Taxpayer Advocacy PANEL

Internal Revenue Service

2007 Annual Report

Mission: The Taxpayer Advocacy Panel listens to taxpayers, identifies taxpayers' issues, and makes recommendations for improving IRS service and customer satisfaction.

Vision: Citizen volunteers valued for improving IRS services.

TAP is a citizen and IRS resource for identifying and addressing taxpayer issues and concerns. TAP does not represent any individual constituency, so it is a valuable source for the IRS to know the "pulse of the public."

Message from the Panel

J.T. Wright, 2007 TAP Chair

July 25, 2008

To: Henry M. Paulson, Jr.,
Secretary of the Treasury

Douglas Shulman
Commissioner of Internal Revenue
Nina E. Olson, National Taxpayer Advocate

CC: U.S. Taxpayers and other Stakeholders,
if requested

Subject: 2007 Annual Report

On behalf of the talented and professional members of the Taxpayer Advocacy Panel (TAP), I am pleased to present the Taxpayer Advocacy Panel's 2007 Annual Report. We thank the Department of the Treasury and Internal Revenue Service (IRS) for giving TAP the opportunity to serve our country by listening to taxpayers, identifying taxpayers' issues, and making recommendations for improving IRS service and customer satisfaction. This report fulfills TAP's responsibility under its charter to provide a written report describing TAP's objectives and a self assessment of TAP's work relative to its objectives each year.

This annual report highlights the professional qualifications of our Panel, outreach activities, most troublesome issues learned from taxpayers and recommendations made to IRS. The report also summarizes IRS cooperation in responding to TAP's recommendations with a status report on the 305 recommendations submitted since TAP was established in 2002.

TAP's citizen volunteers from all 50 states, the District of Columbia and Puerto Rico continue to confirm the vision "CITIZEN VOLUNTEERS VALUED FOR IMPROVING IRS SERVICES." The belief in this vision continues to increase focus in TAP's seven Area and seven Issue Committees to deliver measurable value to U. S. Taxpayers and its partners in IRS, Taxpayer Advocate Service (TAS), Treasury Inspector General for Tax Administration (TIGTA), the IRS Oversight Board and other U.S. government entities affecting IRS services.

This report provides both a summary of TAP's 2007 accomplishments as well as a five-year retrospective on the contributions the Panel has made to improving IRS services and customer satisfaction since its inception in 2002. The report shows the outstanding teamwork established between IRS & TAP, and exciting opportunities for TAP as it continues to earn "favorite consultant" status with its partners.

If you have questions, or comments please contact me at (770) 834-6384, or Email at jtwright2@bellsouth.net, or our 2008 Chairman, Henry Mosler at (941) 360-3666, Email: ahank01@comcast.net.

Respectfully submitted,

J. T. Wright

J. T. Wright, 2007 Chair

Preface

The Taxpayer Advocacy Panel (TAP) was created in 2002, replacing four Citizen Advocacy Panels (CAPs) that represented only ten states. In response to a review of the Internal Revenue Service (IRS) advisory committees, Treasury recommended nationwide expansion of the Citizen Advocacy Panels and the new name. Although TAP is constituted as an independent advisory committee, the Department of the Treasury, IRS, and National Taxpayer Advocate (NTA) oversee TAP, and the Taxpayer Advocate Service (TAS) provides the funds and technical, administrative, and clerical support essential to accomplish TAP's objectives. The original TAP charter has been amended to reflect new realities such as the changing number and size of TAP's committees and extension of members' terms from two to three years. Nevertheless, the basic structure and operating policies remain much the same as originally designed.

This Annual Report is the fifth such report submitted to the United States Secretary of the Treasury, the Commissioner of Internal Revenue, and the National Taxpayer Advocate, as required by TAP's charter. Thus, this report also includes a five-year retrospective on the Panel's accomplishments since it replaced its predecessor, CAP, in 2002.

The report includes a description of the 59 new recommendations TAP prepared for IRS consideration in 2007, Exhibit 1 (http://www.improveirs.org/annualreports/TAP_2007_Annual_Report_Exhibit_1.pdf), a summary of IRS responses received in 2007 regarding TAP recommendations submitted to the IRS in prior years, Exhibit 2 (http://www.improveirs.org/annualreports/TAP_2007_Annual_Report_Exhibit_2.pdf), and a record of all the TAP recommendations forwarded to the IRS since TAP was established in 2002, Exhibit 3 (http://www.improveirs.org/annualreports/TAP_2007_Annual_Report_Exhibit_3.pdf). TAP's fiscal year runs from October 1 to September 30. However, as a practical matter, TAP's operational year runs from Annual Meeting to Annual Meeting and recommendations and activities are now tracked on a calendar year basis.

Special thanks to the following TAP members and staff who helped compile the 2007 Annual Report: Kay Bell, Panel Member, TX; Steve Berkey, TAP Sr. Analyst; Mary Ann Delzer TAP Analyst; Barbara Foley, TAP Analyst; Audrey Jenkins TAP Analyst; Dr. Robert (Bob) Meyers, 2007 TAP Vice Chair, NE; Dr. Maryann Motza, Area 6 Committee Chair; CO; Lyn Sinnamon Area 2 Committee Chair, VA; and James (J.T.) Wright, 2007 TAP Chair, GA. Thanks to others who helped: Sallie Chavez, TAP Analyst, Dave Coffman, TAP Analyst, and Wayne Whitehead, Area 7 Committee Chair, CA.

Thanks also to members of the special committee that was charged with recommending to the Joint Committee a new format, content enhancements,

and a timeline for completing the 2007 TAP Annual Report. During the final 2007 Joint Committee conference call on November 7, 2007, the Committee's recommended format, process, and content improvements were adopted, with some minor modifications. Committee members were: Steve Berkey, TAP Sr. Analyst; Bill Bly, Committee Chair, PA; Bernie Coston, TAP Director; Dorothy Havey, Area 1 Committee Chair, ME; Maryann Motza, Area 6 Committee Chair, CO; Judi Nicholas, TAP Manager; Lyn Sinnamon, Area 2 Committee Chair, VA; and J.T. Wright, 2007 TAP Chair, GA; and Gil Yanuck, NV.

Finally, thanks to the Commissioner's Meeting Preparation Committee members who, during the summer of 2007, designed and developed the framework which eventually resulted in this Annual Report format: Shaun Barry, NY; Paul Brubaker, PA; Patricia Bryant, VA; Benson Chapman, NJ; Marilynn Clapp, ID; Dave Coffman, TAP Analyst; Bernie Coston, TAP Director; Charles Davidson, CA; Howard Guthmann, MN; Robert Haines, NJ; Carolyn Hutchinson, NC; Howard Margulies, MA; Robert Meyers, TAP Vice Chair, NE; Maryann Motza, CO; Judi Nicholas, TAP Manager; Willy Nordwind, AZ; Gil Yanuck, NV, and Bruce Zgoda, NY.

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Executive Summary

For most Americans, the most direct and personal contact they have with their federal government is filing and paying taxes. It also is too often one of the most frustrating experiences those citizens have.

The Taxpayer Advocacy Panel (TAP) was created in 2002 in an effort to reduce such adverse encounters and improve Internal Revenue Service customer services. This report, the fifth anniversary of the Panel in its current form, looks not only at the TAP's achievements in 2007, but also reviews some of the Panel's many accomplishments since its inception.

TAP - Five years of planting ideas and growing!!!

In accordance with its charter, TAP annually provides the Secretary of the Treasury, the Commissioner of Internal Revenue and the National Taxpayer Advocate with a written description of TAP's objectives and a self-assessment of TAP work relative to those objectives. This report assesses TAP's activities and accomplishments relative to:

- Providing citizens the opportunity to participate in the improvement of the United States tax administration system and the organization of the IRS;
- Serving as a conduit for grassroots input to help the IRS improve responsiveness to taxpayer needs;
- Acting as a sounding board for the IRS to help monitor the quality of taxpayer service;
- Being a valuable partner to the IRS; and
- Providing an effective forum for direct citizen input into IRS programs and procedures.

In determining how TAP met those goals in 2007, this report also examines key structural and operational components of the panel.

Who We Are

TAP's members, 100 strong, represent every state, Puerto Rico, and the District of Columbia. Based on size and the number of taxpayers, some states have more representatives.

The diversity of membership is not just geographic. TAP members represent a wide range of professions in both the private and public sectors. They come from both the employee and self-employed ranks. Many are full-time employees; others are retirees.

Some are tax professionals. Others are corporate executives. Many are involved with other tax-related groups such as AARP/Tax Counseling for the Elderly (TCE) and Volunteer Income Tax Assistance (VITA) programs.

All TAP members are appointed by the U.S. Treasury Secretary for three-year terms. And all are indeed committed citizen volunteers valued for improving IRS services.

What We Do and Do Well

The mission of each TAP member is to listen to taxpayers, identify taxpayers' issues, and make recommendations for improving IRS service and customer satisfaction.

Once taxpayer concerns are received, TAP members, with the assistance of TAP staff, determine which areas to pursue with a goal of effecting change within the Internal Revenue Service that will produce a positive result for taxpayers. This process is not taken lightly or entered into arbitrarily. TAP members do not automatically forward issues to the IRS that come to them from taxpayers. Rather, with the assistance of staff, TAP members analyze issues, explore alternatives, discuss options and ultimately recommend cost-effective, viable customer-service oriented solutions that save money and time and address taxpayer problems.

In addition, TAP works directly with IRS Program Owners, i.e., those within the Internal Revenue Service who are responsible for directing particular programs. Areas of focus here include Ad Hoc, Notice Simplification, Taxpayer Assistance Centers (TAC), Small Business/Self-Employed Burden Reduction issues, the Earned Income Tax Credit (EITC), and the Volunteer Income Tax Assistance (VITA) program. Specific TAP committees work closely with these and other Program Owners, providing unique opportunities for members to identify and analyze service-wide issues.

This combination of public outreach and work with IRS Program Owners allows TAP to be a valuable resource for identifying and addressing taxpayer issues and helping the IRS gauge the public pulse with regard to the agency's operations.

How We Do It

The substantive work of TAP is accomplished principally by the Area and Issue Committees, which research issues and formulate recommendations to the IRS about how to improve customer service and satisfaction. The Joint Committee decides whether to elevate Area Committee recommendations, approves TAP policy and procedural changes, and communicates consensus views on behalf of TAP as a whole.

TAP committees are supported by a staff of IRS managers, analysts and secretaries. Although the content of TAP's recommendations and correspondence is determined by TAP members, staff has an opportunity for input, and the actual transmission and delivery of all TAP recommendations and external correspondence is generally handled by staff.

Outreach is Key

The issues that are ultimately elevated to the IRS for consideration and eventual implementation are only as good as the information we get from the taxpaying public. To that end, outreach is a critical part of each TAP member's commitment.

A key method of learning about taxpayers' concerns and tax-related issues is through Town Hall meetings. During March 2007, TAP hosted three Town Hall meetings:

- Brooklyn, New York:
- Omaha, Nebraska: and
- Phoenix, Arizona.

At each Town Hall meeting, the National Taxpayer Advocate, who has oversight responsibility for TAP, was the featured speaker. In each session, a panel of TAP members solicited input from citizens on how they want to interact with the IRS now and in the future.

But because the number of such formal gatherings is limited, the bulk of taxpayer input comes from the personal efforts of TAP's 100 representatives. During 2007, TAP members continued to tell TAP's story to as many people as possible and learn from the public ways to improve IRS services.

In 2007, TAP members participated in almost 100 media opportunities, both broadcast and print outlets. The total audience reached in these instances: more than 6.7 million people.

In addition, TAP members continued to get the word out to the public via myriad face-to-face opportunities. These ranged from structured presentations, such as speeches and presentations, to discussions at smaller personal and professional gatherings to one-on-one sharing of the TAP story and goals.

More importantly, such interaction allowed TAP members to learn the tax concerns of fellow citizens and receive suggestions on how to make the filing process easier and overall tax system more responsive.

Partnering with the Commissioner

In addition to gathering input from the taxpaying public and working with IRS Program Owners, TAP members meet at least annually with the IRS Commissioner to discuss customer service and procedural issues. During 2007, representatives of TAP met with both the IRS Acting Commissioner and the National Taxpayer Advocate.

In addition, TAP members were asked in 2007 to assist IRS and Treasury officials with regard to proposed changes to Treasury Regulation §303.7216 to strengthen the existing regulation through additional requirements for informed consent.

Such meetings and requests from the IRS for TAP input are not unusual. In 2006, the IRS Commissioner asked TAP to provide grassroots feedback on several problems. TAP members researched the concerns and provided analyses and five recommendations for easing taxpayer burden:

1. In addition to proposing changes in the tax regulations that would provide for criminal sanctions when tax preparers disclose taxpayer data, TAP suggests that the IRS pursue with Congress legislative changes that would limit dissemination of personal identifying information, especially in situations where outsourcing is used.
2. All paid tax preparers should be licensed to prepare tax returns based upon their area of expertise along with a background check to protect the taxpayer from identity theft.
3. The IRS should expand the role of the Volunteer Return Preparation Program to provide more efficient and effective service to a larger part of the public.
4. The IRS should abandon all plans to outsource the collection of taxpayer debt and restrict this activity to properly trained and proficient IRS personnel.
5. The current “Free File” tax preparation program should be expanded to include taxpayers with adjusted gross incomes up to $100,000 and provide a direct link to electronically file their return at no charge.

Such interaction underscores the respect and credibility that TAP has attained in such a short time since its inception.

TAP Success Stories

Much of TAP's positive reputation and recognized value can be directly traced to its effectiveness. Thanks to the concerted, continuing and growing outreach efforts in 2007 and throughout TAP's last five years, the Panel has been enormously successful in making citizen concerns known and achieving substantive relief and real IRS improvements.

In this report, TAP has highlighted successes from the past five years which are emblematic of how the Panel has assisted taxpayers and improved the IRS. They include:

- **Obtaining copies of tax returns when using the "Free File" online tax-filing program:** A large number of taxpayers complained that they were unable to print out or download a copy of the return that they filed on line using the IRS "Free File" site. Members of the Free-File alliance must now provide the capability to print out and download copies of returns filed for free for as long as they provide this service to their paying customers.
- **Improving user accessibility of the Earned Income Tax Credit (EITC) website:** The EITC website was not user-friendly and was difficult to navigate. The website has been updated and now is easier to navigate, as well as being more understandable for users who are not familiar with, or comfortable using, computers and online resources.
- **Allowing a longer extension of time to file tax return:** As part of TAP's 2004 grassroots efforts, many taxpayers expressed a desire to streamline the tax-filing extension process. At the time, to request an extension of time to file returns, taxpayers first filed a form to obtain a four-month extension. If additional time was necessary, a second, different form had to be filed by or before the end of the first extension period to obtain another two months to complete the filing. TAP recommended the second form be eliminated and the first one be revised to provide an automatic filing extension of six months. TAP also suggested the same extension of time request for business filers. The IRS agreed, and consolidated six forms into two. The new process was in place by January 2006 for 2005 tax year filings, allowing individual and business taxpayers to deal with simpler forms and do so only once during the extension request process. In addition, the simplification is estimated to save taxpayers and IRS staff more than 9 million man-hours.
- **Small business reporting made easier:** For small businesses that were eligible to file the simplified income reporting form known as Schedule C-EZ, the maximum business expense deduction amount was limited to $2,500. TAP recommended, and the IRS agreed, that the amount

be increased to $5,000. The change enabled approximately 500,000 additional taxpayers to file the simplified income reporting form and reduced the tax preparation burden for taxpayers and IRS staff by more than 5 million hours.

These are just a few of TAP success stories. Based on the foundation laid in prior years and enhanced by 2007's efforts, TAP looks forward to adding to this list.

Five Years and Moving Forward

TAP has made tremendous strides in the five years since its creation in 2002 under the Federal Advisory Committee Act (FACA).

In just five years, TAP's diverse membership -- citizens of many ethnicities from all walks of life representing all areas of the United States -- TAP has forwarded 305 recommendations to the IRS. Many of these proposals have been fully or partially accepted, with others still under consideration.

The Panel has also provided direct input from the taxpayer's perspective to IRS Commissioners on key issues affecting taxpayers, including regulations regarding disclosure and/or use of taxpayer data, licensing of paid tax return preparers, the direction of VITA and TCE programs, outsourcing tax debt collection to Private Collection Agencies, and the availability of the "Free File" program to as many taxpayers as possible.

This 2007 Annual Report provides more on these efforts, as well as other TAP highlights, and provides an admirable basis from which to proceed.

Who We Are

- Taxpayer Advocacy Panel (TAP) members represent diverse experience, training, background, and interests.
- Each member devotes 300 to 500 hours of time every year to help improve IRS services and customer satisfaction by volunteering with TAP.
- TAP members are full-time employees working for both the public and private sectors, retirees, volunteers Vice-Chair, Dr. Robert Meyers (NE) with other organizations, including AARP/TCE and VITA, immigrants who want to help their new nation, fathers, mothers, grandparents, and, generally, citizens who care about the United States and want to help make it a better place to live and work.

Vice-Chair, Dr. Robert Meyers (NE)

Why I wanted to be a TAP member:
"I want to help the Senior Citizens with those parts of the tax code that hurts them."
Lynwood Sinnamon, VA.

TAP Members:

- **Have diverse educational backgrounds, such as:**

  - Civil, Mechanical, & Electrical Engineering:
  - Public Administration;
  - Accounting;
  - Business Management;
  - Education;
  - Mathematics; and
  - Bachelors, Masters, Doctorate, and Juris Doctor Degrees.

Tap Member Kay Bell (TX)

Why I wanted to be a TAP member:
"As a writer covering tax issues, I constantly hear complaints from readers about IRS operations. Through TAP, I'm looking forward to taking that grumbling and helping to translate it into positive action.

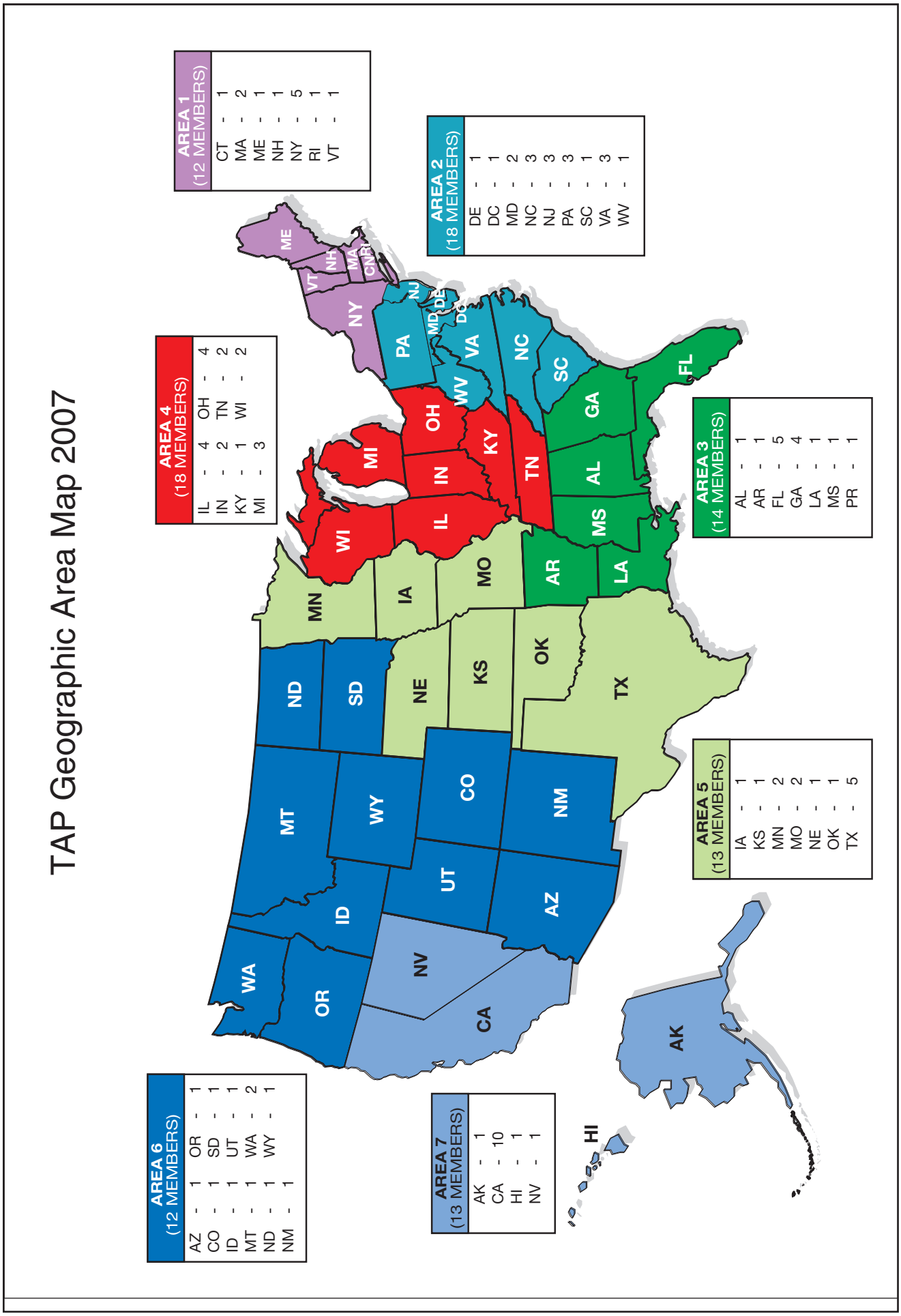
Kay Bell, TX

• Have varied work and professional experience:

- Tax partner with KPMG for over 30 years who worked mainly with family-owned businesses and individual taxpayers.
- More than 35 years of experience in commercial broadcasting (radio and television) as an Announcer, Salesman, General Manager, and President.
- Former IRS employee with 29 years of experience who now works for the Idaho Department of Commerce and Labor.
- 40 years of experience as a classroom teacher, building administrator, superintendent of schools, and currently serving as an Adjunct college professor teaching educational leadership.
- Former executive with Reynolds Metal Corporation (responsible for sales and operations for North America) and with J & A Steel Company.
- County government project manager in Washington State.
- More than 35 years of experience in local and national client relationship management (sales, marketing, marketing research, and high tech recruiting).
- Current Associate Director of Financial Aid at Northeastern Illinois University.
- Former President and Chief Executive Officer of MAG Aerospace Industries, Inc.
- Current State Social Security Administrator for Colorado with 33 years of experience working for State government.
- And many more, including cost accountants, attorneys, educators, professors, writers, editors, consultants, administrative support staff, fire fighters, route salesmen for Sara Lee Baking Company, medical consultants, grant writers, software engineers, chemical engineers,.... **In other words, TAP members come from all walks of life.**

- **And TAP members represent all 50 states, Puerto Rico, and the District of Columbia. A listing of 2007 TAP members can be found in Appendix A.**

TAP Geographic Area Map 2007



History of TAP

Throughout history, the tax collector has had the dubious honor of holding one of the most reviled, yet vital, jobs. It is no different today for the U.S. Internal Revenue Service (IRS). No one likes to pay taxes, but funds are needed to pay for necessary government services in a civilized society.

James Madison, Principal Author of the U.S. Constitution and Fourth President of the U.S.

As James Madison said," [i]f men were angels, no government would be necessary." And, if everyone was honest and paid the appropriate taxes without the threat of a tax collector, the IRS would not be necessary. Thus, the IRS provides a necessary service to ensure everyone pays his/her fair share of taxes, according to the requirements spelled out by Congress in the U.S. Internal Revenue Code (IRC). The manner in which the IRS performs that function, however, is equally important.

Fortunately, an organization exists to help make the process and procedures used by the IRS less onerous and difficult to understand. That organization is the Taxpayer Advocacy Panel (TAP).

The TAP charter requires that TAP annually provide the Secretary of the Treasury, the Commissioner of Internal Revenue, and the National Taxpayer Advocate with a written description of TAP's objectives and a self-assessment of TAP work relative to its objectives.

TAP and its predecessor, the Citizen Advocacy Panel (CAP), were established in accordance with the provisions of the Federal Advisory Committee Act (FACA). In June 1998, CAP was established to identify IRS program and service issues that required improvement. CAP comprised four separate panels that represented their geographic areas, which encompassed ten states. In December 2001, the Department of the Treasury completed a favorable review of CAP and recommended nationwide expansion of CAP to be renamed the Taxpayer Advocacy Panel. TAP was established in October 2002, and now includes at least one representative from all 50 states, the District of Columbia, and Puerto Rico. Some states, based on size and the number of taxpayers, have more representatives. The Secretary of Treasury appoints all TAP members for three-year terms.

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What We Do

TAP's Mission is to "listen to taxpayers, identify taxpayers' issues, and make recommendations for improving IRS service and customer satisfaction." TAP provides a(n):

- Unique opportunity for citizens to participate in the improvement of both the United States tax administration system and the organization of the IRS;
- Conduit for the IRS to help improve responsiveness to taxpayer needs;
- Sounding board for the IRS to help monitor the quality of taxpayer service;
- Valuable partner to the IRS; and ……
- Effective forum for direct citizen input into IRS programs and procedures.

TAP member Wayne Whitehead (CA) reaching out to the public at the Anaheim Hills 4th of July Parade

To accomplish its mission, TAP has the following major objectives:

- Obtain issues from taxpayers ("grassroots" issues);
- Review and discuss issues and propose solutions, if necessary and appropriate;
- Work on issues identified by IRS Program Owners, develop and recommend proposed solutions; and
- Conduct "outreach" sessions with taxpayers to identify their issues and concerns.

Ken Wright, Missouri

Why I wanted to be a TAP member:
"I've worked with taxpayers, practitioners, and the IRS for many years. I see TAP as an opportunity to help in some small way to improve how they work with each other."
Ken Wright, MO

TAP's approximately 100 demographically and professionally diverse volunteer members are organized into multiple committees. Each member serves on an area committee that is geographically based. Area committees are charged to be listening posts bringing grassroots issues to IRS decision makers. Members also serve on an issue committee that responds to priorities identified by the IRS.

Approximately one-third of TAP members' terms expire each year, so new members are always needed. The annual recruitment period occurs early each calendar year. Further information is available on the recruitment process at: www.improveirs.org.

TAP acts as a two-way conduit, with complementary "bottom-up" and "top-down" approaches to identifying issues. TAP gets issues from two major sources:

1. "Grassroots" issues that are brought to TAP's attention by individual taxpayers and tax professionals through outreach efforts and meetings such as Town Halls and by telephone calls to the TAP toll-free number, 1-888-912-1227 or comments submitted on the TAP web site, www.improveirs.org. TAP welcomes any and all suggestions for how to improve IRS customer service. All issues received from taxpayers are reviewed by TAP members in their Area committees.
2. TAP staff and Area members research the problem or issue and members develop recommended changes or solutions to the problem. The proposed recommendation goes to the TAP "Joint Committee", which provides the leadership for TAP. After Joint Committee consideration, if the proposed solution seems appropriate, the recommendation for improvement is forwarded to the proper IRS

Program Owner. Since TAP was formed in 2002, it has received 1272 issues raised by taxpayers. TAP members have elevated 305 issues, with specific recommendations for improvements, to the IRS or to the National Taxpayer Advocate. Through 2007, 112 of those recommendations have been adopted in whole or in part by the IRS.

3. Issues presented to TAP by IRS Program Owners. In addition to serving on an Area Committee, where grassroots issues are considered, each TAP member also serves on an Issue Committee. Issue committees provide direct taxpayer input on IRS strategic initiatives and administrative and procedural issues for the Wage and Investment and Small Business/Self-Employed operating divisions and Taxpayer Advocate Service. Issue Committees work directly with IRS Program Owners, offering advice and assistance on how they can improve their forms, processes, and services. The 2007 Issue Committees that work directly with the IRS include the Ad Hoc Committee, Notice Simplification Committee, Taxpayer Assistance Centers (TAC) Committee, Small Business/Self-Employed Burden Reduction Committee, Earned Income Tax Credit (EITC) Committee and Volunteer Income Tax Assistance (VITA) Committee. By being closely linked to those responsible for directing particular programs (called "program owners"), TAP Area and Issue committees provide unique opportunities for members to identify and analyze service-wide issues.

"I found that the time that I spent with TAP was repaid three fold by what I gained from the experience. I gained a new appreciation for what the public tolerates in dealing with IRS. I learned new methods of team building from the panel members. Finally, one cannot be but absolutely impressed with the determination, abilities, and social responsibility exhibited by the volunteer panel members."

Tom Sherwood,
Local Taxpayer Advocate for
Colorado and Former DFO, Area 6

What We Do Well

Listen to taxpayers

Why I wanted to be a TAP member:

"To help the average taxpayer, who can become totally overwhelmed by the IRS' paperwork and bureaucracy."

Anne Khan, Chicago, IL

TAP Member, Anne Khan, IL

Wayne Whitehead, 2007 Area 7 Chair, explains the TAP mission to a participant at the Anaheim, CA, 2007 Tax Forum.

Outreach: How TAP Listens To Taxpayers

Doctors and nurses. Downtown bus commuters. Neighbors at a holiday brunch. The person behind you in the movie theater line. The service technician who comes to your house to repair an appliance.

Seems like a pretty disparate group, doesn't it? But they all have a couple of things in common.

They are taxpayers. And they all heard about the Taxpayer Advocacy Panel in 2007.

During 2007, TAP members continued their concerted effort to tell TAP's story to as many people as possible. Just as importantly, we used those occasions to find out from fellow taxpayers ways to improve the Internal Revenue Service.

TAP Member Ferd Schneider (OH) giving a presentation at Xavier University.

And TAP's community outreach efforts continued to be impressive. Last year, in myriad ways, literally millions of U.S. taxpayers learned about TAP.

TAP's largest audiences came from formal media opportunities. Press releases about TAP appointments showed up in daily newspapers and community weeklies alike. Members were interviewed by those print publications, and received attention in alumni magazines and professional association newsletters.

When it came to broadcast opportunities, TAP members made good use of the media training provided during TAP's annual meetings. TAP members managed to literally get the word out via radio station interviews, both at the local and national levels. And the smiling faces of TAP members graced television screens across the country, telling viewers about TAP's goals and asking for help in achieving them.

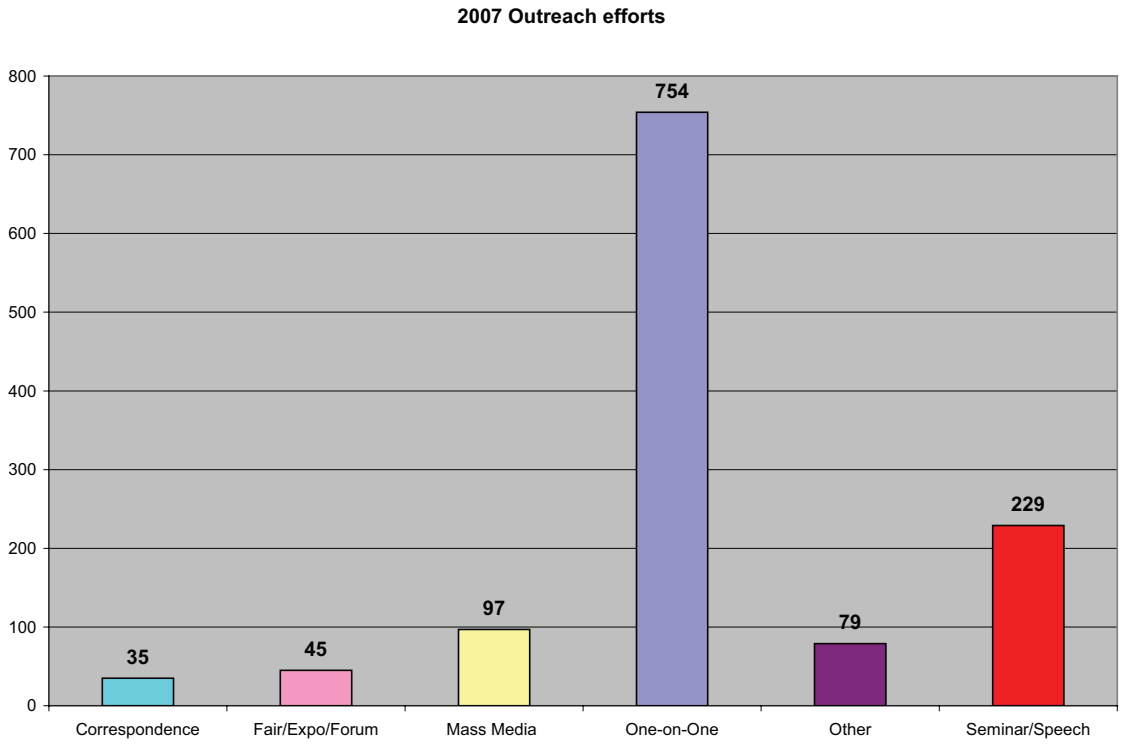


Figure 1. Summary of Outreach Efforts by TAP Members During Calendar Year 2007, by Type of Outreach Activity.

Figure 1 is a bar chart showing the number of outreach events in which TAP members participated during 2007, by category of event. The chart indicates that one-on-one contacts were the most common, totaling 754, followed by seminars/speeches (229), mass media (97), other (79), fair/expo/forum (45), and correspondence (35).

The numbers are imposing. In 2007, TAP members participated in almost 100 media opportunities. Broadcast and print outlets conducted 41 separate interviews of members and 56 articles on TAP appeared in various publications.

Even more impressive is the total audience reached in these instances: more than 6.7 million people.

Such widespread outreach is critical in getting the TAP word out to as many individuals as possible. But TAP members make sure they don't forget that the individual touch often is more powerful, especially when someone is hearing about TAP for the very first time.

In such cases, a face-to-face conversation allows the TAP member to answer questions about the Panel immediately. More importantly, it allows the TAP member to learn what tax concerns that individual has and receive suggestions on how to make the filing process easier.

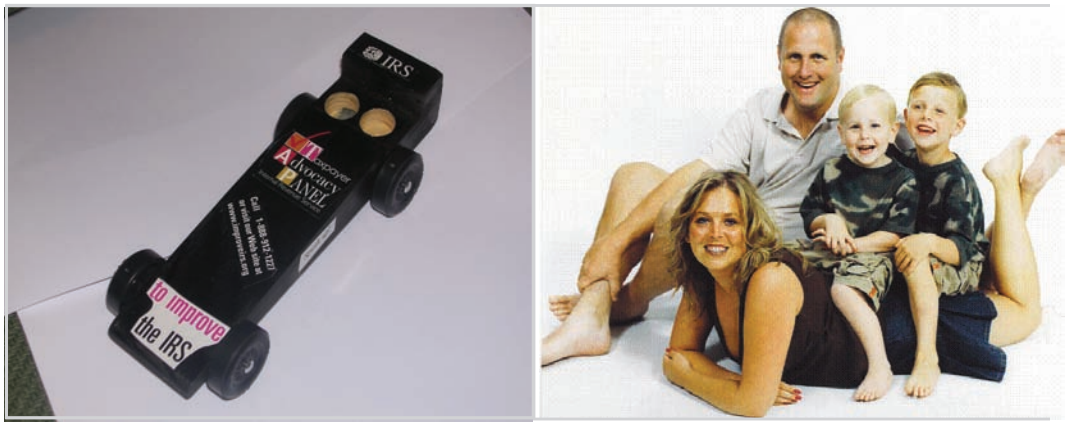
Take, for example, this encounter TAP member Edward Uhrig of Lusk, WY, had with a local computer repairman. “He asked about the TAP program that he read about in our local newspaper,” said Uhrig. An eight-minute discussion of TAP ensued, during which the computer technician expressed interest in applying for a TAP volunteer position. “The repairman concluded that maybe he would like the position in two years,” said Uhrig. “He will complete an application as my term ends.”

In less than 10 minutes, a TAP member not only conveyed TAP’s message, but recruited a potential new member.

And that was just one of over one thousand face-to-face TAP encounters reported last year by members. They ranged from discussions like Uhrig’s to conversations with coworkers, to handing out TAP literature, to formal speeches before local and state civic groups and professional organizations.

TAP member, Patricia Bryant (TN), left, and Elizabeth Warnecki (SC), right.

Creativity in outreach is also a hallmark of TAP members. For example, Oregon TAP member, Milissa Bensen, and her children entered a “TAP” car in the Pinewood Derby. The car shown below was made for the local Cub Scout Troop’s Pinewood Derby in April 2007. Milissa’s youngest son decorated his car with TAP logos. He took second place and got a small trophy and a participation ribbon. And, TAP became known to everyone who participated in the Derby!



Left, car entered in the Pinewood Derby by TAP member Milissa Bensen (Oregon), pictured at right with her family

While these individual outreach efforts do not have the statistical impact of larger-scale media interviews, they have something more critical: the human touch. In each case, individuals met a TAP member -- their TAP member -- a real person who, like themselves, is a taxpayer who struggles with the tax-filing process.

Such give-and-take is crucial to the success of TAP. While getting the word out, and out to as many people as possible, is important, it is even more critical to get word back from the public. Two such avenues to get public feedback are through annual Town Hall meetings and participation in Tax Forums.

Town Hall Meetings

One of the principal means used by TAP for learning about issues and concerns of taxpayers is through Town Hall meetings. During March 2007, TAP hosted three Town Hall meetings (in Brooklyn, New York; Omaha, Nebraska; and Phoenix, Arizona) at which the National Taxpayer Advocate, who has oversight responsibility for TAP, was the featured speaker. In each session, a panel of TAP members solicited input from citizens on how they want to interact with the IRS now and in the future. TAP and TAS conducted a similar round of town halls in seven locations in 2006, which produced an informative and useful exchange of ideas. The Taxpayer Advocacy Panel (TAP) and the Taxpayer Advocate Service (TAS) partnered to conduct three more in their series of nationwide town hall meetings. The purpose of the TAP/TAS town hall meetings is to elicit feedback from taxpayers about their experience with IRS customer service, and to gather timely suggestions on ways to improve customer service and IRS products.

The three meetings conducted during 2007 were held in Brooklyn, NY, at the Borough President's Hall on March 6th; in Omaha, Nebraska, at the University of Nebraska, Omaha Alumni Center on March 22nd; and in Phoenix, Arizona, at the Arizona State University campus on March 29th. National Taxpayer Advocate, Nina Olson, (standing, center, in the picture below) fields questions from the audience during the 2007 Town Hall meeting in Omaha, Nebraska. Ms. Olson acted as the keynote speaker at all the meetings, and led an open dialogue with all taxpayers in attendance. The meetings also featured a panel of local TAP members, who acted as hosts and gave presentations on TAP and its mission. TAP members conducted focus groups with some participants after each Town Hall, during which they identified new issues for consideration by TAP committees.

TAP Vice Chair Dr. Robert Meyers (standing at the podium), makes opening remarks during the Omaha Town Hall meeting on March 22, 2007.

Approximately 130 taxpayers attended the three meetings. The attendees raised a wide variety of customer service issues, and all were documented by TAP staff for review and possible future action.

TAP and the National Taxpayer Advocate have co-sponsored a total of ten town hall meetings to date. The meetings have been very successful in gaining valuable grassroots feedback from taxpayers on IRS customer service, and the

meetings have also been successful in raising public awareness of both TAS and TAP in and around the locales where the meetings took place.

Citizens, TAP members, and TAP staff participate in the Omaha focus group, following the March 22nd Town Hall meeting.

Tax Forums

The 2007 IRS Nationwide Tax Forums were held in six cities across the nation during July, August and September. The Tax Forums offer three full days of seminars with the latest word from the IRS leadership and experts in the fields of tax law, compliance and ethics. Attendees can earn up to 18 continuing professional education (CPE) credits, learn about the latest IRS e-Services products and schedule a visit to the Practitioner Case Resolution Room. The forums

Area 6 members and TAP staff participated in the Las Vegas Tax Forum during August 2007. Pictured, left to right: TAP members Laura Criel (NM), Milissa Bensen (OR), and George Bates (MT), and TAP Analyst Dave Coffman and TAP Manager Judi Nicholas.

also featured a two-day expo with representatives from the IRS, business, finance, and tax software companies offering their products, services and expertise. TAP members attend the IRS' Nationwide Tax Forums as part of TAP's outreach efforts. During 2007, TAP members also conducted a focus group with several of the forum attendees.

Area 7 members and TAP staff participated in the Anaheim Tax Forum during September 2007. Pictured, standing, left to right, are TAP members Charles Davidson, Wayne Whitehead, and Margaret Ferguson (all from California), and TAP Analyst, Janice Spinks, from the Seattle, WA, office.

TAP can make a difference only when we hear from and listen to the public, and the face-to-face, one-on-one contacts are vital to that process.

That personal commitment was evident in 2007, providing a solid foundation from which to grow community interaction and exchanges in coming years.

But, listening to taxpayers isn't the only thing TAP does well. . . TAP also:

- Analyzes issues
- Explores alternatives
- Discusses options
- Recommends cost-effective, viable customer-service oriented solutions that save money and time and address taxpayer and IRS Program Managers' problems.

Since TAP began in late 2002, its members have received 119 issue referrals from IRS Program Owners and another 1272 "grassroots" issues from taxpayers. TAP members do not automatically forward issues to the IRS that come to them from taxpayers. Instead, they thoroughly research the issue, or in some cases, the underlying issue that is causing the problem identified by the taxpayer. In some cases, they find that the issue is not within TAP's jurisdiction, i.e., is legislative in nature, is not really a significant or systemic problem, or does not have a viable, cost-effective solution. In those cases, TAP does not elevate the issues to the IRS for consideration. TAP only sends recommendations to the IRS after research, analysis and development of solutions to issues TAP considers significant. The overall results of the IRS' response to TAP members' work on both Program Owners' initiated and grassroots issues, are illustrated in the following charts.

The following series of charts and tables highlight TAP's accomplishments during 2007, based on the IRS' receptiveness to Area and Issue Committee recommendations. A detailed table showing TAP's recommendations to the IRS in 2007, Exhibit 1, is available on-line at: http://www.improveirs.org/annualreports/TAP_2007_Annual_Report_Exhibit_1.pdf.

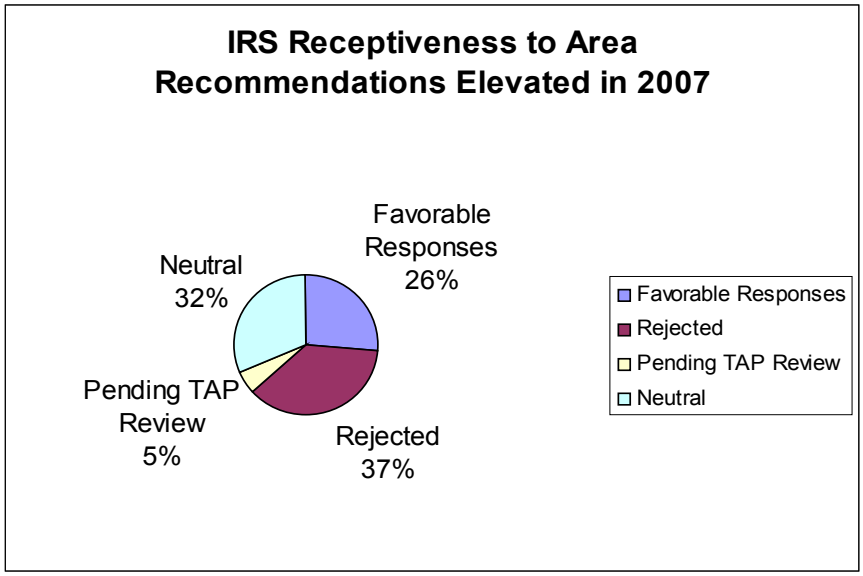


Figure 2. Summary of IRS Responses to TAP Recommendations by Area Committees, Calendar Year 2007.

Figure 2 is a pie chart showing the IRS' receptiveness to Area Committee recommendations elevated by the Panel during calendar year 2007. The chart shows that of all recommendations forwarded to the IRS during 2007, the IRS responded favorably to 26 percent, neutrally to 32 percent, and rejected 37 percent. The remaining five (5) percent are still pending review by TAP to determine if the originating Area Committee wants to provide additional information to the IRS and request further follow-up.

The detailed statistical breakdown for the Area recommendations during 2007 follows:

Summary of IRS Responses to TAP Recommendations by Area Committees, Calendar Year 2007

Status Summary	Number of IRS Responses to TAP Recommendations	Percent Distribution
Favorable Responses	5	26.3%
Rejected	7	36.8%
Pending TAP Review	1	5.3%
Neutral	6	31.6%
GRAND TOTAL	**19**	**100.0%**

Table 1. Summary of IRS Responses to TAP Recommendations by Area Committees, Calendar Year 2007, by Summary Status Category, Number of Recommendations, and Percent Distribution.

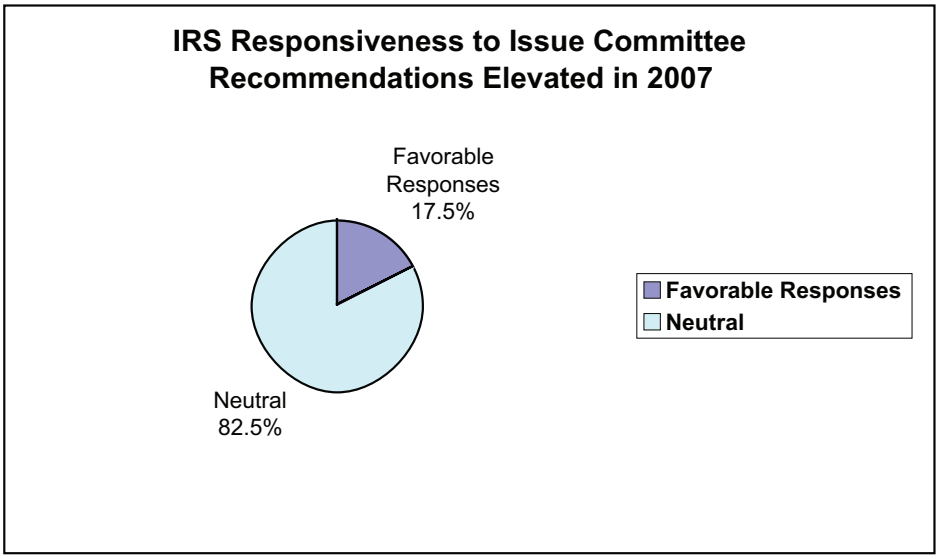


Figure 3. Summary of IRS Responses to TAP Recommendations by Issue Committees, calendar year 2007.

Figure 3 is a pie chart showing the IRS' receptiveness to Issue Committee recommendations elevated by the Panel during calendar year 2007. The chart shows the majority of responses from the IRS to TAP recommendations were neutral, 82.5 percent, with 17.5 percent being favorable. The high incidence of neutral ratings is based on the process the IRS utilizes in soliciting input from TAP Issue Committees. The IRS often utilizes input from numerous stakeholders like TAP, and a formal response from IRS to TAP is usually not expected. In situations like this, the IRS gathers TAP's input for consideration on the issue and no further dialogue occurs. The neutral classification is used by TAP as a way to identify TAP's participation and input on an IRS issue. In this situation, TAP defines the event as a neutral occurrence. As a result of this status, Issue Committee recommendations have a significantly high neutral response rate.

The detailed statistical breakdown for this data follows:

IRS Responses to TAP Recommendations by Issue Committees, Calendar Year 2007

Status Summary	Number of IRS Responses to TAP Recommendations	Percent Distribution
Favorable Responses	7	17.5%
Neutral	33	82.5%
GRAND TOTAL	40	100.0%

Table 2 IRS Responses to TAP Recommendations by Issue Committees, Calendar Year 2007, by Summary Status Category, Number of Recommendations, and Percent Distribution.

Table 2 lists the status summary categories, with the number of TAP recommendations, and percent distribution of each category: Favorable Responses (7, 17.5 percent), and Neutral (33, 82.5 percent), for a Grand Total of 40 responses to Issue Committee recommendations.

The combined data, for both Area and Issue Committees, during 2007, are shown in the following graph and table.

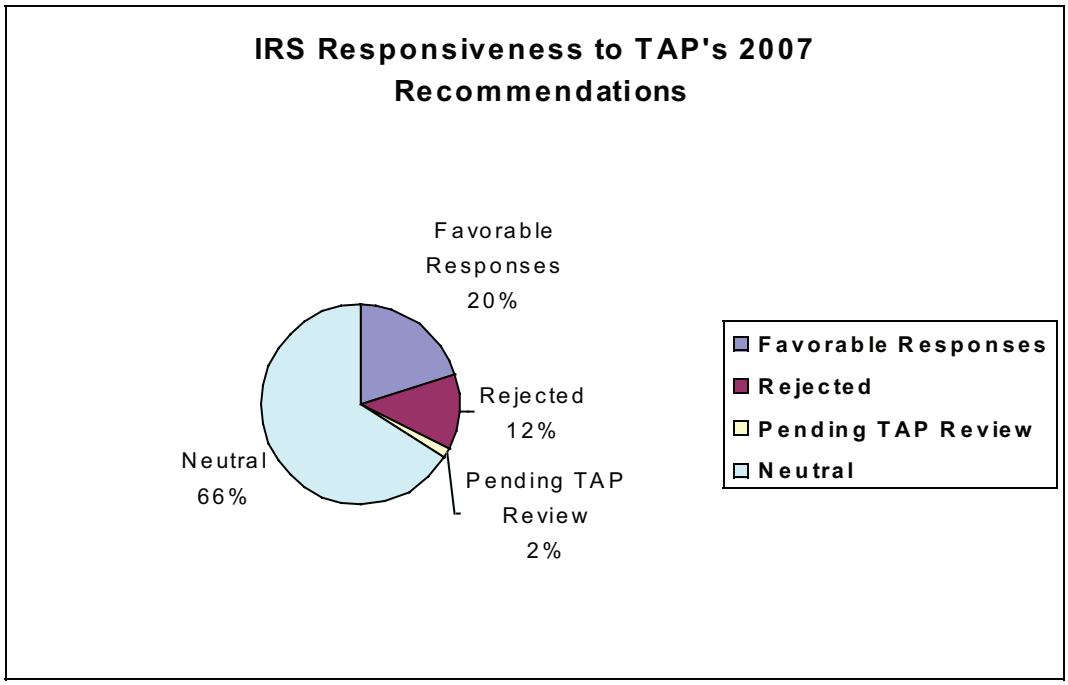


Figure 4. Summary of All IRS Responses to TAP Recommendations by Area and Issue Committees, Calendar Year 2007.

Figure 4 is a pie chart showing the IRS' receptiveness to all 59 Area and Issue Committee recommendations that were elevated by the Panel during 2007. The chart shows that 20 percent of all recommendations received a favorable response from the IRS with another 66 percent being considered as neutral. Only 12 percent were rejected by the IRS. The remaining two percent are still pending review by TAP to determine if the originating Area Committee wants to provide additional information to the IRS and request further follow-up.

The statistical breakdown for the IRS' responsiveness to both Area and Issue Committee recommendations is shown below. The table includes details on how TAP tracks IRS responses.

IRS Responses to TAP Recommendations by Area and Issue Committees, Calendar Year 2007		
Status Summary	**Number of IRS Responses to TAP Recommendations**	**Percent Distribution**
Favorable Responses	12	20.3%
Rejected	7	11.9%
Pending TAP Review	1	1.7%
Neutral	39	66.1%
GRAND TOTAL	59	100.0%

Table 3. Cumulative Summary of All IRS Responses to TAP Recommendations by Area and Issue Committees, Calendar Year 2007, by Status Category and Number of Recommendations.

Table 3 lists the status summary, with the number of TAP recommendations that fall into each category: Favorable Responses (12, 20.3%), Rejected (7, 11.9%), Pending TAP Review (1, 1.7%), Neutral (39, 66.1%), for a Grand Total of 59 (100%).

While quantitative data on IRS' responsiveness to TAP recommendations are valuable, some qualitative information on specific recommendations by TAP can be illustrative as well, as the following success stories demonstrate.

SUCCESS STORIES 2007

During 2007, TAP continued to receive favorable responses from the IRS. Here are some examples of favorable responses received during the year:

- (04-021) Tax Treatment of Health Benefits Education. TAP proposed that the IRS partner with educational and professional organizations to provide clear, accurate, and balanced explanations of the tax treatment of health benefits to provide technical advice and encouragement to small businesses considering providing health benefits to employees, and specifically recommended that the IRS:

  1) Combine in a new publication explanations about all the tax provisions governing payments for medical expenses to provide information comparable to that provided in various IRS publications about retirement plans for small business.

  2) Add to the small business web site information about providing health benefits comparable to the information provided about retirement plans.

  3) Expand the explanation of the tax treatment of health benefits and provide a cross-reference to the new publication explaining health benefits in existing publications directed at employers and small businesses.

  TAP noted that since these recommendations were originally submitted, Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans, which formerly covered only Medical Savings accounts, has been expanded to include information also on Health Savings accounts, flexible spending arrangements, and health reimbursement accounts. Nevertheless, TAP advocated further expansion of the publication.

- (04-050) Simplify Form 1041 Instructions. Include a section at the beginning of the instructions for the List of Important Documents. This list should include typical documents the taxpayer will need to complete Form 1041. This should include forms, such as K-1; publications, such as 559, and documentation, such as beneficiary information.

  Segment the instruction book by the type of entity. Since the form is used for significantly different entities, the instructions and examples specific to an entity should be grouped together. There should be a section on a decedent's estate, a section on a simple trust, complex trust, small business trust, grantor trust, and qualified disability trust.

- (04-053) Outsourcing of Tax Return Preparation. TAP recommended that IRS rulings and/or regulations under Code sections 6713 and 7216 clarify that providing return information to a third-party preparer outside the United States without the client taxpayer's knowledge and consent constitutes unauthorized disclosure of return information and that client

consent is valid only if the preparer prominently, fully, and clearly discloses if all or a significant portion of the preparation or processing of a return will be or could be outsourced to a location outside the United States. The name of the country or countries to which the tax return preparation and/or processing is being or could be outsourced should be disclosed, and such disclosure should be prominently displayed and not "buried" in an engagement letter or some other document.

- (05-014) Form 1065 Schedule D change. TAP recommended that two additional lines be added to record both short term and long term transactions so that partnerships with more than four (4) transactions in either category will not be required to attach an additional supplemental sheet to complete the return.
- (05-017) Form W-4 Changes/Multi-Job Households. Delete the current IRS warning titled "Form W-4 Warning: Two earners/Two Jobs" because it is inaccurate in many situations and substitute more accurate language.

  Revise the last sentence under the heading "Purpose" on Form to a statement suggesting that because the taxpayer tax situation may change, they may want to refigure their withholding during the year.
- (05-028) Correcting EFTPS Erroneous Payments. TAP recommended that IRS add instructions to EFTPS brochures outlining remedies for taxpayers who make erroneous EFTPS payments within 48 hours of the due date.
- (05-034) TAS Toll-Free Number More Responsive. TAP recommended that the TAS toll-free number greeting should provide more detailed menu options, including, in appropriate cases, the option to speak directly with an IRS representative.
- (206-031) Household Employees, Clarity of Instructions. Internal Revenue Service (IRS) instructions should inform taxpayers they need not file employment tax forms if they no longer have household employees and clarify the use of the terms "Household" and "Business" used in the forms, instructions and publications.
- (406-035) Form 4506, Request Copy of Tax Return. Taxpayers have expressed concern about third party use of copies of their tax returns and transcripts requested by filing Forms 4506, Request for Copy of Tax Return and 4506-T, Request for Transcript of Tax Return. It is recommended that the IRS use bold type to highlight both the cautionary statement in Line 5 and the separate caution statement immediately above Line 6 on Form 4506 and 4506-T to make clear that a signature gives the third party listed (e.g. a mortgage company) the right to receive all pertinent data on the specified tax return(s).

And, one final, but very important thing that TAP does well . . .

Collaborate with the IRS

"I'd like to congratulate the TAP for helping The IRS see from the taxpayer's point-of-view. Especially the Notice Issue Committee who has not only helped provide the taxpayer's perspective, but has also helped us prioritize notices that need to be "overhauled", and provided recommendations for improving notices being tested."

Ann Gelineau -Chief, Notice Improvement

Members of the TAP Notices Issue Committee with Wage and Investments Notice Improvement staff. From Left to right, Sallie Chavez, David Jones, Sidney Gardner, Max Scott, Jim Cesarano, J. T. Wright, Warren Wong, Lee Stieger, David Meister, Nancy Ferree and Lee Congdon.

Notices Committee Receives Special Recognition from the IRS

The Notices Committee continued to receive recognition from IRS officials for its work during 2007. Denise S. Fayne, Director, Media and Publications for the Wage and Investment Division of the IRS, in a letter dated February 14, 2008 (see Appendix B), acknowledged the work that TAP's Notices Issue Committee did in association with the IRS Notice Improvement Office.

Taxpayer Assistance Center (TAC) Surveys Well Received by IRS

During 2007, 28 TAP members administered Customer Surveys at IRS Taxpayer Assistance Center (TAC) offices throughout the country. The TAC Issue Committee, within TAP, was formed in January 2006 at the TAP Annual meeting in Washington, D.C. Then IRS Field Assistance Director, Ms. Estelle Tunley, tasked TAP with assessing TAC customer service from "both sides of the counter", using the perspective of the TAC customer and TAC employee.

TAC Committee members (Jerry Fireman, Chair; Bruce Zgoda, Vice Chair; Robert B. Haines (NJ); William Matheny (MS); Jerry Melchior (IN); Wayne Whitehead (CA), and Doug Wilhelm (CA), identified the need for two surveys: one each for TAC customers and TAC employees. TAC Committee members evaluated any correlation between the perceptions of services received by customers and of service delivery by TAC staff. The Committee provided an analysis of the survey results and formulated a number of recommendations that were provided to the IRS Program Manager and current Field Assistance Director, Ms. Beth Tucker.

The work of the TAC Committee was well received by IRS officials, including then Acting IRS Commissioner Kevin Brown who, in August 2007, indicated the surveys will help the IRS make better business decisions about the TACs, and National Taxpayer Advocate Nina Olson who complimented the TAC Committee's work in her 2007 Annual Report to Congress. For 2008, Field Assistance Director Tucker asked the TAC Issue Committee for additional assistance in improving the process by which each TAC prepares tax returns. This will include recommendations to improve the appointment process.

Commissioner Meetings

Members of TAP meet at least annually with the IRS Commissioner to discuss customer service and procedural issues. During 2007, representatives of TAP met with both Acting Commissioner Kevin Brown and National Taxpayer Advocate Nina Olson.

TAP Leaders met with Acting IRS Commissioner Kevin Brown at IRS Headquarters in Washington, DC on August 16th. TAP was represented by TAP Chair J. T. Wright, TAP Vice Chair Bob Meyers, Ad Hoc Chair Merijane (MJ) Lee, Area 3 Chair Henry Mosler, and Area 6 Chair Maryann Motza. National Taxpayer Advocate Nina Olson and TAP Director Bernie Coston were also in attendance. Following the meeting with the IRS Commissioner a smaller contingent of TAP representatives met separately with W & I Commissioner Richard Morgante.

Overall the meetings were very productive. This year, it was evident that Acting IRS Commissioner Brown and W & I Commissioner Morgante clearly knew about TAP and appreciated its contributions to helping improve the IRS.

Left to right: NTA Nina Olson, TAP Chair J.T. Wright, Acting IRS Commissioner Kevin Brown, Ad Hoc Chair MJ Lee, TAP Vice-Chair Robert Meyers, Area 6 Chair Maryann Motza, Area 3 Chair Hank Mosler. Not pictured (photographer), Bernie Coston, TAP Director.

Thanks to the TAP leadership team members listed above as well as the members of the Commissioner Meeting Preparation Subcommittee[1] and TAP Analyst Dave Coffman for their contributions in developing the agenda and materials for the meetings.

A related success that occurred during 2007 was associated with TAP members being asked to assist IRS and Treasury officials to revise changes to Treasury Regulations associated with proposed changes to Treasury Regulation §303.7216 to strengthen the existing regulation through additional requirements for informed consent. In follow-up to a request for grassroots insights into the issue by then-IRS Commissioner Mark Everson, in August 2006, TAP had expressed general support for the proposed revisions to the regulations. TAP had further noted, however, that the revisions themselves are insufficient to address the additional taxpayer concern related to outsourcing and electronic processing of returns, which involve loss of control over taxpayer data when foreign entities are used. Outsourcing also increases the potential for identity theft and gross abuse of taxpayer data without adequate safeguards.

During 2006, Areas 2 and 6 had jointly worked on the special request by IRS Commissioner Everson which involved making recommendations to him about the proposed changes to Treasury Regulation Section 303.7216. Subsequent to the submission to the Commissioner, in 2007, several TAP members, Robert Meyers (NE), Maryann Motza (CO), and Willy Nordwind (AZ), were asked to work with Treasury officials on revising the proposed regulations. The results of those efforts were officially released in January 2008, when the Treasury Department and IRS announced final regulations and a related revenue procedure giving taxpayers greater protection and control over their tax return information held by tax return preparers.

TAP Meeting with IRS Commissioner Mark Everson, 2006. Pictured, left to right: TAP Director Bernie Coston; TAP members: Paul Brubaker (PA), Paul Duquette (WI), Dorothy Havey (ME), Larry Combs (CA, 2006 TAP Chair); Commissioner Everson; TAP Members: Beadsie Woo (NC), and Sonny Kasturi (NJ).

1 Committee Members: Shaun Barry, NY; Paul Brubaker, PA; Patricia Bryant, VA; Benson Chapman, NJ; Marilynn Clapp, ID; Dave Coffman, TAP Analyst; Bernie Coston, TAP Director; Charles Davidson, CA; Howard Guthmann, MN; Robert Haines, NJ; Carolyn Hutchinson, NC; Howard Margulies, MA; Robert Meyers, TAP Vice Chair, NE; Maryann Motza, CO; Judi Nicholas, TAP Manager; Willy Nordwind, AZ; Gil Yanuck, NV, and Bruce Zgoda, NY.

During a 2006 meeting, Commissioner Mark Everson asked TAP to provide grassroots feedback to him about several key IRS issues. TAP members researched the concerns and provided analyses and recommendations to the Commissioner. The Taxpayer Advocacy Panel provided the Commissioner of the IRS with five recommendations for easing taxpayer burden:

1. In addition to proposing changes in the tax regulations that would provide for criminal sanctions when tax preparers disclose taxpayer data, TAP suggests that the IRS pursue with Congress legislative changes that would limit dissemination of personal identifying information, especially in situations where outsourcing is used.
2. All paid tax preparers should be licensed to prepare tax returns based upon their area of expertise along with a background check to protect the taxpayer from identity theft.
3. The IRS should expand the role of the Volunteer Return Preparation Program to provide more efficient and effective service to a larger part of the public.
4. The IRS should abandon all plans to outsource the collection of taxpayer debt and restrict this activity to properly trained and proficient IRS personnel.
5. The current "Free File" tax preparation program should be expanded to include taxpayers with adjusted gross incomes up to $ 100,000 and provide a direct link to electronically file their return at no charge.

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TAP Program Celebrates Fifth Anniversary

TAP - Five years of planting ideas and growing!!!

TAP, a Federal Advisory Committee established by the U.S. Department of the Treasury in October 2002, completed its fifth year of service assisting the IRS in identifying ways to improve customer service and responsiveness to taxpayers' needs. TAP was established under the Federal Advisory Committee Act (FACA) to allow citizens the opportunity to participate in improving the federal tax administration system by providing direct input to the IRS.

At its inception a first order of business was to establish operating procedures and educate a diverse Panel of over 100 volunteers, many with no prior experience or understanding of IRS organization or procedures. The first year was a learning experience for Panel members, staff and IRS program owners in finding the best way of collaborating to improve IRS service and customer satisfaction. The initial Panel quickly established operating procedures including a consensus decision-making process, operating ground rules and procedures for how recommendations would be developed and forwarded to the IRS.

During the years that followed TAP developed and implemented ongoing improvement initiatives to enhance its effectiveness and value to the IRS and the taxpayers it represents. The TAP Joint Committee worked effectively with the TAP staff on many administrative issues including improving the recruiting and application process, the TAP Annual Meeting, internal and external communications and procedures for developing and forwarding recommendations to the IRS.

Member terms were changed to three years and a staggered term program was implemented under which approximately one-third of the Panel's membership would be replaced annually. The number of new members selected each year is now stabilized at approximately one-third of the membership and new members are contacted prior to the Annual Meeting to begin their orientation in advance of the formal orientation they will receive during the TAP Annual Meeting. The TAP Annual Meeting format has been modified based on member feedback and now provides the opportunity for more productive committee

meeting time in addition to the workshops and plenary presentations the members attend. Training for Committee Chairs has been developed and is now conducted annually to enhance the skills of TAP's leaders.

To address a concern regarding the general public's lack of awareness of TAP's existence and function, a Communication Strategy was established which included developing marketing materials for distribution to the public and media, outreach and media training for members, and creating an "Outreach Tool Kit" to assist members in promoting an awareness of TAP. The issue flow process has been improved by the use of subcommittees to screen new issues and the creation of a Quality Review sub-committee to enhance the quality of the recommendations submitted to the IRS for consideration. With the assistance of the National Taxpayer Advocate, procedures have also been implemented to greatly reduce the amount of time it takes the IRS to respond to the recommendations submitted by TAP. To help identify opportunities for improvement and measure effectiveness, exit surveys, returning member surveys and new member surveys are now conducted each year.

Since its creation, TAP has forwarded 305 recommendations to the IRS, many of which have been fully or partially accepted, with others still under consideration. The recommendations were well thought out and presented opportunities for IRS to improve it's service to taxpayers through improved procedures and changes in systems and forms.

The following series of graphs and tables highlight TAP's accomplishments during its first five years, based on the IRS' receptiveness to Area and Issue Committee recommendations.

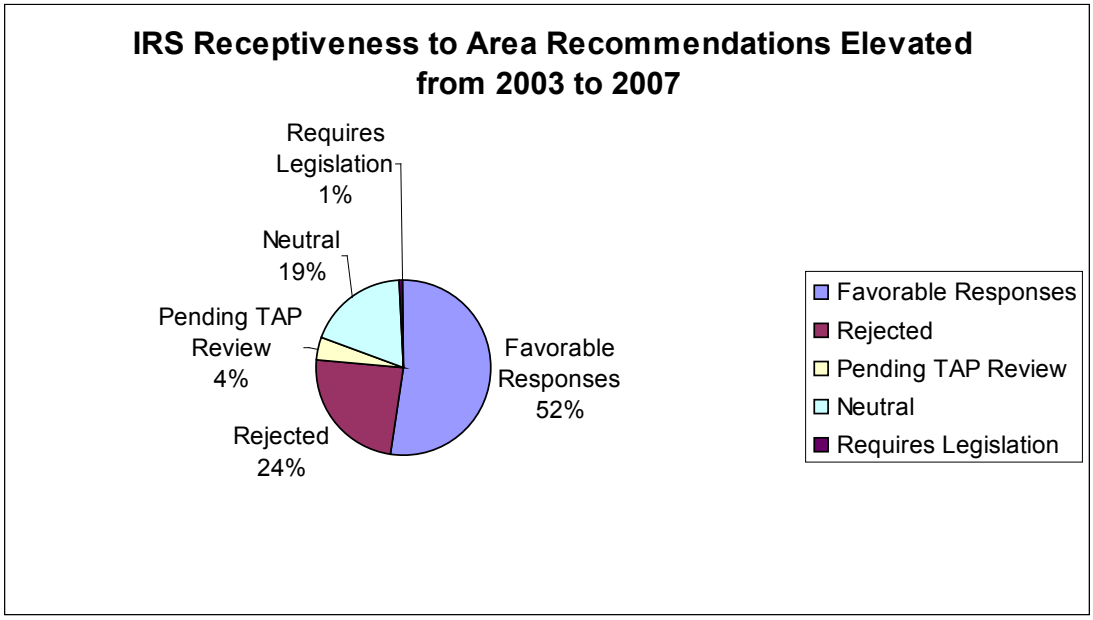

Figure 5. Cumulative Summary of IRS Responses to TAP Recommendations by Area Committees, Calendar Years 2003 Through 2007.

Figure 5 is a pie chart showing the IRS' receptiveness to Area Committee recommendations elevated by the Panel from calendar years 2003 through 2007. The chart shows the cumulative total of responses were favorable (52 percent), 19 percent were neutral, one percent require legislation (and are, thus, outside the jurisdiction of TAP), and only 24 percent were rejected by the IRS. The remaining four percent are still pending review by TAP to determine if the originating Area Committee wants to provide additional information to the IRS and request further follow-up.

The detailed statistical breakdown for this data follows:

IRS Responses to TAP Recommendations by Area Committees, Calendar Years 2003 Through 2007

Status Summary	Number of IRS Responses to TAP Area Committee Recommendations	Percent Distribution
Favorable Responses	**75**	**52.1%**
Rejected	**35**	**24.3%**
Pending TAP Review	**6**	**4.2%**
Neutral	**27**	**18.8%**
Requires Legislation	**1**	**0.7%**
Total	**144**	**100.0%**

Table 4. Cumulative Summary of All IRS Responses to TAP Recommendations by Area Committees, Calendar Years 2003 Through 2007, by Summary Status Category, Number of Recommendations, and Percent Distribution.

Issue Committees' recommendations are more frequently assigned a neutral response from the IRS than the grassroots recommendations from Area Committees. The high incidence of neutral ratings is based on the process the IRS utilizes in soliciting input from TAP Issue Committees. The IRS often utilizes input from numerous stakeholders like TAP, and a formal response from IRS to TAP is usually not expected. In many situations the IRS considers TAP's input on the issue without formally accepting or rejecting the input The neutral classification is used by TAP as a way to identify TAP's participation and input on such an IRS issue. In this situation, TAP defines the event as a neutral occurrence. As a result, Issue Committee recommendations have a significantly high neutral response rate. The breakdown of IRS receptiveness to Issue Committee Recommendations is shown in the following graph and table.

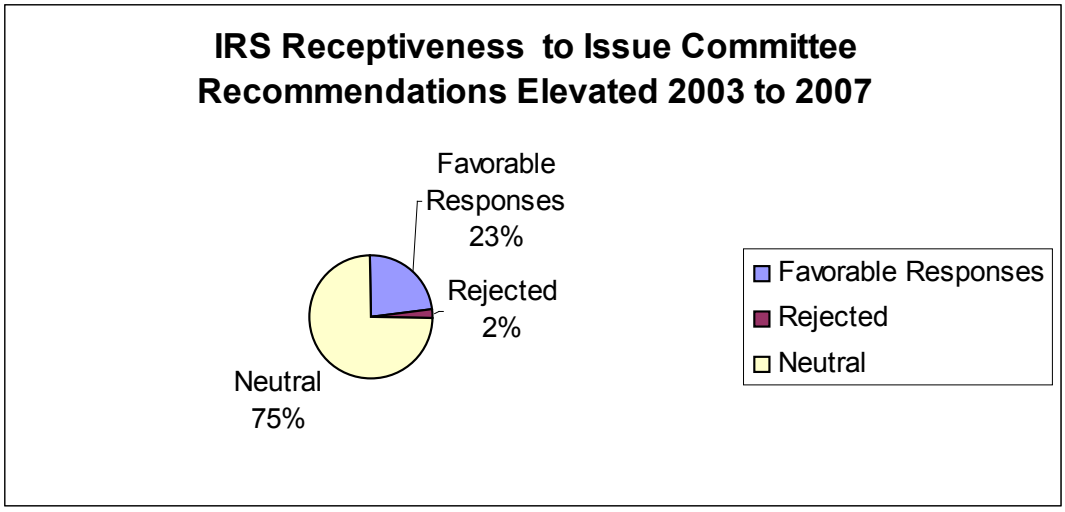

Figure 6. Cumulative Summary of IRS Responses to TAP Recommendations by Issue Committees, since TAP's founding in 2002, calendar years 2003 through 2007.

Figure 6 is a pie chart showing the IRS' receptiveness to Issue Committee recommendations that were elevated by the Panel from calendar years 2003 through 2007. The chart shows the majority of responses from the IRS to TAP recommendations were neutral (75 percent), with 23 percent being favorable, while only two (2) percent were rejected by the IRS.

The detailed statistical breakdown for this data follows:

IRS Responses to TAP Recommendations by Issue Committees, Calendar Years 2003 Through 2007

Status Summary	Number of IRS Responses to TAP Issue Committee Recommendations	Percent Distribution
Favorable Responses	**37**	**23.0%**
Rejected	**4**	**2.5%**
Neutral	**120**	**74.5%**
GRAND TOTAL	**161**	**100.0%**

Table 5. **Cumulative Summary of All IRS Responses to TAP Recommendations by Issue Committees, Calendar Years 2003 Through 2007, by Summary Status Category, Number of Recommendations, and Percent Distribution.**

Table 5 lists the status summary categories, with the number of TAP recommendations, and percent distribution of each category: Favorable Responses (37, 23 percent), Rejected (4, 2.5 percent), and Neutral (120, 74. percent), for a Grand Total of 161.

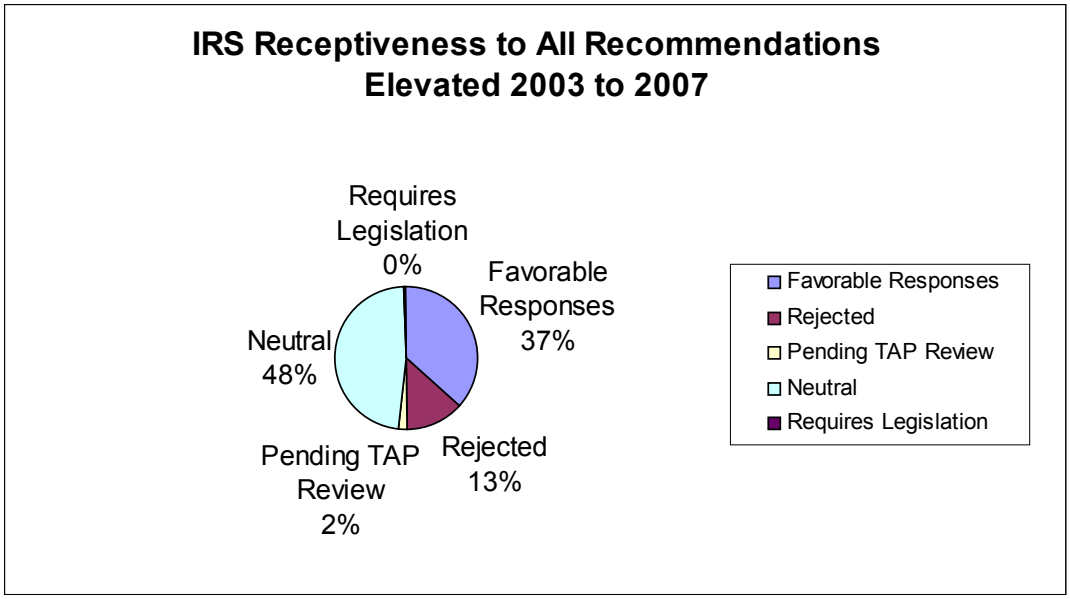

Figure 7. Cumulative Summary of All IRS Responses to TAP Recommendations by Area and Issue Committees, Calendar Years 2003 Through 2007.

Figure 7 is a pie chart showing the IRS' receptiveness to all 305 Area and Issue Committee recommendations that were elevated by the Panel from calendar years 2003 through 2007. The chart shows that 37 percent of all recommendations received a favorable response from the IRS with another 48 percent being considered as neutral. Only 13 percent were rejected by the IRS. The remaining two percent are still pending review by TAP to determine if the originating Area Committee wants to provide additional information to the IRS and request further follow-up.

The statistical breakdown of this graphic representation is shown below, in the table that includes details on how the IRS responses are tracked by TAP.

Cumulative Summary of All IRS Responses to TAP Recommendations by Area and Issue Committees, Calendar Years 2003 Through 2007	
Status Category	**Number of Recommendations**
Response Pending Review by TAP	**1**
Open, Responding to IRS	**5**
Closed, Proposal Accepted	**45**
Closed, Proposal Partially Accepted	**59**
Closed, Proposal Rejected	**39**
Closed, Proposal Considered	**2**
Elevated Directly by Committee	**100**
Closed	**45**
Requires Legislation	**1**
Closed, Proposal Implemented	**8**
GRAND TOTAL	**305**

Table 6. Cumulative Summary of All IRS Responses to TAP Recommendations by Area and Issue Committees, Calendar Years 2003 Through 2007, by Status Category and Number of Recommendations.

Table 6 lists the status categories, with the number of TAP recommendations that fall into each category: Response Pending Review by TAP (1); Open, TAP Responding to IRS (5); Closed, Proposal Accepted (45); Closed, Proposal Partially Accepted (59); Closed, Proposal Rejected (39); Closed, Proposal Considered (2); Closed, Elevated Directly by Committee (Issue Committees only) (100); Closed (45); Requires Legislation (1); and Closed, Proposal Implemented (8), for a Grand Total of 305.

In addition to elevated recommendations, TAP has also provided direct input from the taxpayer's perspective in various other ways. A delegation of Joint Committee members now has the opportunity to meet with the IRS Commissioner at least annually. Former IRS Commissioner Everson asked for Panel input on key issues affecting taxpayers and TAP responded with insightful and thoroughly researched position papers and received positive comments from the Commissioner's office regarding the effort. Joint Committee members also responded to a request to give grassroots input to an audit conducted by the Treasury Inspector General for Tax Administration (TIGTA) assessing the methodology used by the IRS to target IRS walk-in centers for closure. The Joint Committee also coordinated TAP's participation in the IRS Taxpayer Assistance Blueprint project. Forty TAP members completed an "IRS Customer Service Questionnaire" which the TAP Chair forwarded to the IRS with an overview summarizing the results in the context of ongoing TAP work on service issues. The TAP Chair and members of the Joint Committee have also provided testimony to the IRS Oversight Board and attended Oversight Board meetings on numerous occasions.

Committee work is only one aspect of a TAP member's responsibilities. Members spoke and distributed TAP materials directly to thousands of people and significantly more learned about TAP through media coverage of TAP activities. This provided an opportunity for taxpayers from across the nation to communicate with TAP members who could present their issues and concerns to the IRS on their behalf. TAP also partnered with TAS and the National Taxpayer Advocate to conduct a series of public Town Hall Meetings in 10 locations around the country to hear what citizens had to say about the IRS and solicit input and suggestions for improvement.

In the past five years 285 ethnically-diverse citizens from all walks of life representing each state, the District of Columbia and Puerto Rico have served on the panel. TAP members serve a three-year term and volunteer between 300 and 500 hours a year to Panel activities. This would equate to approximately 200,000 hours of dedicated volunteer service working to improve the administration of United States tax system.

The work of the Panel the past five years has proven to be a rewarding experience for hundreds of TAP volunteers and the Panel is proud of the improvements made as a result of its efforts and recommendations. TAP looks forward to new challenges and continued achievements as the Panel enthusiastically moves into its sixth year as advocates for America's taxpayers.

SUCCESS STORIES SINCE TAP'S INCEPTION

From its start, the mission of the TAP has been to listen to taxpayers, identify taxpayers' issues and to make recommendations for improving IRS services and customer satisfaction. During the past five years, TAP members' wide-range of knowledge and experience has enabled them to identify pragmatic solutions to systemic taxpayer issues and to work with the IRS Program Managers to define workable, cost-effective solutions for the concerns of citizen taxpayers. This narrative provides representative examples of what TAP has done to assist taxpayers and to improve IRS service and customer satisfaction since TAP's inception.

The suggested improvements are as diverse as TAP's membership. Some typical examples include: Longer extensions of time to file tax returns, electronic filing help for small businesses, finding methods to improve readability of IRS letters and CP notices, doubling the maximum business expense deduction for Schedule C-EZs to $5,000, suggested changes in the reporting requirements of small business; preparing material to encourage the use of e-filing, helping the senior citizen taxpayer to understand the tax code, and ongoing suggestions concerning all forms of communication between the IRS and taxpayers.

During its first years, TAP made hundreds of suggestions for improving IRS forms, instructions, and publications. TAP made numerous suggested improvements in the specific areas of: Offers in Compromise (OIC); Free File; Earned Income Tax Credit (EITC); innocent spouse relief; Electronic Federal Tax Payment System (EFTPS); Form W-4; Schedule 1041, and Schedule D.

As the IRS increased its dependency on the internet and the IRS web pages, suggestions came from the citizen taxpayer concerning availability of IRS tax forms and the ability to communicate directly with knowledgeable IRS employees. Many of the more senior citizen taxpayers felt left out with the push to e-file and tax forms only available on the IRS web pages.

One example of how TAP can dramatically change how the IRS does business is exemplified by an issue that was brought to TAP's attention by a taxpayer as part of TAP's grassroots efforts during 2004. In order for taxpayers to request an extension of time to file their return, they were required to complete a form to obtain a four month extension. If during this period, the taxpayer found that they needed additional time to file, then a different form needed to be submitted requesting two additional months. TAP recommended that second form be eliminated and the first one be revised to provide an automatic extension of six months to file the return. TAP also suggested applying the same logic to the extension of time request from the business filers. In this manner, IRS procedures would conform in both individual and business situations. The IRS agreed to consolidate six forms into two, rendering four of the forms obsolete. The surviving forms for individuals and businesses are simpler and take less time to prepare. The new process was implemented by the IRS starting in January 2006, to handle the 2005 tax year. These changes are expected to save taxpayers and staff over 9 million man-hours.

This quick summary represents hundreds of suggestions elevated from both the Area Committees and the Issue Committees to the IRS.

How We Do It

Administration

The administrative foundation for TAP was defined by the Department of the Treasury's National Citizen Advocacy Panel Design Team in 2002, and since then TAP members and staff have worked to build an organization that would effectively capture and communicate to IRS decision makers' grassroots issues about taxpayer services. TAP members (Appendix A) and TAP staff (Appendix C) work in partnership to improve TAP's administrative structures, policies and procedures to achieve these ends.

The TAP National Office staff of three analysts and a secretary, headed by TAP Director Bernie Coston, is located in Atlanta, Georgia, Plantation, Florida, Milwaukee, Wisconsin, and Washington, D.C. Four TAP Program Managers, eight Analysts and four Secretaries are located in four field offices in Brooklyn, New York; Milwaukee, Wisconsin; Plantation, Florida, and Seattle, Washington.

The TAP Chair and Vice Chair participated in monthly teleconferences with the TAP Director, National Office staff and TAP Program Managers. The TAP Director apprised the Joint Committee about the progress of administrative matters such as recruitment, annual meeting planning, the travel budget, and other essential information. The Joint Committee worked effectively with TAP staff on many issues, including improving TAP Annual Meetings, the recruitment and application process, and internal communication, the TAP Chair and Vice-Chair election process, and follow-up on recommendations submitted to the IRS. The TAP elected leadership and members would like to thank Director Coston and his outstanding staff for their assistance and support during 2007.

TAP volunteers hard at work. Left to right: George Bates (Great Falls, MT), Joe Shields (Mitchell, SD), & Gil Yanuck (Carson City, NV), at the TAP Annual Meeting in Washington, D.C.

TAP Meetings

Meetings are the core of how TAP functions. The business of TAP is largely conducted through personal or teleconference meetings. Teleconference meetings are audio-only telephone conference calls. The schedule for all committee meetings is established as early in the fiscal year as possible to avoid scheduling conflicts and ensure timely posting to the Federal Register. According to the TAP charter, committees must hold regular meetings at least quarterly but most committees meet on a monthly basis. The Committee Chair, Area Program Manager, Designated Federal Official (DFO), and Issue Program Owner determine the frequency of meetings based upon the committee workload. In addition to the regularly scheduled teleconferences, each committee has at least one face-to-face meeting each year.

Under FACA guidelines, TAP meetings must be open to the public when committees provide advice or recommendations directly to the IRS which will not be the subject of open deliberation by the Joint Committee. Area committee meetings are not technically subject to the "open meeting" requirements except when area committees send their advice directly to the IRS rather than through the Joint Committee. However, TAP has made the decision, based on counsel from Treasury, that TAP will conduct area committee meetings as "open meetings" and post them in the Federal Register, unless the meeting is solely to discuss administrative matters.

Committees use the consensus decision-making process to reach decisions that all members can live with and publicly support. A quorum for decision-making purposes consists of a simple majority of the committee members unless the committee establishes alternative quorum requirements. Notwithstanding the presence of a quorum, the committee may defer making a decision if it determines that one or more key stakeholders are absent.

TAP also conducts an Annual Meeting to provide an opportunity for all members and staff to meet as a group once each year. TAP held its 2007 Annual Conference in December 2007 with the theme, "Five Years of Planting Ideas and Growing." Highlights of the session included plenary presentations by National Taxpayer Advocate Nina Olson, Acting IRS Commissioner Linda Stiff, and IRS executives Chris Wagner (SB/SE) and Beth Tucker (W&I). The conference provided all TAP members the ability to convene as a unified body to receive training, strategic guidance and objectives for the coming year.

During the event, all members attended training workshops and newly appointed members received an orientation. Individual Area and Issue committees also conducted their initial meetings for the new year. TAP recognized retiring TAP Chair J.T. Wright and retiring Vice Chair Robert Meyers for their significant contributions and recognized IRS executive Estelle Tunley

and IRS program manager Sidney Gardner for outstanding support of the TAP program. TAP presented retiring committee chairs with Presidential Volunteer Service Awards for their commitment and efforts to improve the tax administration system.

Recruitment

Recruitment is a critical ongoing activity to ensure that TAP is continually supplied with representatives from all 50 states, the District of Columbia, and Puerto Rico who have diverse backgrounds and the needed talent and experience to be effective advocates for taxpayer issues. TAP members must be US citizens, current on their tax filings and payments, and willing to volunteer 300 to 500 hours a year for a term of three years. Applicants are expected to be experienced in resolving problems, formulating and presenting proposals, and representing the interests of others. In addition, they must demonstrate the ability to work as team members and have good oral and written communication skills. Originally, TAP members were appointed for two-year terms. However, upon the recommendation of the Joint Committee, the terms of approximately half of the original members were extended to three years and the TAP Charter was amended to prescribe three-year terms to accommodate the goal of achieving staggered terms, with approximately one-third of TAP members' terms expiring annually. The 2006 Annual Meeting saw the first of the three-year rotation begin with approximately 33 percent of the TAP members being replaced that year.

Recruitment of new TAP members is directed by the TAP National Office, which is responsible for publicity, making applications available, screening applicants, and steering applications through the various levels of the appointment process (approval by the National Taxpayer Advocate, Commissioner of Internal Revenue, and Department of Treasury).

In December 2007, TAP announced the selection of 41 new members to serve on the Panel. Twenty-six of the new members were approved by the Secretary of Treasury on December 4, 2007 and 15 were selected for the panel from the list of alternates approved by Treasury in 2005 or 2006. The new TAP Members began their three-year terms by attending the TAP Annual Conference conducted December 10-14, 2007 in Washington, DC.

The new panel members joined 58 returning members to round out the panel of 99 volunteers for 2008. The new members were selected from almost 400 interested individuals from all over the country, who applied through an open recruitment period during March and April 2007.

TAP significantly improved the orientation of new members in 2006 and further improved the orientation process at the 2007 Annual Meeting. Current TAP members and staff contacted new members by phone to welcome them to the

Panel and invited them to participate in any teleconferences occurring prior to the Annual Meeting. Training for new members focused on the key issues they need to know to function effectively and participate in the full committee meetings held during the Annual Meeting. Introducing new members to committee work in person, rather than by teleconference has proven to be beneficial to both the comfort level of new members and the effectiveness of committee operations. The TAP Joint Committee developed a mentoring system for the new members selected in 2007, but a delay in new member approval limited the opportunity for its implementation.

Why I wanted to be a TAP member:
"To give back something to the nation that has given so much to me."
Louie (Max) Scott, LA

TAP Member
Louie (Max) Scott, LA

Communication

In 2005, TAP established a Communications Committee to enhance its communication processes. In 2006 and again in 2007, the Communications Committee revised the TAP Handbook to provide a better resource for TAP members and amended the Outreach Toolkit and added new and updated "success stories" that TAP members can use when speaking with groups during outreach activities. In addition, the Communications Committee completed improvements to TAP's internal communications system, an on-line portal named TAPSpace, resulting in a more user-friendly and flexible tool for members' use.

TAP's principal communication issues continue to be expanding public awareness of TAP, increasing grassroots feedback from taxpayers, improving IRS responsiveness and receptivity to TAP recommendations, and improving communication among TAP members and between TAP members and staff.

Elevated recommendations are TAP's most important form of communication with the IRS. A delay in IRS response to TAP recommendations had been

frustrating for TAP members. Following National Taxpayer Advocate Nina Olson's discussion with Acting Commissioner Kevin Brown in July 2007 regarding delayed responses, and a meeting between TAP leaders and Commissioner Brown in August 2007, IRS has acted quickly to resolve the backlog of TAP recommendations pending consideration by the IRS and to improve the response time on subsequent recommendations. As shown in the table below, only one recommendation that TAP forwarded for consideration in November 2007 was pending a response from the IRS at the end of 2007.

IRS Response Times on TAP Recommendations Pending During 2007					
Time Elapsed		**0-180 days**	**180-365 Days**	**One year+**	**Total**
Recommendations waiting response as of:	3/31/2007	14	6	40	60
	6/30/2007	10	2	39	51
	9/30/2007	1	1	5	7
	12/31/2007	1	0	0	1

Table 7. IRS Response Times on TAP Recommendations Pending During 2007, by Number of Days.

Table 7 represents the IRS response times on TAP recommendations pending during 2007. The table shows a dramatic improvement in the elapsed time for responses as the year progressed, with the majority of responses taking more than one year completed through the first six months of 2007 to a very quick turn-around time the second half of the year.

TAP members are pleased that a pledge from both the acting Commissioner of the IRS and the Commissioner of the Wage and Investment Division for more timely and detailed responses to TAP recommendations has resulted in significant improvement in this area. Participation by representatives of IRS Programs in some committee teleconference calls and participation at the Annual Meeting in December 2007 provided TAP members with increased confidence that communication between TAP and the IRS will continue to improve.

TAP member' s work for 2007 began in earnest during the December 2006 TAP Annual Meeting when the most recently appointed members were provided orientation, the TAP leadership – TAP Chair and Vice Chair and Committee Chairs – were elected, and the committee structure for the year was established. TAP implemented a new election process at the end of 2007 to elect the TAP Chair and Vice–Chair prior to the Annual Meeting. This provided additional time for Area and Issue Committees to continue with work in progress with the new members being integrated into the effort during the December 2007 Annual Meeting. As meeting schedules allowed, Area and

Issue Committees invited new members to attend conference calls prior to the Annual Meeting to help them get oriented to the work of those committees. The selection of the Chair and Vice-Chair in advance of the Annual Meeting helped to increase productivity of committees at the Annual Meeting and sustain the ongoing work of the Area and Issue Committee meetings.

• TAP Member Handbook

TAP members and staff first prepared a TAP Member Handbook for distribution to all members at the 2004 Annual Meeting as an educational tool during the new members' orientation session and for all members to use as a resource throughout the year. The Communications Committee revised and updated the Handbook in 2005 and again in 2007 so it continues to serve as an excellent tool for use by TAP members.

The handbook outlines Federal Advisory Committee Act (FACA) requirements, member responsibilities, TAP policies and procedures, guidance and information to assist TAP members in the performance of their responsibilities, and guidance for committee and sub-committee chairs and vice chairs, as well as samples of various forms and other documents TAP members need to complete in the course of their TAP duties.

• Monthly Committee Report Forms

The monthly committee report form is a means to keep all committees abreast of what other committees are doing. In 2007, the Joint Committee amended the monthly committee report form to improve the accuracy and completeness of TAP data collection on issues under consideration and outreach activities. TAP Area and Issue committee chairs prepare a report highlighting the committee's accomplishments and activities each month. The reports are consolidated and posted to TAPSpace for all members to review.

• New and Improved TAPSpace

TAPSpace is a web-based collaborative workspace that allows TAP members and staff to post and review documents, conduct threaded discussions, and post events to a calendar within a secure environment. In 2005, the Communication Committee assessed the value of TAPSpeak, the workspace web site at that time, and identified ways to improve the system. In 2006, the Joint Committee approved the Communication Committee's recommendation that TAPSpeak be modified to significantly improve its usefulness to TAP members and staff.

A two-year long effort of the Communication Committee and TAP staff working with the contract vendor came to fruition in August 2007 with the

unveiling of the new and improved web site. Renamed TAPSpace, TAP's internal collaborative workspace web site allows TAP Members and staff the ability to post and share documents, engage in topic discussions, and review newsworthy events. The improved site is up and running with a new Home page for news and information on current TAP actions, revised Reading Room with reorganized folders and a less cluttered look to assist members in researching issues, and a new calendar format listing all TAP's meetings and events. New and returning members received training on the new site during the 2007 Annual Meeting.

• Chair Training

In 2006, TAP staff and experienced TAP leaders developed and conducted training for committee chairs. The training covered a range of topics to assist the chairs in performing their duties such as preparing forms and reports, conducting effective meetings, developing recommendations and motivating members. The chairs found the training beneficial and identified additional topics to improve the training in 2007. TAP staff and member leaders recognize the value of this training and plan to continue conducting chair training at the beginning of each year to assist chairpersons in their work within their respective committees as well as the Joint Committee.

Committee Structure and Activities

The substantive work of TAP is accomplished principally by the Area and Issue Committees, which research issues and formulate recommendations to the IRS about how to improve customer service and satisfaction. The Joint Committee decides whether to elevate Area Committee recommendations, approves TAP policy and procedural changes, and communicates consensus views on behalf of TAP as a whole. TAP committees are supported by a staff of IRS managers, analysts and secretaries. Although the content of TAP's recommendations and correspondence is determined by TAP members, staff have an opportunity for input, and the actual transmission and delivery of all TAP recommendations and external correspondence is generally handled by staff.

TAP committees conduct monthly meetings via teleconference and meet face-to-face at least once a year. Monthly full committee meetings are supplemented by sub-committee teleconferences. Committees generally assign issues to sub-committees for initial consideration, and the sub-committee presents a recommendation for full committee review, revision, and approval. Committee decisions are made by consensus. Committee members are responsible for preparing the substance of TAP recommendations and other work products and assume much of the responsibility for word processing and communicating with each other. A significant amount of communication

among members and between members and staff is accomplished via email.

Elevated Recommendations

The primary activity of TAP members is to support the TAP mission by developing issues and elevating recommendations that will improve IRS service and customer satisfaction. Area and Issue Committees work on different issues so each TAP member may work on a variety of issues simultaneously. To maintain TAP's independence and credibility, the work of TAP must be directed and largely accomplished by its citizen volunteer members.

An issue is an idea, suggestion, or problem that is raised to TAP by a taxpayer or the IRS. Area Committees examine issues identified through various sources and make their recommendations to the Joint Committee. Issue Committees receive nationwide issues directly from IRS program owners. Issue Committee members may have the opportunity to propose additional issues to IRS program owners through the course of their Committee's work.

Individual taxpayer problems or issues not related to the IRS are not within TAP's jurisdiction for consideration. The TAP mission does not include considering IRS employee problems, the IRS budget, legislative issues, state issues, or issues that do not directly relate to improving service and customer satisfaction.

TAP is not chartered to address legislative issues. However, it is not unusual for TAP members to hear about problems that can only be addressed through changes in the tax laws. Those issues can be elevated to the National Taxpayer Advocate, who makes legislative proposals directly to Congress via an Annual Report to Congress.

Issues the Area Committees decide to work are researched further, and if appropriate, developed into a recommendation, and elevated to the Joint Committee on the Joint Committee Issue Referral Form. The Joint Committee reviews area recommendations and forwards them to the IRS as appropriate. The Joint Committee tracks the IRS responses to Area Committee recommendations and provides feedback to the originating committee until the IRS decides either to accept a recommendation, in full or in part, or rejects it. Recommendation status definitions can be found in Appendix D.

IRS program owners determine the focus of Issue Committees. The program owners meet with their assigned Issue Committees to set and prioritize the Committee's focus. The Committee then analyzes the issue(s) presented for their consideration by the program owner and develops and reports a recommendation or set of recommendations. After reviewing the recommendation(s), the program owner provides preliminary feedback and the Committee evaluates the feedback. The Committee then either closes

the issue or prepares a counter response. Copies of recommendations are forwarded to the Joint Committee for informational purposes.

Area and Issue Committees evaluate the IRS responses. If a recommendation was rejected, the committee either decides to prepare a follow-up response or assigns the recommendation to the appropriate closed status. If the IRS response indicates that a recommendation was fully or partially accepted, the committee then decides either to close the issue or monitor the recommendation until implementation. If a committee decides to monitor an accepted recommendation, the committee assigns a member or subcommittee to follow up on the recommendation and report on the progress toward its implementation at the time the committee provides input to the TAP Annual Report.

In 2007, TAP Area and Issue Committees generated 59 new recommendations to the IRS, 19 (32 percent) of which came from Area Committees as grass-roots issues raised by taxpayers. Since its inception in October 2002, TAP has sent 305 separate recommendations to the IRS (144 or 47 percent from Area Committees and 161 or 53 percent from Issue Committees). The committees were very active in other areas also, including sending several representatives to meet with then Acting IRS Commissioner Kevin Brown and National Taxpayer Advocate Nina Olson. Several TAP Area Committees also participated in Town Hall Meetings with the National Taxpayer Advocate. In addition, the Joint Committee was very active speaking on behalf of the TAP membership.

TAP member, Emilio Cecchi (MD)

Why I wanted to be a TAP member:

"Getting involved in the taxpayer volunteering effort made me realize that the tax preparation process is a major issue for low income people and elderly people. Basic reasons for this are the tax procedures, sometime cumbersome and more often misunderstood, and the perceived complexity and unfairness of them, due to misunderstandings and more often to misinformation.

"By becoming part of TAP, my goal is to improve the tax process procedures and to make it easier to perform this critical and fundamental part of the USA citizenship."

Emilio Cecchi, MD

Joint Committee

The Joint Committee is comprised of the TAP Chair and Vice Chair, who are elected by the entire membership, and the Area and Issue Committee Chairs, who are chosen by the respective committee members. The DFO for the Joint Committee is the TAP Director. The analyst assigned to the Joint Committee maintains an issue database, reviews and distributes all Joint Committee reports and correspondence, and otherwise assists the TAP Chair and other Joint Committee members with the considerable volume of paperwork. The Joint Committee's purpose is to act on behalf of the TAP membership to advance the TAP mission, most importantly; review and elevate recommendations from TAP committees, adopt and recommend policy and procedural changes, coordinate Area and Issue Committee activities, represent the consensus views of TAP in public statements, timely communicate decisions to TAP members, and prepare and distribute the Annual Report.

As a means to keep all committees abreast of what other committees are doing, each Committee Chair submits a monthly report describing the issues under consideration by the committee and its activities for the month. Area Committee Chairs attach recommendations to their monthly reports for Joint Committee review. After approving Area Committee recommendations, the Joint Committee forwards them with a transmittal letter to the appropriate IRS operating division. The Joint Committee returns to the Area Committee recommendations that are not fully developed or do not conform to the referral standards. The Joint Committee also monitors IRS responses to Area Committee recommendations. Monthly reports submitted by Issue Committee Chairs include recommendations they have submitted directly to program owners for information purposes only and not for review.

This year, the Joint Committee met monthly via teleconference and had two face- to-face meetings. The Joint Committee reviewed and approved 19 new Area committee recommendations to be elevated to the IRS and notified Area Committees of IRS responses to recommendations.

Area Committees

Each TAP member serves on one of seven Area Committees that represent a designated geographic area corresponding to a TAS Area. A map of the TAP Areas and the number of members representing each area is provided on page 10. Although the primary work of Area Committees is identifying and elevating grassroots issues, occasionally Area Committees may be asked to provide direct citizen input to the IRS.

To assure compliance with FACA requirements, a Local Taxpayer Advocate (LTA) is assigned to each Area Committee to serve as the Designated Federal

Official (DFO). Area Committees act as "listening posts" to identify grassroots issues to consider in committee meetings. At each Area Committee meeting, individual taxpayers are afforded the opportunity to bring grassroots issues forward to discuss with members. Outreach is a primary responsibility of Area Committees and a means to obtain grassroots issues. In addition to the DFO, other LTA's may also participate in area teleconferences and face-to-face meetings. Occasionally, LTA's bring issues to TAP for consideration.

> **"I found that the time that I spent with TAP was repaid three fold by what I gained from the experience. I gained a new appreciation for what the public tolerates in dealing with IRS. I learned new methods of team building from the panel members. Finally, one cannot be but absolutely impressed with the determination, abilities, and social responsibility exhibited by the volunteer panel members."**
>
> *Tom Sherwood – former DFO, Area 6*

Area Committees consider every problem and suggestion that is received by the phone, website, meeting, or directly by a TAP member. After Area Committees research and analyze the issues, those that merit submission to the IRS are forwarded to the Joint Committee. After approval by the Joint Committee, the recommendations are submitted to the appropriate IRS operating division liaisons or directly to program owners. Many Area Committees have established sub-committees to review new issues and to perform quality control review for issues being elevated to the Joint Committee. These processes enhance the quality of the recommendations being elevated to the IRS. Area Committee members also perform outreach. In 2007, TAP members visited and spoke at many sites across the nation, including service clubs, business owner organizations, practitioner associations, media groups, and various other organizations. They also participated in media interviews and wrote articles for mass distribution through other media.

Our panel members have responded in a very positive manner to the increased focus on Outreach activities in 2007. The number of Outreach events significantly outpaced previous years with almost 1240 outreach activities occurring in 2007. The breakdown of these activities vividly shows the increasing latitude taken by TAP members in order to have more of the public become aware of TAP and its mission. There were 754 one-on-one contacts; 229 group discussions or speaking engagements; 97 media events covering newspaper, radio and television; 45 fairs, forums, or conventions; 35 correspondence actions; and 79 other contact activities. That's an average of over 12 Outreach events per TAP member or one Outreach event per month. Obviously, the word about TAP is getting out to more and more people each year.

The list of professional, service, civic and fraternal groups visited reads like a Who's Who of America. Our members have appeared at Tax Forums, Town Hall meetings, July 4th parades and local farmer's markets to collect suggestions from the public of ways to improve IRS service and customer satisfaction. You will find the TAP "Speak Up" brochure and TAP marketing items on the desk of many of the country's civic leaders who have been visited by our panel members in an effort to obtain their assistance in getting the word out about TAP and its efforts.

Panel members have been the subject of countless newspaper articles announcing their appointment to the panel by the Secretary of the Treasury as well as about their activities on the local level. TAP panel members are not camera shy either. A number of them made regular appearances on local and national TV describing their activities while re-telling the "Success Stories" of TAP. One of our members appeared on a weekly radio show where he addressed the tax needs of the Hispanic Community and how TAP has elevated a number of suggestions to the IRS directly related to these issues.

Area Committees have encouraged all their members to make a definite commitment to Outreach on a monthly basis. Their activities against these commitments is tracked and reported at each month's meeting. This concept is rapidly being adopted by all seven Area Committees.

The TAP web site, Improveirs.org, enjoyed increased activity again this past year. The number of sessions on the web site increased from 167,272 in 2006 to 231,819 in 2007, an increase of 39 percent. One can deduce from this that our Outreach activity has spread the word about TAP and the availability of the TAP web site as a quick and easy way for the public to get their suggestions heard. TAP has also benefited from a direct link on the IRS.gov Taxpayer Advocate Service (TAS) web site to the TAP web site. TAP's toll-free call number received over 5500 calls in 2007 which reflects the results from increased Outreach efforts and publicity from the TAP marketing materials and panel member activity.

The visible results of the increase in Outreach activities have had a very positive impact on every TAP Panel member. This will hopefully motivate members to continue in their efforts to increase the number and variety of Outreach events conducted in 2008.

Area Committee accomplishments and opportunities for improvement are listed in the section of this Annual Report, entitled "Area Committee Chair Reports."

Issue Committees

Issue Committees work directly with IRS employees charged with the responsibility for particular programs, known as program owners. Issue

Committees provide verbal or written responses on various topics referred to them for consideration. Issue Committees include representatives from each of the geographically based Area Committees to provide a diversity of perspectives.

In 2007, the IRS established seven Issue Committees. The Ad Hoc Committee worked directly with the IRS on issues related to forms and publications and the Multilingual Initiative; the Burden Reduction Committee partnered with the IRS Office of Taxpayer Burden Reduction as a stakeholder to provide input on burden reduction issues, the Communication Committee worked to develop effective communications strategies for use internally and externally, the EITC Committee provided feedback to the EITC Program staff on EITC products and services, the Notice Simplification Committee responded to requests for improvement of IRS notices, the VITA Committee worked to improve the partnership between the IRS and various community sponsored free tax return preparation programs, the TAC Committee worked with the IRS to improve TAC operations.
The Issue Committee purpose and scope, accomplishments and opportunities for improvement are listed in the section of this Annual Report, entitled, "Issue Committee Chair Reports."

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Committee Chair Reports

At the end of each TAP year, Area and Issue Committee Chairs are asked to survey their members and summarize the accomplishments and opportunities for improvement. That information provides a solid foundation upon which the new committee chairs can build during the new TAP year. As mentioned in the section entitled, "How We Do It", TAP members are assigned to two committees which have distinct purposes. The seven area committees **are organized geographically while the seven** issue committees **are organized around a specific issue identified by the IRS operating divisions, primarily Wage and Investment (W & I), Small Business/Self Employed (SB/SE), and the Taxpayer Advocate Service (TAS). The 2007 Chair reports for all 14 committees are listed below.**

A. Area Committee Chair Reports

Area 1 Committee

Accomplishments

- **Form 8300 – E-filing Capability –** On this issue Area 1 stated that individuals and businesses are required to file a Form 8300 for large or suspicious cash transactions. The current IRS procedures require submitting a paper copy of Form 8300 when reporting these transactions. In keeping with the policy of converting to electronic filing, it should be possible for individuals and small businesses to file Form 8300 electronically.

- **Schedule D –** Area 1 suggested Adding a line for "short-term capital loss carryover" and "long-term capital loss carryover" on Schedule D will facilitate and ensure properly computed returns with the correct capital gains/loss calculations for the Schedule D for subsequent tax years. Using the TY2005 Schedule D as example, the lines to be added would be TY2005 Schedule D line 21a, "Short Term Capital Loss Carryover for 2005" and line 21b, "Long Term Capital Loss Carryover for 2005". Adding these two lines will greatly simplify the worksheet calculations for Capital Loss Carryover for the following tax year. Schedule D has sufficient room on page two to add the two lines. There is precedence in providing carry over information. Form 8606 provides for basis information for prior years for deductible verses non-deductible IRA.

- Form 1040V (Voucher for Estimated Income Tax Payment) – The Area 1 Committee suggested that a line be added to Form 1040-V, Payment Voucher, to eliminate the need to mail tax payments to two different addresses using two different payment vouchers, and, to eliminate the need to mail the estimated tax payment even when a current year payment is not due - to a different address than the one to which the tax return is being sent.
- **CP 521 –** The Form 433D Installment Agreement does not provide the current interest rate charged.
- **Search by keyword capability for forms and publications on www.irs.gov – The** committee proposed that the IRS add another option to the list of Download Forms and Publications by that is shown in Figure 1. We propose adding an option to "Search by Keyword" to this list.
- **Improvements to language on Letter 2465C –** On this issue Area 1 stated that the IRS correspondence that is misleading to taxpayers and does not alert taxpayers that penalties and interest will be added to their liability while they are awaiting for the IRS to respond or resolve their tax issue.
- **Form 8453 Usage Reduction -** Eliminate the existing option for tax preparers of using the Form 8453 merely for the purpose of transmitting the signatures and Increase the use of electronic signatures on electronically filed tax returns (using Form 8879, IRS e-file Signature Authorization) while reducing the use of handwritten signatures (Form 8453) on electronically filed tax returns.
- **Form 1098, 1099 & 1096 -** The committee recommends that as part of the IRS technology upgrade the IRS develop software to obtain necessary data from printed versions of Form 1099 (misc) downloaded from the IRS web site and that taxpayers be allowed to use these printed versions of forms downloaded from the web for filing. In the interim, until downloaded forms can be submitted, the committee recommends that each year the IRS send two copies of Form 1099 (misc) to each taxpayer that submitted a paper copy in the preceding reporting year.
- **Eliminating the Use of the Self-Select PIN by Tax Practitioners –** the committee recommends to eliminate the option for tax practitioners of selecting the Self-Select PIN and to avail the Practitioner PIN as the only option. This proposal would create uniformity in the method to sign e-filed tax returns, avoid errors in matching the AGI or the 5-digit PIN from the prior year's tax return and avoid the need for the customers to be physically present at the practitioner's office to sign the return.
- **Updating Regulation Section 1.1012-1(c) (3) -** The committee proposes that the IRS update Treasury Regulation Sec. 1.1012(c) by: 1) eliminating the requirement of a written document from the broker or agent and 2) by allowing the identification of the specific shares sold at the time of filing Schedule D. These suggested changes do not negate the requirement for the taxpayer to maintain adequate records that would confirm that dates

of purchase and therefore the cost basis. The Area 1 also proposes that the corresponding IRS publications, such as Publication 564, be updated accordingly to reflect these changes.

- **Interest on Excess Social Security Tax –** the committee proposes that the IRS minimally modify the CP21B notice, We Changed Your Account, which is used when an overpayment is due to the taxpayer, so that is obvious to taxpayers that interest received on this overpayment is potentially taxable. CP21B, which is issued after the account has been adjusted, should not only state that the refund check will include interest on the Social Security Tax overpayment in addition to the refund of the overpayment amount, but should also include that interest on tax refunds is taxable in the year the refund is received.
- **Committee Overall:** The Area 1 committee has a fairly good division of work between two subcommittees. As for detail work, a small group is more effective than the full area 1 committee. Meeting on a monthly basis and communicating frequently in between formal meetings is a good practice. The committee does a good job at identifying important, relevant issues and developing good ideas to address these issues.

Opportunities for Improvement

- **In many cases, pre-reads are not read prior to the meeting. All members should respects other committee member's time and properly prepare prior to the meeting.**
- **The Chair or Vice-Chair should plan and coordinate their roles in the committee. They should always be prepared to the run the meetings.**
- **Members should participate more actively in IRS sponsored events, such as the Nationwide Tax Forums.**
- **Members should increase outreach and qualitative analysis when identifying issues and proposing solutions.**
- **Staff Support:** Staff is highly responsive to questions and requests by TAP members. Staff should provide updates of both Joint committee and other area information.
- **IRS Cooperation:** The IRS should stop being dismissive of TAP recommendations (does not apply to all IRS units). IRS should start taking TAP recommendations more seriously. Perhaps Nina should report to the IRS Commissioner on a quarterly basis the number of TAP recommendations issued and the number that have been fully/partially adopted. Or, perhaps TAP should have an escalation procedure in which critical issues that are rejected by the IRS can be sent directly to the Commissioner.

Author/Chair: Dorothy Havey (ME)
Other Area 1 members: Shaun Barry (NY), Betty Chen (NY), Paul Colombo (VT), Harvey Epstein (NH), Harold (Hal) Gadon (RI), Gim Hom (MA), Julie Jason (CT), Howard Margulies (MA), Luis Parra (NY), Deidra Whiteside (NY), and Bruce Zgoda (NY).

Area 2 Committee

Accomplishments

Elevated two issues (207-3944, Tax Treatment of Litigation Settlement Proceeds, and 207-4011, Form 8863, Education Credits), received responses from IRS and took action to close both as "closed, partially accepted).

- Received responses from the IRS on ten (10) issues elevated prior to 2007 and took action to close all issues.
- Created an Outreach program by which members established monthly goals which were then monitored by the Vice Chair during the year.
- Conducted 258 outreach activities including articles published in the Baltimore Sun, Hartford Business Ledger and Ashville Citizen-Times, meetings with Maryland Congressional staff representatives and former Senator Webb of Virginia.
- Panel Member Ben Chapman (NJ) helped to staff the Brooklyn Town Hall meeting.
- Panel Member Lee Congdon (NJ) participated in Tax Day in the District of Columbia.
- Panel Members Ben Chapman & Sonny Kasturi (NJ) helped to staff the TAS/TAP booth at the 2-day New Jersey CPA Annual Accounting Show.
- Ben Chapman helped to staff the New York Tax Forum.
- Five members conducted a total of 10 TAC surveys: Kim Brown and Paul Brubaker in PA, Emilio Cecchi in MD, Blanche Davis in DE, and Elizabeth Warnecki in SC.
- Conducted an effective mentoring system for new members. This consisted of getting mentors from the mentees' states and having in-person or telephone meeting prior to the annual meeting. The following members participated with the mentoring system with new members in their respective states as follows: Bill Bly (PA), Paul Brubaker (PA), Emilio Cecchi (MD), Blanche Davis (DE), Robert Haines (NJ), Paul McElroy (NC), Lyn Sinnamon

(VA) and Elizabeth Warnecki (SC) was an alternate mentor.

- Established a Screening Sub-committee to evaluate potential new issues and make monthly recommendations to the full committee. Screening Sub-committee led by Steve Fulkrod, and other participants: Bill Bly, Emilio Cecchi, Lee Congdon, and JoAnn Davis (WV).
- Blanche Davis, Emilio Cecchi, Ben Chapman, Kimberly Brown (PA) Lyn Sinnamon, Steve Fulkrod, and Bill Yaeger (VA) participated with TAP staff in telephone interviews and evaluations of potential new members.
- Prompt preparation and distribution of the monthly minutes and the monthly chair reports to members.
- Paul Brubaker served on the task force to develop the agenda for the meeting with Commissioners meetings in Washington.
- At mid-year encouraged members to express their interest in becoming Chair or Vice Chair.
- By policy, limited our active issues to keep the Area focused on elevating issues and to effectively use our TAP staff assistance.
- Had active participation of Stakeholder Liaison in some Area activities.

Opportunities for Improvement

- Improve the processes of the Area quality control sub-committee by adopting a more methodical approach. Consider ways for the Area and Joint quality review committees to coordinate efforts.
- Timelier and easier access to Subject Matter Experts (SMEs) to help resolve issues more quickly.
- Broader outreach activities to reach more people more frequently and publicize TAP mission and activities.
- Set milestone dates for sub-committees to complete action on their projects.
- Distribute contact information of departing members so that they can continue to be a resource.
- Lost four members during the year and was unable to replace them during the year. There was no alternate from Virginia to replace our loss in November resulting in a vacancy going into 2008.
- Need to review the geography of western Virginia and West Virginia to determine if the West Virginia member could cover the western parts of Virginia.
- Rotate leadership of the ad hoc committees working on issues to provide leadership opportunities for more members. Have first, second and third year

members on committees to provide training and insure continuity.

- If the Chair is a third-year member, have the Vice Chair prepare to chair the Area meeting at the Annual Meeting or hold committee elections in November so that the new Chair can be in place.
- Improve the mentoring process that might involve retiring members where the committee does not have enough continuing members in the right states to cover all new members.
- Move very quickly when it appears that a member is not participating because in the long run these are usually the ones who resign.

Author/Chair: Lynwood Sinnamon (VA)

Other Area 2 Committee Members: Bill Bly (PA), Kimberly Brown (PA), Paul Brubaker (PA), Michael Bryant (VA), Benson Chapman (NJ), Lee Congdon (Washington, D.C.), Emilio Cecchi (MD), Blanche Davis (DE), JoAnn Davis (WV), Steve Fulkrod (MD), Robert Haines (NJ), Carolyn Hutchinson (NC), Srinivasan (Sonny) Kasturi (NJ), Judy Lester (NC), Paul McElroy (NC), Elizabeth Warnecki (SC), and William Yaeger (VA).

Area 3 Committee

Accomplishments

- Work on the following issues was completed and elevated to the IRS:
- TAP 316-306 Third Party Authorization Expansion:The IRS has rejected the TAP proposal to extend authorization past one year when an unusual situation occurs, such as a major hurricane which disrupts filing.
- TAP 3910 TAC Service Concerns: Area 3 coordinated a joint effort with Area 2 and 5 to categorize major TAC service concerns which TAP is receiving on their web site, on their toll-free number, and at outreach programs. Major client concerns include: TA office hours, significant wait times experience in TAC, certain forms and publications are not available, difficulty in making cash payments, and TAC offices unable to prepare 1040x amended returns. A process has been put in place to forward these client concerns to TAC management on a monthly basis to allow them to be addressed.
- TAP 3671 Name/SSN Mismatch: TAP has evaluated this problem which affects many taxpayers. TAP recommends that the IRS system (and software) used for processing electronic returns use the same logic and tools used by IRS paper processors in order to reduce rejections and rework required by both individual tax payers and tax preparers.
- TAP 05-051 Form 656 Offer in Compromise Criteria: The IRS has issued the

updated Form 656 which contains recommendations made by TAP.

- Successful face-to-face meeting in New Orleans: February 22-24, 2007.
- Area 3 Outreach:
  - Partnered with Local Tax Advocates to broaden outreach initiatives
  - Participated in Small Business Forums, local community meetings, professional tax preparer meetings and training sessions
  - Had articles published in local and company newspapers
  - Visited local Congressional offices
  - Participated in TAC office surveys

Opportunities for Improvement

The IRS TAP staff is always responsive to panel member needs. At times TAP members and staff have difficulty getting input and consulting from IRS specialists on complicated issues, especially where a new approach may be required. TAP believes it is more productive to have these types of discussions prior to elevating an issue which should lead to a more effective recommendation.

- The use of standing committees in Area 3 did not generate the desired rate of progress in addressing issues and developing recommendations. Perhaps different team assignments for each issue assignment along with closer tracking of project milestones could lead to increased productivity.
- When outreach sessions were held which included TAP staff, a good catalog of new issues usually resulted. However, for unaccompanied outreach by TAP volunteers, the TAP message was presented, but not much feedback on new issues resulted. TAP needs to think through this process, and possibly develop a simplified form, which TAP members can use to solicit feedback during outreach sessions.
- TAP can improve processes to include volunteers' participation in significant IRS and Taxpayer Advocate Service outreach and seminar initiatives. Individual relationships exist; however, a more systematic approach could lead to greater TAP member participation.

Author/Chair: Henry (Hank) A. Mosler

Other Area 3 Committee Members: Mary Armstrong (FL), Reuben (Dale) Cooper, III (GA), Daryll Cordeiro (AL), James (Byron) Edwards (GA), Patrice Marker (FL), William Matheny ((MS), Charles (Chuck) Tice (AR), Mark Paris (FL), Alberto Rodriguez (FL), Louie (Max) Scott (LA), Donna Tremblay (GA), and James (J.T.) Wright (GA).

Area 4 Committee

Accomplishments

- Area 4 instituted a policy of having a roundtable discussion of the members' Issue Committees for about a five minute period in each of the monthly meetings. This gave members a broad understanding of all the Issue Committees and their accomplishments.
- Issue 4037, Private Delivery Service was elevated to the Joint Committee, and subsequently elevated to the IRS.
- Issue 4208, Form 1099-R Codes Conflict in Transcripts, was adopted by IRS during research phase, without having to elevate issue to the Joint Committee.
- Area 4's Face to Face Meeting was held in Milwaukee April 19th through 21st. Attendance was 93%, with only one member absent. A complete review of Area 4's Contact History Report was accomplished with several issues closed and dropped.
- The Area 4 Chair notes that of the four first year members, all have hit the ground running, and have made valuable contributions to the Committee's success.
- Outreach Activities: Outreach is a priority for Area 4! Members frequently report orally that they have spoken about TAP and the TAP Mission to acquaintances, but a written report is not produced. Submitted Outreach reports in Area 4 numbered one-hundred thirteen, reaching an estimated audience in excess of 151,000. Over sixty reports indicated the contact group numbered less than ten. The Outreach Activities venues included radio talk shows, newspapers, e-mail, fairs, tax forums, expos, phones and seminars. Civic clubs and fraternal organizations were addressed, and members promoted TAP in chance meetings with shoppers and travelers. The listening phase of Outreach Activities generated issues, which were reported primarily to respective Issue Committees.

Opportunities for Improvement

- Area 4 began the year with 16 members, and has had one resignation. Of the remaining fifteen members, seven are third year members and left TAP at November 30, 2007. Replacing these seven plus adding one to replace the resigned member meant Area 4's membership will be half new members in 2008.
- Area 4 had twelve new issues to be reviewed at the October 16 meeting, as

well as five responses from IRS to be categorized. There were currently five active issues and five more in the parking lot. The Area 4 analyst has had to fill in for the Area 4 secretary who was recently named secretary for Bernie Coston and for the Joint Committee Analyst who is on another assignment. Consequently, Area 4 was not as productive as the Chair would like.

- Area 4 has had some disappointment with the IRS Manager. There were three different IRS Managers assigned to support Area 4 in 2007. The first was present for two months, the second for one month, the third for three months, and the first returned for the last six months, although there were two months in the final six where no manager was present at the monthly meetings.
- Similarly, Area 4 productivity was hampered by a lack of support by IRS Analysts, not due to their willingness to research issues, but because of several analyst positions and secretarial positions remaining unfilled for several months.
- Area 4 suffered from "short timer itis". Seven of out 15 members are third year members and did not step up to work issues. This set a bad example for the first and second year members. Third year members were reluctant to take on new issues when they would only be involved for a short period of time. Unlike the corporate and nonprofit world, TAP members retire without knowing or training their replacements. This becomes a challenge to the Area Chair and the author suggests the Joint Committee deal with this issue in 2008.

Author/Chair: Ferd R. Schneider (OH)

Other Area 4 Committee Members: Rashidah Abdulihaqq (OH), Maureen (Mo) Amos (IL), Larry Behnkendorf (MI), Bob Broniarczyk (IL), Pat Bryant (TN), Paul Duquette (WI), Joe Hurr (OH), Jeff L. Kennedy (KY), Anne Khan (IL), Mary Ann Lawler (MI), Dave Meister (WI), Jerry Melchior (IN), Marie O'Donnell (IL), Lovella Richardson (TN), and Stan Wernz (OH).

Area 5 Committee

Accomplishments

- A comparison of the 2006 self-evaluation to the 2007 self-evaluation indicates that Area 5 has improved considerably in member satisfaction with meetings and with their experience as TAP members.
- Area 5 hosted in Omaha, Nebraska, one of the most successful of the 2007 Town Hall Meetings. Total attendance was over 70, with a number of issues being raised by attendees during the meeting and focus group that followed.
- Members participated in Taxpayer Assistance Center (TAC) surveys in Kansas and Missouri in support of a report being prepared by TAP that will analyze taxpayer experiences with TACs.
- Area 5 members made a moral commitment at the beginning of 2007 to undertake at least two outreaches per month. The result was a substantial increase in Outreach performed by Area 5 compared to 2006.
- Recruitment of new TAP members was very successful, with Area 5 finally able to have representatives from all states within its territory. The quality of the new TAP members portends well for the future of Area 5 and of TAP.
- Area 5 elevated Issue 3534, Address for Tax Payment, to the IRS recommending improvements the IRS could make toward helping taxpayers more easily determine proper addresses for filing returns and making payments to the RS. Area 5 also worked with Area 3 in elevating Issue 3910, Delay in Taxpayer Assistance Center Service, to the IRS concerning taxpayer feedback on Taxpayer Assistance Centers received through TAP.

Opportunities for Improvement

- Outreach is the most important function of the areas. Increasing the number and quality of Outreach contacts is therefore the number one goal for Area 5. This means members must find opportunities for meaningful Outreach and exploit those opportunities to develop issues.
- Although Area 5 never lacked a meeting quorum during 2007, there was not always consistent or substantive involvement in meetings by all members. Efforts must be made to insure as much participation as possible by all members on a regular basis.
- Although TAP members are all volunteers, it seems sometimes difficult to get Area members to volunteer for some of the additional duties that naturally come from being on TAP, especially researching and writing issue proposals. Attention needs to be given to involving a more diverse group of members in TAP activities beyond those required by Outreach and the monthly meetings.

Author/Chair: Kenneth K. Wright (MO)
Other Area 5 Committee Members: S. Kay Bell (TX), Sandra Bland (MN), A. Elizabeth Colvin (TX), Chris Freeman (IA), Howard Guthmann (MN), Ralph Rivera (TX), Rick Rousseau (TX), Rajiv Shah (MO), Lee Stieger (KS), Mary Suther (TX), and Warren Wong (MN).

Area 6 Committee

Accomplishments

- Conducted 375 separate outreach events that reached a total audience of 2,805,501 due, in large part, to multiple media events during the year. All 12 Area 6 TAP members were very active during the year in conducting outreach activities, resulting in 37 new issues for TAP to consider.
- During the year, Area 6 decided to drop 20 issues because they involved legislative matters or were not a significant problem. Area 6 elevated four issues during the year to the Joint Committee, all of which were then sent to the appropriate IRS Program Owner for consideration. Area 6 also transferred three issues to the Notices Committee and another 13 issues to the Ad Hoc Committee. At year-end, Area 6 still had 71 active, new, and parking lot issues needing to be worked. Other Area Committees are encouraged to review the list and begin working any new or parking lot issues of interest.
- Area 6 members hosted a very successful Town Hall meeting at the Arizona State University campus in Tempe, Arizona, on March 29, 2007. At least 50 members of the public attended the Town Hall, at which Ms. Nina Olson, Esq., National Taxpayer Advocate, fielded questions from the audience for nearly an hour and a half. Special thanks go to the Area 6 Town Hall subcommittee members (Milissa Bensen, Laura Criel, Joe Shields, and Ed Uhrig) for doing an outstanding job presenting an overview of TAP and to Milissa, in particular, for doing a wonderful job hosting the event. Additionally, the local Taxpayer Advocate Service staff under the leadership of Local Taxpayer Advocate, Mary Murphy were instrumental in finding a suitable location for the Town Hall and assisting in marketing the event. One of the outcomes of the Town Hall meeting was the addition of 14 new issues for Area 6 to consider and discuss during the ensuing months.
- Three members of Area 6 (George Bates, Milissa Bensen, and Laura Criel) as well as TAP Manager Judi Nicholas and TAP Analyst Dave Coffman participated in the Las Vegas Tax Forum during August 2007. Nineteen new issues came out of that Forum, more than the number of issues that had arisen out of all previous tax forums that were held in Las Vegas and California combined.

- During 2006, Area 6 (in conjunction with Area 2) had worked on a special request by IRS Commissioner Everson which involved making recommendations to him about the proposed changes to Treasury Regulation Section 303.7216. Subsequent to the submission to the Commissioner, in 2007, several TAP members, including two Area 6 members (Maryann Motza and Willy Nordwind), were asked to work with Treasury officials on revising the proposed regulations. The results of those efforts were officially released in January 2008, when the Treasury Department and IRS announced final regulations and a related revenue procedure giving taxpayers greater protection and control over their tax return information held by tax return preparers.
- Reviewed ten IRS responses to Area 6 issues that had been referred to them both during 2007 and in previous years. As of the end of December 2007, Area 6 had addressed those responses as follows:
  - Closed, proposal accepted: 2
  - Closed, proposal partially accepted: 1
  - Closed, proposal rejected: 3
  - Open, Area review of, or a final decision about, the IRS response is still pending: 4
- All members of Area 6 were active and involved in all TAP responsibilities during the year, including monthly conference calls of both the full Area Committee and their respective subcommittees as well as regular outreach activities. In fact, many Area 6 members volunteered to participate when other TAP needs arose, such as the Taxpayer Assistance Center surveys and the Commissioner Preparation Meeting Committee that was formed by the Joint Committee in May 2007.

Opportunities for Improvement

- Encourage anyone who cannot attend a conference call or meeting, due to a schedule conflict, to provide comments to all committee or subcommittee members via e-mail before the call or meeting.
- Continue to improve TAPSpace, especially by addressing issues faced by AOL users.
- Research reports should be provided to members more than a day or two before subcommittee meetings and calls and at least a week before the full Area meetings and calls.
- Modify and improve the Joint Committee Quality Review process so that “second-guessing” is eliminated. Discussion of the substantive issues should be reserved for the full Joint Committee.

Author/Chair: Maryann Motza (CO)
Other Area 6 Committee Members: George Bates (MT), Milissa Bensen (OR), Marilynn Clapp (ID), Laura Criel (NM), Jerald Fireman (WA), Steven Maisch (WA), Patrick "Neil" Mitchell (UT), Willy Nordwind (AZ), Joseph Shields (SD), Edward Uhrig (WY), and Harris Widmer (ND).

Area 7 Committee Annual Report

Accomplishments

- Participated in the IRS Tax Forum in Anaheim, California, and led a focus group composed of tax professionals.
- Participated in the TAS Congressional Seminars in San Diego and Los Angeles, California.
- TAP Issue 707-4091 (Tax Forms Information Poster) was accepted for implementation in modified form by the IRS. This proposal called for posting informational posters in post offices, libraries and other public locations informing taxpayers about how to obtain tax forms. The IRS will make Publication 4596 (their version of the poster) available for downloading from IRS.gov as a PDF file by those institutions that wish to use it.
- Developed an Outreach tracking chart that measures monthly member activity and number of outreaches performed.
- Obtained TAP exposure in a nationwide Chinese-language newspaper.
- Participated in the Anaheim Hills, California, July 4th parade.
- Redesigned the issue tracking process to promote efficiency and accountability.

Opportunities for Improvement

Outreach participation and reporting on a consistent basis. The Area 7 analyst developed a template in Word format that greatly simplifies outreach reporting.

Author/Chair: Wayne Whitehead (CA)
Other Area 7 Committee Members: Gregory Gursey (AK), Charles Davidson (CA), Margaret Ferguson (CA), David Jones (CA), Thomas Karwin (CA), Merijane (MJ) Lee (CA), Gary Lundberg (CA), Iris Sosa (CA), Howard Stahl (CA), Wayne Tanna (HI), Wayne Whitehead (CA), Douglas Wilhelm (CA), and Gil Yanuck (NV).

B. Issue Committee Chair Reports

Ad Hoc Issue Committee

Committee Purpose and Scope

The Ad Hoc Issue Committee works with the National Taxpayer Advocate (NTA), the Multilingual Strategy Office, and the Chief, Tax Forms and Publications, to address issues brought by the NTA; to expand products and services to Limited English Proficient (LEP) taxpayers; and to address issues regarding Tax Forms and Publications.

Accomplishments

The Ad Hoc Committee completed nine referral reports during 2007:

- Issue 4063 Review Pub 600 – State and Local General Sales Taxes;
- Issue 4064 Review Form 5695 – Residential Energy Credits;
- Issue 4065 Review Form 8888 – Direct Deposit of Refund to More Than One Account;
- Issue 4066 Review Form 8910 – Alternative Motor Vehicle Credit;
- Issue 4164 Review Pub 553 – Highlights of 2006 Tax Changes;
- Issue 4194 Financial Literacy Toolkit Products/Tax Literacy Toolkit;
- Issue 4305 Review Form 1040 – Instructions for 2007;
- Issue 4306 Feedback on the Federal Telephone Excise Tax Refund (TETR); and
- Issue 4441 Feedback on Pub 553 Paper Versus Online.

The content review of tax forms and pubs was conducted using a structured approach developed by Member Ken Wright. This approach provided a tax situational context that enhanced the ability of non-practitioner Members to put themselves “into the taxpayer’s shoes” and evaluate the understandability of the forms. As a result, IRS Senior Technical Advisor Mr. Robert Erickson commented that the referral reports we had submitted were exactly the kind of work he was looking for.

The efforts and commitment of Mr. Erickson and IRS Tax Forms and Publications Director Ms. Sue Sottile were instrumental in establishing an effective partnership with the TAP Ad Hoc Committee.

The Multi-Lingual Initiative (MLI) Subcommittee worked with Ms. Carie Schaffer and a succession of W&I program managers on the Spanish language interactive DVD product entitled "Guide to Federal Tax Returns". Subcommittee chair Bill Yaeger and members Kimberly Brown and Al Rodriguez recruited ESL sites in their local school districts for future demonstration and user testing of the DVD. They also advised Ms Schaffer on a slide set and brochure to help market the program, and they helped with the translation and review of materials. The production of the DVD was put on hold.

For Issue 4306, Ms. Sottile requested TAP input on taxpayer barriers to claiming the one-time 2006 Telephone Excise Tax Refund (TETR), to explain why 28.4% of taxpayer returns did not claim the TETR. Feedback was consolidated from 15 TAP members, who included 3 professional tax preparers, 6 volunteer tax preparers, 1 tax attorney, and 5 general taxpayers. In conclusion, the committee determined that despite promotional efforts by the IRS, barriers broke down into four basic categories:

- Taxpayer did not know about the TETR;
- Taxpayer thought he was not eligible;
- Taxpayer did not know how to get the TETR; and
- Taxpayer did not normally file a tax return.

The TETR feedback was provided with short turnaround by George Bates, Margaret Ferguson, Chris Freeman, Gim Hom, Patrice Marker, Ken Wright, Bill Yaeger, MJ Lee, Bill Bly, Laura Criel, Charles Davidson, Barbara Foley (TAP Staff), Howard Guthmann, Neil Mitchell, Lovella Richardson, Joe Shields, Lynwood Sinnamon, Stan Wernz, and Wayne Whitehead

In April, Ms. Bridget Mallon, IRS Attorney Advisor to the National Taxpayer Advocate, requested that the Committee review twelve products to be included in the Tax Literacy Toolkit, and to review these documents for content and understandability by the intended target audience of Low Income Tax Clinics (LITCs). Reviews were submitted by MJ Lee, Gil Yanuck, Al Rodriguez, and Patrice Marker in time for the May deadline.

Members increased effectiveness and teamwork through a variety of processes unique to our committee. Evite.com was used to remind members of meetings and track RSVPs; this helped ensure that quorum was met.

Opportunities for Improvement

- In June, Mr. Erickson expressed frustration that many referrals generated by TAP Area committees were resubmissions of old issues that the IRS would never accept. All agreed that the TAP issue database suffers from not being directly accessible to members and that TAP Analyst's research does not always find duplicates. To avoid wasted effort on all parts, Mr. Erickson agreed to review outreach originated "Forms & Pubs" issues before an Area committee decides to work them. This is becoming a new process for 2008.
- To allow working people to participate in TAP, efforts should be made to hold Face-to-Face meetings on weekends.
- It is difficult—if not impossible—to achieve collaborative success on an IRS product if the IRS program owner cannot maintain continuity in staffing and management.

Author/Chair: Merijane (MJ) Lee
Other Ad Hoc Committee Members: Rashidah Abdulihaqq (OH), Mary Armstrong (FL), George Bates (MT), Kimberly Brown (PA), Michael Bryant (VA), Margaret Ferguson (CA), Chris Freeman (IA), Gim Hom (MA), Mary Ann Lawler (MI), Gary Lundberg (CA), Patrice Marker (FL), Luis Parra (NY), Alberto Rodriguez (FL), Kenneth K. Wright (MO), and William Yaeger (VA).

Burden Reduction Committee

Committee Purpose and Scope

The working equation for the IRS is: Service plus Enforcement equals Compliance. The IRS must run a balanced system of tax administration based on a foundation of taxpayer rights. The members of the Burden Reduction Issue Committee provide input and feedback to the IRS on several current and proposed initiatives that focus on improving Service and/or Enforcement and as an element of improving tax compliance.

Members of this Committee have an opportunity to provide their perspectives on issues that taxpayers face. They also have the opportunity to influence procedures taxpayers must use to comply with their tax obligations. In exploring taxpayer service initiatives, the group focuses on:

- Gathering information;
- Discussing ideas for addressing identified issues;

- Making recommendations; and
- Validating suggested approaches.

Accomplishments

- Provided input to the Office of Program Evaluation Risk Analysis as to major areas of taxpayer burden.
- Reviewed and made suggested revisions to Form 2678 "Employer/Payer Appointment of Agent", Schedule R, and Form 941 "Employer's Quarterly Federal Tax Return."
- Discussed and provided input to Office of Taxpayer Burden Reduction the issue of the issuance of 1099's to gamblers
- Provided input to IRS with regard to pending legislation mandating investment firms to provide cost basis on capital gains transactions to IRS along with reporting gross proceeds.
- Provided input to IRS on issues faced by taxpayers when filing Schedule C.
- Reviewed revised Form 940 "Employer's Annual Federal Unemployment Tax Return" for IRS.

Opportunities for Improvement

- Committee meetings must be held monthly to ensure that the committee has an opportunity to be productive throughout the year. Bi-monthly meetings don't work.
- The IRS liaison to the committee should have a plan in place at the time of the annual meeting as to how the committee will be fully utilized during the following twelve months.

Author/Chair: Bill Bly (PA)
Other Burden Reduction Committee Members: Shaun Barry (NY), Larry Behnkendorf (MI), Milissa Bensen (OR), Daryll Cordeiro (AL), Charles Davidson (CA), James (Byron) Edwards (GA), Gregory Gursey (AK), Howard Guthmann (MN), Dorothy Havey (ME), Julie Jason (CT), Srinivasan (Sonny) Kasturi (NJ), Steven Maisch (WA), Howard Margulies (MA), Marie O'Donnell (IL), Lovella Richardson (TN), and Rajiv Shah (MO).

Communication Committee

Committee Purpose and Scope

To develop effective communications strategies and products for use both internally and externally. The Committee responds to requests by the Joint Committee and from the TAP Director. This Committee works only administrative matters that are internal to TAP and, therefore, is not subject to FACA requirements regarding open meetings.

Accomplishments

- **Internal Communications (Joseph Shields, Chairperson)**
  - Provided extensive input to the redesign of TAPSpace, formerly called TAPSpeak.
  - Conducted TAPSpace survey; analyzed results.
  - Developed TAPSpace Posting and Filing Standards.
  - Recommended actions to make TAPSpace the principal vehicle for internal communications.
  - Conducted New Member Survey; analyzed results.
  - Conducted Returning Member Survey; analyzed results.
  - Recommended actions for internal promotion of the TAP vision statement.
  - Gathered feedback on the TAP Handbook and recommended changes.
- **External Communications (Gilbert Yanuck, Chairperson)**
  - Provided extensive input to the refinement of the TAP website (www.improveirs.org).
  - Edited the TAP 2006 Annual Report.
  - Developed and recommended an outline for the TAP 2007 Annual Report.
  - Recommended actions for external promotion of the TAP vision statement.
  - Recommended “give-away” items for TAP marketing.
  - Revised the TAP 2007 Outreach Kit.
  - Developed TAP Success Stories for use in outreach activities.
  - Developed graphical format for reporting outreach statistics.

- **Measures (Thomas Karwin, Chairperson)**
  - Reviewed and revised the Communication Strategy in response to feedback.
  - Identified relevant measures for which staff already gathers data i.e. TAP Toll-free Calls, TAP Website Visits, and Referrals.
  - Developed, with TAP staff, "TIC" sheets to track calls to TAP Toll-free Number.
  - Worked with Communication Committee sub-committees and Joint Committee on priorities and work plans for communication objectives.

Opportunities for Improvement

- **Implement the Communication Strategy**

  The Communication Strategy uses "management by objectives" for the organization and development of the committee's work. This is an established practice that supports a systematic and readily understood approach to planning. The Communications Committee did not implement it as envisioned. In a more explicit implementation of the strategy, each sub-committee would adopt a detailed and prioritized task list, assign responsibilities to specific persons, and establish target dates for progress checkpoints and task completion.

- **Update the Communication Strategy**

  All strategic plans should be reviewed and updated to reflect past experience and current priorities. Developed the Communication Strategy in 2006 and implemented for the first time in 2007 providing a framework on which the Communication Committee could build its plans for 2008.

- **Continue to Develop Measures of Outcomes**

  Strategic planning is premised on a cyclical process of setting goals and objectives, measuring performance and revising the goal and objectives based on experience and changed circumstances. Creative thinking and research is needed to establish performance measures. That work was initiated during 2007 and it should be continued in 2008.

- **Continue to Develop Cost-Effective Forms of External Communication**

  TAP's communications to the nation's taxpayers should make more extensive uses of radio and television broadcasts, newspapers and the Internet, in order to increase awareness of TAP's mission, its accomplishments and its availability as a resource to taxpayers.

- **Continue to Develop Uses of the Internet for Internal Communications**

  The improvements of TAPSpace during 2007 added substantially to its usefulness to the members of TAP. During 2008, the Committee should monitor actual uses of TAPSpace and survey TAP members for feedback on the strengths and weaknesses of TAPSpace. The value of this resource depends to a great extent on TAP members being ready, willing and able to use its capabilities, so the Committee should ensure that members receive sufficient training to master the requisite skills.

Author/Chair: Thomas Karwin
Other Communication Committee Members: Maureen (Mo) Amos (IL), S. Kay Bell (TX), Marilynn Clapp (ID), Blanche Davis (DE), Anne Khan (IL), Paul McElroy (NC), Robert Meyers (NE), Maryann Motza (CO), Willy Nordwind (AZ), Mark Paris (FL), Joseph Shields (SD), Lynwood Sinnamon (VA), Elizabeth Warnecki (SC), Deidra Whiteside (NY), and Gil Yanuck (NV).

Earned Income Tax Credit (EITC) Committee

Committee Purpose and Scope

The Earned Income Tax Credit (EITC) is a federal tax credit for individuals who work, but do not earn high incomes. Taxpayers who qualify and claim the credit could pay less federal tax, pay no tax or even get a tax refund. For Tax Year 2005, over 22 million taxpayers received over $40 billion in EITC. Unfortunately, the EITC also has a high erroneous payment rate. While the most recent estimate of non-compliance is somewhat out of date, we do know that several billion dollars may be at risk. The IRS has adopted a multi-pronged strategy aimed at reducing the EITC erroneous payment rate while maintaining or increasing participation by eligible taxpayers.

The focus of the EITC Committee is to:

- Support portions of the IRS Commissioner's five point initiative on EITC.
- Minimize burden and enhance the quality of communications with taxpayers.
- Encourage eligible taxpayers to claim the EITC by increasing outreach and making the requirements easier to understand.
- Enhance product awareness of EITC products.

Accomplishments

The EITC Issue Committee had only one project assigned during the year: The goal of finding ways to improve IRS communications with tax professionals. The project preparing materials to conduct and analyzing transcripts resulting from focus groups.

The focus groups were conducted in eight cities by a vendor under contract with the EITC Office. Comments recorded during these interviews identify specific paid preparer issues and will form the basis to develop recommendations to improve communications between IRS and persons preparing returns with EITC information.

The last interview transcript was forwarded to the EITC Committee in December. The report with recommendations is under construction.

- The materials preparation was divided into two parts: Screener's Guide and Moderator's Guide. The Screener's Guide, used to select focus group participants, was completed and submitted to the EITC Office in March, 2007. Comments suggested revision was needed. At the EITC Committee Face-to-Face meeting in June those revisions were completed.

  At this same June meeting the Moderator's Guide, used to stimulate discussion on pertinent topics, and a "pre-focus group questionnaire," were completed. All documents were forwarded to the EITC Office for approval.

  Upon approval by the EITC Office, the items were forwarded to the Office of Management and Budget (OMB). Under the Paperwork Reduction Act and Privacy Act, the OMB must approve any government system or project that collects information from the public. OMB clearance took longer than expected, and focus groups originally scheduled for August-September were rescheduled for September-October.

- As focus group transcripts became available, they were forwarded to the EITC Committee for review. A final report is being prepared.

Preliminary observations indicate three primary comment themes:

- Communication issues with the IRS (or lack of it) generally centering around two components: quality and timing.
- Determination of a qualifying child is complicated, the flow charts are not easy to follow and the rules can create issues when dealing with family groups and determining who can claim a child.
- Preparers struggle with the credibility of EITC claimants and potential fraud, and their responsibilities to for accuracy of returns.

IRS observers at the focus group sessions reported their observations to the EITC Office, and a rapid response is noted in designing a "New Preparer" strategy:

- New Approach to Due Diligence Requirements;
- Increased emphasis on outreach to preparers;
- Improving tools used in preparer outreach; and
- Developing new communication and outreach strategies to reach tax professionals.

IRS reports reaching out to software developers to help preparers comply with EITC Due Diligence and to improve communication.

Opportunities for Improvement

Paid preparers through their comments have provided us with some key points:

- Phone contact with IRS has many issues: time on hold; inability to get the same agent for follow up questions; inconsistency in responses to the same questions; and problems with not being able to get information even when clients have checked the third party designee box on the tax return.
- Paid Preparers rely heavily on software for determining EITC Eligibility.
- Due Diligence requirements cause concern because preparers necessarily rely heavily on their customers for information, and their software to address compliance requirements.
- Difficulties are encountered in overcoming false expectations for large refunds created by public service announcements
- Search results when using the www.irs.gov search engine can't be replicated.
- The website www.EITCforTaxPreparers.com was virtually unknown by panelists and they raised concern about trusting the site since it was a ".com" address and not a government site.

Author/Chair: Stanley A. Wernz
Other EITC Committee Members: Bob Broniarczyk (IL), Betty Chen (NY), Reuben (Dale) Cooper, III (GA), JoAnn Davis (WV), Jeff L. Kennedy (KY), Judy Lester (NC), Ralph Rivera (TX), Iris Sosa (CA), Wayne Tanna (HI), and Harris Widmer (ND).

Notice Simplification Committee

Committee Purpose and Scope

The Notice Simplification Issue Committee works with the Wage and Investment and Small Business Self Employed Operating divisions to advise the IRS about clarity and tone of letters sent to taxpayers. Panel Members are asked to check the proposed language, tone and usability of new or modified documents.

Accomplishments

- Scored 17 notices and 7 letters using the Document Assessment Tool (DAT).
- Developed a Forms Assessment Tool for scoring of forms.
- Provided feedback on the Combined Forms and Testing Guide that was being revised.
- Worked with Appeals and Counsel on the Form 12153 including scoring the form using the DAT and re-writing the form.
- Worked with Exam Program Owners on CP 75 including scoring the notice using the DAT and participating in a conference call explaining their scores.
- Worked with Exam in scoring the 3 version of each of the Form 886H-EITC, Form 886H-DEP and Form 886H-HOH.
- Completed the Targeted and improved Communications Project. Posted on TAPSpace.
- Completed the Vision Impaired Project. Forwarded to Program Owner.
- Sub committee selected high mailing cost inserts to evaluate as to need and legal requirement.
- Provided comments/feedback on a “quick turn around” basis for the 4281C Breach Letter and the CP63 Refund Hold notice.

Letter of Commendation

The work of the Notices Issue Committee was given special recognition for its work in a letter from the IRS Notice Improvement Office in the Wages and Investment Division. It praised the Committee’s work in helping to redesign EITC products, to prioritize correspondence that needed to be improved,

and to assist program teams and Subject Matter Experts in developing correspondence using the Document Assessment Tool (DAT). The IRS program areas so prized the Committee insights into how taxpayers view or interpret the IRS products that the Committee was asked to draft a more taxpayer friendly version of a new IRS product, something that an IRS program rarely asks of an organization outside the IRS. See Appendix B for a copy of the letter.

Opportunities for Improvement

- Better attendance at monthly meetings.
- Arranging for subcommittee telephone conference calls.

Author/Chair: L. Max Scott
Other Notices Committee Members: Benson Chapman (NJ), Paul Colombo (VT), Lee Congdon (Washington, D.C.), Steve Fulkrod (MD), Joe Hurr (OH), David Jones (CA), Dave Meister (WI), Patrick "Neil" Mitchell (UT), Howard Stahl (CA), Lee Stieger (KS), Mary Suther (TX), Charles (Chuck) Tice (AR), Warren Wong (MN), and James (J.T.) Wright (GA).

Taxpayer Assistance Center (TAC) Committee

Committee Purpose and Scope

The Wage and Investment (W&I) Division of the Internal Revenue Service provides face to face service to taxpayers through the Taxpayer Assistance Centers (TACs). The mission is to provide the right services at the right time in the right locations. W&I requested the Taxpayer Advocacy Panel (TAP) to provide feedback on improving and leveraging the services provided to taxpayers at the TACs. The Committee provided input and suggestions to improve the customer experience from "both sides of the counter."

Accomplishments

The TAC Committee divided into two subcommittees: the Customer Survey Subcommittee and the Employee Survey Subcommittee

- The Customer Survey Subcommittee, with the help of program owners, TAP staff and Carol Hatch (TAS Research Analyst), designed and developed a customer survey. They also conducted training for TAP members who administered the survey. With a great deal of help from many additional TAP members; the survey was conducted twice – once during tax season and once after tax season. Each time over 500

responses were collected. The survey was available in English and Spanish. TAP staff have entered the survey responses into a database.

- The Employee Survey Subcommittee, with the help of program owners, TAP staff and a TAS Research Analyst designed and developed an online survey for Taxpayer Resolution Representatives (TRR's), who work in Taxpayer Assistance Centers. Over 500 survey replies were received. TAS Research Analysts and TAP staff produced a summary of the survey results.
- Each sub-committee reviewed the results of its survey and worked to identify findings, conclusions and recommendations. The full TAC then met to finalize the conclusions and recommendations and to outline the report. An analyst with the TAS Communication & Liaison office then took the draft report and turned it into a document, which was submitted to the program owner and to TAP in early December. TAC Committee members did a presentation on the report at the TAP 2007 annual meeting.

Opportunities for Improvement

The work of this issue committee has shown the IRS the potential value and effectiveness of TAP and should serve as a model for future issue committee work.

Author/Chair: Jerald Fireman
Other TAC Committee Members: Robert Haines (NJ), William Matheny (MS), Jerry Melchior (IN), Wayne Whitehead (CA), Douglas Wilhelm (CA), and Bruce Zgoda (NY).

Volunteer Income Tax Assistance (VITA) Committee

Committee Purpose and Scope

The Volunteer Income Tax Assistance (VITA) Committee is comprised of 14 panel members who have varying degrees of volunteer experience with VITA and Tax Counseling for the Elderly (TCE) Tax Return Preparation programs. During the past year the committee gave input to the IRS relating to volunteer training, testing and certification, form development and other issues relevant to volunteer tax return preparation. IRS assists (VITA) volunteers by providing software, training, and equipment. IRS writes the program direction for VITA and directs policy. The IRS does not provide funding for VITA programs, but does work with its partnerships to fund the sites.

Accomplishments

The VITA Issue Committee was formed at TAP's annual meeting in January 2006. The Committee was instrumental in bringing about major changes to IRS-sponsored volunteer training materials, volunteer testing and certification, along with updating the field e-file administrator's guide. The committee also participated in the beta testing of a completely new training regimen called Process Based Training (PBT) and recommended its adoption by the IRS as the favored volunteer training vehicle. The IRS has considered TAP's opinion, along with the results of the beta test during the 2007 filing period, and has formed a task force to move from the current method of training, developed some 30 years ago, to PBT for the 2009 filing season.
The VITA Issue Committee has three sub-committees:

1. Electronic Filing

Chair: Patricia Bryant, Millington, Tennessee.

Objective: Assess the current state of electronic filing in the VITA program and develop recommendations on how to overcome barriers to electronic filing throughout the VRPP program (i.e. Military VITA, TCE (Tax Counseling for the Elderly), AARP Tax Aide and VITA).

Recommendations:

a. The "Practitioner's Pin" be made the recommended pin for all VRPP locations. Further recommend that UTS set "Practitioner's Pin" as the default in the 2008 version of TaxWise software distributed to VRPP locations. Additionally, we recommend that the 2008 version the "Volunteer E-file Administrator Guide" be updated by designating the "Practitioner's Pin" as the preferred pin and including the detailed instructions needed to set it as the default in the TaxWise software, should that be necessary.

b. Recommended that the "Volunteer E-File Administrator's Guide" be revised to make setting print packet simpler, more comprehensive, and more easily understood by volunteers.

2. Branding VRPP in IRS Marketing Products

Chair: Elizabeth Colvin, Austin, Texas.

Objective: Identify opportunities to better package the VRPP program and leverage the strength of the program to market it to clients. Make recommendations to the IRS for enhanced marketing of the VRPP program (using IRS resources) to extend the reach of the VRPP program to additional clients.

Recommendations:

a. Increase the visibility and promote the credibility of free tax preparation.

b. Develop a plan to partner with other government programs (national, state or local) that work with low-income families to include information about VITA in their mailings.

3. Training Program

Chair: Paul Brubaker, York, Pennsylvania.

Objective: Continue to provide feedback and support to the IRS' SPEC (Stakeholder Partnerships, Education and Communication) Training Program by assessing processes and products. Participate on an ad hoc basis in product reviews and process analysis.

Recommendation: The timely availability of accurate and clear training materials. The IRS should review training materials developed by outside sources, address quality reviews to ensure accuracy and develop more training on Form 1099-MISC and Schedule C-EZ allowable expenses, since this is becoming a growing sector of our clients.

Outreach/Focus Group Participation

Four committee members worked with Wage and Investment Operating Division Stakeholder Partners, Education and Communication (SPEC) and the American Association of Retired Persons (AARP) on project teams and three were able to travel to Atlanta in early June to join their IRS counterparts.

- **TaxWise Software**
  One member traveled to Rome, Georgia, in late October and spent time testing the 2008 version of TaxWise software prior to its distribution to our volunteers.
- **Process Based Training**
  Three members volunteered to work with the project team that will implement Process Based Training for the 2009 filing season.
- **Partner's Conference Calls**
  Many of our committee members participated in the IRS's monthly "partners" conference calls where items of importance to VITA are discussed with leaders of VITA sites throughout the USA.

Opportunities for Improvement

The IRS should develop a plan to consistently support the VITA issue committee and the program owners they appoint.

Author/Chair: Paul M. Duquette

Other VITA Committee Members: Sandra Bland (MN), Paul Brubaker (PA), Pat Bryant (TN), Emilio Cecchi (MD), A. Elizabeth Colvin (TX), Laura Criel (NM), Harvey Epstein (NH), Harold (Hal) Gadon (RI), Carolyn Hutchinson (NC), Henry (Hank) A. Mosler (FL), Rick Rousseau (TX), Ferd R. Schneider (OH), and Donna Tremblay (GA).

Summary and Conclusion

The Internal Revenue Service (IRS) provides a range of services to help people comply with their tax obligations and make it easier to participate in the tax system. The Taxpayer Advocacy Panel (TAP) was established to improve IRS responsiveness to taxpayer needs and to provide advance input on key program changes that impact customer service. TAP is an independent advisory group, established in conformance with the Federal Advisory Committee Act (FACA), with volunteer members from all over the country appointed by the Secretary of the Treasury to represent each state, the District of Columbia, and Puerto Rico.

TAP's primary functions are to solicit grassroots (taxpayer initiated) issues and formulate recommendations for improving IRS service to taxpayers. TAP elevates grassroots issues to the IRS employees charged with directing particular programs (program owners) and also responds to requests from program owners for advance input on IRS strategic initiatives. To fulfill TAP's dual roles, each TAP member serves on one of seven geographically-based

"Area Committees" and also on an "Issue Committee." Area Committees act as listening posts to capture grassroots issues from taxpayers and forward them to IRS program owners. Issue Committees allow TAP members to provide feedback directly to program owners on issues identified as strategic initiatives by the Wage and Investment (W&I) Operating Division, the Small Business/Self-Employed (SB/SE) Operating Division, and the TAS.

Since its inception in late 2002, TAP has considered 119 issues originating from IRS Program Owners through its Issue Committees and another 1272 "grassroots" issues that came from taxpayers through the Area Committees. Out of those 1391 issues, TAP has sent 305 referrals forward to the IRS, resulting in the IRS rejecting TAP's recommendations only 13 percent of the time.

During 2007 alone, TAP provided feedback to IRS Program Owners on 40 Issue Committee-generated matters and forwarded another 19 grassroots issues for consideration from its Area Committees. TAP's commitment to its partnership with the IRS in accomplishment its mission of improving IRS service and customer satisfaction will continue to flourish and thrive in the future.

TAP - Five years of planting ideas and growing!!!

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Appendix A: Taxpayer Advocacy Panel Members 2007

Panel Member	City	State	Area	Issue Committee
Gursey, Gregory	Anchorage	AK	7	Burden Reduction
Cordeiro, Daryll	Mobile	AL	3	Burden Reduction
Tice, Charles (Chuck)	Blytheville	AR	3	Notices
Nordwind, Willy	Scottsdale	AZ	6	Communication
Davidson, Charles	Redding	CA	7	Burden Reduction
Ferguson, Margaret	Vista	CA	7	Ad Hoc
Jones, David	Sacramento	CA	7	Notices
Karwin, Thomas	Santa Cruz	CA	7	Communication
Lee, Merijane (M J)	Portola Valley	CA	7	Ad Hoc
Lundberg, Gary	Carlsbad	CA	7	Ad Hoc
Sosa, Iris	Fontana	CA	7	EITC
Stahl, Howard	Los Angeles	CA	7	Notices
Whitehead, Wayne	Northridge	CA	7	TAC
Wilhelm, Douglas	Carmel-by-the-Sea	CA	7	TAC
Motza, Maryann	Aurora	CO	6	Communication
Jason, Julie	Greenwich	CT	1	Burden Reduction
Congdon, Lee	Washington	DC	2	Notices
Davis, Blanche	Rehoboth Beach	DE	2	Communication
Armstrong, Mary	Pensacola	FL	3	Ad Hoc
Marker, Patrice	Davie	FL	3	Ad Hoc
Mosler, Henry (Hank)	University Park	FL	3	VITA
Paris, Mark	Panama City	FL	3	Communication
Rodriguez, Alberto	Miami	FL	3	Ad Hoc
Cooper III, Reuben (Dale)	Atlanta	GA	3	EITC
Edwards, James (Byron)	Roswell	GA	3	Burden Reduction
Tremblay, Donna	Buford	GA	3	VITA
Wright, James (J T)	Carrollton	GA	3	Notices
Tanna, Wayne	Honolulu	HI	7	EITC
Freeman, Chris	Pleasant Hill	IA	5	Ad Hoc
Clapp, Marilynn	Boise	ID	6	Communication
Amos, Maureen	Chicago	IL	4	Communication
Broniarczyk, Bob	Romeoville	IL	4	EITC
Khan, Anne	Chicago	IL	4	Communication
O'Donnell, Marie	Riverwoods	IL	4	Burden Reduction
Melchior, Jerry	Vincennes	IN	4	TAC
Stieger, Lee	Leavenworth	KS	5	Notices
Kennedy, Jeff L.	Louisville	KY	4	EITC

Panel Member	City	State	Area	Issue Committee
Scott, Louie (Max)	Baton Rouge	LA	3	Notices
Hom, Gim	Acton	MA	1	Ad Hoc
Margulies, Howard	North Easton	MA	1	Burden Reduction
Cecchi, Emilio	North Bethesda	MD	2	VITA
Fulkrod, Steve	Bel Air	MD	2	Notices
Havey, Dorothy	Lincolnville	ME	1	Burden Reduction
Behnkendorf, Larry	Waterford	MI	4	Burden Reduction
Lawler, Mary Ann	Dearborn	MI	4	Ad Hoc
Bland, Sandra	Bemidji	MN	5	VITA
Guthmann, Howard	St. Paul	MN	5	Burden Reduction
Wong, Warren	Rochester	MN	5	Notices
Shah, Rajiv	Columbia	MO	5	Burden Reduction
Wright, Kenneth K.	Ashland	MO	5	Ad Hoc
Matheny, William	Long Beach	MS	3	TAC
Bates, George	Great Falls	MT	6	Ad Hoc
Hutchinson, Carolyn	Fletcher	NC	2	VITA
Lester, Judy	Chapel Hill	NC	2	EITC
McElroy, Paul	Pfafftown	NC	2	Communication
Widmer, Harris	Fargo	ND	6	EITC
Meyers, Bob	Omaha	NE	5	Communication
Epstein, Harvey	Lee	NH	1	VITA
Chapman, Benson	Wayne	NJ	2	Notices
Haines, Robert	Lebanon	NJ	2	TAC
Kasturi, Srinivasan	West Orange	NJ	2	Burden Reduction
Criel, Laura	Albuquerque	NM	6	VITA
Yanuck, Gilbert	Carson City	NV	7	Communication
Barry, Shaun	Franklin Square	NY	1	Burden Reduction
Chen, Betty	New York	NY	1	EITC
Parra, Luis	Bronx	NY	1	Ad Hoc
Whiteside, Deidra	Buffalo	NY	1	Communication
Zgoda, Bruce	Clarence	NY	1	TAC
Abdulhaqq, Rashidah	Cleveland	OH	4	Ad Hoc
Hurr, Joe	Dayton	OH	4	Notices
Schneider, Ferd	Cincinnati	OH	4	VITA
Wernz, Stan	Cincinnati	OH	4	EITC
Bensen, Milissa	Hermiston	OR	6	Burden Reduction
Bly, Bill	Wayne	PA	2	Burden Reduction
Brown, Kimberly	Blakeslee	PA	2	Ad Hoc
Brubaker, Paul	York	PA	2	VITA
Gadon, Harold (Hal)	Cranston	RI	1	VITA

Panel Member	City	State	Area	Issue Committee
Warnecki, Elizabeth	Ladson	SC	2	Communication
Shields, Joseph	Mitchell	SD	6	Communication
Bryant, Pat	Millington	TN	4	VITA
Richardson, Lovella	Knoxville	TN	4	Burden Reduction
Bell, S. Kay	Austin	TX	5	Communication
Colvin, A. Elizabeth	Austin	TX	5	VITA
Rivera, Ralph	Garland	TX	5	EITC
Rousseau, Rick	Harker Heights	TX	5	VITA
Suther, Mary	Dallas	TX	5	Notices
Mitchell, Patrick "Neil"	Provo	UT	6	Notices
Bryant, Michael	Oakton	VA	2	Ad Hoc
Sinnamon, Lynwood	Arlington	VA	2	Communication
Yaeger, William	Alexandria	VA	2	Ad Hoc
Colombo, Paul	Colchester	VT	1	Notices
Fireman, Jerald	Edmonds	WA	6	TAC
Maisch, Steven	Arlington	WA	6	Burden Reduction
Duquette, Paul	Amherst	WI	4	VITA
Meister, Dave	Franklin	WI	4	Notices
Davis, JoAnn	Scott Depot	WV	2	EITC
Uhrig, Edward	Lusk	WY	6	Notices

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Appendix B: Letter

WAGE AND INVESTMENT DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308

FEB 14 2008

Mr. Henry Mosler
Chair, Taxpayer Advocacy Panel
c/o Ms. Sandra McQuin
Internal Revenue Service
Stop 1006-MIL, Room 524
211 West Wisconsin Avenue
Milwaukee, WI 53203-2221

Dear Mr. Mosler:

I would like to thank the Taxpayer Advocacy Panel's Notices Issue Committee for the work they have done this year. The work it does in association with our Notice Improvement Office deserves recognition.

Over the years, our association with the TAP Notices Issue Committee has created a proud history of shared achievements. We have worked together to redesign EITC products, to prioritize correspondence that needs to be improved, and to assist program teams and Subject Matter Experts develop correspondence.

Our association has been especially productive this year. In addition to the 17 notices that the Notices Issue Committee scored using the Document Assessment Tool (DAT), the committee responded to requests to score forms as well. The committee's application of the DAT to forms, a tool we originally developed to evaluate a letter's written quality, was innovative and impressive. Its scoring of three different versions of three different 886 H forms deserves special mention. This scoring work demonstrated again the importance of the committee's evaluations during the document design stage. It reaffirmed to me the value of our association.

The committee recently has taken the initiative of modifying the DAT to create a new tool for form scoring because of a growing customer demand for form evaluations. I look forward to seeing the committee's formal recommendation to adopt officially a Form Assessment Tool for IRS usage. I will give the recommendation serious consideration.

I am grateful also for the insights the committee has provided to program areas. Program areas value its insights into how taxpayers view or interpret our products. So much so, in fact, that Appeals and the Office of the National Taxpayer Advocate not only requested a DAT score for a newly designed Collection Due Process form, they also asked the committee to draft a more taxpayer friendly version. Program areas do not make invitations to organizations outside of the IRS lightly. It is a testament to the Notices Issue Committee's work that program areas have voluntarily requested the committee's active involvement during the product development stage.

The committee's achievements are too numerous to mention and I apologize to its members for not citing them all in detail. Please be assured I take an active interest in all of the committee's work. My intention is not to catalogue its numerous achievements; I simply want to use this opportunity to commend the Notices Issue Committee for the work it does and to thank its members for their enthusiasm and work ethic.

Sincerely,

Denise S. Fayne
Director, Media and Publications

cc: Richard Byrd, Commissioner, Wage and Investment Division
Susan Carroll, Director, Customer Assistance, Relationships and Education
Nancy Ferree, Designated Federal Official, Taxpayer Advocacy Panel
Sarah Chavez, Program Analyst, Taxpayer Advocacy Panel
Lee Steiger, Chair, Notices Issue Committee

Appendix C: TAP Staff 2007

Bernie Coston, TAP Director, Atlanta, GA

Steve Berkey, Senior Program Analyst, Plantation, FL

Sallie Chavez, Program Analyst, Plantation, FL

David Coffman, Program Analyst, Seattle, WA

Inez DeJesus, Program Analyst, Plantation, FL

Mary Ann Delzer, Program Analyst, Milwaukee, WI

John Fay, Senior Program Analyst, Washington, DC

Nancy Ferree, Program Manager, Plantation, FL

Anita Fields, Secretary, Plantation, FL

Barbara Foley, Program Analyst, Milwaukee, WI

Susan Gilbert, Senior Program Analyst, Atlanta, GA

Audrey Jenkins, Program Analyst, Brooklyn, NY

Marisa Knispel, Program Analyst, Brooklyn, NY

Sandy McQuin, Program Manager, Milwaukee, WI

Judi Nicholas, Program Manager, Seattle, WA

Meredith Odom, Secretary, Brooklyn, NY

Marla Ofilas, Secretary, Seattle, WA

Sandra Ramirez, Program Manager, Brooklyn, NY

Patti Robb, Secretary, Milwaukee, WI

Janice Spinks, Program Analyst, Seattle, WA

Designated Federal Officials

Area 1, Betsy Fallacaro, Local Taxpayer Advocate, Boston, MA

Area 2, Frances Kleckley, Local Taxpayer Advocate, Columbia, SC

Area 2, Lois Lombardo, Local Taxpayer Advocate, Philadelphia, PA

Area 3, Carolyn E. Lewis, Local Taxpayer Advocate, New Orleans, LA

Area 3, Rose Browne, Local Taxpayer Advocate, Atlanta, GA

Area 4, Betty A. Martin, Local Taxpayer Advocate, Nashville, TN

Area 5, Marian Adams, Local Taxpayer Advocate, Wichita, KS

Area 6, Chet Blair, Local Taxpayer Advocate, Ogden, UT

Area 7, John Tam, Local Taxpayer Advocate, Oakland, CA

Appendix D: Recommendation Status Definitions

Elevated, Awaiting Acknowledgement—used for area committee issues elevated through the Joint Committee before acknowledgement is received.

Elevated, Awaiting Preliminary Response–IRS has acknowledged receiving area committee proposal elevated through the Joint Committee and information provided as to whom the recommendation was forwarded for response and/or reaction to proposal.

Elevated, Awaiting Response—used for issues elevated through the Joint Committee before IRS provides substantive response.

Elevated, Awaiting Second Response—TAP received IRS response to area committee proposal elevated through Joint Committee and responded with additional or clarifying information to support the proposal. TAP is awaiting IRS response to TAP's second proposal.

Pending Review by TAP—TAP has received response from IRS and it was sent to the originating committee to determine whether to accept or counter IRS' response.

Closed, Proposal Accepted–IRS has agreed to the recommendation.

Closed, Proposal Partially Accepted–IRS has agreed to the recommendation in part. Explain partial acceptance in response notes.

Closed, Proposal Rejected—IRS has rejected the recommendation.

Closed, Proposal Implemented—IRS has fully or partially implemented the proposal.

Closed, Elevated Directly by Committee—an area or issue committee gave comments and/or recommendations directly to program owner.

Closed This status is used when no further action is required and none of the other closed statuses are appropriate. Examples include:

- Committee decides to substantially change the recommendation based on change in legislation or IRS policy. The reconfigured recommendation receives its own tracking number.
- IRS cannot affect the change. The change requires legislation or it is the jurisdiction of another government agency.
- The issue is resolved prior to elevation.

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Department of the Treasury
Internal Revenue Service

www.irs.gov

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