

## **EXECUTIVE SUMMARY**

The recommendations presented in this report are based on observations and findings from TAP member visits to local TACs and interviews with TAC managers and employees. Information was also received from IRS Program Owners, several state government tax units that issue Heavy Duty Vehicle licenses, truck drivers, and federally chartered banks.

The purpose of these visits was to gain a better understanding of the TAC payment process, receive insight from employees and managers, and identify ways to improve the payment process, customer service, and satisfaction in the TACs.

### **RESEARCH: Methodology**

In order to assure consistency for TAC Committee visits and observations, the Committee developed a series of twenty questions to present to the managers. These questions focused on payment processing activities. The Committee members visited 16 offices and interviewed 14 managers from New Hampshire to California, from Wisconsin to Mississippi. Payment processing was also discussed with these managers who remotely managed an additional seven TAC offices. All ten of the Committee members were involved in the visits and observations.

Following the visits to the TACs, each member of the Committee prepared a report documenting his/her observations and listing answers to the twenty standardized questions. These reports were discussed during the monthly TAC Committee teleconferences.

At the June 2009 face-to-face meeting in Denver, the observations and written reports were discussed to identify ways to improve the payment process and customer service.

At the Denver meeting recommendations were adopted that fall into five categories:

- Heavy Highway Vehicle Use Tax, Form 2290
- Payment Drop Boxes in TACs (for payment by checks or money orders)
- Payment Using the Form 8109 Process for all taxpayers
- Forms Used in the Payment Process at the TACs
- Q-Matic System and Wait Time

Five subcommittees were appointed to develop the recommendations contained in the following report. These recommendations are designed to improve the payment process in the TACS:

## **HEAVY HIGHWAY VEHICLE USE TAX, FORM 2290**

This recommendation asks Field Assistance to reduce or eliminate the number of taxpayers visiting TAC offices to pay their highway use tax by encouraging the use of alternative payment methods that may be more convenient and faster for taxpayers than traveling to a TAC.

## **PAYMENT DROP BOXES**

This recommendation asks Field Assistance to install payment drop boxes nationwide in all TACs to receive payments made by checks or money orders. This is an accepted business practice in many industries.

## **PAYMENT USING FORM 8109 FOR ALL TAXPAYERS**

This recommendation asks Field Assistance to address the ability of taxpayers to make tax payments by offering a simplified system. Currently, the IRS allows business customers to deposit certain taxes using existing Financial Institutions. The IRS should expand the opportunity to collect a variety of taxes using the Form 8109 process.

- The IRS should adapt the Form 8109 process for all taxpayers.
- The IRS should make deposit coupons more readily available or easily accessible by converting deposit coupons (Forms 8109 and 8109-B) to a form accessible online and allowing the taxpayer to print the forms from *www.irs.gov*.

## **FORMS USED IN THE PAYMENT PROCESS AT THE TACS**

This recommendation asks Field Assistance to conduct an analysis of the posting and processing of payments at the TACs with the objective of reducing the number of forms required. Additionally, the IRS should continue to develop and implement an automated process for payment processing in the TACs. This would include the capability of providing a receipt for every cash payment as well as for payments made by check, if requested.

- For each payment received from a taxpayer, IRS procedures require TAC staff to complete Form 809, Receipt for Payment of Taxes (for cash payments), Form 3244, Payment Posting Voucher, and Form 795, Daily Report of Collection Activity. Much of the information required on each of these forms is similar. The IRS should develop and implement a system whereby these three forms

integrate with each other and once information about a payment is entered into an online form by TAC staff, the common information should auto-populate to each of the three forms.

- Check 21 technology should be researched and expanded for use in all TACs. This established technology is currently used by many private industries and is an accepted way to provide receipts to customers at the time of payment.

## **Q-MATIC AND WAIT TIME**

This recommendation asks Field Assistance to: (1) refine its use of the Q-Matic system, (2) educate customers in Q-Matic use, and (3) develop performance information utilizing Q-Matic data.

The consensus of the TAC Committee is that some payment process functions should be modified to achieve the objectives of reducing repeat traffic, wait time, staff time, and the handling of cash in the TACs. In order to bring about needed changes, the Committee believes that more attractive alternatives need to be created to encourage taxpayers to utilize mechanisms for payment (particularly cash payments) other than in-person delivery to the TACs. Also, an important consideration in reducing in-person delivery of payments to the TACs is the continuing education of taxpayers by IRS staff concerning alternatives available to them.

A major reason for dissatisfaction expressed by taxpayers about their visits to local offices involves the promptness of service. A significant number of taxpayer visits are to make payments. Reducing the number of taxpayer visits for payments and reducing the time required for individual payment interactions should improve the promptness of service for all customers visiting the TACs.

Additionally, during interviews with TAC managers the most commonly mentioned concern was the handling of cash. Managers categorized the handling of cash as among the most serious issue they faced.

The recommendations of the TAC Issue Committee address all of these concerns. We submit them to Field Assistance with the belief they will improve the payment process in the TACs and improve customer service and satisfaction.