Agreement/Balance Due line – suffered low LOS. As indicated in Figure 2.3, the TPP phone line, which assists taxpayers with identity theft verification, received nearly 1.9 million calls, of which CSRs answered only about 499,000, resulting in a 29 percent LOS in FS 2025.²⁷ Taxpayers must verify their identity before the IRS will release their tax refunds. These taxpayers often find the IRS’s verification letters complex and confusing, leading them to call the TPP phone line for assistance.²⁸ A taxpayer’s inability to reach a CSR on the TPP line was another barrier to taxpayers verifying their identity and receiving their refund. The IRS must prioritize the TPP phone line and commit to improving assistance to these taxpayers.

Similarly, in FS 2025, the Installment Agreement/Balance Due line continued to suffer a low LOS of just 46 percent, slightly higher than the 42 percent LOS in FS 2024.²⁹ More specifically, in FS 2025, the line received over 3.5 million calls, of which the IRS answered only 1.6 million.³⁰ This is a vital line for the collection of revenue and for taxpayers, as the assistants answer questions about balances owed and help taxpayers make

26 IRS, JOC, Snapshot Reports: Product Line Detail, Enterprise Performance (week ending Apr. 19, 2025). The shaded phone lines are not AM lines. Percentage of Calls Answered by a CSR reflects the number of calls answered by CSRs divided by the number of calls received. All numbers in Figure 2.3 are rounded. Because voicebot data was not available for all phone lines, it was not included in the “Calls Received” column or the “Percentage of Calls Answered by a CSR” calculation.

27 IRS, JOC, Snapshot Reports: Product Line Detail, Enterprise Performance (week ending Apr. 19, 2025); Taxpayer Services email to TAS Research (June 6, 2025).

28 National Taxpayer Advocate 2023 Annual Report to Congress 78 (Most Serious Problem: *Identity Theft: Lengthy Issue Resolution Delays and Inadequate Notices Burden Taxpayers Who Are Victims of Identity Theft or Whose Returns the IRS Has Flagged for Possible Identity Theft*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/01/ARC23_MSP_06_Identity-Theft.pdf. Once the IRS filters select a return for possible identity theft, the IRS sends the taxpayer one of four letters that ask them to authenticate their identity: Letter 5071C, Potential Identity Theft during Original Processing with Online Option, which provides online and phone options and is issued most widely; Letter 4883C, Potential Identity Theft during Original Processing, which provides a phone option; Letter 5447C, Potential Identity Theft during Original Processing: Foreign Address, which provides phone and mail options for international taxpayers; or Letter 5747C, Potential Identity Theft during Original Processing, which provides an in-person option only (and is used sparingly).

29 National Taxpayer Advocate Fiscal Year 2025 Objectives Report to Congress 6-7 (*Review of the 2024 Filing Season*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/06/JRC25_SAO_ReviewFiling.pdf.

30 IRS, JOC, Snapshot Reports: Product Line Detail, Enterprise Performance (week ending Apr. 19, 2025).

payment arrangements. Taxpayers who cannot reach the IRS through this line risk becoming subjects of enforced collection actions and charges, such as liens, bank and wage levies, and increased penalties. When it does not assist taxpayers with making payment arrangements, the IRS risks losing revenue.

IRS Level of Service Calculations

The IRS's LOS data is complex and confusing and does not reflect the overall taxpayer experience. LOS is not the most efficient method or standard to determine the success of customer service and the customer experience. When the IRS reports a benchmark LOS, it is reasonable to assume that it reflects calls where the CSR speaks with the caller. That is not the case. First, the benchmark measure reflects only calls directed to the IRS's AM phone lines. The IRS received about 27.8 million calls on or routed to the AM lines. Thus, the benchmark measure does not reflect the actual taxpayer experience, how the IRS handled the remaining about 11 million calls outside of AM lines (such as the Compliance phone lines), or whether the IRS answered the taxpayer's questions.³¹

Additionally, the IRS denominator excludes calls routed to voicebots rather than from all calls to that phone line. A phone tree greets callers to the AM lines. Depending on the options a taxpayer selects, the phone system determines whether to direct the caller to a live assistor or one of its automated offerings. Automation is not a deliberate caller-selected option.

While the IRS is reporting a benchmark LOS of 87 percent, IRS employees answered only 32 percent of the incoming calls on the AM lines.³²

Figure 2.4 provides a more complete picture of the taxpayer experience when calling the IRS. In most cases, the percent of calls answered by CSRs is far less when compared to the IRS's calculation of CSR LOS – however, the percentage of calls answered by CSRs have increased. This figure also provides useful information to consider when evaluating the IRS's overall success in providing customer service to taxpayers on its phone lines.³³

31 IRS, JOC, Snapshot Reports: Enterprise Snapshot, Enterprise Total (week ending Apr. 19, 2025); IRS, JOC, Snapshot Reports: Enterprise Snapshot, Accounts Management (week ending Apr. 19, 2025); Taxpayer Services email to TAS Research (June 6, 2025).

32 IRS, JOC, Snapshot Reports: Enterprise Snapshot, Accounts Management (week ending Apr. 19, 2025). The IRS measures automated calls using the LOS(A) measure, which includes assistor calls answered and completed contacts handled by the Interactive Customer Contact Environment. IRS response to TAS information request (May 16, 2025).

33 Email from Taxpayer Services to TAS Research (June 2, 2025) (on file with TAS). The IRS measures automated calls using the LOS(A) measure, which includes assistor calls answered and completed contacts handled by the Interactive Customer Contact Environment. IRS response to TAS information request (May 16, 2025).

FIGURE 2.4, IRS Phone Results, Filing Seasons 2023-2025³⁴

Phone Lines	FS 2023 (Through April 22, 2023)	FS 2024 (Through April 20, 2024)	FS 2025 (Through April 19, 2025)	Percent Change Filing Seasons 2024-2025
Enterprise Total Lines				
Calls Received	31.9 mil	39.9 mil	38.6 mil	▼ -3%
Calls Answered by CSRs	11.0 mil	12.4 mil	12.4 mil	0%
Percent of Calls Answered by CSRs	35%	31%	32%	▲ 3%
CSR Level of Service	72%	63%	70%	▲ 11%
Time on Hold	8 min	8 min	8 min	0%
Accounts Management Lines				
Calls Received	24.6 mil	28.1 mil	27.8 mil	▼ -1%
Calls Answered by CSRs	7.7 mil	9.0 mil	8.9 mil	▼ -1%
Percent of Calls Answered by CSRs	31%	32%	32%	0%
CSR Level of Service	85%	88%	87%	▼ -1%
Time on Hold	3 min	3 min	3 min	0%
Form 1040 Line (AM Line)				
Calls Received	5.4 mil	6.9 mil	7.7 mil	▲ 12%
Calls Answered by CSRs	1.8 mil	2.1 mil	2.3 mil	▲ 10%
Percent of Calls Answered by CSRs	34%	30%	30%	▼ -2%
CSR Level of Service	91%	87%	92%	▲ 6%
Time on Hold	2 min	4 min	2 min	▼ -50%
Taxpayer Protection Program Line (Non-AM Line)				
Calls Received	1.9 mil	3.0 mil	2.2 mil	▼ -28%
Calls Answered by CSRs	863,000	486,000	499,000	▲ 3%
Percent of Calls Answered by CSRs	45%	16%	23%	▲ 43%
CSR Level of Service	47%	17%	29%	▲ 71%
Time on Hold	16 min	20 min	17 min	▼ -15%
Consolidated Automated Collection System Lines (Non-AM Line)				
Calls Received	3.2 mil	6.0 mil	6.5 mil	▲ 8%
Calls Answered by CSRs	1.5 mil	2.1 mil	2.1 mil	▼ -2%
Percent of Calls Answered by CSRs	48%	35%	31%	▼ -9%
CSR Level of Service	51%	41%	51%	▲ 24%
Time on Hold	20 min	20 min	22 min	▲ 10%

34 IRS, JOC, Snapshot Reports: Enterprise Snapshot, Enterprise Total (week ending Apr. 19, 2025); IRS, JOC, Snapshot Reports: Enterprise Snapshot, Accounts Management (week ending Apr. 19, 2025); Taxpayer Services email to TAS Research (June 6, 2025). The Percent Change column is computed based on actual numbers rather than rounded numbers. Calls Received do not include voicebot data.

The IRS Should Prioritize Measuring Taxpayer Experience and Service Quality

TAS continues to advocate for measuring the actual service taxpayers receive and their overall experience interacting with the agency. It is welcome news that the IRS has begun exploring a new measure of service, the Service Completion Rate, which provides a holistic view of the live assistance services provided to taxpayers across the IRS, including those provided by new technology.³⁵ Taxpayers care about the length of wait time, receiving professional and respectful treatment, having the CSR answer their question or provide useful alternative resources, and above all, whether the IRS resolves their issue. We welcome the IRS's movement toward measuring what matters most to taxpayers.³⁶

As the IRS considers new measures for a more effective, flexible, and accurate model for capturing the taxpayer experience, it should include:

1. Whether taxpayers received the information requested;
2. Whether they needed to speak with multiple IRS employees to resolve their issue; and
3. Whether the IRS provided additional helpful information, such as links to instructional materials or videos.

To improve service quality and efficiency, the IRS should tackle phone service in new ways that improve quality and increase efficiency while continuing to explore AI solutions, expand online functionalities, and maintain accessible in-person options.

IRS Delays in Processing Correspondence and Amended Returns Cause Taxpayer Frustration

To achieve a high LOS on its phone lines, the IRS reallocated staffing resources away from processing taxpayer correspondence and amended returns. As the IRS moves toward modernization, it must continue to provide quality service to taxpayers – communicating with taxpayers via phone, correspondence, online accounts, and other tools – while executing the other part of its core mission: processing returns, collecting revenue, and issuing refunds securely.

Figure 2.5 shows the extent to which the IRS is behind in processing taxpayer correspondence and amended returns.

35 TAS Recommendations and IRS Responses, TAS Recommendation 4-1 (2024), <https://www.taxpayeradvocate.irs.gov/arc-recommendations-tracker/> (last visited June 3, 2025).

36 See National Taxpayer Advocate 2024 Annual Report to Congress 46 (Most Serious Problem: *IRS Service: Taxpayer Service Is Often Not Timely or Adequate*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_MSP_04_Service.pdf.

FIGURE 2.5, IRS Backlog of Unprocessed Amended Returns and Taxpayer Correspondence, Filing Season 2024 Through April 19, 2024 and Filing Season 2025 Through April 18, 2025³⁷

Unprocessed Correspondence and Amended Return Processing	Filing Season	Individual	Business	Total
Unprocessed Accounts Management Adjustment and Correspondence Cases	Filing Season 2024	317,000	436,000	753,000
	Filing Season 2025	309,000	440,000	749,000
Unprocessed Amended Returns	Filing Season 2024	1.5 mil	1.7 mil	3.1 mil
	Filing Season 2025	1.2 mil	1.4 mil	2.6 mil
Unprocessed Internal Account Maintenance	Filing Season 2024	975,000	131,000	3.5 mil
	Filing Season 2025	355,000	92,000	447,000
Total Unprocessed	Filing Season 2024	2.8 mil	2.2 mil	7.4 mil
	Filing Season 2025	1.9 mil	1.9 mil	3.8 mil

One example of a problem caused by the correspondence backlog involves the issuance of math error notices. Each year, the IRS issues over a million math error notices requiring taxpayers to substantiate an item claimed on their return within 60 days from the date on the notice.³⁸ Delays in reviewing these math error responses can result in incorrect account adjustments and possible IRS collection actions, thereby violating the taxpayer *right to pay no more than the correct amount of tax*.³⁹

IRS's Document Upload Tool

In late 2023, Treasury announced that the IRS had begun offering taxpayers the option to submit all correspondence and notice responses using the Document Upload Tool (DUT).⁴⁰ Taxpayer response to this option was overwhelmingly positive, as the IRS received nearly 900,000 responses to notices via the DUT as of April 12, 2024.⁴¹ As a result of achieving this goal, the IRS estimated that more than 94 percent of individual taxpayers will no longer have to send mail to the IRS.⁴² In fiscal year (FY) 2025, through April 29, 2025, taxpayers and their representatives submitted more than 265,000 responses through the DUT.⁴³ Going forward, the IRS plans to continue its move away from paper through its Zero Paper Initiative.⁴⁴

³⁷ IRS responses to TAS information requests (May 23, 2024; May 15, 2025). The FS 2024 totals include 2.4 million Other Unprocessed Internal Account Maintenance taxpayer correspondence. Row and column totals may differ because of rounding. Internal Account Maintenance includes Employer Identification Number applications, refund inquiries, IDTVA forms, tax preparer authorizations, and other written taxpayer correspondence.

³⁸ IRS, Compliance Data Warehouse, Notice Delivery System (NDS), CYs 2023 and 2024 (May 29, 2025). IRS response to TAS information request (May 15, 2025).

³⁹ See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited May 16, 2025). The rights contained in TBOR are also codified in IRC § 7803(a)(3).

⁴⁰ Press Release, U.S. Dep't of the Treasury, IRS Achieves Key Paperless Processing Initiative Goal, Outlines Improvements for Filing Season 2024 (Nov. 7, 2023), <https://home.treasury.gov/news/press-releases/jy1890>.

⁴¹ Press Release, U.S. Dep't of the Treasury, Filing Season 2024 Report Card: IRS Builds On 2023 Progress, Delivers World Class Customer Service Thanks to Inflation Reduction Act (April 15, 2024), <https://home.treasury.gov/news/press-releases/jy2250>.

⁴² IRS Fact Sheet, FS-2023-18, IRS Launches Paperless Processing Initiative (Aug. 2023), <https://www.irs.gov/newsroom/irs-launches-paperless-processing-initiative>.

⁴³ IRS response to TAS information request (May 5, 2025).

⁴⁴ Email from Taxpayer Services to TAS (May 22, 2025) (on file with TAS).

Despite an enthusiastic taxpayer response to the DUT, problems with backend processing persist. More than two years after the IRS announced the inception of the DUT, it still has not yet developed backend systems to electronically process the documents submitted through the DUT across the IRS Business Operating Divisions. Until that occurs, the IRS manually processes submissions via DUT like paper correspondence, contributing to ongoing processing backlogs. Sadly, taxpayers probably used the DUT because they assumed it would speed up the processing of their inquiry or request. The IRS should set appropriate expectations with taxpayers using the DUT to understand it minimizes the delay on the front end of the process, but manual processing remains on the backend.

Online Accounts Provide a Valuable Self-Service Option for Taxpayers and Tax Professionals

The IRS offers self-service tools for taxpayers and tax professionals in Individual Online Accounts (IOLAs), Business Tax Accounts, and Tax Pro (collectively “online accounts”).⁴⁵ These tools provide online access to assistance and reduce the need for phone calls or in-person visits to a TAC.

In FY 2025, the IRS expanded IOLA capabilities, including:

- Creating and modifying pre-assessment payment plans;
- Adding an offer in compromise pre-qualifier and submission tool;
- Expanding two-way secure messaging; and
- Viewing 21 additional digital notices.⁴⁶

Additionally, taxpayers can now view and download the following key information returns for TYs 2023 and 2024:⁴⁷

- Form W-2, Wage and Tax Statement;
- Form 1095-A, Health Insurance Marketplace Statement;
- Form 1099-NEC, Nonemployee Compensation;
- Form 1099-DIV, Dividends and Distributions;
- Form 1099-SA, Distributions From an HSA, Archer MSA, or Medicare Advantage MSA;
- Form W-2G, Certain Gambling Winnings;
- Form 1099-INT, Interest Income;
- Form 1099-MISC, Miscellaneous Information;
- Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.;
- Form 1099-A, Acquisition or Abandonment of Secured Property;
- Form 1099-C, Cancellation of Debt;
- Form 1099-G, Certain Government Payments;
- Form 1099-K, Payment Card and Third Party Network Transactions;
- Form 1099-S, Proceeds from Real Estate Transactions; and
- Form 1099-LTC, Long-Term Care and Accelerated Death Benefits.⁴⁸

⁴⁵ IRS, Your Account (June 13, 2025), <https://www.irs.gov/your-account>.

⁴⁶ IRS response to TAS information request (Apr. 29, 2025).

⁴⁷ IRS News Release, IR-2025-43, IRS Reminds Taxpayers to Access or Create an IRS Online Account Today (Apr. 9, 2025), <https://www.irs.gov/newsroom/irs-reminds-taxpayers-to-access-or-create-an-irs-online-account-today>; IRS News Release, IR-2025-28, Tax Documents Added to IRS Individual Online Account Tool, Enhancing Services and Convenience for Taxpayers (Feb. 27, 2025), <https://www.irs.gov/newsroom/tax-documents-added-to-irs-individual-online-account-tool-enhancing-services-and-convenience-for-taxpayers>.

⁴⁸ Individual Online (IOLA) & Tax Pro Accounts May 2025 Status Briefing (on file with TAS).

Through April of FY 2025, taxpayers downloaded Forms W-2 using IOLA over two million times.⁴⁹ They could quickly and easily access vital information returns to assist with preparing accurate tax returns. As the IRS continues its modernization efforts, having all informational forms *available* and *downloadable* into the taxpayer's software of choice from their online account *early* in the filing season would be instrumental to filing accurate and timely tax returns, eliminating errors and problems downstream. This improvement would go into the "game changer" bucket for tax administration, and we strongly recommend the IRS continue to improve the functionality of the online accounts.

Refund Fraud Detection Programs Present Challenges for Legitimate Taxpayers

The IRS employs a series of filters, models, and procedural rules to detect and prevent improper tax refunds resulting from fraud. Upon detection, the IRS suspends the processing of a flagged return to prevent the release of improper payments. These systems categorize potentially fraudulent returns into two main types: identity theft and non-identity theft refund fraud.

When IRS filters flag a return for identity theft refund fraud, it routes the return to the TPP. Conversely, it routes returns suspected of non-identity theft refund fraud to the Return Integrity Verification Operation (RIVO). The IRS holds returns in TPP until the taxpayer verifies their identity. Non-identity theft flagged returns remain suspended until the IRS or the taxpayer verifies the accuracy of the return's data. In some instances, the IRS may also subject returns initially flagged for identity theft refund fraud due to discrepancies or anomalies compared with prior filings to additional review by non-identity theft filters, further delaying refund issuance.

Although these fraud detection programs are critical to the IRS's efforts to minimize the number of improper refunds, they have inadvertently created challenges for legitimate taxpayers whose returns are delayed or frozen due to false positives in the IRS's filters.

Identity Theft Refund Fraud

The IRS provides taxpayers three options to verify their identity, including:

- Calling the TPP toll-free line;
- Using an online application on [IRS.gov](https://www.irs.gov); or
- Visiting a TAC.⁵⁰

The IRS will send the taxpayer a letter instructing them which of these methods they must use for verification purposes. Unfortunately, these letters often lack clarity, causing taxpayer confusion and frustration, and in some cases leaving taxpayers with more questions than answers.⁵¹ Moreover, taxpayers attempting to resolve identity verification issues face significant difficulties due to the IRS's LOS on the TPP phone lines, which was unacceptably low at 29 percent during FS 2025 through April 19, 2025, an improvement from 17 percent in the prior year but still far below acceptable standards.⁵² The IRS's continued low LOS on TPP lines exacerbates taxpayers' challenges in resolving these issues promptly. Clearly, this is an area the IRS needs to address.

From January 1, 2025, through April 17, 2025, the IRS selected about 2.3 million tax returns for TPP review, and it ultimately released about 761,000 of these refunds. Of these, the IRS released 737,000 refunds after

49 Individual Online (IOLA) & Tax Pro Accounts May 2025 Status Briefing (on file with TAS).

50 IRM 25.25.6.1.7, Taxpayer Protection Program Overview (June 24, 2024), https://www.irs.gov/irm/part25/irm_25-025-006r.

51 National Taxpayer Advocate 2023 Annual Report to Congress 78 (Most Serious Problem: *Identity Theft: Lengthy Issue Resolution Delays and Inadequate Notices Burden Taxpayers Who Are Victims of Identity Theft or Whose Returns the IRS Has Flagged for Possible Identity Theft*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/01/ARC23_MSP_06_Identity-Theft.pdf.

52 IRS, JOC, Snapshot Reports: Product Line Detail, Enterprise Performance (week ending Apr. 19, 2025).

taxpayers completed identity verification, while it released the remaining 24,000 based on IRS records without the need for any taxpayer interaction.⁵³

Figure 2.6 shows the number of returns selected and released in the TPP program for the 2024 and 2025 filing seasons.

FIGURE 2.6, Identity Theft Refund Fraud, Filing Seasons 2024 and 2025⁵⁴

	January 1, 2024 Through April 18, 2024	January 1, 2025 Through April 17, 2025
Selections Triggered by Filters	3.4 mil	2.3 mil
Verifications Provided by Taxpayers	789,000	737,000
Confirmed Identity Theft	86,000	68,000
Released by TPP Without the Need for Taxpayer Verification	690,000	24,000
Dollar Amount Identified	\$30.6 bil	\$21.0 bil
Dollar Amount Stopped as Possible Improper Payments	\$1.4 bil	\$624.0 mil

Notably, the number of returns selected for TPP review declined by over 32 percent from FS 2024.⁵⁵ Based on TAS's regular meetings with the IRS's Revenue Protection group, it is our understanding that this decrease is due in part to the correction of several filter errors, one of which misclassified returns claiming the Fuel Tax Credit.⁵⁶ As a result, the number of returns TPP filters selected dropped significantly in FS 2025.⁵⁷

Over the years, the IRS filters have struggled with high false detection rates. Thus, a significant percentage of returns held during FS 2025 may represent correct taxpayer returns awaiting payment of their refunds. Despite this, beyond the initial notification, the IRS does not reach out to affected taxpayers. Therefore, if taxpayers are expecting a refund but have not yet received it, they should contact the IRS to determine whether it is holding their refund for possible identity verification.⁵⁸

Non-Identity Theft Refund Fraud

From January through April 17, 2025, the refund fraud filters flagged approximately 250,000 returns as potentially fraudulent, down 46 percent from approximately 462,000 returns selected during the same period last year. Of those selected in FS 2025, the IRS verified 104,000 returns (roughly 42 percent) for refund issuance as of April 16, 2025.⁵⁹

⁵³ IRS response to TAS information request (May 15, 2025).

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ TAS meeting with Return Integrity Compliance Services (May 27, 2025).

⁵⁷ IRS response to TAS information request (May 15, 2025); IRS News Release, IR-2024-139, IRS Warns Taxpayers They May Be Scam Victims If They Filed for Big Refunds; and Misleading Advice Leads to False Claims for Fuel Tax Credit, Sick and Family Leave Credit, Household Employment Taxes (May 14, 2024), <https://www.irs.gov/newsroom/irs-warns-taxpayers-they-may-be-scam-victims-if-they-filed-for-big-refunds-misleading-advice-leads-to-false-claims-for-fuel-tax-credit-sick-and-family-leave-credit-household-employment-taxes>.

⁵⁸ National Taxpayer Advocate 2024 Annual Report to Congress 200 (TAS Research Report: *Some Legitimate Taxpayers Did Not Receive a Tax Year 2020 Refund Because They Did Not Respond to an IRS Letter Requesting Identity Verification*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_ResearchReport.pdf.

⁵⁹ IRS response to TAS information request (May 15, 2025).

FIGURE 2.7, Non-Identity Theft Refund Fraud, Filing Seasons 2024 and 2025⁶⁰

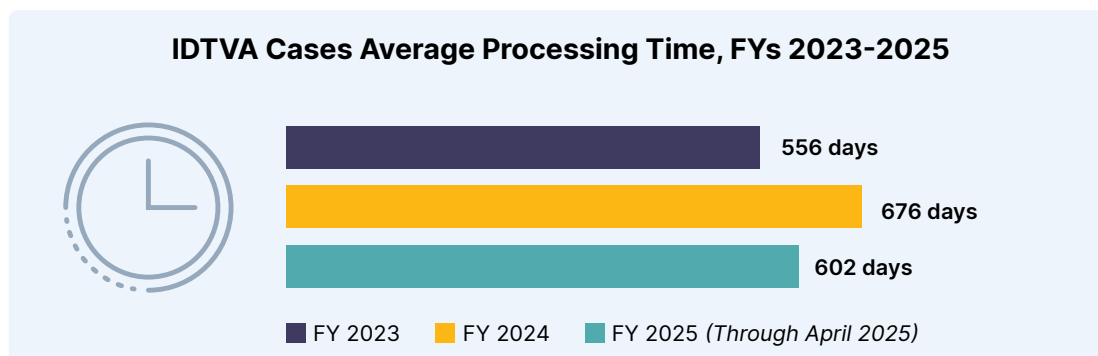
	January 1, 2024 Through April 17, 2024	January 1, 2025 Through April 16, 2025
Number of Potentially Fraudulent Tax Returns Selected	462,000	250,000
Dollar Amount of Potentially Fraudulent Refunds Selected	\$5.0 bil	\$3.3 bil
Number of Selected Tax Returns Identified for Release	179,000	104,000

Sadly, legitimate taxpayers whose returns these filters caught experienced prolonged refund delays, often resulting in financial hardship.

Identity Theft Victim Assistance Cases

Taxpayers whose returns the IRS rejects due to identity theft must file Form 14039, Identity Theft Affidavit, along with a paper return. Typically, in these situations an identity thief has already filed a fraudulent return using the taxpayer's personal identifying information, such as the Social Security number of either the taxpayer or the taxpayer's dependent. Once the IRS receives the form and the paper tax return, it will open an IDTVA case, and it will not issue the taxpayer's refund until it resolves the case.

Although IRS processing times for IDTVA cases have slightly improved, they remain extremely high, and taxpayers must wait far too long to have their identity theft issues resolved.⁶¹ Unfortunately, through April 30, 2025, the IRS is taking an average of 602 days to resolve identity theft cases, meaning victims are waiting nearly 20 months to receive their tax refunds.⁶²

FIGURE 2.8⁶³

Contributing factors to the IRS's long processing times include the reassignment of IDTVA employees to other high priority assignments, such as answering toll-free phone lines during the filing season.⁶⁴ Specifically, during January 1, 2025, through April 12, 2025, the IRS assigned about 350 full-time equivalents (FTEs)

⁶⁰ IRS response to TAS information request (May 15, 2025).

⁶¹ The IDTVA unit increased the number of employees who worked these cases by about nine percent from FS 2024 to FS 2025. IRS response to TAS information request (May 15, 2025).

⁶² IRS, AM IDTVA, Research Analysis and Data, Correspondence Imaging System (CIS) Closed Case Cycle Time for the Identity Theft Victims Unit Reports (through April 2025).

⁶³ *Id.*

⁶⁴ IRS response to TAS information request (May 15, 2025).

to the IDTVA unit and about 90 to work the toll-free lines.⁶⁵ These extensive delays effectively revictimize taxpayers who are already suffering due to the identity theft. Once again, TAS insists the IRS prioritize timely resolution of this issue to help the victims and expedite release of their refunds.

Online Refund Status Tools

Each year, millions of taxpayers rely on the IRS's Where's My Refund? and Where's My Amended Return? tools to track the status of their refunds. Figures 2.9 and 2.10 show the number of visits to the tools for Filing Seasons 2024 and 2025.

FIGURE 2.9⁶⁶

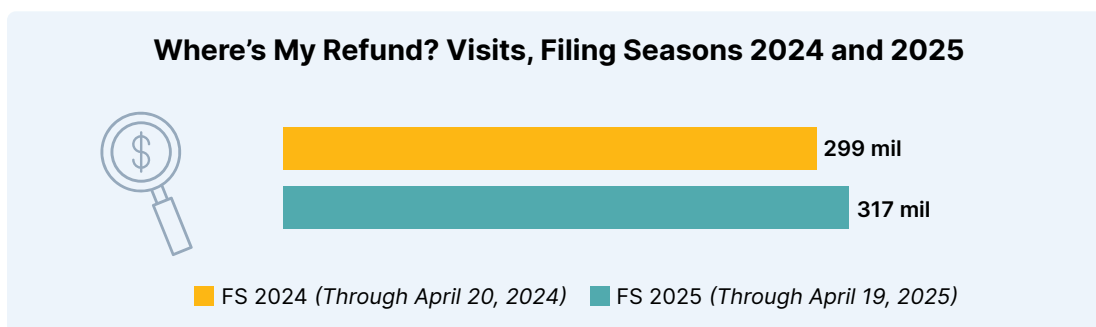
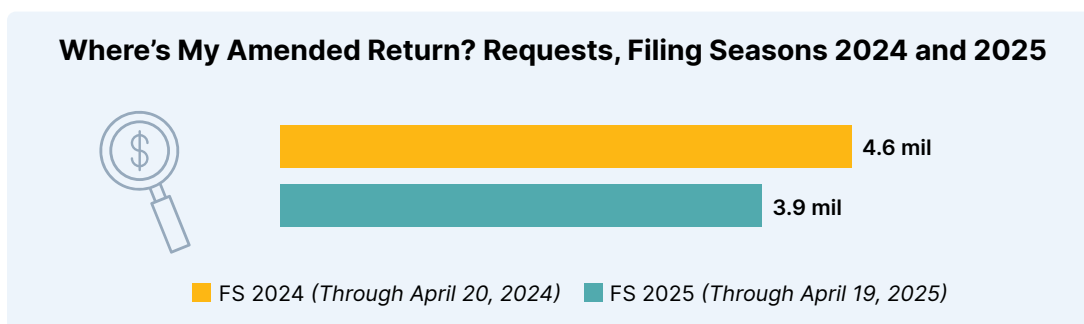


FIGURE 2.10⁶⁷



In FS 2025, the IRS enhanced these tools by clarifying instructions, optimizing mobile access, and enabling usage by certain identity theft victims. In addition, the IRS integrated the Where's My Amended Return? tool into individual online accounts in May 2025, which is a welcome and needed functionality for online accounts.⁶⁸

⁶⁵ IRS response to TAS information request (May 15, 2025). FTEs represent all employee hours translated into the equivalent number of full-time positions. These 90 FTEs did not work the toll-free lines for the entire filing season; they were only assigned to work the toll-free lines when demand deemed it necessary, and they were the first to come off the toll-free lines once demand subsided.

⁶⁶ IRS response to TAS information request (May 15, 2025).

⁶⁷ IRS, Integrated Customer Communications Environment (ICCE), Where's My Amended Return? (Jan. 1, 2025-Mar. 31, 2025); IRS, Online Tools and Integrated Services (OTIS), Where's My Amended Return? (Apr. 1-19, 2025). The IRS retired the ICCE data tracking system on March 31, 2025, and began tracking data in OTIS on April 1, 2025.

⁶⁸ IRS response to TAS information request (Apr. 29, 2025); Individual Online (IOLA) & Tax Pro Accounts May 2025 Status Briefing (on file with TAS).

Face-to-Face Assistance at Taxpayer Assistance Centers

The IRS provides face-to-face assistance to taxpayers at TACs located across the country, including the District of Columbia and Puerto Rico. As of April 15, 2025, there were 362 TACs, of which 239 were understaffed and 21 were unstaffed.⁶⁹ All staffed TACs offer appointments and serve taxpayers who walk in without an appointment, but only in certain circumstances. To make an appointment, taxpayers must call the TAC Appointment toll-free phone line, which achieved an 87 percent LOS in FS 2025 through April 19, 2025.⁷⁰

Through April 26, 2025, the IRS provided 440,900 hours of in-person assistance at TACs. The IRS provided nearly 15,000 extended weekly office hours at 237 TACs around the country and served 25,695 taxpayers during these extended hours. The IRS also opened 95 TACs around the country for “Taxpayer Experience Days” on one Saturday per month (scheduled from February through June). Over 8,800 taxpayers received assistance at the Saturday events.⁷¹

During FS 2025, the IRS generally required taxpayers to schedule an appointment to receive face-to-face assistance at any of its TACs. To schedule an appointment, the IRS instructs taxpayers to call the TAC Appointment line, where an assistor determines the taxpayer’s need and directs them to resources where they may find immediate answers to their questions. If the taxpayer cannot resolve their issue, the assistor helps them make an appointment at a TAC for face-to-face assistance with an IRS employee.⁷² This filing season, there were 546,000 scheduled appointments for face-to-face assistance at TACs, a decrease of over 30 percent compared to FS 2024.⁷³

In limited instances, the IRS deviates from its appointment policy and lets taxpayers receive assistance from a TAC without an appointment (*e.g.*, if the taxpayer was experiencing a hardship or if the TAC was able to accept walk-in appointments without disrupting scheduled appointments). During FS 2025, TACs assisted over 75,000 taxpayers without appointments.⁷⁴ The appointment-only approach can negatively affect taxpayers who need assistance urgently, so TAS is pleased the IRS’s guidance to employees includes managerial discretion to assist taxpayers without appointments in certain circumstances.⁷⁵ However, serving taxpayers without appointments remains the exception to the rule, limiting taxpayer access to obtain in-person assistance from the IRS.

The IRS is piloting a program to assist taxpayers without appointments at select TAC locations. As part of this program, the taxpayer can seek virtual assistance from another participating TAC with service capacity. During FS 2025, 25 TAC locations provided this service with the support of assistors from remote TAC locations, depending on the availability of assistors. TAS commends the IRS for providing much-needed assistance to these taxpayers without an appointment.⁷⁶

The IRS provides two alternative service options for taxpayers in areas TACs do not serve. First, the IRS assists taxpayers virtually by using video communications known as Virtual Service Delivery (VSD). To receive

69 IRS response to TAS information request (May 15, 2025).

70 IRS, JOC, Snapshot Reports: Product Line Detail (Enterprise Performance) (week ending Apr. 19, 2025).

71 IRS response to TAS information request (May 15, 2025).

72 IRM 21.3.4.2.4.1, TAC Procedures for Appointment Service (Oct. 2, 2024), https://www.irs.gov/irm/part21/irm_21-003-004r; IRM 21.3.4.2.4.2, TAC Appointment Exception Procedures (June 27, 2022), https://www.irs.gov/irm/part21/irm_21-003-004r; IRM 21.3.4.2.4.5.1, Addressing, Targeting and Resolving Issues Without an Appointment (Dec. 8, 2023), https://www.irs.gov/irm/part21/irm_21-003-004r.

73 IRS response to TAS information request (May 15, 2025); National Taxpayer Advocate Fiscal Year 2025 Objectives Report to Congress 16-17 (*Review of the 2024 Filing Season*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/06/JRC25_SAO_ReviewFiling.pdf.

74 IRS response to TAS information request (May 15, 2025).

75 IRS response to TAS information request (May 15, 2025); IRM 21.3.4.2.4.2, TAC Appointment Exception Procedures (June 27, 2022), https://www.irs.gov/irm/part21/irm_21-003-004r. The IRS will, in some circumstances, “double book” an appointment for hardship and international cases, but the discretionary approval of a TAC group manager is required.

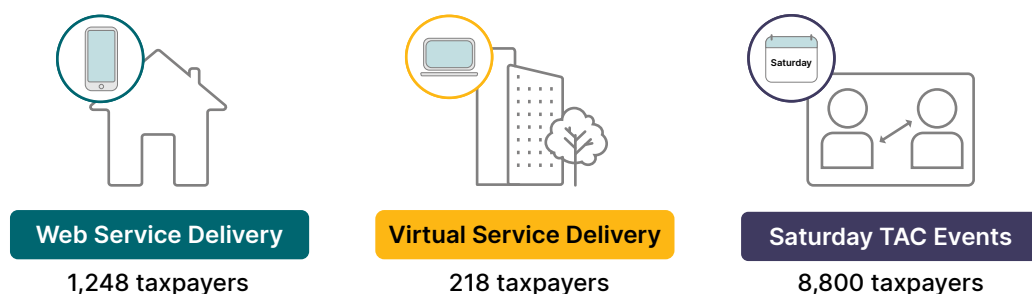
76 IRS response to TAS information request (May 15, 2025).

virtual assistance through this program, the taxpayer must use equipment provided at an established VSD partner site, such as a community organization. Between January 1 and April 15, 2025, there were 14 VSD partner sites, and through April 19, 2025, the VSD sites assisted 218 taxpayers.

Second, the IRS provides virtual assistance through web-based software with its Web Service Delivery (WebSD) pilot program. Taxpayers may make WebSD appointments to meet virtually with an IRS assistant and discuss issues such as math error notices and refund inquiries. From January 1 through April 15, 2025, the IRS scheduled about 1,484 WebSD appointments as part of this pilot program and completed about 1,248 appointments.⁷⁷ TAS commends these changes and urges continued investment to broaden reach, especially in underserved areas. As the IRS continues its modernization and efficiency efforts, it must consider service as a high priority and ensure that it meets taxpayer needs, particularly in rural communities and underserved populations.

FIGURE 2.11⁷⁸

Taxpayers Assisted Via Expanded Service Options at TACs, Filing Season 2025



Community Assistance Visits

Unfortunately, the IRS did not offer Community Assistance Visits (CAVs) during this filing season, despite their value in reaching taxpayers in rural and underserved regions.⁷⁹ CAVs act as temporary TACs, providing outreach to taxpayers living in communities identified as underserved, generally areas over 120 minutes driving distance from the nearest TAC. Generally, pop-up TACs operate for three days to offer walk-in, one-on-one assistance to individual and business taxpayers with similar services as TACs. In CY 2024, the IRS offered 11 CAV events.⁸⁰ Although the number of events may not seem large, the assistance to the vulnerable taxpayers at these events is a huge benefit. CAVs provide a critical component of the IRS's taxpayer service model by providing access and meeting taxpayers where they are. The IRS should continue to expand its efforts to secure public facilities through partnership with local businesses and city officials, and provide frontline assistance by bringing in-person service to taxpayers located remotely.

Volunteer Tax Return Preparation Services Available to Taxpayers

As in previous filing seasons, eligible taxpayers had the option to seek free tax return preparation and filing assistance from volunteers at virtual, over-the-phone, and in-person sites via the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. VITA offers free tax return

⁷⁷ IRS response to TAS information request (May 15, 2025).

⁷⁸ *Id.*

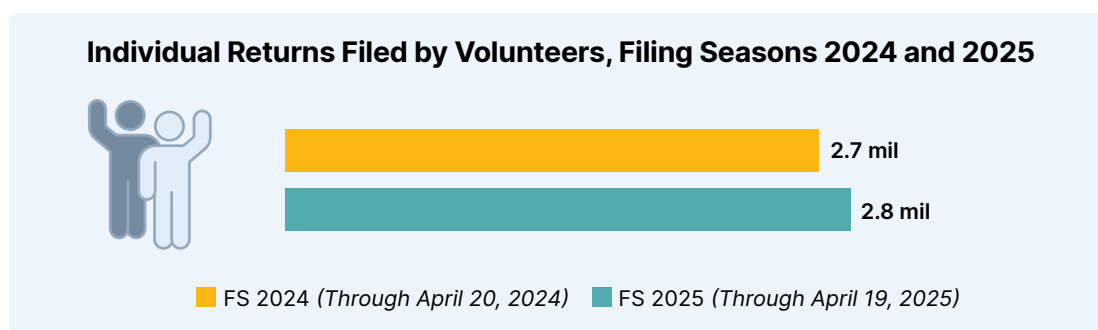
⁷⁹ *Id.*

⁸⁰ See National Taxpayer Advocate 2024 Annual Report to Congress 55-56 (Most Serious Problem: *IRS Service: Taxpayer Service Is Often Not Timely or Adequate*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_MSP_04_Service.pdf.

preparation assistance to people who generally make \$67,000 or less annually, people with disabilities, and taxpayers with limited English proficiency who need assistance in preparing their own tax returns. TCE provides free tax help for individuals aged 60 and older.⁸¹ Many taxpayers depend on the services these two programs offer to meet their income tax return filing requirements and claim refundable credits such as the Earned Income Tax Credit or Child Tax Credit.

VITA certified slightly more volunteers and established additional VITA and TCE sites in FS 2025, compared to FS 2024. Specifically, in mid-January 2025, the IRS certified about 70,000 volunteers at 9,130 VITA and TCE sites. About 92.6 percent of these sites closed after April 15, 2025. Figure 2.12 illustrates the number of individual returns prepared by the VITA and TCE programs.⁸²

FIGURE 2.12⁸³



The National Taxpayer Advocate recognizes and thanks the VITA and TCE volunteers who generously donated their time and knowledge to assist taxpayers. This year, these volunteers assisted taxpayers by preparing nearly 2.8 million returns and providing them with the ability to e-file their returns and speed up the payment of their refunds.⁸⁴ VITA and TCE volunteers are essential in helping low-income taxpayers, the elderly, taxpayers with disabilities, and limited English-speaking taxpayers fulfill their tax obligations. Millions of taxpayers depend on the generosity and knowledge of the VITA and TCE volunteers, and TAS is grateful for their service and dedication.

The IRS Provides Taxpayers With Several Ways to File Returns Electronically at No Cost

The IRS provided taxpayers with multiple no-cost electronic filing options during the 2025 filing season, primarily through the Free File Alliance and Direct File program.

IRS Free File Alliance

The Free File Alliance, a nonprofit coalition of leading industry tax software providers, partnered with the IRS to help millions of Americans prepare and e-file their federal returns for free.⁸⁵ The software options are

81 IRS, Free Tax Return Preparation for Qualifying Taxpayers (Mar. 18, 2025), <https://www.irs.gov/individuals/free-tax-return-preparation-for-qualifying-taxpayers>.

82 IRS response to TAS information request (May 15, 2025).

83 *Id.*

84 *Id.*

85 Free File Alliance, FAQs, <https://freefilealliance.org/faq/> (last visited June 3, 2025). The site answers whether a taxpayer may file their state income tax for free: "Some participating Free File Alliance companies offer free state tax return preparation and e-filing services through partnerships with participating state programs. Other companies charge a fee for state tax return preparation and e-filing."

available to taxpayers with a 2024 adjusted gross income of \$84,000 or less.⁸⁶ Taxpayers exceeding the income threshold can still file their return at no cost using Free File Fillable Forms available on [IRS.gov](https://www.irs.gov).⁸⁷

According to Free File's program survey in 2024, 98 percent of users would recommend the program to others.⁸⁸ Though taxpayers filed approximately three million returns through Free File in FS 2025, the program is still underutilized and can serve more taxpayers.⁸⁹ The IRS must continue to work with stakeholders, prioritize enhanced outreach, and ensure the Free File Program is prominently advertised and easily accessible on [IRS.gov](https://www.irs.gov) to increase usage.

Direct File

During FS 2025 through April 20, 2025, taxpayers filed 296,531 accepted returns through Direct File, and on average, these taxpayers received refunds of \$1,309.⁹⁰

In FS 2025, Direct File was available in 25 states.⁹¹ Direct File incorporated several new features to this year's program, including One-Step Signature, Authenticated Live Chat, an Enriched State Application Programming Interface (API), and Data Import that contributed to high taxpayer satisfaction. Nearly 94 percent of Direct File users surveyed rated the experience as excellent or above average.⁹² Despite expanding the program to double the number of states and adding enhancements, overall usage remained flat when compared to last year, likely due to limited program awareness, restrictive eligibility criteria, and certain filing limitations, among other reasons.

The IRS limited use of Direct File based on:

- Income type reported on the return;⁹³
- Wage amounts and filing status;⁹⁴ and
- Credits claimed on the return.⁹⁵

Additionally, taxpayers filing via Direct File could not itemize deductions and were only able to claim the standard deduction, student loan interest, educator expenses, and Health Savings Account contributions.⁹⁶

86 See IRS, IRS Free File: Do Your Taxes for Free (May 5, 2025), <https://www.irs.gov/filing/irs-free-file-do-your-taxes-for-free>.

87 See IRS, IRS Free File: Do Your Taxes for Free (May 5, 2025), <https://www.irs.gov/filing/irs-free-file-do-your-taxes-for-free>; IRS, Free File Fillable Forms (Jan. 29, 2025), <https://www.irs.gov/e-file-providers/free-file-fillable-forms>.

88 Free File Alliance, <https://freefilealliance.org/> (last visited June 3, 2025).

89 IRS response to TAS information request (May 15, 2025). This number includes users of English Free File and Free File Fillable Forms.

90 IRS response to TAS information request (May 13, 2025).

91 IRS, IRS Direct File: File Taxes for Free Directly With IRS (Mar. 17, 2025), <https://www.irs.gov/filing/irs-direct-file-for-free>.

92 Enriched State API enables taxpayers to import information into their state tax forms, further streamlining the process of filing state returns. IRS, Direct File Filing Season 2025 Report 47 (May 13, 2025) (on file with TAS).

93 Taxpayers using Direct File can only claim the following income types: income from an employer (Form W-2); unemployment compensation (Form 1099-G); Social Security benefits (Form SSA-1099); income from employer-sponsored pension and retirement account distributions (Form 1099-R); distributions for qualified medical expenses from Health Savings Accounts (Form 1099-SA); interest income (Form 1099-INT); and Alaska Permanent Fund Dividend. IRS, IRS Direct File: File Taxes for Free Directly With IRS (Mar. 17, 2025), <https://www.irs.gov/filing/irs-direct-file-for-free>.

94 Taxpayers are excluded from using Direct File if their wages are more than \$200,000 (\$168,600 if the taxpayer had more than one employer); if taxpayers file as Married Filing Jointly, and one spouse's wages are more than \$200,000 (\$168,600 if a spouse had more than one employer); if taxpayers file as Married Filing Jointly, and both taxpayers wages total more than \$250,000; or if taxpayer files as Married Filing Separately, and that taxpayer's wages are more than \$125,000. See IRS, Direct File, <https://directfile.irs.gov/income> (last visited June 3, 2025).

95 When using Direct File, taxpayers can only claim the following credits: Child Tax Credit; Credit for Other Dependents; Child and Dependent Care Credit; Earned Income Tax Credit; Premium Tax Credit; Saver's Credit (Retirement Savings Contributions Credit); or Credit for the Elderly or the Disabled. IRS, IRS Direct File: File Taxes for Free Directly With IRS (Mar. 17, 2025), <https://www.irs.gov/filing/irs-direct-file-for-free>.

96 IRS, IRS Direct File: File Taxes for Free Directly With IRS (Mar. 17, 2025), <https://www.irs.gov/filing/irs-direct-file-for-free>.

The future of the Direct File program remains unclear, with indications it may not be available to taxpayers next filing season.⁹⁷

Employee Retention Credit Processing Delays and Taxpayer Uncertainty

The Employee Retention Credit (ERC) is a refundable tax credit that Congress enacted to provide critical financial relief to businesses and non-profit organizations that retained employees during the COVID-19 pandemic, but the IRS's inefficient administration of the credit is still negatively impacting numerous businesses in 2025.⁹⁸ Concerned about improper ERC claims, the IRS slowed and eventually paused processing, leaving taxpayers to wonder when or if they would receive their refund. In recent months, the IRS has made significant progress in processing these claims, but hundreds of thousands still await IRS attention. However, as long as the IRS continues processing these claims at the present rate, it should complete processing by the end of CY 2025.⁹⁹

Figure 2.13 shows IRS's processing of ERC claims over the past six years.

FIGURE 2.13, Employee Retention Credit Claims Processed and Amounts Paid, Processing Years 2020-2025¹⁰⁰

Processing Year	Processed Claims	ERC Claims Paid
2020	76,000	\$7.7 bil
2021	569,000	\$45.1 bil
2022	1.5 mil	\$99.1 bil
2023	1.3 mil	\$83.8 bil
2024	376,000	\$10.4 bil
2025	395,000	\$23.2 bil

As demonstrated above, IRS processing of ERC claims in the first four months of 2025 already exceeds the total processed during all of 2024, suggesting that if current trends continue, the IRS will clear the backlog by the end of the year.¹⁰¹ Although this is encouraging, it likely feels like no reason to celebrate for taxpayers who have waited months or even years to have the IRS process their claims. Congress intended these refunds to be a lifeline for businesses during the pandemic, but to many who needed the funds, it has felt like an empty promise.

Figure 2.14 illustrates how the processing time for ERC claims began skyrocketing in 2024.

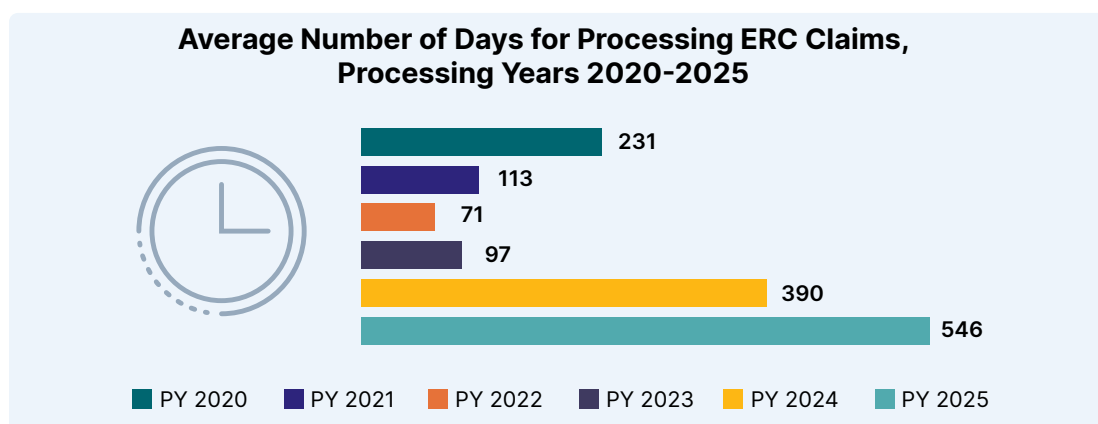
97 One Big Beautiful Bill Act, H.R. 1, 119th Cong. § 112207 (2025).

98 Initially, the law provided employers who qualified for the ERC a refundable credit against an employer's 6.2 percent share of Federal Insurance Contribution Act (FICA) taxes or Railroad Retirement Tax Act (RRTA) taxes. Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, Pub. L. No. 116-136, § 2301, 134 Stat. 347 (2020). IRC §§ 3111(a) and 3221(a) impose FICA and RRTA taxes on employers. Most employers report this liability on Form 941, Employer's Quarterly Federal Tax Return. For purposes of this discussion, "businesses" includes exempt organizations that also qualified for the ERC.

99 IRS, JOC, AM RAD, ERC Inventory Report (week ending Apr. 26, 2025). For purposes of this discussion, the word "processing" means the IRS allowed or disallowed the claim in full or in part or initiated the examination process.

100 IRS, Compliance Data Warehouse (CDW), Business Master File (BMF), Business Return Transaction File, Processing Years 2020-2025 (May 29, 2025).

101 IRS, JOC, AM RAD, ERC Inventory Report (week ending Apr. 26, 2025).

FIGURE 2.14¹⁰²

Despite the IRS's progress in processing ERC claims, taxpayers have endured an average wait time of approximately 546 days (over 18 months) for claims processed in 2025. The prolonged delays have caused significant uncertainty, exacerbated by the IRS's lack of a mechanism for taxpayers to check the status of their claim.¹⁰³

Since the credit became available, the IRS has received nearly five million ERC claims and has either disallowed, reversed, or recaptured approximately 214,000 of these claims, a small fraction of all taxpayer claims.¹⁰⁴ For those taxpayers whose ERC claims the IRS either fully or partially disallowed, IRS communication has been unclear and confusing. Specifically, the IRS has omitted critical information from its disallowance notices on how taxpayers can appeal a disallowance, and such notices have often provided scant explanation as to why the IRS disallowed the claim.

To its credit, the IRS has tried to correct these omissions by establishing webpages that provide taxpayers with more information about how they can respond to their disallowance notices, but the IRS issued this additional guidance long after problems arose.¹⁰⁵ Ensuring the IRS clearly informs taxpayers how to protest disallowances is particularly critical so taxpayers can act promptly in disputing IRS's determinations, as the two-year time period by which the IRS must issue a refund, or the taxpayer must file a suit in federal court, starts when the IRS issues these disallowance notices.¹⁰⁶

Typically, the IRS generates disallowance notices following an audit, but it has generated thousands of ERC disallowances by applying a risk scoring analysis. In these cases, the IRS has not seen or reviewed any documentation submitted by taxpayers prior to it issuing the disallowance notice. Taxpayers who protest the disallowance notice are sending documentation to the IRS to substantiate their claims while the two-year period is running. The IRS must review this information prior to transferring any case to Appeals because Appeals cannot consider or review information not first scrutinized by the IRS. This process may significantly

¹⁰² IRS, CDW, BMF, Processing Years 2020-2025 (May 29, 2025).

¹⁰³ *Id.*

¹⁰⁴ IRS, CDW, BMF, NDS, and ERC Form 941X Case Selections (Apr. 29, 2025). Reversals include claims that show the credit posted to the account but later had it reversed, but the taxpayer did not receive a claim disallowance letter and was not part of the ERC recapture program. Reasons for reversals include an IRS error or a potential identity theft issue.

¹⁰⁵ See IRS, Understanding Letter 105-C, Disallowance of the Employee Retention Credit (May 29, 2025), <https://www.irs.gov/coronavirus/understanding-letter-105-c-disallowance-of-the-employee-retention-credit>; IRS, If You Receive Letter 106-C About the Employee Retention Credit (May 29, 2025), <https://www.irs.gov/coronavirus/if-you-receive-letter-106-c-about-the-employee-retention-credit>.

¹⁰⁶ IRC § 6532.

increase the amount of time it takes taxpayers to have their case heard by Appeals and may run up against the two-year time period for the IRS to issue a refund or for the taxpayer to file suit in federal court.¹⁰⁷ In fact, several practitioners have reported not receiving any communication from the IRS after submitting documentation in response to a notice of ERC claim disallowance.¹⁰⁸

The IRS should inform taxpayers and practitioners how to extend this two-year period.¹⁰⁹ Unfortunately, the IRS's process for requesting such extensions is at best unclear and at worst gives the impression the IRS is intentionally withholding important information on how to do so. Furthermore, negotiating these requests often unnecessarily falls to TAS to assist and expend its precious resources; this is an important issue but one that the IRS should handle without the need for TAS intervention. Therefore, the IRS should consider including information on how to extend this two-year period in IRS and Appeals correspondence to taxpayers and provide clear instructions on how taxpayers can submit such requests to the IRS.

Sadly, the ERC program serves as a cautionary example of poor tax credit administration, marked by excessive processing delays, opaque communications, and insufficient taxpayer support, from enactment through the expiration of the statute. Many businesses awaiting a refund now face the potential for retroactive congressional limitation on the credit despite believing they were eligible at the time they claimed the credit. Retroactive tax law changes threaten to undermine taxpayer confidence and fairness.¹¹⁰

It is past time for the IRS to complete processing of ERC claims and provide taxpayers clear and concise information every step of the way, from processing to Appeals and everything in between. It is imperative that the IRS expedite processing of ERC claims, improve communication, and uphold taxpayer rights throughout the entire process.¹¹¹

CONCLUSION

The IRS generally provided a successful FS 2025 despite a period of significant change at the agency. However, processing delays continued to impact paper returns, amended returns, and correspondence, undermining taxpayer trust and delaying refunds. The IRS needs to focus on modernizing processing and the handling of paper submissions. During FS 2025, taxpayers also continued to struggle with getting timely, accurate service. Even with a high LOS on the AM phone lines, taxpayers struggled to receive service on non-AM phone lines, including the TPP and Installment Agreement/Balance Due lines. The IRS needs to focus on modernizing service operations through the continued exploration of AI solutions, expansion of online functionalities, and continuation of accessible in-person options.

¹⁰⁷ According to IRC § 6532, taxpayers have two years from the date on the notice of claim disallowance to file a refund suit in either a U.S. district court or the U.S. Court of Federal Claims. The IRS must issue a refund within this two-year period (unless the taxpayer has filed suit within such period) as any refund that falls outside of this period is considered "erroneous" under IRC § 6514.

¹⁰⁸ Conversations with outside stakeholders (Apr. 10, 2025).

¹⁰⁹ The taxpayer can extend the two-year time period under IRC § 6532 for the IRS to issue a refund only when they submit Form 907, which requires both the IRS and taxpayer to agree and sign. IRC § 6532(a)(2). See also Erin M. Collins, Notice of Claim Disallowance: Don't Make This Mistake, NATIONAL TAXPAYER ADVOCATE BLOG (Apr. 6, 2022), <https://www.taxpayeradvocate.irs.gov/news/nta-blog/nta-blog-notice-of-claim-disallowance-dont-make-this-mistake/2022/04>.

¹¹⁰ One Big Beautiful Bill Act, H.R. 1, 119th Cong. § 112205(h) (2025). This House bill retroactively prohibits the IRS from allowing or making payment of ERC claims filed after January 31, 2024. Additionally, it also extends the limitation on assessment to six years from "(A) the date on which the original return which includes the calendar quarter with respect to which such credit is determined is filed, (B) the date on which such return is treated as filed under section 6501(b)(2), or (C) the date on which the claim for credit or refund with respect to such credit is made."

¹¹¹ See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights/> (last visited June 3, 2025). The rights contained in the TBOR are also codified at IRC § 7803(a)(3).



TAS SYSTEMIC ADVOCACY OBJECTIVES

INTRODUCTION

IRC § 7803(c)(2)(B)(i) requires the National Taxpayer Advocate to submit a report to Congress by June 30 of each year that describes the objectives outlined by the Office of the Taxpayer Advocate for the upcoming fiscal year. This report is known as the Objectives Report to Congress.

The following sections, TAS Systemic Advocacy Objectives and TAS Research Objectives, present key goals and planned activities for fiscal year (FY) 2026. These objectives establish, in part, a basis for the **TAS Strategic Plan: Fiscal Years 2025-2027**, which describes TAS's vision for improving service to TAS taxpayers, cultivating positive TAS employee experiences, and influencing change in tax administration. The Strategic Plan has three key goals:

- **Goal One:** Taxpayer Experience – Provide customer service that protects taxpayer rights through timely, accurate assistance and makes taxpayers feel heard and valued while helping them meet their tax obligations and resolve their tax issues.
- **Goal Two:** Employee Experience – Build a collaborative and empowered workforce ensuring employees and leaders have the skills and tools they need to advocate for customers and grow their careers.
- **Goal Three:** Influence on Tax Administration – Champion taxpayers and taxpayer rights through collaboration, early detection, and resolution of emerging issues and by influencing tax law and tax policies by advocating on behalf of taxpayers. Most TAS Systemic Advocacy Objectives, for example, relate to Goal Three of the Strategic Plan: Influence on Tax Administration.

TAS Systemic Advocacy Objectives identify target areas within IRS tax administration where TAS will advocate on behalf of taxpayers to address systemic issues causing taxpayer burden, harm, or a negative impact on taxpayer rights. Similar to the way Most Serious Problems are identified in the Annual Report to Congress, the National Taxpayer Advocate calls upon a multitude of sources to assist in identifying key Systemic Advocacy Objectives, including the experience of TAS staff, trends in advocacy efforts and TAS casework, and interactions with practitioners and external stakeholders.

TAS Research Objectives focus on understanding how IRS procedures affect taxpayers and how taxpayers react to IRS actions. The objectives of TAS Research are to improve IRS operations and assist the IRS with balancing its compliance and enforcement efforts with taxpayer rights while also reducing taxpayer burden. Two new research projects are scheduled for FY 2026.

1. IMPROVE AUTOMATION AND METRICS TO ENHANCE THE TAXPAYER EXPERIENCE

Supports TAS Strategic Goal 1: TAS Taxpayer Experience

For FY 2025, the IRS projected it would receive roughly 43 million paper tax returns and about 19 million paper information returns, in addition to tens of millions of other pieces of paper correspondence, such as notice responses and other non-tax forms, most of which will require manual processing.¹ As the National Taxpayer Advocate, I have consistently emphasized that paper is the IRS’s “kryptonite,” triggering delays in processing, increasing call volumes, and driving taxpayers to seek answers online or by phone. Further complicating matters, many employees who process paper submissions also staff the agency’s phone lines, creating service bottlenecks on multiple fronts.

To enhance efficiency and improve the taxpayer experience, the IRS must prioritize processing automation, implement more accurate service metrics, and ensure its systems and processes support end-to-end digital processing and resolution.

What Is the Problem, and How Do We Measure It?

Telephone Metrics: The IRS primarily measures success in answering calls using the Level of Service (LOS) metric, which reflects the percentage of callers who reach a telephone assistant on the Accounts Management (AM) phone lines. This metric may suggest positive performance – reporting an LOS of approximately 87 percent during the filing season and 73 percent in FY 2025 year-to-date.² However, it is a limited and sometimes misleading indicator.

Key deficiencies of the LOS metric include:

- Exclusion of calls routed to IRS compliance functions.
- Failure to account for calls directed to automated systems.
- Lack of qualitative insight into the taxpayer’s experience or whether their issue was resolved.

A more accurate assessment of IRS phone service should include the quality and resolution of the taxpayer’s interaction, not just whether the call was answered. For example, the percentage of calls answered by an assistant is significantly lower than the reported LOS, underscoring the need for a comprehensive and taxpayer-centered performance measure.

The IRS’s LOS metric for phone service is deficient because it does not measure whether customer service representatives (CSRs):

- Provide dependable and accurate assistance;
- Provide responsive assistance;
- Provide knowledgeable and courteous service; or
- Have the ability or training to answer taxpayer questions at the initial point of contact.

The good news is the IRS has begun exploring a new measure of service, the Service Completion Rate, which provides a holistic view of the live assistance services provided to taxpayers across the IRS, including those provided by new technology.³ Taxpayers care about the length of wait time, receiving professional

1 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024–2031 (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6292.pdf>; IRS, Pub. 6961, Calendar Year Projections of Information and Withholding Documents for the United States and IRS Campuses 2024 Update (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6961.pdf>.

2 IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot, AM (week ending Apr. 19, 2025).

3 TAS Recommendations and IRS Responses, TAS Recommendation 4-1 (2024), <https://www.taxpayeradvocate.irs.gov/arc-recommendations-tracker/> (last visited June 2, 2025).

and respectful treatment, having the CSR answer their question or provide useful alternative resources, and ultimately whether the IRS resolves their issue. We welcome the IRS's movement toward measuring what matters most to taxpayers and making the appropriate adjustments to improve service.⁴

Taxpayer 360 Initiative: CSRs have historically been limited in their ability to assist taxpayers effectively due to fragmented data systems. In FY 2025, the IRS launched the Taxpayer 360 initiative to consolidate taxpayer information onto a single integrated platform. Once fully implemented, CSRs will have access to complete taxpayer data including returns and correspondence at their fingertips, allowing them to respond to taxpayer queries more accurately and efficiently. This change will be extremely beneficial to taxpayers, practitioners, and employees and is essential to improving CSRs' ability to serve taxpayers. As the IRS improves its technology, this initiative should be prioritized for full implementation by Filing Season 2026.

Paper Processing: The Paperless Processing Initiative set a goal of digitally processing all paper-filed tax and information returns by Filing Season 2025 but has fallen short of that goal.⁵ Paper submissions must be scanned to convert them into a digital-friendly format. The IRS set a revised goal of establishing the capability to scan all paper tax returns by the end of the year.⁶ As of April 18, the IRS was only able to scan about one percent of Forms 1040, about nine percent of Forms 940, and about 13.5 percent of Forms 941 from Filing Season 2025.⁷ Critically, scanning is only the initial step in modernizing return processing. To be truly effective, digitized documents must be compatible with IRS systems for automated routing, task assignment, and processing. Full modernization requires reconfiguring business systems to process the data end-to-end from receipt to resolution for all the business applications to move the data seamlessly from point A to point B. Accelerating this transformation is essential to reducing delays, reducing cost, and improving the experience for taxpayers, tax professionals, and employees.

What Is TAS Advocating for?

To enhance taxpayer service through automation and accurate performance measurements, TAS recommends that the IRS:

1. *Implement End-to-End Paperless Processing:* Disclose to Congress and the public the full scope, objectives, milestones, and implementation timeline of its end-to-end paperless processing initiative by the end of FY 2025. Ensure that digitized data is fully compatible with IRS systems for automatic routing, work assignment, and resolution.
2. *Adopt Enhanced Metrics for Phone Service:* By the end of FY 2025, expand and analyze the Service Completion Rate measurement or other alternative measures of telephone service that evaluate the overall taxpayer experience. These metrics should assess the quality, accuracy, timeliness, and resolution of service, not just call connection rates. Adopt an alternate metric of service for phones that measures the taxpayer experience, including attributes related to the quality of service provided and whether the IRS resolved the taxpayer's issue, and balance its resources to provide quality service more efficiently by the end of FY 2025.
3. *Advance Conversational Routing of Calls:* Continue developing intelligent call-routing technologies to improve automation in taxpayer service. Disclose to Congress and the public the initiative's scope, milestones, and expected outcomes by the end of FY 2025.

4 See National Taxpayer Advocate 2024 Annual Report to Congress 46 (Most Serious Problem: *IRS Service: Taxpayer Service Is Often Not Timely or Adequate*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_MSP_04_Service.pdf.

5 IRS Fact Sheet, FS-2023-18, IRS Launches Paperless Processing Initiative (Aug. 2023), <https://www.irs.gov/newsroom/irs-launches-paperless-processing-initiative>.

6 IRS response to TAS information request (May 22, 2025).

7 *Id.*

4. *Prioritize Taxpayer 360 Implementation:* Expedite deployment of the Taxpayer 360 platform to enhance CSR access to taxpayer data, enabling quicker, more informed responses. Disclose the scope of Taxpayer 360, initiative details, and milestones to Congress and the public by the end of FY 2025.

CONCLUSION

Providing quality service is a key component of the IRS's mission statement and a priority of the Secretary of the Treasury. Improving taxpayer service in a meaningful and measurable way requires more than incremental changes. The IRS must modernize both its internal processes and the tools used to assess its performance. Automating paper processing, deploying integrated data systems, and implementing qualitative service metrics are critical steps toward a taxpayer-centric model of service delivery – one that is faster, more accurate, and more responsive to taxpayer needs.

2. EXPAND IRS ONLINE ACCOUNT FUNCTIONALITY

Supports TAS Strategic Goal 3: Influence on Tax Administration

As the IRS continues its transition toward a more digital-based service model, expanding online account functionality is essential. Taxpayers and tax professionals increasingly seek self-service options that offer convenience, speed, and accessibility. However, while the IRS has made progress in enhancing online tools in recent years, significant gaps remain in usability, identity verification, and comprehensive digital service offerings.

A robust, user-friendly suite of online services can help the IRS reduce reliance on in-person and phone support, improve the taxpayer experience, and ensure timely resolution of tax-related issues. This modernization effort is not only an operational necessity, but also a strategic opportunity to improve public trust and satisfaction with the tax system. The IRS must continue to expand online account tools and digital services to include a full suite of self-service options for taxpayers wishing to get service online and to decrease reliance on in-person and phone service and paper submissions.

What Is the Problem, and How Do We Measure It?

Although the IRS continues to expand the functionality of online accounts and digital services, many taxpayers and tax professionals still encounter barriers due to the lack of comprehensive self-service tools and challenges verifying and authenticating their identity when using online accounts.⁸ These challenges prevent them from fully utilizing a robust selection of self-service options to answer questions and resolve issues. TAS believes expanding IRS online account functionality will result in faster service and responses, and those who need or want in-person or phone assistance will have shorter wait times.

To illustrate the demand for digital solutions, during the 2025 filing season taxpayers used Where's My Refund? 317,146,000 times and Where's My Amended Return? 3,902,163 times to check the status of their refund or amended return, highlighting a clear preference for online access to information that would otherwise require calling the IRS.⁹

Despite these developments, the current digital offerings are still limited in scope, often requiring users to fall back on traditional service channels. This reinforces the need for continued investment in online services designed with a taxpayer-centric perspective while incorporating input from stakeholders. The IRS must also

⁸ So far in FY 2025, taxpayers and tax professionals have submitted over 500 issues related to identity verification and authentication to the Systemic Advocacy Management System (SAMS), making it one of the most submitted issues. Data obtained from SAMS (Apr. 23, 2025).

⁹ IRS response to TAS information request (May 15, 2025); IRS, Integrated Customer Communications Environment, Where's My Amended Return? (Jan. 1, 2025-Mar. 31, 2025); IRS, Online Tools and Integrated Services, Where's My Amended Return? (Apr. 1, 2025-Apr. 19, 2025).

address the causes of identity verification and authentication failures when using online accounts and provide taxpayers with methods to successfully verify and authenticate their identity, reducing the barriers to using online accounts.

What Is TAS Advocating for?

To address the above challenges and support a more modern, efficient IRS service model, TAS recommends the IRS:

1. *Increase Transparency on Information Technology (IT) Modernization Efforts:* By the end of FY 2025, disclose to Congress and the public the scope, timeline, and anticipated benefits of IT modernization initiatives, particularly those related to enhanced online account functionality.
2. *Expand Online Account Capabilities:* Continue developing and deploying additional features and functionalities within individual, tax professional, and business online accounts. This includes services such as secure messaging, expanded transcript access, account updates, issue resolution, and digital notices by the end of calendar year (CY) 2025.
3. *Improve Identity Verification Processes:* Analyze the root causes of identity verification failure during online account enrollment. Develop and implement targeted strategies to mitigate these issues and create a clear, accessible alternative for users to verify their identities following a failed attempt.
4. *Increase Digital Service Offerings:* Broaden the range of self-service tools available to individual and business taxpayers and tax professionals to engage in self-service assistance.

CONCLUSION

Modernizing and expanding IRS online account functionality is critical to enhancing taxpayer service, eliminating paper, and reducing burdens on traditional support channels. By prioritizing taxpayer needs and ensuring inclusive, accessible design, the IRS can empower users with tools that improve compliance, reduce frustration, and build trust in the tax system.

3. REDUCE AVERAGE TIME TO RESOLVE IDENTITY THEFT VICTIM ASSISTANCE CASES FROM NEARLY TWO YEARS TO FOUR MONTHS

Supports TAS Strategic Goal 3: Influence on Tax Administration

Tax-related identity theft continues to inflict significant harm on affected taxpayers. These victims rely on the IRS Identity Theft Victim Assistance (IDTVA) unit to investigate and resolve their identity theft issues before they can receive their rightful tax refunds.¹⁰ Unfortunately, persistent delays in resolving IDTVA cases, driven by large backlogs and lengthy processing times, have left many victims waiting months and often years for resolution.

Despite increased attention to identity theft issues during the past two years, the IRS has not made meaningful progress reducing the IDTVA case backlog or accelerating case resolution for victims. As a result, affected taxpayers face prolonged uncertainty, financial hardship, and eroded trust in our system of tax administration. Prompt resolution is essential to protect taxpayer *rights to quality service, finality, and a fair and just tax system*.¹¹

¹⁰ Our focus is on the IDTVA cases IRS AM works that comprise the vast majority of IDTVA inventory. These cases include individual IDTVA cases worked in AM and return preparer fraud cases, but does not include cases with compliance issues worked in AM. Internal Revenue Manual (IRM) 25.23.4, IDTVA Paper Process (Oct. 1, 2024), https://www.irs.gov/irm/part25/irm_25-023-004r.

¹¹ See Taxpayer Bill of Rights (TBOR), <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited May 16, 2025). The rights contained in TBOR are also codified in IRC § 7803(a)(3).

What Is the Problem, and How Do We Measure It?

In recent years, the IRS has received significantly more IDTVA cases, annually numbering in the hundreds of thousands since FY 2021.¹² Victims continue to experience significant delays as the IRS had a backlog of approximately 387,000 unresolved IDTVA cases at the end of FS 2025.¹³

Average IDTVA case resolution times are unacceptably long:

- In FY 2024, the average time to resolve an IDTVA case approached two years.¹⁴
- In mid-FY 2025, the average resolution time remained high at about 602 days.¹⁵

Such prolonged delays deny victims timely access to their refunds and impose unnecessary financial and emotional burdens. Without urgent action to prioritize and streamline IDTVA casework, more taxpayer victims will suffer preventable harm.

What Is TAS Advocating for?

To mitigate harm and improve service for identity theft victims, TAS recommends that the IRS:

1. *Prioritize Timely Identification and Resolution of Potential Refund Cases:* Immediately establish clear criteria to identify and expedite the processing of IDTVA cases with potential refunds while ensuring the victims that are most at risk of financial harm are served first.
2. *Set and Meet Timely Processing Targets:* Develop and implement a comprehensive plan by the end of CY 2025 to reduce the average IDTVA case processing time to 120 days. Further, achieve a sustained average processing time of 90 days or less by the end of CY 2026.

CONCLUSION

Tax-related identity theft victims deserve prompt, effective assistance from the IRS. Long-standing delays in case resolution continue to undermine taxpayer rights and confidence in the agency's ability to respond to fraud. By aggressively addressing the IDTVA backlog and establishing meaningful performance goals, the IRS can significantly improve outcomes for victims and demonstrate a renewed commitment to timely, taxpayer-focused service.

4. STRENGTHEN IRS OVERSIGHT OF UNETHICAL TAX RETURN PREPARERS

Supports TAS Strategic Goal 3: Influence on Tax Administration

Unethical tax return preparers, often non-credentialed, exploit taxpayers by promising large refunds through the manipulation of credits and deductions. Claiming these credits and deductions, for which taxpayers may or may not qualify and some of which don't even exist, can result in serious consequences such as frozen refunds, audits, and penalties. This issue disproportionately harms low-income taxpayers who are entitled to credits like the Earned Income Tax Credit and Child Tax Credit but are unable to access them due to unethical practices of non-credentialed preparers. Insufficient IRS oversight allows these unscrupulous

12 Prior to FY 2021, the IRS received fewer than 100,000 IDTVA cases annually. IRS, JOC, AM IDTVA, Research Analysis and Data (RAD), Correspondence Imaging System (CIS) Closed Case Cycle Time for the Identity Theft Victims Unit Reports, AM Identity Theft, FYs 2020-2025 (FY 2025 data is through the week ending Apr. 19, 2025).

13 IRS, JOC, Customer Account Service (CAS), AM Identity Theft Paper Inventory Report for Individuals, FY 2025 (data is through the week ending Apr. 19, 2025).

14 The average processing cycle time for IDTVA cases was 676 days in FY 2024. IRS, JOC, AM IDTVA, RAD, CIS Closed Case Cycle Time for the Identity Theft Victims Unit Reports, AM Identity Theft, FY 2024.

15 IRS, JOC, AM Research, Analysis and Data (RAD) Reports: Correspondence Imaging System Closed Case Cycle Time (through April 2025).

preparers to operate with minimal accountability, leaving taxpayers vulnerable to confusion, frustration, financial harm, and delayed resolutions.

What Is the Problem, and How Do We Measure It?

Tax-related scams perpetrated by unscrupulous preparers have evolved alongside advances in technology and the rise of social media platforms, disproportionately harming low-income taxpayers. The IRS lacks sufficient oversight authority over these non-credentialed preparers, enabling them to exploit unsuspecting taxpayers who do not have access or cannot afford quality tax advice. For example, IRS statistics show that non-credentialed preparers were responsible for 83 percent of prepared returns claiming the pandemic-era credit for sick and family leave for certain self-employed individuals. These same preparers accounted for 98 percent of the credits disallowed after audit.¹⁶

In cases where the taxpayer filed an amended return to self-correct a questionable claim made for 2021, they waited an average of 225 days from filing the amended return for the IRS to release their refund. Taxpayers who did not file an amended return to self-correct waited an average of 397 days for the IRS to open an audit. On average, taxpayers with frozen refunds due to questionable credit claims waited a total of 536 days (almost 1.5 years) before they received a letter letting them know the IRS was auditing them.¹⁷ For most taxpayers, this letter is their first explanation from the IRS as to why their refund has not been issued.

What Is TAS Advocating for?

To mitigate these challenges and prevent further harm to taxpayers, TAS recommends that the IRS:

1. *Improve Taxpayer Communication:* Provide clear notices to taxpayers informing them that their refund has been held because of concerns with potentially improper credits or deductions. These notices should include detailed instructions on how taxpayers can resolve any issue related to their claims.

To mitigate these challenges and prevent further harm to taxpayers, TAS recommends that Congress:

1. *Enact Tax Preparer Legislation:* Establish minimum standards and continuing education requirements for all tax return preparers.¹⁸

CONCLUSION

Strengthening IRS oversight of non-credentialed tax return preparers is essential to protect taxpayers, especially low-income taxpayers, from fraudulent practices. By implementing stronger oversight, clear communication, and targeted education for preparers, the IRS can mitigate the financial and emotional burden placed on taxpayers while enhancing the integrity of the tax system. Proactive legislative action and enhanced IRS oversight will create a safer environment for taxpayers and ensure they timely receive the benefits and refunds to which they are entitled.

¹⁶ IRS, Compliance Data Warehouse (CDW), Sick and Family Leave Data from Form 7202 in Individual Returns Transaction File, Individual Master File (IMF) (Oct. 29, 2024). IRS, Paid Sick and Family Leave Credit – 2020 vs. 2021 Comparison Chart, <https://www.irs.gov/newsroom/paid-sick-and-family-leave-credit-2020-vs-2021-comparison-chart> (Sept. 13, 2024).

¹⁷ IRS, CDW, IMF Transaction History and IMF Transaction Code 150 History (Apr. 21, 2025).

¹⁸ For proposed legislation, see Taxpayer Assistance and Service (TAS) Act, 119th Cong. §§ 501-504 (Discussion Draft 2025), <https://www.finance.senate.gov/download/tax-admin-bill>.

5. EXPEDITE RESOLUTION OF CENTRALIZED AUTHORIZATION FILE NUMBER SUSPENSIONS TO PROTECT TAX PROFESSIONALS AND TAXPAYERS

Supports TAS Strategic Goal 3: Influence on Tax Administration

Authorized taxpayer representatives, including attorneys, certified public accountants, and enrolled agents, play an essential role in ensuring fairness, efficiency, and due process in taxpayer dealings with the IRS. These professionals serve as advocates for taxpayers, ensuring their rights are respected during interactions with the IRS. However, when the IRS suspects fraud against a practitioner, it can suspend their Centralized Authorization File (CAF) number for months during the investigation, harming them and the taxpayers they represent even though the practitioner is the potential victim.¹⁹

What Is the Problem, and How Do We Measure It?

When the IRS suspects a practitioner is the victim of identity fraud or unauthorized activity, it suspends the practitioner's CAF number.²⁰ This suspension leaves the practitioner unable to represent their clients before the IRS and denies taxpayers their *right to retain representation*.²¹ Although intended to protect practitioners, taxpayers, and the integrity of the tax system, the IRS's suspension of a CAF number restricts legitimate practitioners from accessing their clients' accounts and halts representation during crucial proceedings. This situation occurs even though no formal disciplinary action has been taken against the practitioner by the IRS or the Office of Professional Responsibility.²² In many cases, the practitioner is the victim of fraud rather than the perpetrator. Furthermore, communication regarding the suspension process is often incomplete and delayed, leaving practitioners in the dark about the status of their CAF number and their clients' cases.

The full scope of the issue is not entirely clear, but the IRS's suspension of a CAF number can have a cascading effect, preventing thousands of taxpayers from retaining their chosen representative, which is their right under the Taxpayer Bill of Rights.²³ These suspensions can last for months, unnecessarily burdening taxpayers during audits, appeals, and collections.²⁴ This practice, particularly in cases where practitioners are victims of fraud, undermines the IRS's own goals of fostering a professional and efficient tax system.²⁵ As the IRS responds to cybersecurity threats, it must not lose sight of its fundamental obligations to taxpayers and the authorized representatives who serve them.

When the IRS suspends CAF numbers, it disrupts the relationship between taxpayers and their representatives, denying taxpayers their right to professional assistance during critical moments in their dealings with the IRS. The complex balance between preventing fraud and ensuring taxpayers can continue to access professional representation must not come at the expense of taxpayer rights.

19 A CAF number is a unique identifier assigned by the IRS to track third-party authorizations of access to taxpayer data. IRM 21.3.7.1.1, Background (Mar. 15, 2023), https://www.irs.gov/irm/part21/irm_21-003-007r.

20 For details on these suspension codes, see IRM 21.3.7.5.5.2, CAF Practice Codes and CAF/POA Suspicious Forms Log and the "Potential Fraud" Authorization Referral Process (Apr. 2, 2024), https://www.irs.gov/irm/part21/irm_21-003-007r.

21 See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited May 14, 2025). The rights contained in TBOR are also codified in IRC § 7803(a)(3).

22 31 U.S.C. § 330(b) mandates that the Secretary (and by extension the IRS) may suspend a representative from practice before the Treasury Department only after providing "notice and opportunity for a proceeding." This means the IRS must observe due process, which includes notifying the representative of the reasons for suspension and providing a fair opportunity to contest the loss of practice rights in a hearing. The rules outlined in Circular 230, specifically in 31 CFR § 10.2 et seq. Subpart D-Rules Applicable to Disciplinary Proceedings (specifically §§ 10.60 to 10.82), reinforce the procedures stated in 31 U.S.C. § 330(b). These sections of Circular 230 detail the steps the IRS must follow when instituting disciplinary proceedings against a representative, including giving notice of the proceedings (§ 10.60), service of a complaint (§ 10.62), and conducting a hearing (§ 10.72).

23 See IRC § 7803(a)(3)(i).

24 The IRS recognizes that "[t]he line between actual fraudulent use of a CAF number and its mere appearance can be very thin [...]. As a result, 'false positives' sometimes occur, with practitioners' legitimate, uncompromised CAF numbers being suspended pending review." Alerts from Office of Professional Responsibility, No. 2024-05, CAF Numbers in 'Pending Review' Status (May 8, 2024), <https://content.govdelivery.com/accounts/USIRS/bulletins/39b0dccc>.

25 IRS, Pub. 3744, IRS Strategic Plan FY 2023-2031, at 102 (Apr. 2023), <https://www.irs.gov/pub/irs-pdf/p3744.pdf>.

Taxpayers, especially those undergoing audits or appeals, are especially vulnerable during these periods of suspension. Delays caused by this process can negatively impact the timeliness and outcome of taxpayer cases. The current suspension system creates unnecessary challenges for taxpayers.

What Is TAS Advocating for?

To mitigate the negative impact of CAF number suspensions on taxpayer representation, TAS recommends that the IRS:

1. *Issue Interim CAF Numbers:* The IRS should issue interim CAF numbers to practitioners believed to be victims of identity theft. This measure will allow practitioners to continue representing taxpayers during the fraud review process, minimizing disruptions to taxpayer representation.
2. *Improve Communication:* The IRS should enhance communication with affected practitioners and taxpayers. This includes revising its letters to provide clear and timely information about the suspension process and the available options for practitioners.
3. *Review Policy:* The IRS should conduct a comprehensive policy review to explore less disruptive alternatives for preventing fraud while safeguarding taxpayers' right to the representation of their choice. This review should include input from key stakeholders, including representatives, practitioners, and taxpayer advocacy groups.

CONCLUSION

The IRS's suspension of CAF numbers due to suspected fraud presents significant challenges to both taxpayer representatives and the taxpayers they serve. While fraud prevention is a critical concern, it should not come at the cost of denying taxpayers their right to effective representation. By issuing interim CAF numbers, improving communication, and reviewing current policies with stakeholder input, the IRS can better balance fraud prevention with taxpayer rights. This approach will ensure taxpayers continue to receive the support they need, without undue disruption, while safeguarding the integrity of the tax system.

6. COMPLETE PROCESSING OF ALL EMPLOYEE RETENTION CREDIT CLAIMS AND ENSURE TAXPAYER RIGHTS ARE PROTECTED

Supports TAS Strategic Goal 3: Influence on Tax Administration

The Employee Retention Credit (ERC) is a refundable tax credit that Congress established to provide critical financial relief to businesses that kept employees on payroll during the COVID-19 pandemic.²⁶

Eligible employers could claim the credit for wages paid through the end of 2021, with deadlines to file claims set at April 15, 2024, for 2020 claims and April 15, 2025, for 2021 claims. Beginning on September 14, 2023, in response to concerns regarding potentially fraudulent or improper claims, the IRS imposed a moratorium on processing new ERC claims.

What Is the Problem, and How Do We Measure It?

Initially enacted in March 2020, the ERC aimed to incentivize employers to retain employees during the crisis. For many small businesses and mid-size employers, the ERC was not just a benefit: it was a lifeline.

²⁶ Initially, the law provided employers who qualified for the ERC a refundable credit against an employer's 6.2 percent share of Federal Insurance Contribution Act (FICA) taxes or Railroad Retirement Tax Act (RRTA) taxes. Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, Pub. L. No. 116-136, § 2301, 134 Stat. 347 (2020). IRC §§ 3111(a) and 3221(a) impose FICA and RRTA taxes on employers. Most employers report this liability on Form 941, Employer's Quarterly Federal Tax Return.

Unfortunately, many taxpayers who filed ERC claims have waited months or longer for the IRS to process their claims and issue their refunds absent any IRS communication about when they can expect their refund.

The IRS's implementation of the moratorium created uncertainty for many taxpayers with pending and new claims, as they received no clear guidance on when or whether the IRS would process their submissions.²⁷ Despite the IRS lifting the moratorium and resuming processing all ERC claims, its progress remains slow, inconsistent, and opaque. As of April 26, 2025, nearly 592,000 ERC claims were still awaiting processing.²⁸ At the current pace, it could take the IRS until the end of CY 2025 to complete processing of the remaining ERC claims.

Since the credit became available, the IRS has received nearly five million ERC claims, and has either disallowed, reversed or recaptured approximately 214,000 of these claims, a small fraction of all taxpayer claims.²⁹ The IRS disallowed about 84,000 claims, and the majority of these claims were disallowed through a risk scoring analysis, while the remainder resulted from standard or streamlined audit processes.³⁰

These IRS processes have led to several downstream consequences for taxpayers, including:

- Insufficient opportunities to submit supporting information during the IRS's review process occurring after it issues a notice of claim disallowance;
- Lengthy review processes for documents submitted to the IRS after it issues a notice of claim disallowance; and
- Prolonged IRS delays before taxpayers receive consideration from the IRS Independent Office of Appeals (Appeals), creating a risk that taxpayers could miss the two-year statutory deadline under IRC § 6532 to file suit for refund in federal court, or the period by which the IRS can issue a refund.³¹

What Is TAS Advocating for?

To protect taxpayer rights and ensure efficient and fair administration of the ERC program, TAS recommends that the IRS:

1. *Commit to Completing Processing of All Remaining ERC Claims:* Complete processing all remaining ERC claims by the end of CY 2025.
2. *Prioritize Claims From Taxpayers Facing Financial Hardship:* Prioritize processing ERC claims from taxpayers experiencing financial hardship, followed by claims processed in the order received.
3. *Allocate Sufficient Resources to Review Disallowance Notice Cases:* Devote sufficient resources to quickly and efficiently review and process taxpayer responses to ERC disallowance notices.
4. *Track ERC Claims Affected by the Two-Year Statute of Limitations:* Track ERC claims affected by the two-year statute of limitations under IRC § 6532 and notify and educate taxpayers on the consequences of the deadline expiring and the options available for extending the deadline.

²⁷ The IRS moved the moratorium date to January 31, 2024. Processing a claim encompasses allowing, disallowing, or initiating an audit on the claim. IR-2024-203, IRS News Release, IRS Moves Forward With Employee Retention Credit Claims: Agency Accelerates Work On Complex Credit As More Payments Move Into Processing; Vigilance, Monitoring Continues On Potentially Improper Claims (Aug. 8, 2024), <https://www.irs.gov/newsroom/irs-moves-forward-with-employee-retention-credit-claims-agency-accelerates-work-on-complex-credit-as-more-payments-move-into-processing-vigilance-monitoring-continues-on-potentially-improper-claims>.

²⁸ IRS, JOC, AM RAD, ERC Inventory Report (week ending Apr. 26, 2025).

²⁹ IRS, CDW, Business Master File (BMF), Notice Delivery System (NDS), and ERC Form 941X Case Selections (Apr. 29, 2025). Reversals include claims that show the credit posted to the account, but later had it reversed but the taxpayer did not receive a claim disallowance letter and was not part of the ERC recapture program. Reasons for reversals include an IRS error or a potential identity theft issue.

³⁰ IRS, CDW, BMF, NDS, and ERC Form 941X Case Selections (Apr. 29, 2025).

³¹ IRC § 6532. Taxpayers have two years from the date on the notice of claim disallowance to file a refund suit in either a U.S. district court or the U.S. Court of Federal Claims. The IRS must issue a refund within this two-year period as any refund that falls outside of this period is considered "erroneous" under IRC § 6514.

TAS recommends the IRS Independent Office of Appeals:

1. *Track ERC Claims Affected by the Two-Year Statute of Limitations:* Track ERC claims in Appeals inventory that are affected by the two-year IRC § 6532 statute and notify taxpayers of the pending statute expiration six months prior to the two-year deadline.
2. *Provide Instructions and Explanation for Submitting Form 907 for ERC Disallowances:* Include instructions for submitting Form 907, Agreement to Extend Time to Bring Suit, in taxpayer notifications sent six months prior to the expiration of the two-year deadline.

CONCLUSION

The closure of the ERC claim period does not mark the end of the IRS's responsibility – it marks a turning point. The agency must now focus on restoring confidence in its administration of this program by resolving claims efficiently, providing clear and timely communication, timely addressing responses to the claim disallowances, and safeguarding taxpayer rights at every step. The administration of the ERC program is a case study on how tax agencies should not handle a new tax credit (*e.g.*, processing delays, lack of transparency, unclear communication). On top of these problems, now it is possible Congress may retroactively prohibit some taxpayers from receiving the credit despite the fact they were legally eligible at the time they claimed the credit.³² Members of Congress, tax professionals, and oversight bodies should remain engaged in ensuring the IRS applies the lessons of the past five years and delivers a fair outcome to all ERC claimants – especially those who relied on the program in good faith.

7. IMPROVE RESPONSES TO FREEDOM OF INFORMATION ACT REQUESTS

Supports TAS Strategic Goal 3: Influence on Tax Administration

The Freedom of Information Act (FOIA) allows any individual to request access to certain documents that the IRS possesses, including administrative files relating to taxpayer returns or claims.³³ FOIA provides transparency in tax administration, which sheds light on the reasoning and evidence underlying IRS decisions, and is critical to the taxpayer *rights to be informed* and *to challenge the IRS's position and be heard*.³⁴ However, taxpayers and tax professionals report ongoing issues with FOIA responses, including long delays, incomplete records, and excessive redactions.³⁵ These shortcomings undermine the utility of FOIA as a tool for oversight and can erode trust in the IRS's administrative fairness and accountability.

32 One Big Beautiful Bill Act, H.R. 1, 119th Cong. § 112205(h) (2025). This House bill retroactively prohibits the IRS from allowing or making payment of ERC claims filed after January 31, 2024. Additionally, it also extends the limitation on assessment to six years from “(A) the date on which the original return which includes the calendar quarter with respect to which such credit is determined is filed, (B) the date on which such return is treated as filed under section 6501(b)(2), or (C) the date on which the claim for credit or refund with respect to such credit is made.”

33 See 5 U.S.C. § 552; IRS, IRS Freedom of Information Act (Apr. 15, 2025), <https://www.irs.gov/privacy-disclosure/irs-freedom-of-information-act>.

34 See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited May 13, 2025). The rights contained in TBOR are also codified in IRC § 7803(a)(3).

35 See Lauren Loricchio & Amanda Athanasiou, *IRS FOIA Backlog Expected to Grow*, TAX NOTES, Apr. 7, 2025, at 194, <https://www.taxnotes.com/tax-notes-federal/tax-system-administration/irs-foia-backlog-expected-grow/2025/04/07/7rsqs>; Amanda Athanasiou, *FOIA Appeals Fail So Often, Taxpayers See a Broken System*, TAX NOTES, Apr. 7, 2025, at 199, <https://www.taxnotes.com/tax-notes-federal/transparency/foia-appeals-fail-so-often-taxpayers-see-broken-system/2025/04/07/7rsr0>; Amanda Athanasiou & Lauren Loricchio, *The IRS Is Getting Fewer FOIAs. Why Aren't Response Times Improving?*, TAX NOTES, Apr. 7, 2025, at 203, <https://www.taxnotes.com/tax-notes-federal/transparency/irs-getting-fewer-foias-why-arent-response-times-improving/2025/04/07/7rnw>.

What Is the Problem, and How Do We Measure It?

Following a FOIA request, the IRS has 20 business days to gather and review documents, identify which material it must redact or withhold, and issue the response.³⁶ Yet in FY 2024, the IRS failed to meet this deadline for more than 65 percent of FOIA requests. Alarming, it took the IRS more than 100 days to process over 25 percent of requests.³⁷

The IRS also experienced a growing backlog of FOIA requests. As of the end of FY 2024, the backlog reached 1,208 requests, more than tripling the backlog of 369 from five years earlier.³⁸

The IRS Disclosure Office manages the FOIA program, but fulfillment relies heavily on coordination with employees across various business units.³⁹ The multistep nature of this process includes gathering records, reviewing sensitive content, redacting information, coordinating interdepartmentally, and releasing documents. Because responding to FOIA requests involves multiple steps and potential bottlenecks, the IRS first needs to identify where delays usually happen. Incorporating automation and improving internal coordination will be essential to restoring timeliness, accuracy, and consistency.

What Is TAS Advocating for?

To strengthen FOIA administration and uphold taxpayer rights, TAS recommends that the IRS:

1. *Reduce Processing Time:* Develop and implement a plan by the end of CY 2025 to significantly reduce the average processing time for FOIA requests and ensure more responses are issued within the 20-day statutory timeframe.
2. *Address the FOIA Backlog:* Establish a comprehensive strategy by the end of CY 2025 to reduce the FOIA request backlog to sustainable levels and prevent future accumulation.
3. *Modernize FOIA Processes:* Upgrade FOIA processing systems and workflow to enhance timeliness, efficiency, and consistency across all IRS business units by the end of CY 2025. This may include leveraging automation and improved case management systems.
4. *Clarify FOIA Procedures and Training:* Review and update internal FOIA procedures and training material to ensure IRS employees understand what information they must disclose and how to avoid excessive or unnecessary redactions, consistent with FOIA's intent.

CONCLUSION

The IRS's FOIA program plays a vital role in ensuring transparency, accountability, and the protection of taxpayer rights. Yet current delays and inconsistencies hinder its effectiveness. By modernizing its FOIA processes, reducing processing times, and improving guidance for staff, the IRS can restore confidence in its commitment to openness and deliver better service to taxpayers and practitioners.

36 See 5 U.S.C. § 552(a)(6)(A); *Citizens for Resp. & Ethics in Washington v. Fed. Election Comm'n*, 711 F.3d 180, 188 (D.C. Cir. 2013) (Within the 20-day period in 5 U.S.C. § 552(a)(6)(A), the agency "must at least: (i) gather and review the documents; (ii) determine and communicate the scope of the documents it intends to produce and withhold, and the reasons for withholding any documents; and (iii) inform the requester that it can appeal whatever portion of the 'determination' is adverse").

37 FOIA.gov, Processed Requests - Response Time in Day Increments, <https://www.foia.gov> (last visited May 13, 2025). These percentages are drawn from the combined numbers in the categories of simple requests, complex requests, and expedited requests.

38 FOIA.gov, Backlogs of FOIA Requests and Administrative Appeals, <https://www.foia.gov> (last visited May 13, 2025).

39 See IRM 11.3.13.1.3.2, The Roles of Other IRS Employees in Processing FOIA Requests (Oct. 5, 2021), https://www.irs.gov/irm/part11/irm_11-003-013.

8. STRENGTHEN APPEALS' INDEPENDENCE AND OPERATIONAL EFFICIENCY

Supports TAS Strategic Goal 3: Influence on Tax Administration

The IRS Independent Office of Appeals' (Appeals) mission is to safeguard taxpayer rights by independently and efficiently resolving federal tax disputes, minimizing the need for costly and lengthy litigation. Preserving Appeals' twin pillars – independence and operational efficiency – maintains taxpayer trust, ensures fairness, and facilitates timely dispute resolution.

What Is the Problem, and How Do We Measure It?

Current challenges within Appeals' structure and processes reduce taxpayer confidence in its independence and prolong dispute resolution. When taxpayers question Appeals' impartiality, they often resort to expensive litigation because they believe no other viable option exists. Specific challenges include:

- Appeals often lacks transparency and autonomy in decision-making;
- Chief Counsel attorneys participate in conferences without taxpayer consent, creating perceptions of bias;
- Taxpayers face restricted access to technical employees or other specialists advising Appeals Officers;
- Current regulations may limit taxpayer access to Appeals; and
- Appeals maintains a compliance-driven mindset.

These issues collectively erode taxpayer trust, weaken taxpayer rights, and create inefficiencies measured by increased cycle times, growing case backlogs, and heightened taxpayer dissatisfaction.

What Is TAS Advocating for?

To strengthen taxpayer confidence in the Appeals process and improve case processing efficiency, TAS recommends that the IRS:

1. *Refocus Appeals Training:* Implement mandatory and measurable training programs for Appeals Officers that emphasize a judicial and impartial approach to dispute resolution, thereby reducing compliance-oriented outcomes.
2. *Clarify Appeals Guidance:* Revise the IRM to clearly define policies regarding Appeals Case Memoranda (ACMs). Appeals should either automatically disclose ACMs to taxpayers or discontinue their use if their sole purpose is to document internal settlements without providing feedback to Compliance.⁴⁰
3. *Broaden Technical Specialist Availability:* Require technical guidance coordinators and other specialists advising Appeals Officers to be available in person, upon taxpayer request, to directly address taxpayers' unique situations.
4. *Expand Appeals Transparency:* Publish quarterly metrics externally to detail Appeals' inventory volumes, case resolution timelines, and cycle times to foster transparency and operational accountability.

CONCLUSION

To strengthen Appeals' independence and operational efficiency, the IRS should adopt targeted reforms aimed at rebuilding taxpayer trust and safeguarding their rights. By clarifying ACM transparency policies, delivering training to Appeals Officers focused on impartiality, granting taxpayers direct access to technical specialists, and publicly reporting performance metrics, the IRS will reinforce Appeals as an independent, fair, trusted, and efficient dispute-resolution forum, preserving taxpayer confidence and reducing costly litigation.

⁴⁰ Taxpayers may request the ACM either informally or pursuant to the Freedom of Information Act. The ACM is not exempt in its entirety from disclosure. IRM 8.1.1.6.4, Requests for Appeals to Produce Records (Feb. 10, 2012), https://www.irs.gov/irm/part8/irm_08-001-001 (provides the procedures Appeals must follow responding to requests for various documents).

9. IMPROVE THE IRS'S CRIMINAL VOLUNTARY DISCLOSURE PRACTICE

Supports TAS Strategic Goal 3: Influence on Tax Administration

The IRS's Criminal Voluntary Disclosure Practice (VDP) offers taxpayers with potential criminal tax exposure a critical opportunity to self correct their compliance failures. By voluntarily coming forward, these individuals and entities can pay back taxes, penalties, and interest and avoid criminal prosecution.⁴¹ In return, the IRS gains revenue, closes part of the tax gap, and promotes future compliance. When effectively structured and fairly administered, VDP serves as a powerful compliance tool that benefits both taxpayers and the government.

However, recent changes to the program have diminished its accessibility and effectiveness. Participation has significantly declined, suggesting that the current design of the VDP may not be serving its intended purpose.

What Is the Problem, and How Do We Measure It?

The goal of the IRS's VDP is to provide taxpayers who may have criminal exposure a path to come into compliance and pay past due taxes, penalties, and interest in exchange for the IRS not recommending criminal prosecution against them. However, starting in 2018, the IRS made significant changes to the VDP, which have made it more burdensome, reduced its attractiveness, and caused many practitioners to hesitate to recommend it to their clients. In fact, as of August 31, 2024, the IRS had only completed 161 criminal VDP cases since the beginning of FY 2019.⁴²

This low participation rate indicates that the current VDP framework is not functioning as an effective channel for compliance. Practitioners report that the process is overly complex and unfairly risky, deterring taxpayers from coming forward. In its current form, the program fails to incentivize voluntary disclosures and may ultimately result in fewer resolved cases, lost revenue, and diminished trust in the IRS's commitment to fair administration. If properly structured and executed, the VDP has the potential to attract a significant number of noncompliant taxpayers and be an effective mechanism to bring them into the system. To improve the program's utility, the IRS must collaborate with stakeholders, including tax professionals and legal experts, to identify and understand specific barriers preventing taxpayers from participating in the VDP and refine the program to reduce burdens and increase participation.

What Is TAS Advocating for?

To restore the effectiveness and integrity of the Criminal VDP, TAS recommends the IRS:

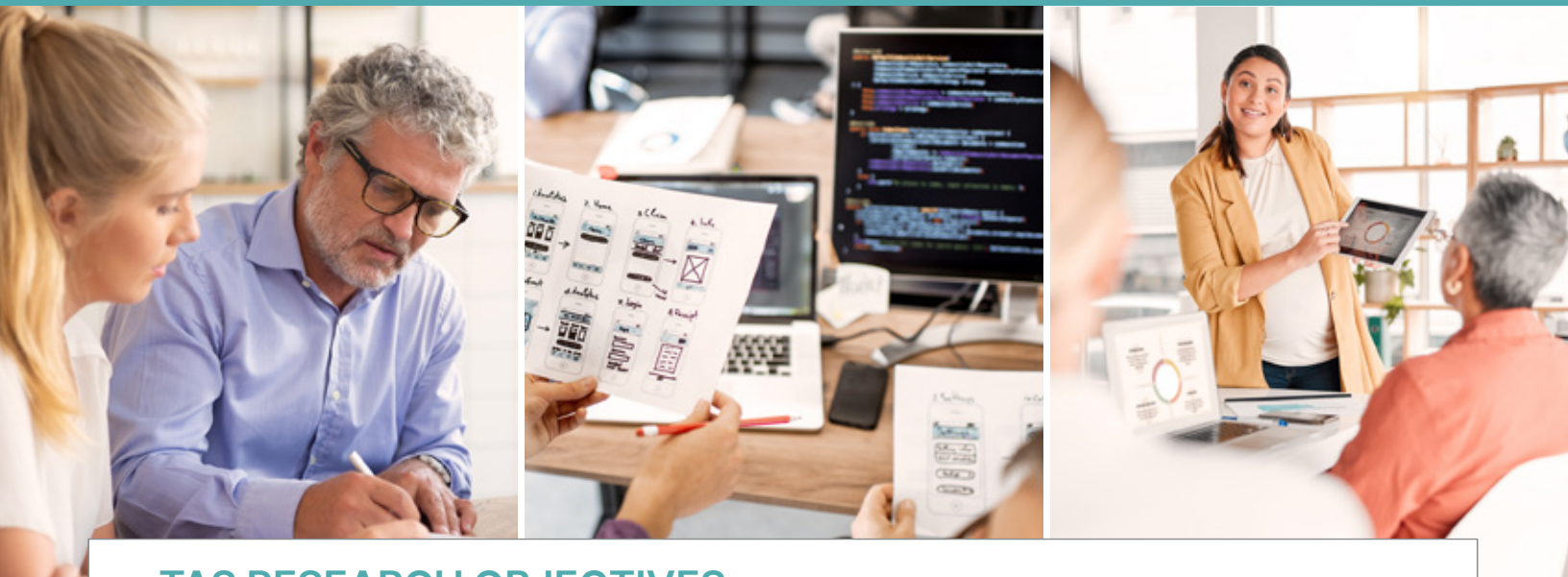
1. *Engage Stakeholders to Improve Program Design:* Collaborate with stakeholders to identify and address procedural or policy barriers to VDP participation. Implement revision to reduce administration burden and increase accessibility by the end of FY 2026.
2. *Simplify the Application Process:* Review and revise Form 14457, Voluntary Disclosure Practice Preclearance Request and Application, and relevant sections of the IRM and [IRS.gov](https://www.irs.gov) by the end of FY 2026 to simplify the VDP application process and make it more understandable, user-friendly, and transparent to taxpayers and their representatives to encourage more compliance with our tax system.

41 For an in-depth discussion on this issue, see National Taxpayer Advocate 2024 Annual Report to Congress 134 (Most Serious Problem: Criminal Voluntary Disclosure: Changes to the IRS's Criminal Voluntary Disclosure Practice Requirements May Be Reducing Voluntary Compliance and Negatively Impacting the Tax Gap), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_MSP_10_Disclosure.pdf.

42 IRS response to TAS information request (Oct. 15, 2024).

CONCLUSION

An effective Criminal VDP is a valuable enforcement and compliance tool. When administered fairly and efficiently, it encourages taxpayers with criminal exposure to come forward, promotes compliance, and contributes to closing the tax gap. The IRS must take steps to modernize and streamline the VDP to ensure it serves both the government's interest in enforcement and taxpayers' right to a fair and accessible path toward compliance.



TAS RESEARCH OBJECTIVES

In addition to ensuring the accuracy of National Taxpayer Advocate reports and completing other analyses to support TAS's advocacy objectives, TAS Research conducts research projects to detect systemic problems, examine their scope, and explore solutions to strengthen taxpayer rights and improve tax administration.

In fiscal year (FY) 2026, TAS will study two initiatives. The first involves analyzing and making recommendations for metrics and processes that may improve telephone operations for taxpayers calling the IRS for assistance. The second study will examine IRS efforts to identify and educate eligible taxpayers without children about credit eligibility requirements and how to request the Earned Income Tax Credit (EITC). TAS Research will continue its work on research projects initiated in FY 2024 on the IRS identity authentication process and the structure of the EITC, with an emphasis on reducing taxpayer burden while guarding against improper payments.

1. EXPLORE WAYS THE IRS CAN USE MODERN TECHNOLOGY TO IMPROVE TAXPAYER SERVICE

The IRS receives approximately 100 million calls each year. It operates about 100 toll-free phone lines, collectively known as Enterprise phone lines, to provide service to taxpayers and their representatives on a variety of issues, including tax law, compliance services, and other specialty topics. Accounts Management (AM), a subset of 35 Enterprise lines, receives nearly 70 percent of Enterprise phone calls. During the 2024 filing season, IRS AM customer service representatives (CSRs) answered 32.1 percent of the calls they received, followed by only 24.4 percent of the calls after the filing season through September 30, 2024. Additionally, the wait time for a CSR to answer more than tripled, increasing from 3.4 minutes to 12.6 minutes across the AM phone lines.¹ In the National Taxpayer Advocate's 2024 Annual Report to Congress, we noted that seven out of the nine state taxation agencies we studied answered at least 71 percent of the calls they received.² The IRS falls far short of this figure and must find ways to improve its service.

¹ IRS, Joint Operations Center (JOC), Snapshot Reports: Enterprise Snapshot (weeks ending Apr. 20, 2024; Sept. 30, 2024).

² National Taxpayer Advocate 2024 Annual Report to Congress 210 (Research Study: *Improving IRS Telephone Service: A Review of Best Practice Processes and Measures Used by Large Government and Private Sector Call Centers*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_RR_Research_2.pdf.

The IRS currently routes some callers to automated response lines. These are primarily callers inquiring about the status of their refunds. We believe the IRS can do better. If the IRS can use artificial intelligence to effectively authenticate the caller and address a broader range of taxpayer issues, it can assist more taxpayers quickly and accurately, allowing employees to help taxpayers who require personal assistance. TAS will research successful models of automation technology deployment at other entities, both public and private, and their impacts on efficiency and service. In this study, TAS will identify opportunities for improvement in the IRS telephone processes and explore potential uses for automation technology to maximize its positive impact.

What Is TAS Advocating for?

TAS Research will assess how public and private entities are optimizing their telephone function logic to serve more callers through automated messages and/or faster routing to a live assistor while also considering the impact to service.

TAS Research will:

1. Review the automation strategies that public and private entities are implementing in their telephone operations, including routing calls to appropriate automated messaging or live assistants.
2. Quantify the impact (including customers served, time and money burden on the entity, issue resolution, caller wait times) on the public and private entities before and after their respective operational changes.
3. Identify opportunities for the IRS to implement similar automation technology strategies and calculate a potential cost/benefit analysis for implementation and impact on service.

2. STUDY THE IMPACT OF THE IRS'S RESEARCH, APPLIED ANALYTICS, AND STATISTICS OUTREACH TO INCREASE EARNED INCOME TAX CREDIT PARTICIPATION BY ELIGIBLE TAXPAYERS WITHOUT CHILDREN

The EITC is a refundable tax credit designed to assist workers with low to moderate income. However, due to statutory complexities, concerns are often raised about the EITC's error rate resulting in improper payments. Many eligible taxpayers fail to claim the credit, including taxpayers without children, and that is the focus of this study – those eligible individuals who are either unaware or failed to claim the credit.

The amount of EITC for which a taxpayer qualifies is based on several factors, including the taxpayer's income, filing status, and the number of qualifying children. While taxpayers who have multiple qualifying children receive the maximum amount of EITC, a smaller credit amount is available to taxpayers who do not have any qualifying children. Many taxpayers who are eligible for the EITC are not aware they are eligible and file their returns without claiming it.

During Summer 2023, the IRS's Research, Applied Analytics, and Statistics (RAAS) function identified EITC-eligible taxpayers who did not claim the credit based on their tax return filed for tax year 2021.³ The IRS sent these taxpayers a CP27 notice designed to notify them that they may be eligible for the EITC but did not claim it on their tax returns. RAAS conducted an outreach mailing study related to these taxpayers by sending them an additional letter notifying them of the potential credit for which they were eligible and instructions on how to claim it; of approximately 200,000 taxpayers, 80,000 received a letter and 120,000 served as a control group that did not receive the letter.

TAS's research study will discuss the details of the RAAS mailing and report on the effectiveness of the outreach. The study will also estimate the number of taxpayers who could potentially benefit from this type of outreach.

³ IRS, RAAS, Information Request for 2023 Outreach.

What Is TAS Research Advocating for?

TAS Research will conduct an analysis of the RAAS-led outreach on the segment of taxpayers who were identified as “No Child EITC-Eligible.” The TAS report will detail the outreach experiment and how taxpayers responded as well as the overall impact on the claims submitted.

TAS Research will:

1. Analyze the 2023 study conducted by RAAS and provide an estimate of the impact on the treated group.
2. Conduct a cost-benefit analysis on the No Child EITC-Eligible taxpayers and the impact of sending an additional outreach letter if they do not respond to the initial CP27 notice.
3. Conduct a cost-benefit analysis on the No Child EITC-Eligible taxpayers and the impact of a potential policy that would issue the EITC to the taxpayer automatically in lieu of a CP27 notice. The focus will be on whether the IRS has sufficient information to make a reliable eligibility determination (*i.e.*, accurately identify eligible taxpayers through automation and not provide benefits to ineligible taxpayers). Because the taxpayers must file an amended return to claim the credit, the cost-benefit analysis would also take into consideration the IRS’s additional efforts to process the amended return.

Evolution of the Office of the Taxpayer Advocate

The Office of the Taxpayer Ombudsman was created by the IRS in 1979 to serve as the primary advocate, within the IRS, for taxpayers. This position was codified in the Taxpayer Bill of Rights (TBOR 1), included in the Technical and Miscellaneous Revenue Act of 1988 (TAMRA).¹

In TBOR 1, Congress added IRC § 7811, granting the Ombudsman (now the National Taxpayer Advocate) the statutory authority to issue Taxpayer Assistance Orders (TAOs) if, in the determination of the Ombudsman, a taxpayer is suffering or is about to suffer significant hardship because of the way the Internal Revenue laws are being administered by the Secretary.² Further, TBOR 1 directed the Ombudsman and the Assistant Commissioner (Taxpayer Services) to jointly provide an Annual Report to Congress about the quality of taxpayer services provided by the IRS. This report was delivered directly to the Senate Committee on Finance and the House Committee on Ways and Means.³

In 1996, the Taxpayer Bill of Rights 2 (TBOR 2) amended IRC § 7802 (the predecessor to IRC § 7803), replacing the Office of the Taxpayer Ombudsman with the Office of the Taxpayer Advocate.⁴ The Joint Committee on Taxation set forth the following reasons for change:

To date, the Taxpayer Ombudsman has been a career civil servant selected by and serving at the pleasure of the IRS Commissioner. Some may perceive that the Taxpayer Ombudsman is not an independent advocate for taxpayers. To ensure that the Taxpayer Ombudsman has the necessary stature within the IRS to represent fully the interests of taxpayers, Congress believed it appropriate to elevate the position to a position comparable to that of the Chief Counsel. In addition, to ensure that the Congress is systematically made aware of recurring and unresolved problems and difficulties taxpayers encounter in dealing with the IRS, the Taxpayer Ombudsman should have the authority and responsibility to make independent reports to the Congress in order to advise the tax-writing committees of those areas.⁵

In TBOR 2, Congress not only established the Office of the Taxpayer Advocate but also described its functions:

- To assist taxpayers in resolving problems with the IRS;
- To identify areas in which taxpayers have problems in dealings with the IRS;
- To the extent possible, propose changes in the administrative practices of the IRS to mitigate those identified problems; and
- To identify potential legislative changes that may be appropriate to mitigate such problems.⁶

Congress did not provide the Taxpayer Advocate with direct line authority over the existing regional and local Problem Resolution Officers (PROs) who handled cases under the Problem Resolution Program, the predecessor to the Office of the Taxpayer Advocate. At the time of the enactment of TBOR 2, Congress believed it sufficient to require that “all PROs should take direction from the Taxpayer Advocate and that

1 Pub. L. No. 100-647, Title VI, § 6230, 102 Stat. 3342, 3733-3734 (1988).

2 *Id.* at 3733.

3 Pub. L. No. 100-647, Title VI, § 6235(b), 102 Stat. 3737 (1988).

4 Pub. L. No. 104-168, § 101, 110 Stat. 1452, 1453-1456 (1996).

5 STAFF OF J. COMM. ON TAX’N, 104TH CONG., GEN. EXPLANATION OF TAX LEGIS. ENACTED IN THE 104TH CONG. 20, JCS-12-96 (J. Comm. Print 1996), <https://www.jct.gov/getattachment/8ac864d2-2601-4d89-bc00-751dc38a2f11/s-12-96-2943.pdf>.

6 Pub. L. No. 104-168, § 101(a), 110 Stat. 1452, 1454 (1996).

they should operate with sufficient independence to assure that taxpayer rights are not being subordinated to pressure from local revenue officers, district directors, etc.”⁷

TBOR 2 also replaced the joint Assistant Commissioner/Taxpayer Advocate Report to Congress with two annual reports issued directly and independently by the Taxpayer Advocate to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.⁸ The first report, the Objectives Report to Congress, is to contain the objectives of the Office of the Taxpayer Advocate for the fiscal year beginning in that calendar year. This report is to provide full and substantive analysis in addition to statistical information and is due no later than June 30 of each calendar year.

The second report is on the activities of the Office of the Taxpayer Advocate during the fiscal year ending during that calendar year. Section 7803(c)(2)(B)(ii) of the IRC, as amended by the Taxpayer First Act (TFA), requires the National Taxpayer Advocate to submit this report each year and to include in it, among other things, a description of the ten most serious problems encountered by taxpayers as well as administrative and legislative recommendations to mitigate those problems. The report must:

- Identify the initiatives the Office of the Taxpayer Advocate has taken on improving taxpayer services and IRS responsiveness;
- Contain recommendations received from individuals with the authority to issue a TAO;
- Contain a summary of the ten most serious problems encountered by taxpayers, including a description of the nature of such problems;⁹
- Contain an inventory of initiatives and recommendations for which action has been taken and the result of such action;
- Contain an inventory of initiatives and recommendations for which action remains to be completed and the period of time these items have been in the inventory;
- Contain an inventory of initiatives and recommendations for which there has been no action, an explanation for the lack of action, and the responsible official;
- Identify any TAO or Taxpayer Advocate Directive (TAD) that was not honored by the IRS in a timely manner;¹⁰
- Contain recommendations for legislative or administrative action that will resolve taxpayer problems;
- Identify areas of the tax law that impose significant compliance burdens on taxpayers or the IRS, including specific recommendations for remedy;
- Identify the ten most litigated issues for each category of taxpayers, including recommendations for mitigating such disputes;
- With respect to any statistical information included in such report, include a statement of whether such statistical information was reviewed or provided by the Secretary under IRC § 6108(d) and, if so, whether the Secretary determined such information to be statistically valid and based on sound statistical methodology; and
- Include other such information as the National Taxpayer Advocate may deem advisable.

7 STAFF OF J. COMM. ON TAX’N, 104TH CONG., GEN. EXPLANATION OF TAX LEGIS. ENACTED IN THE 104TH CONG. 21, JCS-12-96 (J. Comm. Print 1996), <https://www.jct.gov/getattachment/8ac864d2-2601-4d89-bc00-751dc38a2f11/s-12-96-2943.pdf>.

8 Pub. L. No. 104-168, § 101(a), 110 Stat. 1452, 1454-1455 (1996).

9 As originally enacted, TBOR 2 required a summary of at least 20 of the most serious problems. In July 2019, the TFA reduced the required number of most serious problems to ten. Pub. L. No. 116-25, § 1301(b)(1), 133 Stat. 981, 992 (2019).

10 A TAD mandates that functional areas make certain administrative or procedural changes to improve a process or grant relief to groups of taxpayers (or all taxpayers). TADs are used to protect the rights of taxpayers, prevent undue burden, ensure equitable treatment, or provide an essential service to taxpayers. Internal Revenue Manual 13.2.1.6.3, Taxpayer Advocate Directives (Sept. 29, 2020), https://www.irs.gov/irm/part13/irm_13-002-001.

The stated objective of these two reports is for Congress to receive an unfiltered and candid report of the problems taxpayers are experiencing and what can be done to address them. While both reports are to include statistical information, the TFA created a requirement whereby the National Taxpayer Advocate must coordinate research with the office of the Treasury Inspector General for Tax Administration (TIGTA). The National Taxpayer Advocate is now precluded from reporting statistical information that is included in a TIGTA report.¹¹

Both the Annual Report to Congress and the Objectives Report are not subject to review by the IRS, Department of Treasury, or Office of Management and Budget, giving TAS a unique opportunity to directly provide information to Congress. “The reports by the Taxpayer Advocate are not official legislative recommendations of the Administration; providing official legislative recommendations remains the responsibility of the Department of Treasury.”¹²

Finally, TBOR 2 amended IRC § 7811, expanding the scope of a TAO by providing the Taxpayer Advocate “with broader authority to affirmatively take any action as permitted by law with respect to taxpayers who would otherwise suffer a significant hardship as a result of the manner in which the IRS is administering the tax laws.”¹³ For the first time, the TAO could specify a time period within which the IRS must act on the order. The statute also provided that only the National Taxpayer Advocate, the IRS Commissioner, or the Deputy Commissioner could modify or rescind a TAO, and that any official who so modifies or rescinds a TAO must respond in writing to the National Taxpayer Advocate with his or her reasons for such action.¹⁴

In 1997, the National Commission on Restructuring the Internal Revenue Service called the Taxpayer Advocate the “voice of the taxpayer.” In its discussion of the Office of the Taxpayer Advocate, the Commission noted:

Taxpayer Advocates play an important role and are essential for the protection of taxpayer rights and to promote taxpayer confidence in the integrity and accountability of the IRS. To succeed, the Advocate must be viewed, both in perception and reality, as an independent voice for the taxpayer within the IRS. Currently, the [N]ational Taxpayer Advocate is not viewed as independent by many in Congress. This view is based in part on the placement of the Advocate within the IRS and the fact that only career employees have been chosen to fill the position.¹⁵

In response to these concerns, in the IRS Restructuring and Reform Act of 1998 (RRA 98), Congress amended IRC § 7803(c), renaming the Taxpayer Advocate as the National Taxpayer Advocate and mandating that the National Taxpayer Advocate could not be an officer or an employee of the IRS for two years preceding or five years following his or her tenure as the National Taxpayer Advocate (service as an employee of the Office of the Taxpayer Advocate is not considered IRS employment under this provision).¹⁶

RRA 98 provided for Local Taxpayer Advocates (LTAs) to be located in each state and mandated a reporting structure for LTAs to report directly to the National Taxpayer Advocate.¹⁷

As required by IRC § 7803(c)(4)(A)(iii), the LTA must advise taxpayers at their first meeting of the fact that “the taxpayer advocate offices operate independently of any other Internal Revenue Service office and report directly to Congress through the National Taxpayer Advocate.”

¹¹ IRC § 7803(c)(2)(B)(iv).

¹² STAFF OF J. COMM. ON TAX’N, 104TH CONG., GEN. EXPLANATION OF TAX LEGIS. ENACTED IN THE 104TH CONG. 21, JCS-12-96 (J. Comm. Print 1996), <https://www.jct.gov/getattachment/8ac864d2-2601-4d89-bc00-751dc38a2f11/s-12-96-2943.pdf>.

¹³ *Id.* at 22.

¹⁴ Pub. L. No. 104-168, § 102(b), 110 Stat. 1452, 1456 (1996).

¹⁵ NAT’L COMM’N ON RESTRUCTURING THE IRS, A VISION FOR A NEW IRS 48 (Comm’n Print 1997), <https://www.govinfo.gov/content/pkg/GOVPUB-Y3-PURL-LPS69710/pdf/GOVPUB-Y3-PURL-LPS69710.pdf>.

¹⁶ Pub. L. No. 105-206, § 1102(a), 112 Stat. 685, 699 (1998).

¹⁷ Pub. L. No. 105-206, § 1102(a), 112 Stat. 685, 701 (1998).

Congress also granted the LTAs discretion to not disclose to the IRS the fact that the taxpayer contacted the Office of the Taxpayer Advocate, or any information provided by the taxpayer to that office.¹⁸ RRA 98 also expanded the definition of “significant hardship” in IRC § 7811 to include four specific circumstances:

1. An immediate threat of adverse action;
2. A delay of more than 30 days in resolving taxpayer account problems;
3. The incurring by the taxpayer of significant costs (including fees for professional representation) if relief is not granted; or
4. Irreparable injury to, or a long-term adverse impact on, the taxpayer if relief is not granted.¹⁹

The Committee Reports make clear that this list is a non-exclusive list of what constitutes a significant hardship.²⁰

Prior to 2011, Treasury Regulation § 301.7811-1 had not been updated since it was first published in 1992. Consequently, after Congress expanded the definition of “significant hardship” in the statute in 1998, the regulation was inconsistent with the updated definition. On April 1, 2011, the IRS published in the Federal Register final regulations under IRC § 7811 that contain a definition of significant hardship consistent with existing law and practice.²¹

The National Taxpayer Advocate advocated for many years that the IRS establish a TBOR. In June 2014, the IRS adopted the TBOR – a set of ten fundamental rights that taxpayers should be aware of when dealing with the IRS.²² One of those ten rights is the *right to a fair and just tax system*, which gives taxpayers the right to receive assistance from the Office of the Taxpayer Advocate if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels. In December 2015, Congress enacted IRC § 7803(a)(3), which requires the Commissioner to ensure that employees of the IRS are familiar with and act in accord with taxpayer rights, including the *right to a fair and just tax system*.²³ The TBOR, as enacted, lists rights that already existed in the Code, putting them in simple language and grouping them into ten fundamental rights.

The passing of the TFA in July 2019 codified the timeframes surrounding issuance of TADs. Now, the IRS must respond to a TAD no later than 90 days after its issuance.²⁴ If the IRS decides to modify or rescind the TAD, the National Taxpayer Advocate may appeal that decision to the Commissioner of the IRS within 90 days. The Commissioner then has 90 days to either ensure compliance with the TAD or provide reasons to the National Taxpayer Advocate for the modification or rescission of the TAD. Additionally, the National Taxpayer Advocate must report on any TADs that were not honored in a timely manner in the activities report.²⁵

¹⁸ IRC § 7803(c)(4)(A)(iv).

¹⁹ IRC § 7811(a)(2).

²⁰ See, e.g., H.R. REP. NO. 105-599, at 215 (1998).

²¹ Treas. Reg. § 301.7811-1(a)(4)(ii); 76 Fed. Reg. 18059, 18060-61 (Apr. 1, 2011).

²² See IRS News Release, IR-2014-72, IRS Adopts “Taxpayer Bill of Rights,” 10 Provisions to be Highlighted on IRS.gov, in Publication 1 (June 10, 2014), <https://www.irs.gov/newsroom/irs-adopts-taxpayer-bill-of-rights-10-provisions-to-be-highlighted-on-irsgov-in-publication-1>.

²³ See Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Division Q, Title IV, § 401, 129 Stat. 2242, 3117 (2015).

²⁴ IRC § 7803(c)(5)(A).

²⁵ IRC § 7803(c)(2)(B)(ii)(VIII).

Case Acceptance Criteria



As an independent organization within the IRS, TAS helps taxpayers resolve problems with the IRS and recommends changes to prevent future problems. TAS fulfills its statutory mission by working with taxpayers to resolve problems with the IRS.¹

TAS case acceptance criteria fall into four main categories:

ECONOMIC BURDEN

Economic burden cases are those involving a financial difficulty to the taxpayer: an IRS action or inaction has caused or will cause negative financial consequences or have a long-term adverse impact on the taxpayer.²

- CRITERIA 1** The taxpayer is experiencing economic harm or is about to suffer economic harm.
- CRITERIA 2** The taxpayer is facing an immediate threat of adverse action.
- CRITERIA 3** The taxpayer will incur significant costs if relief is not granted (including fees for professional representation).
- CRITERIA 4** The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.

SYSTEMIC BURDEN

Systemic burden cases are those in which an IRS process, system, or procedure has failed to operate as intended, and as a result the IRS has failed to timely respond to or resolve a taxpayer issue.³

- CRITERIA 5** The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem.
- CRITERIA 6** The taxpayer has not received a response or resolution to the problem or inquiry by the date promised.
- CRITERIA 7** A system or procedure has either failed to operate as intended, or failed to resolve the taxpayer's problem or dispute within the IRS.

BEST INTEREST OF THE TAXPAYER

TAS acceptance of these cases will help ensure that taxpayers receive fair and equitable treatment and that their rights as taxpayers are protected.⁴

- CRITERIA 8** The manner in which the tax laws are being administered raises considerations of equity, or has impaired or will impair the taxpayer's rights.

PUBLIC POLICY

Acceptance of cases into TAS under this category will be determined by the National Taxpayer Advocate and will generally be based on a unique set of circumstances warranting assistance to certain taxpayers.⁵

- CRITERIA 9** The National Taxpayer Advocate determines compelling public policy warrants assistance to an individual or group of taxpayers.

¹ IRC § 7803(c)(2)(A)(i).

² See Internal Revenue Manual (IRM) 13.1.7.3.1, TAS Case Criteria 1-4, Economic Burden (Nov. 29, 2023), https://www.irs.gov/irm/part13/irm_13-001-007. See IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria (Nov. 29, 2023), https://www.irs.gov/irm/part13/irm_13-001-007.

³ See IRM 13.1.7.3.2, TAS Case Criteria 5-7, Systemic Burden (Nov. 29, 2023), https://www.irs.gov/irm/part13/irm_13-001-007, and IRM 13.1.7.4, Exceptions to Taxpayer Advocate Service Criteria (Nov. 29, 2023), https://www.irs.gov/irm/part13/irm_13-001-007.

⁴ See IRM 13.1.7.3.3, TAS Case Criteria 8, Best Interest of the Taxpayer (Nov. 29, 2023), https://www.irs.gov/irm/part13/irm_13-001-007.

⁵ See IRM 13.1.7.3.4, TAS Case Criteria 9, TAS Public Policy (Nov. 29, 2023), https://www.irs.gov/irm/part13/irm_13-001-007. See Interim Guidance Memorandum TAS-13-1024-0004, Interim Guidance on Accepting Cases Under TAS Case Criteria 9, Public Policy (Oct. 1, 2024), <https://www.irs.gov/pub/foia/ig/tas-13-1024-0004.pdf>.

Low Income Taxpayer Clinic Contact Information

Low Income Taxpayer Clinics (LITCs) represent individuals whose income is below a certain level and who need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. LITCs can represent taxpayers in Tax Court as well as with the IRS. In addition, LITCs can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language (ESL). LITCs receive IRS grants but work independently to assist and advocate for taxpayers.

Low-income taxpayers who need help in resolving tax disputes with the IRS and cannot afford representation may qualify for free or low-cost assistance from an LTC. Using poverty guidelines published annually by the Department of Health and Human Services, each LTC decides if an individual meets the income eligibility guidelines and other criteria before it agrees to provide representation. Eligible taxpayers must generally have income that does not exceed 250 percent of the poverty guidelines. Figure 6.1 shows the income ceilings for 2025.

FIGURE 6.1, LTC Income Guidelines (250 Percent of the Federal Poverty Guidelines)

Size of Family Unit	48 Contiguous States, Puerto Rico, and D.C.	Alaska	Hawaii
1	\$39,125	\$48,875	\$44,975
2	\$52,875	\$66,075	\$60,800
3	\$66,625	\$83,275	\$76,625
4	\$80,375	\$100,475	\$92,450
5	\$94,125	\$117,675	\$108,275
6	\$107,875	\$134,875	\$124,100
7	\$121,625	\$152,075	\$139,925
8	\$135,375	\$169,275	\$155,750
For each additional person, add	\$13,750	\$17,200	\$15,825

Figure 6.2 shows the LITCs receiving federal funding for the 2025 calendar year that are run by nonprofit organizations or academic institutions. Although LITCs receive partial funding from the IRS, LITCs, their employees, and their volunteers are completely independent of the IRS. Contact information for clinics may change, so please check for the most recent information at <https://www.irs.gov/pub/irs-pdf/p4134.pdf> (English), <https://www.irs.gov/pub/irs-pdf/p4134sp.pdf> (Spanish), or by using the LTC local clinic locator tool at <https://www.taxpayeradvocate.irs.gov/about-us/low-income-taxpayer-clinics-litc/>. Please note the location listed for the clinic is often its main office and a clinic may have branch offices in other cities, so it is best to contact the clinic to determine if it has a location nearer to the taxpayer.

FIGURE 6.2, 2025 LITCs and Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
AK	Anchorage	Alaska Business Development Center LITC	800-478-3474 907-562-0335	All languages through interpreter services
AL	Montgomery	Legal Services Alabama LITC	866-456-4995 334-832-4570	Spanish and other languages through interpreter services
AR	Little Rock	UA Little Rock Bowen School of Law LITC	501-916-5492	Spanish
	Springdale	Legal Aid of Arkansas LITC	870-732-6373	Spanish and Marshallese
AZ	Flagstaff	DNA People's Legal Services LITC	833-362-1102	Spanish, Navajo, Hopi, and other languages through interpreter services
	Phoenix	Community Legal Services LITC	800-852-9075 602-258-3434	Spanish and other languages through interpreter services
	Tucson	Southern Arizona Tax Clinic	520-622-2801	Spanish and other languages through interpreter services
CA	Los Angeles	Bet Tzedek Legal Services Tax Clinic	323-939-0506	Spanish, Russian, and other languages through interpreter services
	Los Angeles	KYCC Low Income Taxpayer Clinic	213-365-7400	Spanish and Korean
	Los Angeles	Pepperdine LITC	213-673-4831	Spanish
	Merced	United Way of Merced County <i>ESL Clinic</i>	209-384-1329	Spanish
	Northridge	Bookstein Low Income Taxpayer Clinic	818-677-3688	Spanish, Armenian, Tagalog, and Hindi
	Northridge	The Taxpayers Help Center Low Income Taxpayer Clinic	818-488-1388	Spanish, Hindi, and Urdu
	Orange	Chapman University Tax Law Clinic	877-242-7529 714-628-2535	Spanish and Vietnamese
	Riverside	Inland Counties Legal Services LITC	888-245-4257 951-368-2555	Spanish and other languages through interpreter services
	San Diego	Legal Aid Society of San Diego LITC	877-534-2524	Spanish, Vietnamese, Tagalog, Arabic, Farsi, and Somali
	San Diego	University of San Diego LITC	619-260-7470	Spanish and other languages through interpreter services
	San Francisco	Chinese Newcomers Service Center	415-421-2111	Chinese, Cantonese, Mandarin, Vietnamese, and Toisanese
	San Francisco	Justice and Diversity Center of the Bar Association of San Francisco	415-782-8978	Spanish
	San Francisco	UC Law SF LITC	415-703-8287	Spanish
	San Gabriel	Herald Community Center	626-286-2600	Mandarin and Cantonese
	San Luis Obispo	Cal Poly Low Income Taxpayer Clinic	877-318-6772 805-756-2951	Spanish and other languages through interpreter services
	Santa Ana	Public Law Center	888-230-3741 714-541-1010	Spanish, Vietnamese, Tagalog, Chinese, Arabic, Farsi, and Mandarin

Appendix 3: Low Income Taxpayer Clinic Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
CO	Denver	Colorado Legal Services LITC	844-440-4848 303-837-1313	Spanish and other languages through interpreter services
	Denver	Denver Asset Building Coalition LITC	303-388-7030	Spanish and other languages through interpreter services
	Denver	University of Denver LITC	303-871-6331	Spanish
CT	Hamden	Quinnipiac University School of Law LITC	203-582-3238	Spanish and other languages through interpreter services
	Hartford	UConn Law School Tax Clinic	860-570-5165	Spanish, Mandarin, Chinese, French, and other languages through interpreter services
DC	Washington	American University Washington College of Law, Janet R. Spragens Tax Clinic	202-274-4144	All languages through interpreter services
	Washington	Center for Taxpayer Rights LITC	202-630-1690	Spanish
DE	Georgetown	DCRAC LITC	877-825-0750 302-690-5000	Spanish, Italian, and Hindi
FL	Gainesville	University of Florida Levin College of Law LITC	352-273-0800	All languages through interpreter services
	Miami	Legal Services of Greater Miami Community Tax Clinic	866-686-2760 305-576-0080	Spanish and Haitian Creole
	Plant City	Bay Area Legal Services Inc. LITC	813-752-1335	Spanish and Haitian Creole
	Plantation	Legal Aid Services of Broward and Collier Counties	954-736-2477	Spanish, Haitian Creole, and other languages through interpreter services
	St. Petersburg	Gulfcoast Legal Services LITC	727-821-0726	Spanish, French, and other languages through interpreter services
	Tallahassee	Legal Services of North Florida	850-385-9007	Spanish, Chinese, French, and other languages through interpreter services
	West Palm Beach	Legal Aid Society of Palm Beach County LITC	800-403-9353 561-655-8944	Spanish and Haitian Creole
GA	Atlanta	Operation HOPE ESL Education Program <i>ESL Clinic</i>	888-388-4673 404-942-2919	Spanish
	Atlanta	The Philip C. Cook Low Income Taxpayer Clinic	404-413-9230	Spanish
	Hinesville	JCVision and Associates, Inc.	866-396-4243 912-877-4243	Spanish
	Lawrenceville	North Georgia Low Income Taxpayer Clinic	888-267-6891 678-646-5661	Spanish
IA	Des Moines	Iowa Legal Aid LITC	800-532-1275 515-243-2151	Spanish and other languages through interpreter services
ID	Boise	University of Idaho LITC	877-200-4455 208-364-6166	All languages through interpreter services

Appendix 3: Low Income Taxpayer Clinic Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
IL	Chicago	Ladder Up Tax Clinic	312-630-0242	Spanish and Polish
	Chicago	Legal Aid Chicago LITC	312-341-1070	All languages through interpreter services
	Chicago	Loyola Federal Income Tax Clinic	312-915-7176	All languages through interpreter services
	Rockford	Prairie State Legal Services LITC	855-829-7757 630-690-2130	All languages through interpreter services
IN	Bloomington	Indiana Legal Services, Inc. LITC	800-822-4774 812-339-7668	All languages through interpreter services
	Indianapolis	Neighborhood Christian Legal Clinic	317-429-4131	Spanish, French, Arabic, Burmese, Hakha Chin, Kinyarwanda, Maya, Swahili, Chinese, Zophei, Falam, and other languages through interpreter services
KY	Covington	Legal Aid of the Bluegrass LITC	859-431-8200	Spanish and other languages through interpreter services
	Louisville	Legal Aid Society Low Income Taxpayer Clinic	800-292-1862 502-584-1254	All languages through interpreter services
	Richmond	AppalRed Low Income Taxpayer Clinic	800-477-1394 859-624-1394	Spanish and other languages through interpreter services
LA	Baton Rouge	LSU Law LITC	225-578-8262	Spanish, Vietnamese, and other languages through interpreter services
	New Orleans	Southeast Louisiana Legal Services LITC	877-521-6242 504-529-1000	Spanish, Vietnamese, and other languages through interpreter services
MA	Boston	AACA LITC	617-426-9492	Chinese, Vietnamese, French, Haitian Creole, Gujarati, Hindi, Urdu, Punjabi, and Swahili
	Boston	Greater Boston Legal Services LITC	800-323-3205 617-371-1234	All languages through interpreter services
	Jamaica Plain	Legal Services Center of Harvard Law School LITC	866-738-8081 617-390-1729	Spanish and other languages through interpreter services
	Lawrence	Northeast Legal Aid LITC	800-336-2262 978-458-1465	Spanish, Khmer, Portuguese, Bulgarian, Thai, Polish, French, Arabic, Hebrew, Italian, Luganda, Swahili, Hindi, Urdu, and other languages through interpreter services
MD	Baltimore	Maryland Volunteer Lawyers Service LITC	800-510-0050 410-547-6537	All languages through interpreter services
	Baltimore	University of Baltimore LITC	410-837-5706	All languages through interpreter services
	Baltimore	University of Maryland Carey School of Law LITC	410-706-3295	All languages through interpreter services
ME	Augusta	Pine Tree Legal Assistance Inc. LITC	207-622-4731	All languages through interpreter services

Appendix 3: Low Income Taxpayer Clinic Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
MI	Ann Arbor	University of Michigan LITC	734-936-3535	All languages through interpreter services
	Detroit	Accounting Aid Society	866-673-0873 313-556-1920	Spanish and Arabic
	East Lansing	Alvin L. Storrs Low Income Taxpayer Clinic	517-432-6880	All languages through interpreter services
	Grand Rapids	West Michigan Low Income Taxpayer Clinic (Legal Aid of Western Michigan)	800-442-2777 616-774-0672	Spanish and other languages through interpreter services
MN	Minneapolis	Mid-Minnesota Legal Aid Tax Law Project	800-292-4150 612-334-5970	Spanish, Somali, Hmong, Arabic, Oromo, Amharic, and other languages through interpreter services
	Minneapolis	University of Minnesota LITC	612-625-5515	Somali, Spanish, Hmong, Karen, and other languages through interpreter services
MO	Kansas City	Legal Aid of Western Missouri LITC	800-990-2907 816-474-6750	Spanish and other languages through interpreter services
	Kansas City	UMKC School of Law LITC	816-235-6201	All languages through interpreter services
	St. Louis	Washington University School of Law LITC	314-935-7238	All languages through interpreter services
MS	Oxford	Mississippi Taxpayer Assistance Project	888-808-8049 622-234-2918	All languages through interpreter services
	Gautier	Southern Mississippi Tax Volunteers	855-829-8657	All languages through interpreter services
NC	Asheville	Pisgah Legal Services LITC	800-489-6144 828-253-0406	Spanish and other languages through interpreter services
	Charlotte	North Carolina Low Income Taxpayer Clinic	800-438-1254 704-376-1600	Spanish and other languages through interpreter services
ND	Grand Forks	University of North Dakota LITC	701-777-2921	All languages through interpreter services
NE	Lincoln	Legal Aid of Nebraska LITC	800-742-7555 402-435-2161	All languages through interpreter services
NH	Concord	603 Legal Aid Low Income Taxpayer Project	603-224-3333	All languages through interpreter services
NJ	Edison	Legal Services of New Jersey Tax Legal Assistance Project	888-576-5529 732-572-9100	Spanish, Haitian Creole, Portuguese, Hindi, and Arabic
	Hamilton	United Way of Greater Mercer County <i>ESL Clinic</i>	609-896-1912	Spanish
	Jersey City	Northeast New Jersey Legal Services LITC	201-792-6363	Spanish, Korean, Hindi, Urdu, Hebrew, Arabic, Portuguese, Tagalog, and other languages through interpreter services
	Newark	Rutgers Federal Tax Law Clinic	973-353-1685	Spanish
NM	Albuquerque	New Mexico Legal Aid Low Income Taxpayer Clinic	866-416-1922 505-243-7871	All languages through interpreter services

Appendix 3: Low Income Taxpayer Clinic Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
NY	Albany	Legal Aid Society of Northeastern New York LITC	833-628-0087 518-462-6765	All languages through interpreter services
	Bronx	Bronx Legal Services	917-661-4500	Spanish and other languages through interpreter services
	Brooklyn	Brooklyn Legal Services Corporation A LITC	718-487-2300	Spanish and other languages through interpreter services
	Brooklyn	Brooklyn Low-Income Taxpayer Clinic	917-661-4500	Spanish, Russian, American Sign Language, and other languages through interpreter services
	Buffalo	Erie County Bar Association Volunteer Lawyers Project LITC	800-229-6198 716-847-0662	All languages through interpreter services
	Ithaca	Cornell Low-Income Taxpayer Practicum	607-255-4196	Spanish
	Jamaica	Queens Legal Services LITC	917-661-4500	Spanish, Mandarin, Cantonese, Fuzhounese, Korean, Hindi, Bengali, Urdu, French, Haitian Creole, Croatian, Malayalam, and other languages through interpreter services
	New York	Fordham Law School	212-636-7353	Spanish and other languages through interpreter services
	New York	Mobilization for Justice	212-417-3839	Spanish, Chinese, French, Haitian Creole, Urdu, Tagalog, Tamil, Persian, and other languages through interpreter services
	New York	The Legal Aid Society LITC	212-426-3013	Spanish and other languages through interpreter services
	Rochester	Empire Justice Center LITC	585-900-1004	Spanish and other languages through interpreter services
	Syracuse	Syracuse University College of Law LITC	888-797-5291 315-443-4582	All languages through interpreter services
OH	Akron	Community Legal Aid Services	800-998-9454	Spanish and other languages through interpreter services
	Cincinnati	The Legal Aid Society of Greater Cincinnati LITC	800-582-2682 513-241-9400	All languages through interpreter services
	Cleveland	The Legal Aid Society of Cleveland LITC	888-817-3777 216-861-5500	All languages through interpreter services
	Columbus	Legal Aid of Southeast and Central Ohio LITC	888-246-4420 614-221-2001	All languages through interpreter services
	Toledo	Toledo Tax Controversy Clinic	419-684-8822	Arabic and other languages through interpreter services
OK	Tulsa	Legal Aid Services of Oklahoma LITC	833-284-6227 918-236-9572	All languages through interpreter services
OR	Portland	Legal Aid Services of Oregon LITC	503-224-4086	Spanish, Mandarin, Japanese, and other languages through interpreter services
	Portland	Lewis & Clark Low Income Taxpayer Clinic	503-768-6500	Spanish and other languages through interpreter services
	Portland	Oregon Law Center LITC	800-672-4919	Spanish and other languages through interpreter services

Appendix 3: Low Income Taxpayer Clinic Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
PA	Dallas	Misericordia University LITC	570-674-1472	Spanish
	Philadelphia	Campaign for Working Families LITC	215-454-6483	Spanish, Arabic, and Mandarin
	Philadelphia	Philadelphia Legal Assistance Taxpayer Support Clinic	215-981-3800	Spanish, Arabic, French, and other languages through interpreter services
	Philadelphia	Temple Law School LITC	215-204-8948	Spanish, Farsi, and other languages through interpreter services
	Pittsburgh	University of Pittsburgh School of Law LITC	412-648-1300	All languages through interpreter services
	Villanova	Villanova Federal Tax Clinic	888-829-2546 610-519-4123	Spanish and other languages through interpreter services
	Washington	Summit Legal Aid	800-846-0871 724-225-6170	All languages through interpreter services
	Williamsport	Susquehanna Legal Aid for Adults and Youth	570-884-4174	Spanish and other languages through interpreter services
	York	MidPenn Legal Services Low Income Taxpayer Clinic	844-675-7829	Spanish and other languages through interpreter services
PR	San Juan	Puerto Rico Tax Foundation	787-250-1912	Spanish and other languages through interpreter services
RI	Providence	Rhode Island Legal Services LITC	401-274-2652	Spanish and other languages through interpreter services
SC	Columbia	USC Rice School of Law Tax Clinic	803-777-4155	All languages through interpreter services
	Greenville	South Carolina Legal Services LITC	888-346-5592	Spanish and other languages through interpreter services
TN	Memphis	Memphis Area Legal Services	901-523-8822	All languages through interpreter services
	Oak Ridge	Tennessee Taxpayer Project	866-481-3669 865-483-8454	Spanish and other languages through interpreter services
TX	Fort Worth	Legal Aid of Northwest Texas LITC	800-955-3959 817-336-3943	Spanish and other languages through interpreter services
	Fort Worth	Texas A&M University School of Law, Tax Dispute Resolution Clinic	817-212-4123	Spanish and other languages through interpreter services
	Houston	Houston Volunteer Lawyers LITC	713-228-0735	Spanish, Vietnamese, and other languages through interpreter services
	Houston	Lone Star Legal Aid LITC	800-733-8394 713-652-0077	Spanish, Vietnamese, and other languages through interpreter services
	Houston	South Texas College of Law LITC	800-646-1253 713-646-2922	All languages through interpreter services
	Lubbock	Texas Tech University School of Law	800-420-8037 806-742-4312	Spanish and other languages through interpreter services
	San Antonio	Texas Taxpayer Assistance Project	833-329-8752 210-212-3747	Spanish and other languages through interpreter services

Appendix 3: Low Income Taxpayer Clinic Contact Information

State	City	Clinic Name	Public Phone Number	Languages Served in Addition to English
UT	Orem	Utah Tax Help Services LITC	801-210-8001	Spanish and other languages through interpreter services
	Salt Lake City	Westminster Tax Clinic	801-210-8291	Spanish, Portuguese, Serbian, Croatian, Bosnian, Bulgarian, Russian, and other languages through interpreter services
VA	Fairfax	Legal Services of Northern Virginia LITC	866-534-5243 703-778-6800	Spanish and other languages through interpreter services
	Lexington	Washington and Lee University School of Law Tax Clinic	540-458-8918	All languages through interpreter services
	Richmond	The Community Tax Law Project	800-295-0110 804-358-5855	Spanish and other languages through interpreter services
VT	Burlington	Vermont Low Income Taxpayer Clinic	800-889-2047 802-863-5620	All languages through interpreter services
WA	Seattle	University of Washington Federal Tax Clinic	866-866-0158 206-685-6805	All languages through interpreter services
	Spokane	Gonzaga University Federal Tax Clinic	800-793-1722 509-313-5791	All languages through interpreter services
WI	Milwaukee	Legal Action of Wisconsin LITC	855-502-2468 414-274-3400	All languages through interpreter services
WY	Laramie	University of Wyoming LITC	833-719-2490 307-766-6114	All languages through interpreter services

Glossary of Acronyms

Acronym	Definition
ACM	Appeals Case Memorandum
AM	Accounts Management
API	Application Programming Interface
BMF	Business Master File
BOD	Business Operating Division
BSM	Business Systems Modernization
CAF	Centralized Authorization File
CARES	Coronavirus Aid, Relief, and Economic Security
CAV	Community Assistance Visit
CDW	Compliance Data Warehouse
CFO	Chief Financial Office
CI	Criminal Investigation
CIS	Correspondence Imaging System
COO	Chief Operating Officer
CRO	Chief Risk Officer
CSR	Customer Service Representative
CTCO	Chief Tax Compliance Officer
CY	Calendar Year
DF	Direct File
DOGE	Department of Government Efficiency
DRP	Deferred Resignation Program
DUT	Document Upload Tool
ECMO	Enterprise Case Management Office
EITC	Earned Income Tax Credit
ERC	Employee Retention Credit
ERS	Error Resolution System
ESL	English as a Second Language
FICA	Federal Insurance Contribution Act
FMSS	Facilities Management and Security Services
FOIA	Freedom of Information Act
FS	Filing Season
FTE	Full-Time Equivalent
FUTA	Federal Unemployment Tax Act
FY	Fiscal Year
HCO	Human Capital Office
HQ	Headquarters

Acronym	Definition
ICCE	Integrated Customer Communications Environment
IDTVA	Identity Theft Victim Assistance
IMF	Individual Master File
IOLA	Individual Online Account
IRC	Internal Revenue Code
IRM	Internal Revenue Manual
IRS	Internal Revenue Service
IT	Information Technology
JOC	Joint Operations Center
LB&I	Large Business and International
LITC	Low Income Taxpayer Clinic
LOS	Level of Service
LTA	Local Taxpayer Advocate
NDS	Notice Delivery System
OCRC	Office of Civil Rights and Compliance
OLS	Online Services
OPR	Office of Professional Responsibility
OTIS	Online Tools and Integrated Services
PGLD	Privacy, Government Liaison and Disclosure
POA	Power of Attorney
PRO	Problem Resolution Officer
RAAS	Research, Applied Analytics, and Statistics
RAD	Research, Analysis and Data
RIVO	Return Integrity Verification Operation
RPO	Return Preparer Office
RRA 98	IRS Restructuring and Reform Act of 1998
RRTA	Railroad Retirement Tax Act
SAMS	Systemic Advocacy Management System
SB/SE	Small Business/Self-Employed
SSA	Social Security Administration
TAC	Taxpayer Assistance Center
TAD	Taxpayer Advocate Directive
TAMRA	Technical and Miscellaneous Revenue Act
TAO	Taxpayer Assistance Order
TAS	Taxpayer Advocate Service or Taxpayer Assistance and Service
TBOR	Taxpayer Bill of Rights

Appendix 4: Glossary of Acronyms

Acronym	Definition
TCE	Tax Counseling for the Elderly
TDRP	Treasury Deferred Resignation Program
TE/GE	Tax-Exempt and Government Entities
TFA	Taxpayer First Act
TIGTA	Treasury Inspector General for Tax Administration
TPP	Taxpayer Protection Program
TS	Taxpayer Services
TSO	Transformation and Strategy Office
TXO	Taxpayer Experience Officer
TY	Tax Year
VDP	Voluntary Disclosure Practice
VERA	Voluntary Early Retirement Authority
VITA	Volunteer Income Tax Assistance
VSD	Virtual Service Delivery
VSIP	Voluntary Separation Incentive Payment
WO	Whistleblower Office



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