



2003 Annual Report



Internal Revenue Service TA:TAP
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December 31, 2003

Nina E. Olson
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Internal Revenue Service C:TA
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Dear Ms: Olson,

As the chair of the Taxpayer Advocacy Panel (TAP) it is my pleasure to present our annual report. This report provides a brief history of the activities of the TAP from October 1, 2002, to September 30, 2003.

TAP has completed a very successful first year. Our diverse and talented panel members have each volunteered at least 300 hours as advocates for the taxpayer to work in partnership with the IRS identifying solutions to strategic and grass-roots issues. Our work has been both rewarding and frustrating: rewarding because we have been able to reduce barriers to provide valuable input to the IRS, and frustrating because IRS culture and complexities along with lack of resources and time have slowed our progress.

This report is the product of many TAP members who worked hard and diligently in their responsibility as advocates to improve customer service for taxpayers. We would also like to thank the TAP support staff and the IRS employees who graciously supported our work. We believe that the panel provides a unique and valuable service as advocates for the taxpayers as well as support for the IRS that is not duplicated elsewhere. As citizens we create a bridge by listening to the taxpayer and recommending change for the common good.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "T. P. Seuntjens", written in a cursive style.

Thomas P. Seuntjens
Chair, Taxpayer Advocate Panel

PC: John W. Snow, Secretary of the Treasury
Mark Everson, Commissioner of Internal Revenue Service

Preface

The Department of the Treasury, in response to a review of Federal Advisory Committee Act Boards, recommended nation-wide expansion of the Citizen Advocacy Panel established in June 1998, to be renamed the Taxpayer Advocacy Panel (TAP). The Internal Revenue Service (IRS) established a Design Steering Committee comprised of the National Taxpayer Advocate, Executives from Wage & Investment (W&I), Small Business/Self Employed (SB/SE), the Communications and Liaison Office, and National Treasury Employees Union Representatives to design the new Panel.

TAP is a valuable partner providing a forum for taxpayers' input to the IRS decision-making process. TAP acts as a two-way conduit by serving as focus committees for the IRS through providing input on strategic initiatives, administrative and procedural issues, and a venue for raising issues identified by taxpayers. By being closely linked to the IRS program owners, the panel provides unique opportunities for members to identify and analyze service-wide issues.

The Panel of approximately 100 demographically diverse non-IRS members serve on fifteen committees. Each member serves on an area committee that is geographically based. The area committees represent all 50 states and the District of Columbia, and act as listening posts to identify grass-roots issues. Members also serve on an issue committee that is aligned to provide direct taxpayer input to IRS strategic initiatives for both the W&I and SB/SE operating divisions. Each area and issue committee selects a chair and these chairs along with the TAP Chair serve on the Joint Committee. The Joint Committee serves as a management and administrative body and is empowered to speak on behalf of the entire Panel. We are grateful to be supported by a small staff of well-qualified analysts from the Taxpayer Advocacy Service (TAS).

As a newly formed panel with self-appointed leadership, it required the first six months of hard work to understand the IRS system, develop operating and organizational procedures, and initiate research on issues. Through numerous committee meetings via teleconference calls and a few face-to-face meetings, and with great support from the TAP staff, the panel has become an efficient and effective advocate for improving customer service and is now forwarding numerous recommendations to the IRS program owners. As we continue our work, we also look forward to receiving feedback from the IRS program and issue owners on their progress in addressing these recommendations.

Mission Statement:

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

It 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
- Effective forum for direct citizen input into IRS programs and procedures

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Executive Summary

Since this is the first report for the Taxpayer Advocacy Panel (TAP), this document contains information on the accomplishments and challenges for TAP's first year, as well as additional information regarding the structure and operating procedures. This is to provide the reader with a better understanding of the panel.

Introduction The major accomplishment of TAP was to organize the over 100 geographically diverse volunteers to work together effectively and accomplish TAP's mission. After establishing operating procedures, the panel members developed solid relationships that allowed for open discussion and consensus building. Internal Revenue Service (IRS) program owners have come to recognize TAP as a valued partner, and panel members have worked with the program owners to improve and streamline services. Area committee members explored grass roots issues, selecting many for additional work in sub-committees, and forwarded seventeen recommendations through the Joint Committee to the IRS.

The first year also produced some challenges. A director was not appointed until February of 2003 and then was reassigned to another position in September. This caused breaks in support for the panel. Administrative decisions on whether TAP should research and submit legislative issues and the implementation of a marketing strategy caused the panel frustration. The committees operate primarily by teleconferencing which makes it harder to develop the relationships for open discussion and consensus building.

Now that TAP has improved its processes, members can be more effective as advocates for taxpayers. TAP can only be effective when acknowledged by the IRS through ongoing feedback and support from the IRS Program Owners. TAP needs to establish a communication link and network with the IRS in Washington and with the other IRS advisory groups to share common areas of interest for improving service and to be recognized as an effective organization.

TAP is fortunate to have a qualified and dedicated support staff of managers, analysts, and administrators, as well as great support from the Local Taxpayer Advocates (LTAs) who function as Designated Federal Officials (DFOs). The panel wishes to thank the IRS TAP liaisons and the program owners who have worked with TAP for their time and receptivity to TAP's input.

TAP Structure TAP has volunteers from each of the 50 states and the District of Columbia with a wide variety of experience. TAP performs as a two-way conduit with each panel member serving on their area committee and an issue committee. There are seven Area Committees with a bottom-up focus as

listening posts bringing geographic and grass roots issues to the IRS, and there are seven Issue Committees. The issue committees have a top-down focus on strategic initiatives and issues identified by the IRS program owners. The issue committees have members that cut across all geographic boundaries. The Joint Committee, which consists of the TAP chair and the chairs of each of the area and issue committees, is the management and administrative body for TAP that is empowered to speak on behalf of the entire Panel.

Operating Procedures TAP has established operating procedures to ensure effective and efficient operation. Each committee has established a consensus decision-making process and a quorum and operating ground rules. The panel has also established communication strategies as well as how recommendations are developed and forwarded.

Area Committee Self-Assessments and Elevated Recommendations The area committees' purpose is to listen to taxpayers, identify taxpayer issues, and make suggestions to improve IRS service and customer satisfaction at the grass-roots level.

The Area committees gathered grass roots issues, prioritized them, and selected some for additional research and then elevation through the Joint Committee. The issues elevated by the area committees through the Joint Committee included a recommendation concerning temporary regulations on preparer recording keeping that was sent to chief Counsel, Department of Treasury. Ten issues were elevated to Wage & Investment for improving forms, worksheets, and publications, as well as improving communication between the IRS and taxpayers. Two issues were elevated to Small Business/Self-Employed; one for improving the voice response system prompts for the Electronic Funds Transfer Program System (EFTPS) and another on the fees for Offers in Compromise. The recommendation on improving the EFTPS system was accepted by the IRS prior to its formal elevation. The area committees also elevated recommendations on improving the Form 990, Return of Organization Exempt from Income Tax, to Exempt Organizations.

Area members performed a variety of outreach efforts in their geographic locations to get the TAP message out and to gather grass roots issues. Members worked with their Local Taxpayer Advocates (LTA), the IRS Taxpayer Education and Communication (TEC), as well as government liaisons to find outreach opportunities. TAP members reached out to practitioner groups, congressional offices, professional associations, senior citizens groups, church groups, rotary clubs, and business development centers.

Issue Committee Self Assessments and Recommendations The first part of the year was a learning experience for panel members and IRS program owners

in finding the best way of partnering to improve IRS strategic priorities. After forming the partnerships, the Issue Committees worked very effectively with the IRS program owners and provided both written and oral feedback. There are seven issue committees: three that focus on W&I issues, 1) Earned Income Tax Credit, 2) Multilingual Initiatives, and 3) Reducing Taxpayer Burden—Notices: three that focus on SB/SE issues, 1) Schedule C Nonfilers, 2) Payroll Taxes, and 3) Efiling. The Ad Hoc committee acts on or considers service-wide issues brought to the committee by the IRS (driven by IRS strategic priorities), the National Taxpayer Advocate and/or the TAP Joint Committee.

Partnering TAP has great impetus because of experience and outstanding support from the Taxpayer Advocate Service (TAS), and the Panel is fortunate to have many others in the IRS as partners to support its mission. Every TAP committee gave extremely high commendations for the staff that support them as DFOs, managers, analysts and administrative assistants. The partnering and support given to each TAP member by the LTA in cities all over the country is another major factor in TAP's success, and it has expedited the learning curve. TAP has committed IRS Program Owners assigned to work with the Issue Committees and the elevated recommendations. TAP is fortunate to work with the IRS as a partner in improving the tax processes and as advocates for the taxpayer.

Marketing Individual members and committees have often noted that the public and many IRS employees do not know of TAP or its mission as advocates for the taxpayer. This lack of knowledge about TAP has made the task of identifying grass-roots issues more difficult.

A comprehensive communication plan has been developed. It was reviewed with the Panel at the October 2003 annual meeting and endorsed by the Ad Hoc and Joint Committees. However, the program has not yet been released or implemented. It is important that this plan be implemented immediately in order to provide panel members with needed communications support.

The Ad Hoc Committee has also reviewed and updated the promotional communications material that is available to all panel members for local grass-roots meetings. Their recommendations have been presented to TAS.

Many taxpayers' grass-roots issues are presented in person to panel members, and they are also directed to TAP by either the website www.irmproveirs.org or toll free number 1-888-912-1227.

Recruitment An effective recruitment program is critical to the ongoing success of a voluntary organization such as TAP. Throughout the first year of operation, TAP has asked TAS to use the available alternate list to replace the members

who resigned for various reasons. TAP requests that in 2004, Treasury and TAS recruit a sufficient number of qualified individuals to serve on the panel for the replacement of the regular October 2004 rotation and also any terminations of members during 2005.

It is difficult for committees to operate effectively if the size of their membership is greatly reduced because of attrition. The addition of a large number of new members at annual rotation time also causes the panel to be less effective due to the learning curve of the panel. To reduce the impact of a complete turnover, TAP has proposed, and Treasury/TAS has accepted a transition plan with staggered terms.

Conclusion TAP is a Panel of voluntary members with diverse backgrounds and geographic locations brought together by a common cause to advocate for the taxpayer and to help improve the IRS. TAP has developed into an efficient and effective Panel. With an experienced, excellent TAP support staff and the Panel's commitment to the consensus decision-making process, we set out to "make a difference" for the taxpayer.

A roll out of the comprehensive marketing and communication program is a high priority of this year. It is also important that the IRS program owners assigned to support TAP either on Issue Committees or Area Committees, forward recommendations, listen, and act upon ideas from TAP. TAP currently has experienced and committed IRS program owners and is receiving reports on the status of their recommendations. The IRS must implement an aggressive recruitment program for TAP with staggered terms to ensure the Panel can continue as an efficient partner with the IRS and the taxpayer.

This past year has been a rewarding experience for TAP volunteers and the Panel is proud of the changes 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 second year as advocates for the taxpayer.

Introduction

As our first report, this document contains additional information regarding the Taxpayer Advocacy Panel's (TAP) structure, operating procedures, and committee reports to provide the reader a better understanding of the Panel. As a diverse panel of over 100 volunteers representing all 50 states and the District of Columbia many that have no prior experience or understanding of the Internal Revenue Code or organization, the first order of business was to establish our operating procedures and educate our members. These tasks were accomplished within the first six months and by March 2003 TAP was fully operating as advocates for improving customer service for the taxpayer. This first year has been challenging and full of accomplishments.

The many accomplishments during our first year include:

- Organized over 100 volunteers to work about 300 hours per year on two or more committees and came together effectively to accomplish our mission as a self-governing body
- Solid relationships grew among the panel members allowing open discussion and consensus building
- Chairs of committees and sub-committees have done an outstanding job performing their responsibilities
- Panel members effectively explored grass-roots issues identified by taxpayers and better understand the complexities of the Internal Revenue Service (IRS)
- IRS program owners have come to recognize TAP as a valued partner in helping improve and streamline services
- Issue Committee members worked with the IRS program owners to make major contributions in identifying quality improvements in strategic areas
- Area committee members identified a large number of issues to research, selected many for work by sub-committees, and forwarded seventeen recommendations through the TAP Joint Committee to the IRS

The first year also produced some challenges. Some of the challenges faced:

- A director was not appointed to TAP until February 2003. In September, this Director was reassigned, an acting Director appointed, and a new Director chosen in December. This caused breaks in support for the panel.
- Clarification on whether TAP should research and submit recommendations on legislative issues was not received until May 2003 and caused the panel frustration and ineffective use of its resources
- Ongoing marketing of TAP to the taxpayer and within the IRS has not been as aggressive as desired
- An understanding on how TAP members should interact with IRS Local Taxpayer Advocates and the public was not initially well understood

- Some of the IRS program owners assigned to Issue Committees did not consider working with TAP a high priority
- The TAP committees operate primarily by teleconferencing and that created a slower than desired start toward effectiveness

Now that TAP members have improved processes, they are ready to be more effective as advocates for taxpayers in our second year of operation. Our commitment to serve as volunteers and work toward a common goal will significantly improve the services of the IRS. To ensure there is a continuous pool of qualified members to serve on TAP, we strongly suggest Treasury and the IRS implement an effective TAP recruitment program, including staggered terms for members and an ongoing replacement program for members that leave the panel. The result is that no more than one-third of the panel should turnover at one time, thereby maintaining organizational continuity.

As a dedicated and hard working panel, TAP can only be effective when acknowledged by the IRS. TAP should receive ongoing status reports and responses from the IRS Program Owners regarding our recommendations. Also, TAP's network within the IRS in Washington and with the other IRS advisory groups which would allow the Panel to share common areas of interest for improving service are not well established. The short-term objective is to become more effective as advocates for the taxpayers by establishing a communication link on the status of our work and to be recognized as an effective organization by the IRS and other advisory groups in Washington. Through good communications, the panel will better understand its impact on grass-roots and strategic issues.

TAP is fortunate to have a qualified and dedicated support staff that is assigned to us as managers, analysts, and administrators. TAP is also fortunate to have qualified Local Taxpayer Advocates that support the area committees as Designated Federal Officials. The Panel wishes to thank Nina Olson, National Taxpayer Advocate, for great support, as well as Sue Sottile of Wage and Investment (W&I) and Michael Chesman of Small Business/Self Employed (SB/SE) as the liaisons with the IRS Operating Divisions. TAP thanks the IRS program owners for partnering with the issue committees and for their time and receptivity to our input.

TAP Structure

TAP has about 100 panel members appointed to a two-year term with at least one member from each of the fifty states (see Appendix 1, and 2) and the District of Columbia. The Panel of private citizens each volunteers at least 300 hours a year. Panel members have experience as business owners, business executives and employees, Certified Public Accountants, Enrolled Agents and other tax practitioners, educators, lawyers, politicians, and military personnel; some are still actively employed while others have retired.

TAP performs as a two-way conduit with each panel member serving on one area and one issue committee:

- Area Committees--Bottom-up focus as listening posts on local geographic issues and grass-roots efforts
 - Area 1, Northeast States
 - Area 2, Mid-Atlantic States
 - Area 3, Southeastern States
 - Area 4, Central States
 - Area 5, Mid-West States
 - Area 6, Western States
 - Area 7, California
- Issues Committees--Top-down focus on strategic initiatives and issues as identified by IRS Program Owners that cut across all geographic boundaries
 - W&I EITC (Earned Income Tax Credit)
 - W&I Multi-Lingual Initiative
 - W&I Reducing Taxpayer Burden – Notices
 - SB/SE E-Filing
 - SB/SE Compliance Issues, Schedule C Non-Filers
 - SB/SE Reducing Taxpayer Burden – Payroll Taxes
 - Ad Hoc Committee

There is also a Joint Committee consisting of a chair who is elected by all Panel members, the vice chair who is the chair of the Ad Hoc Committee, the TAP Director who acts as the DFO, and all area and issue committee chairs.

The Joint Committee is the management and administrative body for TAP that is empowered to speak on behalf of the entire Panel and performs a variety of functions including:

- Establishing operating procedures and processes
- Developing administrative forms and documents
- Prioritizing issues
- Elevating grass-roots issues to the IRS
- Ensuring members adhere to expectations
- Developing a communications strategy
- Conducting an annual self-assessment of its committee climate and performance
- Preparing an annual report to Treasury

Operating Procedures

TAP has established operating procedures to ensure effective and efficient operation. The Panel and committees have established:

- A consensus process on all decision-making
- A quorum and set operating ground rules
- A process describing how activities are undertaken, how decision-making progresses, and how recommendations are developed and forwarded

The Area Committee Chairs will:

- Lead and chair all area meetings
- Work with the DFO to set agendas as well as the meeting time, type, and location
- Manage a consensus decision-making process ensuring all members are heard and recommendations evaluated fairly
- Elevate issues approved by the committee to the Joint Committee
- Prepare the committee's annual self-assessment report for the TAP chair

The Issue Committee Chairs will:

- Lead and chair all issue meetings
- Work with the DFO and IRS program owners to set agendas as well as the meeting time, type, and location
- Manage a consensus decision-making process ensuring all members are heard and recommendations are presented fairly
- Act as a point of contact with IRS program owners
- Communicate committee's activities to program owners and the Joint Committee
- Prepare the committee's annual self-assessment report for the TAP chair

The TAP chair and vice-chair will:

- Ensure that all Panel members understand the TAP mission and goals and that activities are planned to achieve desired progress on these goals
- Lead and chair the Joint Committee meeting and work with the DFO to set agendas as well as determine meeting time, type, and location
- Manage consensus decision-making; ensuring that all members are heard
- Act as point of contact with the TAP staff, the IRS, and Treasury providing briefings and action items
- Liaison with other IRS advisory groups and act as spokesperson for the entire Panel
- Provide the annual report and other required documentation to the Secretary of the Treasury and the IRS Commissioner.

Area Committees Self-Assessment Reports

The area committees' purpose is to listen to taxpayers, identify taxpayer issues, and make suggestions to improve IRS service and customer satisfaction at the grass-roots level.

Following are summaries from the Area Committee annual self-assessment reports including elevated recommendations, work in-progress issues, and grass roots outreach efforts.

Area 1 Committee - Walter Fish, Chair

Recommendations were submitted through the Joint Committee to the IRS in the following areas:

- Telephone Message
- Inflation/Phase-Out & Deductions
- Quality Control of Correspondence
- Individual Taxpayer Identification Number (ITIN)
- Offer-In-Compromise (OIC) Filing Fee

Issues under consideration:

- Self Employment Tax for Newspaper Carriers
- Electronic Federal Tax Payment System (EFTPS) Payments Extensions
- Installment Agreement Forms
- Health Insurance Deduction for Employees
- Form W-4, Employee's Withholding Allowance Certificate, Box Name Inconsistency

Other accomplishments:

- Established a positive relationship with Taxpayer Advocate Service (TAS), Low Income Tax Clinics (LITC), Taxpayer Education and Communication (TEC), and Volunteer Income Tax Assistance/Tax Counseling for the Elderly (VITA/TCE) to enhance our grassroots efforts

Area 2 Committee - Mary Balmer, Chair

Recommendations were submitted in the following areas:

- EFTPS (Electronic Filing Telephone Prompts System) Short Form Worksheet
- IRS Toll-Free Number

Issues under consideration:

- Form W-4, Employee's Withholding Allowance Certificate

- Form 1041, US Income Tax Returns for Estates and Trusts
- EFTPS, Tax Year Clarification
- Offer-in-Compromise (OIC) Processing Time

Other accomplishments:

Committee members had meetings with 14 separate organizations on outreach efforts. Examples are IRS Stakeholder Relationship, VITA (Volunteer Income Tax Assistance) Training Program, Clemson Practitioner Institute, Federal and State Tax Institute Seminar/Annual Event, IRS Payroll Tax Focus Group, Third Annual Pennsylvania Tax Preparation and Information Fair, Congressional Liaison Meeting in Baltimore, North Carolina Society of Enrolled Agents, Allegheny Tax Society of Pennsylvania, and the IRS Tax Forum in Atlantic City.

Area 3 Committee - Edward Hanna, Chair

Recommendations were submitted in the following areas:

- Preparer Record Keeping
- Customer Fairness & Respect
- Schedule K-1s (Shareholder's Share of Income, Credits, Deduction, etc.) for S Corporations
- Telephone Listing/Answer, Accountability/Complaint Process
- Expansion of "Check the Box"

Issues under consideration:

- Telephone Listing/Answering Quality
- Changing Estimated Tax Payment Dates
- Employer Provided Health Insurance
- Refunds from Filing Amended Individual Income Tax Returns
- Refund Check Envelopes
- Estimated Tax Penalty
- Materiality of Payments

Other accomplishments:

The committee developed guidelines for teleconferences that made them more efficient, such as sub-committee members communicating prior to the full meetings, informing the Chair before the meeting as to who is ready to report, and trying to focus issues rather than attempting to tackle every facet.

Developed elements that help achieve TAP goals: Create a desire for members to participate, pursue meaningful issues, create an atmosphere in which each participant believes his or her input is properly received and important, and

promote the TAP mission to taxpayers so that they will continue to supply comments with the assurance that TAP is their advocate.

Area 4 Committee - Robert Meldman, Chair

Recommendations were submitted in the following areas:

- IRS “Just-in-Time” Policy on Information and Forms to Practitioners
- Burdens caused by Form 990, Return of Organization Exempt From Income Tax, Filing Requirements
- Simplification of the Social Security Worksheet
- Limitations on Income Tax Deductions of Capital Losses
- Elimination of “Window” in Tax Refund Envelopes

Issues under consideration:

- Refund Anticipation Loans (RAL)
- Outreach Strategy
- Increase Acceptance of E-file Returns
- Lien Desk Recording

Other accomplishments:

Considering this was the initial year of organization and members were from diverse backgrounds, the committee has done an excellent job of working as a team.

Each member has had interaction with the general public, tax professionals, and IRS personnel. Several speeches and presentations were made about the TAP mission. Outreach activity included the following; Michigan Society of Certified Public Accountants, Wisconsin Institute of Certified Public Accountants, Stakeholder Partnership Education and Communication staff in Wisconsin, and Congressional liaison meetings.

Area 5 Committee - Lillian Woo, Chair

Recommendations were submitted in the following areas:

- Free-File Alliance Service
- Alternative Minimum Tax (AMT) Inequities Correction
- Improvements to Form 6251, Alternative Minimum Tax – Individuals

Issues under consideration:

- Offers-in-Compromise (OIC)
- Levies
- Complexity in Real Estate Reporting
- Processing Amended Returns
- Walk-in Service Centers

Other accomplishments:

Many grassroots contacts were made by the committee to include: IRS at media offices; Local Taxpayer Advocates (LTAs), Stakeholder Relationship Management, Liaison and Communications (SRMLC), Taxpayer Education and Communication (TEC), Stakeholder Partnerships, Education and Communication (SPEC), Volunteers In Tax Assistance (VITA), as well as government offices/events, congressional offices, congressional liaison meetings, congressional forums, tax forums, outside media, press releases, individual taxpayers, professional associations, local coalitions, and authored articles.

Area 5 had very active participation by members of the public at each telephonic and face-to-face meeting.

Area 6 Committee - Justin Doucette, Chair

Recommendations were submitted in the following area:

- New Tax Forms
- IRS Taxpayer Assistance Centers
- Taxpayer Rights
- W-4, Employee's Withholding Allowance Certificate, Clarifications
- Provider Identification Number
- Hold Music

Issues under consideration:

- Priority Practitioner Service and Fax Machines
- Tax Return Processing Order
- Excess Paper for Power of Attorney
- Taxpayer Rights
- Taxpayer Assistance Centers

Other accomplishments:

A large number of outreach efforts were conducted in the following area: Presentations to organizations such as Practitioner Liaison Meeting, CEO/CFO

Forum, Senior Citizens Group, Church Groups, Attorney Group, CPA Group, Rotary Club, and Business Development Center. Awareness activities were conducted at low-income tax clinics, IRS symposium, and housing and finance communications. One-on-one and small meetings were held with more than twenty-two different organizations and in public meetings. Media coverage was obtained in two television spots and in twelve publications.

Area 7 Committee - Charles Taylor and Cheyaña Jaffke, Chairs

Recommendations were submitted in the following areas:

- Installment Agreements - Participated and gave feedback in a focus group on the Interactive Installment Agreement Web site.
- Offer-in-Compromises (OIC) – Elevated recommendation to the Joint Committee asking that the IRS include clarification and information on the OIC Instruction Form 656 for taxpayers who have not filed returns and were not required to do so. This recommendation would reduce the number of OICs that are automatically returned due to missing information.

Issues under consideration:

- Financial Literacy and Adult Education – Looking into IRS coalitions with VITA sites, researching areas where IRS could improve in educating the public in tax issues
- Installment Agreements - Working on clarity and tone of the IRS notice sent monthly to those taxpayers enrolled in Installment Agreements.
- Compound Interest – Discussing the problem compound issues causes to those who owe a tax debt.

Other accomplishments:

Some of the outreach activities for the committee were to participate in public forums at a VITA site and a National Tax Forum. Other meetings include Rotary International Club, Masons, Disabled American Veterans, Ventura County Taxpayers Association, California State University, Hispanic Umbrella Group, American Association of Retired Persons (AARP), Association of Government Accountants, Chambers of Commerce, and the Federal Executive Board.

Area Committee Recommendations Elevated through the Joint Committee

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| TAP 03-001 | Preparer Record Keeping Requirements |
| Statement of Issue: | Comments submitted by the Taxpayer Advocacy Panel (TAP) in response to temporary regulations and the notice of proposed rulemaking issued on April 24, 2003, relating to a paid income tax preparer's obligation to retain and furnish copies of income tax returns and claims for refund. |
| Proposal: | TAP endorses upgrading current record-keeping requirements under Code section 6107(b) to allow electronic storage. TAP requested the regulations, applicable forms, instructions, or guidance clarify whether certain forms must continue to be maintained on paper due to signature requirements. Examples might include (1) EITC verification forms, and (2) for electronically filed returns, forms requiring a signature on both federal and state returns. Other than these forms, TAP recommends that preparers be allowed to choose to maintain taxpayer data on electronic media, with the ability to recreate the tax return. |
| Response from: | Chief Counsel, Department of Treasury |
| Response Notes: | General acknowledgement that comments were received from Chief Counsel, Department of Treasury |

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| TAP 03-002 | Social Security Worksheet |
| Statement of Issue: | The Social Security Benefits Worksheet included with Forms 1040 and 1040A is visually confusing and complicated for the average taxpayer to complete. Publication 915, <u>Social Security Benefits and Equivalent Railroad Retirement Benefits</u> , obtained from the IRS Website contains a very clear and simplified worksheet on page 15 (Worksheet 1, Figuring Your Taxable Benefits). |
| Proposal: | The format and wording of the Worksheet 1, <u>Figuring Your Taxable Benefits</u> , available in Publication 915 be substituted for the worksheets included in forms 1040 and 1040A instructions. |

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| TAP 03-003 | FreeFile Alliance Partnership |
| Statement of Issue: | TAP members would like to support the IRS in reaching the goal of eighty percent of returns filed electronically. One part of this initiative is the Free File Alliance. With the 2002 filing season, the IRS instituted "FreeFile," a new electronic system for filing taxes geared to individual taxpayers. With the help of seventeen FreeFile partners, the IRS has increased the number of e-filers substantially. However, there remain many issues with the alliance process that need review and correction. |
| Proposal: | <ol style="list-style-type: none"> 1. Limit the number of FreeFile Alliance members. 2. Standardize the software across providers. 3. Limit commercialization/marketing of firm's other services to users. 4. Allow taxpayers to download returns and store them on their personal computers. 5. A point-of-service survey should be available for every return attempted. 6. Have the IRS convert FreeFile Alliance members to independent contractor status with the agency, and pay a nominal fee per e-filed return. 7. Allow taxpayers to file returns directly with the IRS and bypass the middleman. 8. Involve TAP members as partners on the review team. |
| Response from: | Terence Lutes, Director of Electronic Tax Administration |
| Response Notes: | Terry Lutes held telephone conference with Area 5. Recommendations were taken into consideration while negotiating the Free File Alliance for 2004 Filing Season. Further recommendations need to be forwarded prior to June 2004 and will be considered for the negotiations for 2005 Filing Season. Mr. Lutes also answered panel members specific questions. |

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| TAP 03-004 | Local Telephone Numbers |
| Statement of Issue: | In states such as Maine, where there are highly rural less-populated areas, the numbers listed for the local IRS office are often long distance calls. Calling the listed numbers causes some taxpayers to incur a toll charge just to find out they should have called a toll free number instead. |
| Proposal: | <ul style="list-style-type: none"> • Change description in telephone book to read, "IRS – recorded message service only." • List the IRS toll free number and its purpose. • Educate all local Taxpayer Advocate Service offices about the toll charges in their area so they are aware of the expense for their constituents. |

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| TAP 03-005 | Third Party Authorization |
| Statement of Issue: | The Joint Committee of the Taxpayer Advocacy Panel (TAP) is considering the issue of expanding the Third Party Authorization by Checkbox. The committee is seeking a clearer understanding of how the Internal Revenue Service (IRS) determined the limits of the authorization and the barriers to further expansion. The Joint Committee would like advice from Counsel on this issue. |
| Response Notes: | Prior to response, IRS expanded the authority to all rights authorized by the taxpayer signing the Form 8821, <u>Tax Information Authorization</u> , for the current tax year and the authority extends until the anniversary date of the return due date. |

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| TAP 03-006 | Financial Literacy |
| Statement of Issue: | Financial literacy among America's youth is a national issue. For example, Federal Reserve Chairman Alan Greenspan recently launched a national campaign for financial literacy of our youth. Chairman Greenspan points to a number of factors that indicate financial literacy is inadequate. Several committees from the TAP have identified Understanding the tax filing process as key to financial literacy. |
| Proposal: | The Internal Revenue Service (IRS) has a number of resources that would support educational efforts for financial literacy, i.e., the IRS website (www.irs.gov). This website contains both teacher lesson plans and student tutorials. It is our opinion that there is a disconnect between the resources available from the IRS and the education provided to the youth. A national effort should be initiated to bridge this gap. |
| Response from: | Nina E. Olson, National Taxpayer Advocate |
| Response Notes: | Letter stated on-going activities and information on IRS and TAS personnel that are currently working issue. Also advised TAP to continue working with the IRS about the specific issue of financial education about taxes for high school students and work towards specific proposals for IRS to consider. |

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| TAP 03-007 | Table Addressing Phase outs |
| Statement of Issue: | Over many years, various administrative and legislative changes that were designed to be income tax incentives were implemented. They included: tax credits for children, for being married and filing jointly, for student loan interest, IRA contributions, etc. The disparity of the phase outs at various income levels and the differing eligibility requirements are confusing to taxpayers. Many of the tax credits and incentives do not escalate with inflation. |
| Proposal: | Publish a table showing the various tax credits and deductions addressing both eligibility requirements and the income phase ins and outs in the 1040 series instruction booklets. The table would provide a good visual aid for taxpayers to compare the various credits and deductions. |

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| TAP 03-008 | Informing IRS Employees about TAP |
| Statement of Issue: | Nurturing sources of viable issues is essential to TAP's successful mission. IRS employees can be an excellent source for noting recurring and systemic problems and possible solutions. The members are aware that the Service has a program in which IRS employees can present their suggestions and may be rewarded for them. However, the members believe there is merit in this recommendation, as IRS employees may wish to utilize another referral source. |
| Proposal: | That the Taxpayer Advocacy Service send out educational information on TAP to all IRS employees asking for their support, information, suggestions, and help to provide improved taxpayer services. |

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| TAP 03-009 | Quality Control for IRS Correspondence |
| Statement of Issue: | The Internal Revenue Service (IRS) should improve quality control when IRS is responding to the Taxpayer via standard form letter with pick and choose paragraphs. Paragraphs chosen are not addressing taxpayers concerns and are often misleading. |
| Proposal: | Establish a quality control process whereby letters that require the IRS employee to pick and choose from a database of paragraphs to compile the letter are reviewed to ensure that the letter addresses the taxpayer's situation and is not confusing or misleading. |
| Response from: | Ann L. Gelineau, Wage & Investment Notice Single Point of Contact |
| Response Notes: | Indicating that implementing suggestion is not feasible with our current systems. IRS issues over one million pieces of correspondence each year, and the cost to hire, train, and provide space and equipment for the significant number of employees needed to complete a 100 percent review would be cost prohibitive. |

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| TAP 03-010 | Offer in Compromise Fee |
| Statement of Issue: | The \$150 fee for the Offer in Compromise (Form 656) is burdensome on those whose income slightly exceeds the poverty levels or whose present financial circumstances prohibit even this modest sum. There is currently no mechanism for waiver of this fee beyond the one waiver for poverty levels. |
| Proposal: | Provide a mechanism to allow a waiver of the \$150 filing fee for the Offer in Compromise beyond the initial waiver for poverty-level taxpayers. Examples of allowing the waivers might be: when the offer is above a certain percent of the tax owed, first time exemption for offers, or circumstantial waivers -- health related, unemployment, abusive domestic situations necessitating hiding. |
| Response from: | Cheryl Sherwood, Director, Payment Compliance |
| Response Notes: | The IRS first gave general background on why the fee was implemented. Response to concern about no mechanism for waiver of fee beyond the waiver for poverty levels was explanation of why IRS choose the Department of Health and Human Services poverty level figure and noted that taxpayers seeking consideration of an offer solely under the basis of doubt as to liability do not pay the fee. IRS' response to TAP concern that the fee is a disincentive to some taxpayers for re-entering the taxpaying system is that poverty waiver excludes most taxpayers who would most likely be disadvantaged. Furthermore, if the offer is accepted to promote effective tax administration or accepted based on doubt as to collectibility with special circumstances, the fee will either be applied to the amount of the offer or refunded. As to the concern that another fee of \$150 is required for each offer submitted, IRS responded that this is required under Treasury Regulation 300.0 and the general rule is that the IRS needs as many Form 656s as there are entities seeking to compromise. The IRS believes that the Offer in Compromise application fee balances, to the greatest extent possible, the interests of the government and the vast majority of taxpayers who submit an offer for consideration. |

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| TAP 03-011 | Individual Taxpayer Identification Number |
| Statement of Issue: | Lack of understanding as to when to apply for and use an Individual Taxpayer Identification Number (ITIN) |
| Proposal: | The panel suggests more outreach and education on the ITIN. A standard flyer, easy to read (a first grade literacy rate per the advice of LITC educators) concerning the application for and use of the ITIN would be useful. The flyer could then be translated into multiple languages. |

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| TAP 03-012 | Just in Time Policy |
| Statement of Issue: | This issue was passed on to TAP by the former Citizen Advocacy Panel (CAP) members and was considered as something that should be looked at for possible change. The IRS frequently sends information and forms out to practitioners and other members of the public so late as to be practically useless for its intended purpose. |
| Proposal: | <p>In light of the legislative work delaying the release of forms and thus the late publication of Package X, it may be time for the IRS to change the format of Package X. The tax dollars which go into printing this publication are wasted if they are not of use to those who need them when they come out. Many practitioners/accountants now access the forms and instructions they need from the internet. If the IRS emphasized that all forms are available on the website on the 1045 ordering form, it may discourage offices ordering the Package X when they really don't need it. For those who still need paper format, perhaps a loose leaf binder format would work better. That would allow everything to be sent in December. Forms not yet approved would be sent in "preliminary" format, and as the final approved copies come out, they could be sent and offices would replace the "preliminary" forms with the "final" forms.</p> <p>Since Stakeholder Partnership Education and Communication is responsible for the Volunteer Income Tax program, we recommend that they consider working up as much of their own materials as possible. If that is not feasible, use the "early release" versions of the forms for the early training until the Tax Forms and Pubs area can get final versions out.</p> |

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| TAP 03-013 | Recommendations for Form 990 |
| Statement of Issue: | <p>Various individuals and groups have discussed with us their concerns about the burdens that the Form 990, <u>Return of Organization Exempt From Income Tax</u>, filing requirements can cause for non-profit organizations, especially newer groups and smaller groups. Their general proposals were that the filing requirements for charitable groups should be decreased and that the filing thresholds should be increased.</p> |
| Proposal: | <p>(1) The IRS should develop a plain language pamphlet to assist smaller and newer nonprofits in completing the Form 990, including advice on what kind of records to keep, what penalties can be assessed against nonprofits who fail to comply, and what recognized exceptions to the penalties exist.</p> <p>(2) IRS provides assistance and information for charities and other non-profits through various sources. These include toll free assistance at 877-829-5500, on the IRS website at Tax Information for Charities & Other Non-Profits and through workshops given by field agents in local communities. To better serve the 990 customer, we recommend that the availability of these resources be marketed more boldly. We recommend an “eye-catching” box be predominantly included on all Form 990 related items.</p> <p>(3) Tax-exempt organizations, especially the newer and smaller ones, do need substantial assistance in order to file a proper Form 990. We recommend the IRS develop a web-based tutorial about completing the Form 990. Until this is available, the IRS should provide links to websites that already have such self-tutorial materials.</p> <p>(4) To complement the web-based tutorial, the IRS should develop a training video tape or CD which could be made available to non-profits to assist them in completing the Form 990.</p> <p>(5) We recommend the IRS communication strategy include key messages for the Form 990 customer. Targeting the peak filing periods, IRS should issue press releases via print, e-news, and the Digital Daily three times a year. Information to be shared should include filing requirements and obligations, recording keeping and tips for penalty avoidance.</p> <p>(6) The IRS should market the Form 990EZ more prominently to smaller nonprofits. The web-based tutorial could include a decision tree that could lead smaller organizations to complete the Form 990EZ. Secondly, in the Determination Letter sent to new tax-exempt organizations, there should be a notice alerting them that they may be able to file a Form 990EZ. The IRS should, as with the regular Form 990, develop a web-based tutorial for completing the Form 990EZ.</p> <p>(7) We strongly urge that the IRS (especially where no revenues have been lost to the IRS because of the failure to file or the failure to file a complete return) adopt a standard of “good faith” compliance. We are also convinced that this “good faith” criterion can be incorporated into the present standard of “reasonable cause.” So long as a tax-exempt organization has made a good faith effort to comply and the organization moves reasonably to correct any oversights or failures, IRS should not impose daily penalties. Instead, the IRS compliance activities should stress educating the group on its filing requirements and directing the organization to where help is available.</p> |
| Response from: | Steven T. Miller, Director, Exempt Organizations |
| Response Notes: | Steven T. Miller explained point by point each of the panel's recommendations and which have been incorporated in the forms changes for 2004. For those not considered, he explained the rationale for not considering. |

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| TAP 03-014 | EFTPS Short Form Worksheet |
| Statement of Issue: | Area 2 received a comment that the Electronic Funds Transfer Program System (EFTPS) phone prompts are misleading. Upon review, it was observed that the EFTPS Telephone Prompts do not match the EFTPS Short Form Worksheet included in the EFTPS Payment Instruction Booklet. This disconnect between the prompts and worksheet may confuse taxpayers who opt to complete the worksheet before dialing in to the Voice Response System (VRS). |
| Proposal: | Change the Short Form Worksheet to match the Voice Response System. |
| Response from: | L. Thomas Davis, EFTPS Team Leader |
| Response Notes: | Received a letter of thank you and acknowledgement of the acceptance of the proposal by the EFTPS Team Leader. The Short Form Worksheet has been changed to match the VRS and the updated worksheet would be included in the new Payment Instruction Booklet to be released in the near future |

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| TAP 03-015 | Provider Identification Number |
| Statement of Issue: | <p>The dependent care credit is claimed on Form 2441, <u>Child and Dependent Care Expenses</u>, if Form 1040 is used or on Schedule 2 for Form 1040A, and is available to married couples only if they file a joint return. (Code Sec. 21 (e)(2)).</p> <p>The credit is claimed by the taxpayer reporting on his or her Form 2441 or Schedule 2 the correct name, address, and taxpayer identification number (TIN) of the dependent care provider. A tax-exempt provider doesn't have to supply a TIN (Code Sec. 21 (e)(9)). The dependent care provider must provide this information and certify the TIN on Form W-10, Dependent Care Provider's Identification and Certification.</p> |
| Proposal: | The Form W-7P could be re-titled, "Application for Preparer or Dependent Care Provider Tax Identification Number." By using a PTIN, the childcare provider will meet the requirement under section 21(e)(9)(A) of furnishing an identifying number on returns where the credit is taken. |

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| TAP 03-016 | W-4 Clarification |
| Statement of Issue: | <p>When filling out a Form W-4, <u>Employee's Withholding Allowance Certificate</u>, to determine the proper amount of tax withholding from wages, taxpayers carefully indicate the number of withholding allowances that pertain to their situation. The Treasury Department developed the numbers to accommodate broad ranges of income because more accurate calculations would greatly complicate the form. For policy reasons, there is a small, inherent bias toward under-withholding on the form itself. Consequently, a taxpayer can complete the form accurately and still owe several hundred dollars at the end of the year. Many taxpayers don't like such an inaccurate system.</p> |
| Proposal: | <p>Taxpayers should be referred to the Withholding Calculator available on the IRS website as well as to the Publication 919, <u>How Do I Adjust My Tax Withholding?</u>, for accurate withholding.</p> <p>Additional advice needs to be given in the instructions whenever IRS is discussing the correct amount of withholding. Possible wording could include:</p> <ul style="list-style-type: none"> • "Check the amount that you are having withheld several times during the year." • "If you owed money last year, make sure you change your withholding." • "If you change jobs or start a second job, check your withholding." • "When determining your withholding, please consider ALL of your income from ALL sources." |

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| TAP 03-017 | On Hold for Toll Free |
| Statement of Issue: | <p>The Internal Revenue Service (IRS) toll-free line periodically experiences heavy call volumes. A taxpayer seeking to contact the IRS through the toll-free line may, therefore, experience significant wait times before an IRS Customer Service Representative accesses the call.</p> <p>While placed on hold during calls to IRS, a taxpayer hears classical music, periodically interrupted with vocal announcements that state "Do not hang up. Your call is important to us. Calls are taken in the order received...."</p> |
| Proposal: | <p>Callers should be given the option of hearing classical music on hold or alternate messages.</p> <p>Alternate messages could include:</p> <ul style="list-style-type: none"> • Approximate Current Hold Times • Recommendation that Caller Note the IRS Employee Name, Identification Number, Call Center, and document the call in their personal tax records (Jarrell / Paolone). • Listing of Best Times to Contact the IRS (when they are least busy) <p>Informative Messages</p> <ul style="list-style-type: none"> - Tax Tips - Recent Tax Regulations & Rulings - Reference to Online Tax Resources - Frequently Called Telephone Numbers - IRS News Releases - Frequently Asked Questions <p>In addition, IRS should reduce the frequency with which hold music or a message is interrupted with the vocal announcement. Such interruption is distracting and, after being on hold for an extended time, may irritate callers.</p> <p>Hold messages should be re-evaluated on an annual basis .</p> |
| Response from : | David L. Medeck. Director, Joint Operations Center |
| Response Notes: | <p>Providing the estimated wait time is a goal IRS is working toward but funding is a barrier for the immediate future. IRS experience has been that offering informational messages has a negative impact and that callers abandon the queue 28 percent of the time at the beginning of the message. IRS will further study the frequency of playing the "Do not hang up. Your call is important to us..." message for best practices and what changes would be feasible in the IRS operating environment.</p> |

Note: The detailed document of these written recommendations can be obtained by contacting the National TAP Office or through the TAP Toll free Number, 1-888-912-1227.

Issue Committees Self-Assessment Reports

Following are summaries from Issue Committees annual self-assessment reports to include actions and accomplishments in partnering with the IRS program owner on improving strategic priorities.

Ad Hoc Issue Committee - Chris Lowe, Chair

The committee's purpose/scope is to act on or consider service-wide issues delegated to the committee by the IRS (driven by IRS strategic priorities), the National Taxpayer Advocate and/or the Joint Committee of the Taxpayer Advocate Panel.

Committee researched and prepared written and verbal feedback to the program owners in the following areas:

- National Licensing of Tax Practitioners
- Financial Tax Literacy
- TAP Marketing Strategy

Issues under current consideration:

- IRS Advisory Committee requested the committee's feedback in ways to disseminate information to small businesses for IRS initiatives or procedural changes are made that could benefit the taxpaying public
- Review the "Top 20" items from Systemic Advocacy Management System (SAMS) and determine assistance on these issues

W&I Earned Income Tax Credit Issue Committee - Gwen Handelman, Chair

The scope of the committee is to provide feedback to the Earned Income Tax Credit (EITC) Program staff on EITC products and services. Our goals are to make recommendations to help the IRS (1) expand participation through more effective marketing of the EITC to eligible taxpayers; (2) administer the EITC compliance programs accurately, expeditiously and equitably; and (3) reduce complexity, confusion and errors on returns through education of taxpayers and preparers and simplification of forms and publications.

The EITC Committee researched and prepared written and verbal feedback to the program owners in the following areas:

- Forwarded to EITC Implementation Task Force comments on alternative documentation that the IRS might accept to establish a taxpayer's eligibility to claim the EITC with a qualifying child under the IRS precertification initiative and additional proposals for improvement of Draft Forms 8836, Qualifying Children Residency Statement, and 8856, Qualifying Child Relationship Statement. Several Committee recommendations are reflected in changes made to the IRS initiative and forms, including:
 - Postponement of pilot program while public comment was solicited.
 - Reduction in scope of pilot program to obtain proof of residence from taxpayers based on demographics.
 - Elimination of relationship documentation requirement.
 - Addition of "Landlord or property manager" as source of verification of residence of "qualifying child."
 - Addition of neighbors as source of verification of residence of "qualifying child" under consideration.
 - Elimination of requirement that child-care provider supplying verification of residence be "licensed."
 - Addition to Form 8836 instructions information on "Who Must File," "Special Rule for Child Born or Died" in tax year, and explanation of the benefits of precertification.
- Forwarded to EITC Program Manager recommendations for changes to Form 8867, Paid Preparer's Earned Income Credit Checklist, and suggestions on how to improve compliance with the preparer due diligence requirements. EITC Program Manager reports that Committee recommendations are being incorporated into revised Form 8867.
- Forwarded to EITC Program Manager recommendations for changes to Form 8862, Information to Claim EIC after Disallowance, and other forms, notices, and publications associated with recertification of EITC eligibility after disallowance. EITC Program Manager reports that Committee recommendations are being incorporated into revised Form 8862 and other forms, notices, and publications.

Issues under current consideration

- EITC Recertification Examination Letter 566B and 886 Series Forms and Recertification Documentations
- Commissioner's "Five Point initiative" regarding EITC

- EITC Tax Professional Guide (Publication 3107) and “evergreen” Preparer’s Tool Kit
- EITC “Outreach Messages”
- EITC Rural Outreach

Other accomplishments:

- Met with Brookhaven Recertification Processing Center staff.
- Met with EITC, W& I Stakeholder Partnership, Education and Communication (SPEC), SB/SE Taxpayer Education and Communication (TEC), and Criminal Investigations (CI) executives, resulting in much improved understanding of program owner expectations.
- Forwarded to Ad Hoc Committee comments on preparer regulation and training.
- Forwarded to Area 5 Committee comments on FreeFile program to expand e-filing without facilitating refund anticipation loans.
- Forwarded to Area Committee Chairs a list of local coalitions that have partnered with IRS on EITC outreach and requested that Area Committees work with local coalitions to obtain input on improving EITC outreach, education, and financial literacy.

The Committee organized very effectively into three subcommittees: (1) Education, Publications, and Forms; (2) Marketing and Outreach; and (3) Overclaims Analysis. The subcommittees considered issues raised by the Program Owners and prepared thoroughly researched and well written proposals. Each subcommittee proposal was reviewed and revised by the full committee and approved by consensus. Copies of the EITC Issue Committee’s work product are available at the National TAP office in Washington, D.C.

W&I Multilingual Initiative Issue Committee - Sharon Lassar, Chair

The committee’s purpose/scope is to assist the program owners with identifying ways to better serve Limited-English Proficient (LEP) taxpayers and ways to externally identify and validate vital documents.

Committee researched and prepared written and verbal feedback to the program owners in the following areas:

- The IRS should train more VITA volunteers in their native languages
- The IRS should work with the Federal and State agencies charged with oversight of the Temporary Assistance to Needy Families program to ensure basic education

- The IRS should reach out to Miami “notarios” and provide training workshops in their native languages
- The IRS should facilitate the sharing of “unofficial” documents and pamphlets prepared by LITCs (Low Income Tax Clinics) with communities and organizations that serve LEP taxpayers
- The IRS and English as a Second Language (ESL) educators should collaborate on the development and use of a tax education curriculum that can be implemented in adult ESL programs across the nation
- Developed a class for an intermediate group of ESL learners to teach conceptually about taxes

Issues under current consideration:

- The committee continues to expand an educational program regarding taxes that will be incorporated into ESL programs.
- Taking a formal position regarding the effort to translate vital documents by way of submitting comments to Treasury on its LEP Guidance.

Other accomplishments:

With Amendments to the Fair Credit Reporting Act, Congress has adopted the **Financial Literacy and Education Improvement Act**, calling for the establishment of a largely cabinet level **Financial Literacy and Education Commission**, Chaired by the Secretary of the Treasury and including the Secretary of Education. The Commission’s purpose is “to improve the financial literacy and education of persons in the United States through development of a national strategy to promote financial literacy and education.” Among the Commission’s duties is to “increase awareness of the particular financial needs and financial transactions of consumers who are targeted in multilingual financial literacy and education programs and improve the development and distribution of multilingual financial literacy and education materials.” The Multilingual Initiative Committee is considering recommendations to the IRS to take full advantage of this opportunity to improve tax education for limited English proficient individuals, particularly through curricula influenced by the Department of Education (including English as a Second Language Programs).

Members have engaged in numerous outreach and fact finding opportunities. They have strong understanding of the obligation of the IRS to serve LEP taxpayers and the myriad of needs of these taxpayers. They conducted visits and made observations/recommendations regarding the following organizations: SPEC Activities, Welfare-to-Work Programs, Low Income Tax Clinics, State and Local Government Initiatives, Community Based Organizations and Kiosks that serve LEP taxpayers.

Wage & Investment Reducing Taxpayer Burdens (Notices) Issue Committee - Phil Bryant, Chair

The committee's purpose/scope is to reduce taxpayers' burden by simplifying notices sent to IRS customers. We are simplifying and modifying notices by ad-hoc review of sensitive notices, acting as a focus group for discussion of notices and participating in Dynamic Project Teams (DPT).

Committee researched and prepared written and verbal feedback to the program owners in the following areas:

- Completed recommendation for improvement of the CP2000 notices
- Recommendations made for improvement of the CP71 notices

Issues under current consideration:

- Continued work on the CP71 notices
- Working with the IRS Dynamic Project Teams) to offer external comments and input
- Working with the IRS Notice Program Improvement Initiative Teams (NPIIT) to coordinate efforts and share knowledge

Small Business/Self Employed Electronic Filing Issue Committee - Mario Burgos, Chair

The committee's purpose/scope is to increase awareness and usage of individual and business e-file products among Small Business /Self Employed (SB/SE) taxpayers and tax professionals.

Committee researched and prepared written and verbal feedback to the program owners in the following areas:

- www.irs.gov for ease of access to e-filing solutions
- Developed an outline for an E-File Made Easy publication for tax professionals
- Created a timeline for testing and implementation of marketing materials

Issues under current consideration:

- Working to assemble an e-filing marketing packet to be tested with tax preparers
- Creating and evaluating video/DVD material for tax professionals
- Including information on e-filing in appropriate professional examinations and course material

SB/SE Compliance Issues Schedule C Non-Filers Issue Committee - Paul Nagel, Chair

The committee's purpose/scope is to increase tax return filing for individual self employed sole proprietors, unincorporated non-partnership entities that have not filed a return by the due date or extended due date. These taxpayers represent the largest segment of individual non-filers.

Committee researched and prepared written and verbal feedback to the program managers in the following areas:

- Promote consistency between the IRS Schedule C filing requirements and the Social Security Administration thresholds so taxpayers actualize benefits of paying taxes and increased Social Security Benefits
- The development of a communication plan to educate self-employed taxpayers on the benefits of filing and paying self-employment tax.
- Four additional recommendations were: 1) inclusion of a "for your information" box on the Form W-9, *Request for Taxpayer Identification Number and Certification* 2) development of a benefits of filing brochure and/or messages, 3) execution of an IRS Notice Response Study, and, 4) promotion of a "culture of compliance" with future taxpayers.

Issues under current consideration:

- Filing requirements understanding through education and outreach
- Simplifying of estimated tax payments

SB/SE Reducing Tax Burden - Payroll Tax Issue Committee - Leonard Steinberg, Chair

The committee's purpose/scope is reducing the burden for small businesses and self-employed taxpayers in complying with payroll tax reporting requirements to the IRS.

Committee researched and prepared written and verbal feedback to the program owners in the following areas:

- There is no time or interest in making Federal and State deposits on the same day as payroll
- Learning about responsibilities and procedures for filing payroll taxes is the most cumbersome aspect

- There is little compliance in coordinating payments and reporting of payroll taxes
- Electronic filing is the preferred method of filing
- Electronic filing should be low cost or no cost to the small business
- “Check-the-Box” should be available when filing tax forms
- Greater emphasis should be put on education and support for the small business owner

Other accomplishments:

- Three sub-committees were formed
- Sub-committees initiated questionnaires, which were distributed, collected and data analyzed.

Issue Committee Recommendations

The Issue Committees generally provide feedback to the IRS during meetings; however, some of the issue committees have provided written feedback to the IRS. Below is a summary of the Issue Committees' written recommendations:

| EITC Precertification Documentation | | | | | |
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| Date Elevated: | 3/12/2003 | Date Response Received: | | Originating Committee(s) | W & I EITC |
| Statement of Issue: | The EITC committee was asked to recommend alternative documentation that the IRS might accept to establish a taxpayer's eligibility to claim the EITC with a qualifying child under the IRS precertification initiative. | | | | |
| Proposal: | While not endorsing the precertification process, the Committee endorsed the IRS' use of third party affidavits as an acceptable form of documentation to verify the EITC residency requirement for a qualifying child. In addition, the Committee recommended adding "landlord/housing manager" and "neighbor" to the list of third parties as sources of verification. The committee also proposed that the documentation requirements for proving a child's relationship to a taxpayer other than biological or adoptive parents be significantly eased, for example, by presuming that the relationship requirement is met if the residency requirement is met and accepting a third party affidavit as satisfactory documentation for the relationship requirement as well as the residency requirement. | | | | |

| Precertification Forms 8836, 8856 Improvement | | | | | |
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| Date Elevated: | 4/2/2003 | Date Response Received: | | Originating Committee(s): | W & I EITC |
| Statement of Issue: | The EITC Issue Committee was asked to provide feedback on draft Form 8836, Qualifying Children Residency Statement, and Form 8856, Qualifying Child Relationship Statement, proposed to implement the EITC Precertification Initiative. | | | | |
| Proposal: | <p>The committee provided line-by-line recommendations for improvement of Form 8836, including:</p> <ul style="list-style-type: none"> • Require separate form for each child. • Instead of requiring "personal knowledge," the verification statement should allow the third party to state that the taxpayer(s) lived with the child(ren) for the specified period "to the best of my knowledge and belief under penalties of perjury." • Add to the face of the form "Criminal penalties may be imposed for making a false statement" after "Under penalties of perjury." • Amend the Instructions by including an explanation of Who Must File and/or Who May File. • Explain the benefits of precertification for the taxpayer in the Instructions <p>In addition, the Committee objected to the requirement that SSNs of the applicants and their children being provided to third parties because of privacy and security concerns and proposed a separate form for the third party and suggested alternate ways for the IRS to obtain the third party verification.</p> <p>The committee provided line-by-line recommendations for improvement of Form 8856, including:</p> <ul style="list-style-type: none"> • Add a Baptismal Certificate or equivalent ceremonial record as a means of documentation in column (d). • Amend the Instructions by including an explanation of Who Must File and/or Who May File • Add step grandchild and step great-grandchild and step-niece and step-nephew as examples under Relationship Test in the Instructions. • Explain the benefits of precertification for the taxpayer in the Instructions. <p>The committee also proposed that Schedule EIC might be changed to encompass the information by Forms 8836 and 8856.</p> | | | | |

| TAP Marketing Strategy | | | | | |
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| Date Elevated: | 7/8/2003 | Date Response Received: | | Originating Committee(s) | Ad Hoc |
| Statement of Issue: | The Ad Hoc Committee reviewed previous marketing materials developed by IRS in-house media specialists for the previous Citizen Advocacy Panel (CAP) organization. | | | | |
| Proposal: | Seeing the need to conserve limited funding and with an eye toward continuity with the previously noted CAP, we proceeded to focus on the suitability and applicability of all existing materials. It was agreed to utilize, as much as possible, previously developed materials as well as currently existing TAP items – for our upcoming fiscal year marketing efforts vis-à-vis TAP. | | | | |

| Changes to Form 8867 | | | | | |
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| Date Elevated: | 7/14/2003 | Date Response Received: | | Originating Committee(s) | W & I EITC |
| Statement of Issue: | <p>The EITC Issue Committee was asked to provide feedback on Form 8867, <u>Paid Preparer's Earned Income Credit Checklist</u>, which was developed to help preparers meet the due diligence requirements of Internal Revenue Code section 6695(g). Some preparers are unaware of the due diligence requirements and others find the Form difficult to use.</p> | | | | |
| Proposal: | <p>The committee recommends IRS make more preparers aware of the due diligence requirements through specific changes to forms and publications, those dealing with EITC directly as well as those frequently used by tax practitioners, such as Publication 1045, <u>Tax Professionals Guide to Federal Tax Products</u>. In addition, the committee suggested line by line changes to the form to make Form 8867 user friendly. The committee also recommended increased compliance visits to preparers to insure preparers are complying with the law. Last, the EITC Committee recommended that IRS solicit best practices from EITC preparers when revising this form.</p> | | | | |

| Improvement of Form 8862 | | | | | |
|----------------------------|--|--------------------------------|--|---------------------------------|------------|
| Date Elevated: | 8/29/2003 | Date Response Received: | | Originating Committee(s) | W & I EITC |
| Statement of Issue: | <p>The EITC Issue Committee was asked to provide feedback on Form 8862, <u>Information to Claim Earned Income Credit After Disallowance</u>. Form 8862 is completed by a taxpayer whose earned income credit was reduced or disallowed in a prior year to show eligibility for claiming the credit for the current year.</p> | | | | |
| Proposal: | <p>The EITC committee performed a line by line analysis of the current Form 8862 for the purpose of making specific recommendations for clarifying and simplifying the form to reduce taxpayer burden. In addition, the EITC proposed IRS reduce the form to a checkbox statement on Schedule EIC since the form is used neither for examination nor submission processing. The committee also recognized the large number of math errors created by taxpayers not filing the Form 8862 with their EITC claim and recommended steps IRS should take to increase awareness of the filing requirement.</p> | | | | |

| Self-Employment Filing Requirements | | | | | |
|-------------------------------------|--|--------------------------------|-----------|---------------------------------|---|
| Date Elevated: | 8/1/2003 | Date Response Received: | 12/1/2003 | Originating Committee(s) | SBSE Compliance Issues - -Sch C Non-Filers |
| Statement of Issue: | Self-employment (Schedule C) non-filers represent a large segment of individual non-filers within the Small Business Self-Employed (SB/SE) division of the Internal Revenue Service (IRS). Complexity of tax laws, lack of knowledge and confusion over filing requirements contribute to non-filing among Schedule C, self-employed, individual taxpayers. | | | | |
| Proposal: | The committee proposed that the IRS partner with the Social Security Administration and Congress to increase the self-employment tax threshold amount to match requirements to receive the minimum of one Social Security credit. A self-employed taxpayer must file and pay self-employment tax on net earned income over \$400 even though the current threshold for one Social Security credit is \$890. | | | | |
| Response from: | Cheryl Gramalia, Director Filing & Campus Compliance | | | | |
| Response Notes: | Evaluated Committee's recommendation regarding IRS filing requirements and Social Security threshold and agreed. However, IRS is unable to implement a change since addressing the disparity between IRS and SSA filing requirements requires legislative change and can not be considered by the Program Owner for further action. An identical recommendation is currently under evaluation by the National Taxpayer Advocate (NTA) for inclusion in its 2004 Annual Report to Congress, as part of the Service's response to a Treasury Inspector General for Tax Administration report (TIGTA) audit dated May 2003. | | | | |

| CP-2000 Recommendations | | | | | |
|----------------------------|--|--------------------------------|--|---------------------------------|---|
| Date Elevated: | 9/9/2003 | Date Response Received: | | Originating Committee(s) | W & I Reducing Taxpayer Burden--Notices |
| Statement of Issue: | <p>The IRS CP-2000 notice informs taxpayers of IRS's proposed changes to the taxpayer's tax return. The original version of the Notice is difficult for the average taxpayer to comprehend or navigate through the process. Further, CP-2000 notice delivered minimal, and, in some cases, confusing information to the taxpayer. The IRS incorporated many of the TAP – Notice Committee's recommendations and incorporated them into the revised CP-2000 notice, dated July 23, 2003, and asked the committee to submit any further recommendations and/or changes.</p> <p>The TAP – Notice Committee members were then given copies of the revised CP-2000 notice (dated July 23, 2003) and asked to submit any further recommendations and/or changes.</p> | | | | |
| Proposal: | <p>Highlights of the changes are as follows:</p> <ol style="list-style-type: none"> 1. The "Summary of Proposed Changes" section is now preceded by: "Why You Are Getting This Notice," instead of: "How Does This Effect You?" The section also includes penalty and interest expiration dates, as recommended. 2. In the "What You Should Do" section, an installment agreement request was added, and a recommendation for the taxpayer to review his/her rights in The Examination Process Booklet was now included. 3. The "Frequently Asked Questions" section now includes an explanation of why the taxpayer needs to pay interest and penalties, as required by law. 4. Wording in the revised CP-2000 notice "Response Form " section has been added which directs the taxpayer to review the Explanation Section and decide whether (s)he agrees or disagrees with IRS proposed changes. 5. The "Before Mailing" Section in the July CP-2000 now advises the taxpayer to make copies of his/her Response Form, as well as The Installment Agreement Request, if utilized. This was not in the June CP-2000 notice. 6. Finally, the July CP-2000 "Explanation Section" has been expanded to include explanation codes and addresses of the financial institutions that issued taxable interest and/or dividends. | | | | |

Note: The detailed document of these written recommendations can be obtained by contacting the National TAP Office or through the TAP Toll free Number, 1-888-912-1227.

Partnering

The TAP has great impetus because of experience and outstanding support from the TAS, and the Panel is fortunate to have many others in the IRS as partners to support its mission.

Staff had previous experience in support of the CAP pilot panels and various experiences in other areas of the Service prior to coming to TAP. Every TAP committee gave extremely high commendations for the staff that support them as DFOs, managers, analysts, and administrative assistants. The staff has a very heavy workload considering the time it takes to support research and administration of 15 committees and multiples of sub-committees that meet at least monthly. They appear to enjoy their jobs and are enthusiastic in working and knowing the individual members of the Panel.

The partnering and support given to each TAP member by the LTA in cities all over the country is another major factor in TAP's success and it has expedited the learning curve. The LTA is experienced and understands the local communities and the tax issues at hand. They also know many of the local organizations that have an interest in improving the tax system and have grass-roots issues. The LTAs have provided contact names and telephone numbers and have invited many of the TAP members to join them in outreach to other organizations. Identifying avenues to listen to grass-roots issues from taxpayers is not an easy task to accomplish, however it is critical to the success of our Area Committee goals. The LTA has helped open these doors.

TAP has committed IRS Program Owners assigned to work with our Issue Committees and the elevated recommendations. Although these program owners have busy schedules, they take the necessary time to identify strategic issues, meet with committees in person and on the telephone, and graciously accept input and suggestions from TAP for improvements.

TAP is fortunate to work with the IRS as a partner in improving the tax processes and as advocates for the taxpayer.

Marketing

TAP began its new program with promotional marketing materials developed for the previous CAP panels. The IRS also issued a one-time news bulletin to the local news media regarding the appointment of the new panel members. Individual members and committees have often noted that the public and many IRS employees do not know of TAP or its mission as advocates for the taxpayer. This lack of knowledge about TAP has made the task of identifying grass-roots issues more difficult.

TAP has been recently assigned part-time support of a communication expert from TAS. A comprehensive communication plan has been developed and reviewed with the Panel at our October 2003 annual meeting and endorsed by the Ad Hoc and Joint Committees. However, the program has not yet been released or implemented. It is important that this plan be implemented immediately in order to provide panel members with needed communications support.

The Ad Hoc Committee has also reviewed and updated the promotional communications material that is available to all panel members for local grass-roots meetings. Their recommendations have been presented to TAS.

Taxpayers need to be informed about TAP in order for them to share their grass-roots concerns and suggestions on improving the procedures and processes of the IRS. TAS must place a high priority on the release and execution of the new TAP communication plan.

Many taxpayers' grass-roots issues are presented in person to panel members, and they are also directed to TAP by either the website www.irmproveirs.org or toll free number 1-888-912-1227.

Recruitment

An effective recruitment program is critical to the ongoing success of a voluntary organization such as TAP. IRS initiated a nationwide recruitment for the current TAP members in April 2002 and received over 1,300 applications. Qualified applicants that were not selected for the Panel were placed on an alternate list to be considered for future vacancies on the Panel.

Throughout the first year of operation, TAP has asked TAS to replace from the available alternate list the members who resigned for various reasons. TAP has now discovered that the alternate list is inadequate and the Panel has been able to replace only two of the more than nineteen vacancies. TAP requests that in 2004, Treasury and TAS recruit a sufficient number of qualified individuals to serve on the panel for the replacement of the regular October 2004 rotation and also any terminations of members during 2005.

It is difficult for committees to operate effectively if the size of their membership is greatly reduced because of attrition. The addition of a large number of new members at annual rotation time also causes the panel to be less effective because of the learning curve of the panel.

The current panel was scheduled to have one hundred percent turnover on October 31, 2004. To reduce the impact of a complete turnover, TAP has proposed and Treasury/TAS has accepted a transition plan that would request one-third of the existing panel to serve another year on the panel. Of the new members recruited for October 2004, one-third would be requested to serve for two years and one-third requested to serve for three years. Thereafter, all future new members recruited would be requested to serve two years on the panel with one-third of the panel rotating each October.

With a quality recruitment program that will provide alternates for unexpected vacancies and with the transition to a two-year term with one-third rotating each year, TAP will continue to be an effective panel as an advocate for the taxpayer.

Conclusion

TAP is a Panel of voluntary members with diverse backgrounds and geographic locations brought together by a common cause; to advocate for the taxpayer and to help improve the IRS. TAP has developed into an efficient and effective Panel. With an experienced, excellent TAP support staff and our commitment to the consensus decision-making process, we set out to “make a difference” for the taxpayer. TAP members took these responsibilities seriously to give a voice to the taxpayer.

It is imperative that TAP has an effective marketing and communication program to ensure that citizens and IRS employees have every opportunity to engage the panel and offer ideas and input. A roll out of the comprehensive marketing and communication program is a high priority of this year. It is also important that the IRS program owners assigned to support TAP either on Issue Committees or on Area Committees, forward recommendations, listen, and act upon ideas from TAP. TAP currently has experienced and committed IRS program owners and is receiving reports on the status of their recommendations. The IRS must implement an aggressive recruitment program for TAP with staggered terms to ensure the Panel can continue as an efficient partner for the IRS and the taxpayer. The 2004 recruitment program is currently underway.

TAP would like to thank Treasury and the IRS for the insight to establish this organization so it can move forward with a “win-win” approach to improve the IRS for its customers. The IRS and TAS have been outstanding partners in supporting our needs to address its mission. Although the National TAP Office in Washington has had a slow start in supporting TAP national needs, the Panel is anxious to solidify its support and the necessary links with Treasury, IRS units and other advisory groups.

This past year has been a rewarding experience for TAP volunteers and TAP is proud of the changes 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 second year as taxpayer advocates.

Appendix 2: Taxpayer Advocacy Panel Members

| Area | Panel Member | City, State | Issue Committee Assignment |
|------|---|--------------------|--|
| 4 | Abraham, James, Vice-Chair, SB/SE Payroll Taxes | Gahanna, OH | SB/SE Payroll Taxes |
| 6 | Agena, Clayton, | Honolulu, HI | SB/SE Payroll Taxes |
| 1 | Alicea, Abigail, Resigned | Nashua, NH | W & I Multilingual Initiative |
| 5 | Bader, Linda | Chesterfield, MO | W & I Multilingual Initiative |
| 2 | Balmer, Mary, Area 2 Vice Chair | Chapel Hill, NC | W & I Reducing Taxpayer Burden--Notices |
| 6 | Banks, Jim | Bozeman, MT | W & I EITC |
| 6 | Barnard, Larry | Riggins, ID | Ad Hoc |
| 3 | Beyreis, Mary Lou, Resigned | Jacksonville, FL | W & I Multilingual Initiative |
| 2 | Bigger, Denise, Resigned | Raleigh, NC | SB/SE Payroll Taxes |
| 7 | Bishop, Norma, Resigned Area 7 Vice Chair | Santa Barbara, CA | SB/SE Payroll Taxes |
| 2 | Bobb, Richard | Hendersonville, NC | SB/SE E-Filing |
| 1 | Brace, Aimee, Vice Chair, SB/SE E Filing | Boston, NY | SB/SE E-Filing |
| 6 | Bramon, Darlene | Nampa, ID | SB/SE E-Filing |
| 5 | Brasch, Lydia | Bancroft, NE | SB/SE E-Filing |
| 1 | Brodline Ghoniem, Elizabeth, Area 1 Vice-Chair Vice-Chair, W & I Multilingual Initiative | Winchester, MA | W & I Multilingual Initiative |
| 3 | Bryant, Phil | Brandon, MS | W & I Reducing Taxpayer Burden--Notices |
| 6 | Burgos, Mario, Chair SB/SE E-filing Area 6 Vice-Chair | Cedar Crest, NM | SB/SE E-Filing |
| 4 | Burke, Robert, Resigned | Chicago, IL | W & I EITC |
| 4 | Cain, David | Marlinton, WV | SB/SE E-Filing |
| 3 | Cassady, Charlotte, Area 3 Vice-Chair | Talbotton, GA | SB/SE Payroll Taxes |
| 5 | Castleberry, Patrick, Area 5 Vice-Chair | Edmond, OK | SB/SE Schedule C Non-Filers |

| Area | Panel Member | City, State | Issue Committee Assignment |
|------|---|--------------------------|---|
| 4 | Claudman, Frank, Resigned | Warrensville Heights, OH | SB/SE E-Filing |
| 6 | Cormier, Richard, Resigned | Manassa, CO | SB/SE Schedule C Non-Filers |
| 4 | Cotman, Ivan, Resigned | Detroit, MI | W & I Reducing Taxpayer Burden--Notices |
| 3 | Curol, Helen | Lake Charles, LA | SB/SE E-Filing |
| 4 | Davis, Thad, Resigned | Van Wert, OH | SB/SE Payroll Taxes |
| 5 | DeMarais, Laura, Vice Chair ,W & I Earned Income Tax Credit | Crystal, MN | W & I EITC |
| 2 | DiMartino, Anthony | Toms River, NJ | W & I Reducing Taxpayer Burden--Notices |
| 6 | Doucette, Justin, Resigned | Las Vegas, NV | SB/SE Payroll Taxes |
| 4 | Drumel, Daniel | Wind Lake, WI | W & I EITC |
| 2 | Edwards, C. Morgan | Charlotte, NC | W & I Reducing Taxpayer Burden--Notices |
| 6 | Eshelman, Charles, Chair, W & I Reducing Taxpayer Burden—Notices | Cheyenne, WY | W & I Reducing Taxpayer Burden--Notices |
| 7 | Feese, Curtis | Covina, CA | W & I Reducing Taxpayer Burden--Notices |
| 2 | Felkel, D. Hollis, Resigned | Greenville, SC | |
| 1 | Fish, Walter | Bellmore, NY | SB/SE Schedule C Non-Filers |
| 6 | Forzano, Chris | La Center, WA | SB/SE Schedule C Non-Filers |
| 7 | Gallegos Bodle, Yvonne, Resigned Area 7 Vice-Chair | Oxnard, CA | SB/SE Payroll Taxes |
| 4 | Gausebeck, Robin, Area 4 Vice Chair | Rockford, IL | W & I Reducing Taxpayer Burden--Notices |
| 1 | Gedge, William | Branford, CT | SB/SE E-Filing |
| 2 | Gensiejewski Jr., Gerald | Newtown, PA | Ad Hoc |
| 4 | Greenberg, Richard | Hinsdale, IL | SB/SE Schedule C Non-Filers |
| 7 | Griffin, James | Walnut Creek, CA | Ad Hoc |
| 1 | Grimaldi, James, Area 1 Chair | New York, NY | Ad Hoc |

| Area | Panel Member | City, State | Issue Committee Assignment |
|-------------|--|---------------------|---|
| 4 | Hall, Glenn, Resigned | Madison, WI | W & I Reducing Taxpayer Burden--Notices |
| 3 | Handelman, Gwen, Chair W & I Earned Income Tax Credit | Fort Lauderdale, FL | W & I EITC |
| 3 | Hanna, Edward | Tampa, FL | SB/SE Schedule C Non-Filers |
| 4 | Hansen, Carl, Resigned | Indianapolis, IN | W & I Multilingual Initiative |
| 5 | Hermann-Pariente, Maria | El Paso, TX | SB/SE Payroll Taxes |
| 5 | Hollingsworth, John | Aberdeen, SD | W & I Reducing Taxpayer Burden--Notices |
| 7 | Jaffke, Cheyaña, Area 7 Chair | Placentia, CA | W & I EITC |
| 3 | Jarrell, Tim, Resigned SBSE E-filing Vice Chair | Kennesaw, GA | SB/SE E-Filing |
| 3 | Johnson, Keith, Resigned | Jacksonville, FL | SB/SE Payroll Taxes |
| 2 | Johnson, Calvin | Virginia Beach, VA | Ad Hoc |
| 4 | Jones, Delford | Griffith, IN | W & I Multilingual Initiative |
| 1 | Kelly, Catherine | Corinth, ME | W & I EITC |
| 2 | Kerrigan, Karen, Vice Chair, SB/SE Compliance Issues--Schedule C Non Filers | Oakton, VA | SB/SE Schedule C Non-Filers |
| 5 | Landauer, Steven | Davenport, IA | W & I EITC |
| 3 | Lassar, Sharon | Miami, FL | W & I Multilingual Initiative |
| 4 | Lexow, Lawrence | Edwardsville, IL | Ad Hoc |
| 5 | Logan, Kenneth, Resigned | Blue Springs, MO | W & I Multilingual Initiative |
| 7 | Lowe, Chris | Placentia, CA | Ad Hoc |
| 6 | Maciulla, Gregory | Tucson, AZ | Ad Hoc |
| 4 | Malcolmson, Leslie | Detroit, MI | W & I EITC |
| 2 | Maziarz, Robert | Hainesport, NJ | W & I EITC |
| 2 | McCombie, Patrick | Wilmington, DE | SB/SE E-Filing |
| 4 | Meissner, Joseph | Cleveland, OH | W & I Multilingual Initiative |

| Area | Panel Member | City, State | Issue Committee Assignment |
|------|--|---------------------|--|
| 4 | Meldman, Robert, Chair, Ad Hoc Committee TAP Vice Chair | Milwaukee, WI | Ad Hoc |
| 2 | Meyer, David, Area 2 Chair | Voorhees, NJ | SB/SE Payroll Taxes |
| 1 | Mignano, Diane | North Kingstown, RI | Ad Hoc |
| 3 | Miller, Linda, Resigned | Memphis, TN | W & I EITC |
| 2 | Mosley III, Manning H. | Wayne, PA | SB/SE Schedule C Non-Filers |
| 4 | Murphy, William | Owensboro, KY | W & I Reducing Taxpayer Burden--Notices |
| 1 | Nagel, Paul, Chair Schedule C Non-Filers | Glen Cove, NY | SB/SE Schedule C Non-Filers |
| 7 | Nelson, Michelle, Resigned | Mission Viejo, CA | SB/SE E-Filing |
| 3 | Oatley, Owen | Holly Hill, FL | SB/SE Schedule C Non-Filers |
| 1 | Oloko, Shamsey | Staten Island, NY | W & I EITC |
| 3 | Paolone, Francis | Hoover, AL | Ad Hoc |
| 7 | Perkins, Howard | Suisun City, CA | SB/SE E-Filing |
| 2 | Perros, Theodore | Washington, DC | SB/SE Payroll Taxes |
| 2 | Pruchniewski, George, Resigned | Baltimore, MD | SB/SE E-Filing |
| 4 | Quarles, Nancy, Resigned | Southfield, MI | SB/SE Payroll Taxes |
| 6 | Reder, Joe | Richland, WA | W & I EITC |
| 7 | Robinson, David | San Francisco, CA | W & I Reducing Taxpayer Burden--Notices |
| 2 | Scott, Doreen, Resigned | Pittsburgh, PA | SB/SE E-Filing |
| 5 | Seuntjens, Thomas, TAP Chair | Wayzata, MN | W & I Reducing Taxpayer Burden--Notices |
| 1 | Shuman, Eileen, Vice Chair, W & I Reducing Taxpayer Burden—Notices | Brattleboro, VT | W & I Reducing Taxpayer Burden--Notices |
| 1 | Silva, Charles | Provincetown, MA | SB/SE Payroll Taxes |
| 5 | Smathers, Paul | Edgeley, ND | Ad Hoc |
| 4 | Smedley, Teresa, Area 4 Chair | Salem, IN | SB/SE Schedule C Non-Filers |

| Area | Panel Member | City, State | Issue Committee Assignment |
|------|--|-----------------------|--|
| 2 | Steinberg, Leonard, Chair SB/SE Payroll Taxes | West Windsor, NJ | SB/SE Payroll Taxes |
| 6 | Stetz, Sharon | Salt Lake City, UT | W & I Multilingual Initiative |
| 3 | Sullivan, George, Area 3 Chair | N Fort Myers, FL | W & I Reducing Taxpayer Burden--Notices |
| 6 | Symonds, Virginia | Portland, OR | W & I Reducing Taxpayer Burden--Notices |
| 2 | Taylor, Robert | Pittsburgh, PA | SB/SE Schedule C Non-Filers |
| 7 | Taylor, Charles | Los Angeles, CA | SB/SE Schedule C Non-Filers |
| 3 | Tillerson, Agnes | St. Mary's, GA | W & I EITC |
| 6 | Twomley, Bruce, Chair W & I Multilingual Initiative | Juneau, AK | W & I Multilingual Initiative |
| 2 | Vinikoor, Faith | Baltimore, MD | W & I EITC |
| 5 | Warren, R. Jeana | Dallas, TX | W & I Reducing Taxpayer Burden--Notices |
| 6 | Whah, Sherry, Area 6 Chair | Anchorage, AK | Ad Hoc |
| 5 | Wilson, Nan | Overland Park, KS | W & I EITC |
| 5 | Woo, Lillian, Area 5 Chair Vice Chair, Ad Hoc | Bryan, TX | Ad Hoc |
| 3 | Wood, Steven | North Little Rock, AR | SB/SE Payroll Taxes |
| 5 | Woods, Jr., William | Emory, TX | SB/SE Payroll Taxes |