



Annual Report 2018

The Taxpayer Advocacy Panel is...

An independent panel of citizens whose mission is to listen to taxpayers, identify taxpayers' issues, and make suggestions for improving IRS service and customer satisfaction.

A group of citizens who volunteer to listen to what taxpayers have to say about the IRS. We not only listen, we try to do something about it.

A Federal Advisory committee established under the authority of the Department of the Treasury.

A unique organization that increases opportunities for U.S. taxpayers to communicate with the IRS.

Geographically and demographically balanced with approximately 75 members that represent the entire nation.



**Taxpayer
Advocacy Panel**

**Speak
Up!**

IMPROVING THE IRS
www.ImproveIRS.org

To: The Honorable Steven T. Mnuchin
Secretary of the Treasury

Charles P. Rettig
Commissioner, Internal Revenue Service

Nina Olson
National Taxpayer Advocate

From: 2018 Taxpayer Advocacy Panel (TAP)

Subject: 2018 TAP Annual Report

It is with great pride that we present our 2018 TAP Annual Report. The TAP is a diverse group of ordinary citizens from around the country who possess a sense of civic duty, patriotism, and belief in an effective and well-regarded taxation system. We volunteer our time and energy to improve IRS services and taxpayer satisfaction.

The 2018 TAP had great leadership led by Holly Hoffman, TAP Chair, and Scott Hall, TAP Vice Chair. As members of TAP, we are committed to helping the IRS improve their services by performing grassroots outreach activities. TAP members were able to identify many issues raised by taxpayers. The TAP consistently collaborated with the IRS when presented with opportunities to provide feedback on their programs including on-line-tools on the IRS website. The IRS continued to work with the TAP on their implementation of the Future State, an initiative focused on providing taxpayers the services they need in a way that works best for them, either in-person, over the phone, by mail, or online.

The 2018 TAP consists of six project committees and two internal committees. Each committee has responsibility for a specific area in which it reviews issues, determines whether there is a plausible solution, and provides recommendations to the IRS to improve the taxpayer experience and satisfaction. The 2018 TAP Committees are:

- Notices and Correspondence – Chair: Jeri Hunter, NE
- Special Projects – Chair: Mary Florence, MO
- Tax Forms & Publications – Chair: William Mason, TN
- Taxpayer Assistance Center Improvements – Chair: David Jones, TX
- Taxpayer Communications – Chair: Sheila Olsen, OK
- Toll-Free Phone Lines – Chair: Alice Guy Azzaro, FL
- Internal Communications (internal) – Chair: Joseph T. Holley, WV
- Outreach (internal) – Chair: Scott Hall, KY

During this year, each committee worked tirelessly to represent the interests of taxpayers and ensure that their voices were heard. TAP members listen to taxpayers around the country, and

bring personal knowledge, skills, and abilities to address the many issues raised about our federal tax system. This report covers the wide range of issues TAP identified and elevated to the IRS this year and summarizes IRS plans for implementation. The TAP works collaboratively with the IRS and when a TAP , there are times our recommendations may not be adopted. It remains important to identify issues, provide potential solutions, and communicate these to IRS independent of the response of the IRS. When recommendations are not adopted, the very act of studying, evaluating, and proposing changes to processes and procedures is valuable to the IRS and to the American public.

TAP focuses on conducting outreach that will reach the most taxpayers possible. Success depends on contact with taxpayers to receive issues, solicit ideas regarding impacts, and receive suggestions for improvement. Members conduct grassroots efforts through one-on-one discussions, presentations, town hall events, community involvement, social media and networking.

As TAP members, we are proud to serve the interests of American taxpayers, and to provide input towards improving IRS services.

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Letter from the Departing Chair

I am proud to submit this report of the Taxpayer Advocacy Panel (TAP) for the 2018 calendar year. The dedicated volunteers on this panel provide a vital service to the taxpaying public by addressing issues that impact the service received from the IRS. The varied backgrounds of TAP members provide the perspective and creativity needed to develop and refine our recommendations for improvements.

This report includes a detailed accounting of the accomplishments of the committees that make up the TAP. Here are some notable highlights from the year.

- TAP sent 22 Referrals to the IRS containing 152 recommendations to improve service to taxpayers. 2018 referrals address a wide range of topics and reflect the knowledge and abilities of our volunteers through many hours of research and discussion by the project committees, along with the support team of seasoned IRS professionals.
- TAP members attended each of the four National Tax Forums sponsored by the IRS, delivering TAP's message and answering questions about TAP.
- Members of TAP exhibited a tremendous commitment in completing referrals and reaching out to the public to hear taxpayer issues first-hand this year. Please take a moment to review the Annual Summary of TAP Member Activity included in this report.
- The Joint Committee met for the annual planning meeting in July. We were fortunate again this year to be able to meet face-to-face, as opposed to the multi-day phone sessions that occurred in previous years. The importance of face-to-face contact cannot be overstated, and I am grateful the IRS's TAP management team found the funding needed to make this year's meeting happen in person.
- As a follow-up to the previous year, several TAP members participated in a focus group session with senior IRS staff to provide perspectives on the IRS Strategic Plan. Our thoughts and ideas were once again welcomed by the IRS staff. TAP's participation in this discussion is indicative of the value the IRS sees in the public perspective provided by TAP.
- The Taxpayer Bill of Rights was incorporated in every Referral that was sent to the IRS. Emphasizing the significance of these rights is fundamental to the mission of TAP.
- Our Internal Communication Committee made great progress in expanding our use of social media to spread the word about TAP. An outreach calendar has been created to provide a roadmap for members to send timely messages on a variety of tax topics throughout the year. Please see the report of that Committee for a discussion of the progress made in utilizing various communication channels.
- TAP is developing a database of outreach contacts for each state to ensure new TAP members can maintain ongoing partnerships and continue to expand the outreach audience.

- TAP continues to work well with stakeholders within the IRS and is often approached by IRS program owners for assistance in improving taxpayer service issues. The IRS staff makes subject matter experts available to our committees to answer questions and provide information on the current state of service.
- The 2017 TAP Annual Report identified issues of identity theft and the transition to the IRS “Future State” as areas of concern. New areas of concern arose in 2018 involving implementation of the PATH Act and Tax Reform policies. The TAP project committees have frequently addressed these issues in their recommendations for improved service for taxpayers. These issues will need to stay in the forefront of our focus.
- The Taxpayer Assistance Centers Improvement Committee was asked to participate in a focus group to revise VITA training materials to reflect the Tax Reform changes. The focus group participation was extended to members throughout TAP due to the size of this project. TAP input was well-received and our participation was requested in advance for next year.

As I end my three-year term on TAP and my year as the TAP Chair, I want to express my deep appreciation for the talented and dedicated volunteers with whom it has been my privilege to work. I also cannot thank enough the IRS management, staff, and the National Taxpayer Advocate for the work, support, and encouragement we received this year.

Thank you for taking the time to read this report. I trust you will be as impressed by the work reported here as I am.

Sincerely,
Holly Hoffman
2018 National TAP Chair

TAP Vision and Mission Statement

The volunteer members of the Taxpayer Advocacy Panel (TAP) listen to taxpayers, identify taxpayer issues, and make recommendations for improving IRS service and customer satisfaction. The mission is to partner with the IRS and continuously look for ways to improve IRS service to taxpayers.

TAP provides the taxpayer perspective on critical tax administrative programs and helps identify grassroots issues through outreach. TAP also provides opportunities to gather independent taxpayer comments and suggestions regarding IRS service, customer satisfaction, and process improvements. TAP has direct access to the appropriate operating divisions to ensure recommendations are considered. The TAP scope focuses primarily on issues that fall within the jurisdiction of the Wage & Investment (W&I) and Small Business/Self-Employed (SB/SE) Operating Divisions.

Introduction to the Taxpayer Advocacy Panel (TAP)

The Taxpayer Advocacy Panel (TAP) is an independent advisory committee that operates under the auspices of the Federal Advisory Committee Act (FACA). This Act ensures panel advice and recommendations are objective and accessible to the public. From an administrative perspective, TAP is accountable to the Department of the Treasury (Treasury), the IRS, and the National Taxpayer Advocate. The Taxpayer Advocate Service (TAS), an independent division within the IRS hierarchy, provides essential funding, technical, administrative, and clerical support to TAP.

The Department of the Treasury was the driving force in creating the TAP in 2002 based on a review of IRS advisory committees. This Panel, which was originally named the Citizen Advocacy Panel, operated in only ten states. After reviewing its contributions, Treasury recommended the Panel be expanded nationwide and renamed the Taxpayer Advocacy Panel.

TAP members are drawn from a nationwide pool of citizen volunteers with at least one member from each of the 50 states, the District of Columbia, Puerto Rico, and a member to represent U.S. citizens living and working abroad. Each year, approximately one-third of the TAP members rotate off the Panel and must be replaced. New member recruitment is conducted early each year and is widely advertised in local and national media. Potential members are screened and interviewed by existing panel members and IRS staff, and then undergo a thorough background check. The final list of candidates is forwarded through the Commissioner of Internal Revenue to Treasury for approval and appointment.

Before introducing you to the 2018 work and accomplishments of TAP, the TAP members wish to acknowledge and thank the IRS TAP staff for their talent and commitment. Because of their dedication to the taxpaying public, TAP volunteer members can work to protect and promote taxpayers' interests.

The Taxpayer Advocacy Panel by Geography

Treasury authorized TAP to have up to 75 volunteer panel members for 2018. Appointed members serve a three-year term from December 1 through November 30. Every effort is made to name at least one alternate member per state. Should a member be unable to complete their appointment, or choose to resign from the TAP, an alternate member may replace them during the year or at the start of the next succeeding TAP year.

The list of members in [Appendix A](#) at the end of this report may exceed the number of Treasury authorized members in the listing below due to resignations and other changes in membership during a TAP year.

FIGURE 1, TREASURY AUTHORIZED TAP MEMBERS

| State | Member(s) | State | Member(s) | State | Member(s) |
|---------------|-----------|----------------|-----------|--------------------|-----------|
| Alabama | 1 | Louisiana | 1 | Oklahoma | 1 |
| Alaska | 1 | Maine | 1 | Oregon | 1 |
| Arizona | 1 | Maryland | 1 | Pennsylvania | 3 |
| Arkansas | 1 | Massachusetts | 1 | Puerto Rico | 1 |
| California | 5 | Michigan | 1 | Rhode Island | 1 |
| Colorado | 1 | Minnesota | 1 | South Carolina | 1 |
| Connecticut | 1 | Mississippi | 1 | South Dakota | 1 |
| Delaware | 1 | Missouri | 2 | Tennessee | 2 |
| Florida | 2 | Montana | 1 | Texas | 4 |
| Georgia | 2 | Nebraska | 1 | Utah | 2 |
| Hawaii | 1 | Nevada | 1 | Vermont | 1 |
| Idaho | 1 | New Hampshire | 1 | Virginia | 1 |
| Illinois | 2 | New Jersey | 1 | Washington | 1 |
| Indiana | 1 | New Mexico | 1 | Washington, D.C | 1 |
| International | 1 | New York | 5 | West Virginia | 1 |
| Iowa | 1 | North Carolina | 1 | Wisconsin | 1 |
| Kansas | 1 | North Dakota | 1 | Wyoming | 1 |
| Kentucky | 2 | Ohio | 2 | | |

TAP 2018 Project Committee Accomplishments

PROJECT COMMITTEE ORGANIZATION

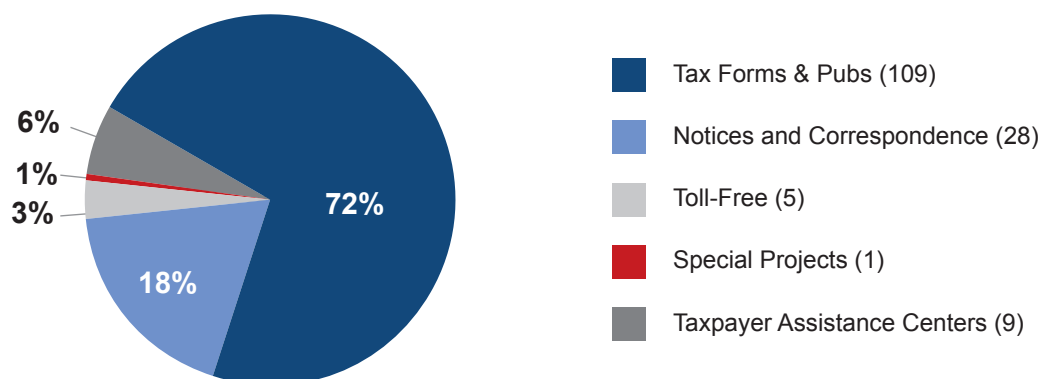
The Taxpayer Advocacy Panel (TAP) consists of six core customer-focused Project Committees in 2018. The committees worked on projects identified and defined by the TAP Joint Committee (JC) and IRS program executives. Each committee was similar in size and consisted of members from around the country. The project committees worked with the IRS to define problems and then develop Referrals with recommendations to address the topics. TAP also addressed ad hoc and grassroots issues and made recommendations to the IRS for changes. The IRS values the outside perspective provided by the diversity of backgrounds, experiences, and thinking of the TAP members, which may lead to fresh approaches not clear to IRS staff.

The TAP Internal Communications Committee worked on products used in 2018 by TAP for internal TAP business, as well as for interaction with taxpayers. This included publishing the monthly TAP Newsletter, updating outreach materials, improving TAP business cards, and setting procedures to respond to issue submitters to inform them of the status of their issue.

TAP SUBMITTED 152 RECOMMENDATIONS TO THE IRS

The six core Project Committees submitted 22 Referrals to the IRS for consideration during the 2018 TAP year. These 22 Referrals contained 152 recommendations to the IRS. Over half of those recommendations originated from the Tax Forms and Publications Committee. The IRS asked for the Committee's review of several tax products and corresponding instructions for recommendations to improve customer satisfaction. Each change is considered an individual recommendation, this accounted for 72% of the recommendations.

FIGURE 2, 2018 TAP RECOMMENDATIONS SUBMITTED TO THE IRS BY COMMITTEE



Recommendations to the IRS may be adopted, partially adopted, considered, or not adopted. TAP recommendations may be rejected based on policy, staffing, or budget concerns. A recommendation that is not adopted may be resubmitted for reconsideration if there is additional information that might impact the IRS decision. Regardless if a recommendation is adopted, the very fact the TAP exists to make those recommendations to the IRS provides level of accountability in the mind of the public and is important to the integrity of the process.

In 2018, TAP submitted 152 recommendations to the IRS. The following is the status of these recommendations as of 12/31/2018 and their status may remain open until accepted by TAP.

FIGURE 3, 2018 TAP RECOMMENDATIONS SUBMITTED TO THE IRS BY OUTCOME

| 2018 Submitted Recommendations | |
|--------------------------------|-----|
| Adopted | 2 |
| Partially Adopted | 0 |
| Considered | 0 |
| Resolved Prior | 0 |
| Not Adopted | 0 |
| Awaiting IRS Response | 93 |
| TAP Reviewing IRS Response | 57 |
| Total | 152 |

The table below represents IRS responses received during 2018 including those submitted prior to 2018. The Committees have accepted the responses and closed the issues as follows:

FIGURE 4, 2017 TAP RECOMMENDATIONS WITH IRS RESPONSES RECEIVED AND CLOSED IN 2018

| Recommendations with IRS Responses Received and Closed in 2018 | | | |
|--|---------------|------|-------|
| | Prior Year(s) | 2018 | Total |
| Adopted | 67 | 2 | 69 |
| Partially Adopted | 8 | 0 | 8 |
| Considered | 30 | 0 | 30 |
| Not Adopted | 76 | 0 | 76 |
| Resolved Prior | 4 | 0 | 4 |
| Total | 185 | 2 | 187 |

Of the 187 recommendations to which the IRS has responded and were closed by TAP in 2018, 41% were adopted, in whole or in part, which will result in improved service to taxpayers.

FIGURE 5, TAP RECOMMENDATIONS – ADOPTED BY IRS IN 2018

| Adopted Recommendations | | |
|--|---|---|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 35594 Informational Returns Toll- Free FIRE Line | Reorder the position in the phone script of the announcements 57439, 56354, 58053 and 58054 to appear at the beginning of the phone script. | Changed the order of the messages played on the FIRE telephone line. Will first play the welcome message, and then play the modified 56354 as follows: If you are calling about the status of your refund press 1. If you are calling about CP2100/2100A or Notice 972CG press 2. For all others, press 3. To hear these options again press 9. |
| Issue 35772 Letter 63C | Under <i>What You Need to Do</i> , add the option of “Your information is correct; however, our records indicate you didn’t reach the minimum income reporting level required for the issuance of a Form W-2”. | Forwarded request to the Office of Taxpayer Correspondence for update to the letter. |
| Issue 35251 Form 8885 Instructions | Insert a caution above “General Instructions” to read as follows: “Relatively few people are eligible for the Health Coverage Tax Credit. See ‘Who Can Take This Credit’, which follows, to determine whether you can claim the credit.” | Included Caution above the General Instructions of the 2017 instructions for Form 8885. Also added a hyperlink to the “Who Can Take This Credit” section of the instructions. The Caution will read: <i>Relatively few people are eligible for the Health Coverage Tax Credit (HCTC). See Who Can Take This Credit to determine whether you can claim the credit.</i> |
| Issue 35276 Form 709 Instructions and Schedules <i>(continued on next page)</i> | Schedule A, Part 3-Indirect Skips, modify text for clarity to read: Gifts to trusts that are currently subject to gift tax (other than a direct skip) and are made to a Generation Skipping Trust. | Agreed to all recommendations listed for Form 709 – Implementation will be delayed until appropriate approvals can be obtained for the programming change required by this revision. |
| | Add a new Part, that is labeled “Part 4. Other Transfers that may be subject to GST. These are gifts to trusts (other than an Indirect Skip) that may later be subject to GST tax.” | |
| | In conjunction to adding new Part 4, revise following section to Part 5 – Taxable Gift Reconciliation. | |
| | Schedule A, Part 5 – Taxable Gift Reconciliation, add Part 4 when calculating totals from column H. | |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|---|--|--|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 35276 Form 709 Instructions and Schedules <i>(continued)</i> | Schedule A, below Part 4, Terminable Interest (QTIP) Marital Deduction, update text to read: (see instructions for Schedule A, Part 5, line 4) | Agreed to all recommendations listed for Form 709 – Implementation will be delayed until appropriate approvals can be obtained for the programming change required by this revision. |
| | Below Part 4, Terminable Interest (QTIP) Marital Deduction, b., correct instructions to reference Part 5. | |
| | Below Part 4, Terminable Interest (QTIP) Marital Deduction, 2nd paragraph, correct text to include “and 4”. | |
| | Revise Caution in instructions to include: “However, you should be aware that a gift may attract a deemed allocation of the GST exemption if the trust that receives the gift is a GST trust | |
| | Add “and 4” to instructions on How To Complete and include: Part 4 – those gifts to trusts (other than a Direct or an Indirect Skip) that may later be subject to GST Tax – see <i>Part 4 – Other Transfers that may be subject to GST</i> . | |
| | Add “or Part 4” to TIP in instructions. Correct text in instructions on page 8 to read Part “5” | |
| | Add the following statement to instructions on How to report GST: ... with the transfer subject to an ETIP listed on Schedule A, Part 2 “if it is a direct skip or on Part 3 if it is an indirect skip.” | |
| | Revise text to read: The value is entered only in column B of Part 1, Schedule D “if it is a direct skip” on page 10 of instructions. | |
| | In instructions for Part 3/3rd paragraph, add text for clarity: “These Indirect Skips are subject to a deemed GST exemption allocation.” | |
| | On page 11 of instructions, update text to read Part “5” – Taxable Gift Reconciliation | |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|---|---|--|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 35276 Form 709 Instructions and Schedules <i>(continued)</i> | <p>In conjunction with creating a new, add the following instructions to page 11: "Part 4 – Other Transfers that may be subject to GST. As noted in Part 3, some gifts made to trusts are subject only to gift tax at the time of the transfer but later may be subject to GST tax. The GST tax could apply either at the time of a distribution from the trust, at the termination of the trust, or both.</p> <p>List in Part 4 those gifts that are not direct skips or indirect skips as defined in section 2632(c) but are gifts that may later be subject to GST tax. You must list the gifts in Part 4 in the chronological order that you made them.</p> | Agreed to all recommendations listed for Form 709 – Implementation will be delayed until appropriate approvals can be obtained for the programming change required by this revision. |
| | <p>See the discussion of Column C. 2632(c) Election, set forth above in Part 3 – Indirect Skips.</p> | |
| | <p>Instructions for 709, pg. 11, Election to deduct qualified terminable interest property (QTIP), update to read Part "5".</p> | |
| | <p>Instruction for 709, pg. 17, Part 2 – GST Exemption Reconciliation, change text from after the year of transfer to after the year of increase.</p> | |
| | <p>Instructions for 709, pg.17, Part 2-GST Exemption Reconciliation example, add "direct skip" before GSTs through 2005...</p> | |
| | <p>Schedule D, Part 1 – GenerationSkipping Transfers, add to heading "List items from Schedule A first, then items originating in Schedule D."</p> | |
| | <p>Schedule D, Part 1 – Generation Skipping Transfers, col. A add at end: "if applicable"</p> | |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|--|---|---|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 35898 Publication 974 Premium Tax Credit <i>(continued on next page)</i> | Page 3, col. 1, Header: Advance payment of the premium tax credit (APTC), revise last two sentences to read: "If the APTC is more than your PTC, you have excess APTC and you must repay the excess, subject to certain limitations. If the APTC is less than the PTC, you can get a credit for the difference, which reduces your tax payment or increases your refund." | |
| | Page 4, col. 1, item (c) at top of the column, 2nd sentence, revise text to give information directly rather than referring taxpayer to another publication for additional research. | Adopted, with changes suggested by chief counsel. However, if you became eligible for APTC because of a successful eligibility appeal and you retroactively enrolled in the plan, then the portion of the enrollment premium - for which you are responsible must be paid on or before the 120th day following the date of the appeals decision. |
| | Move Figure A flowchart on page 5 and place after page 3. | Chart moved. |
| | In conjunction with moving flowchart, move Figure A Flowchart Note | Note moved. |
| | Figure A Flowchart, bold the two boxes that each offer one of the two solutions | Text revised to bold print. |
| | Page 8, col. 1, Minimum Essential Coverage., use "MEC" rather than minimum essential coverage in the discussion. | Text revised. |
| | Page 8, col. 2, Government-Sponsored Programs, use "MEC" rather than minimum essential coverage in the discussion. | Text revised. |
| | Page 9, col. 1, after the numbered list from 1-10, use "MEC" rather than minimum essential coverage in the discussion. | Text revised. |
| | Page 9, col. 2, Exceptions, use "MEC" rather than minimum essential coverage in the discussion. | Text revised. |
| | Page 13, col. 2, Other Coverage Designated by the Department of Health and Human Services, use "MEC" rather than minimum essential coverage in the discussion. | Text revised. |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|---|---|---|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 35898 Publication 974 Premium Tax Credit <i>(continued)</i> | Page 17, Worksheet A Note above section line 1 of box, add clarity by removing “or not”. | Removed “or not”. |
| | Page 30, 1st column, Column (f), add comma after “If you checked the box”. | Comma added. |
| | Page 35, 1st column, box mid-page, Worksheet for Line 4 of Worksheet 1, line 8 of box, add “and” to clarify what to do after calculation. | “And” added. |
| | P 35, 2nd column, box end of page, Worksheet for Line 4 of Worksheet III, line 8 of box, add “and” to clarify what to do after calculation | “And” added. |
| | Page 52, Column 1, last bullet, add line description to read: “lines 30 (Penalty on early withdrawal of savings) and 31a (Alimony paid).” | Line description added. |
| | Page 63, Worksheet Y and Page 64, Worksheet Z, add the following text to clarify limitations: “When Claiming Certain Deductions/Exclusions” | Text added. |
| | Page 66, Column 1, correct text line 15 to read line 31. | Line number corrected. |
| Issue 36059 Publication 17 | Add paragraph to inform taxpayers of the available options for obtaining an extension | Add the following paragraph: If the Form 1099 and/or Schedule K-1 that report your other income are late arriving and you believe that additional time is needed to file your return, consider obtaining a 6-month extension, as described in Chapter 1. |
| | Add paragraph to inform taxpayers of the available options for obtaining an extension | Add the following paragraph: If the Form 1099 that reports your dividends and distributions is late arriving and you believe that additional time is needed to file your return, consider obtaining a 6-month extension, as described in Chapter 1. |
| | Add paragraph to inform taxpayers of the available options for obtaining an extension | Add the following paragraph: If the Form 1099 and/or Schedule K-1 that report your other income are late arriving and you believe that additional time is needed to file your return, consider obtaining a 6-month extension, as described in Chapter 1. |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|---|---|---|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 36175 Publication 560 Deduction Worksheet for Self-Employed | Add: "See 'elective deferral' definition to Definitions You Need to Know" at the end of the footnote that mentions elective deferrals. | Add sentence as recommended |
| | Provide examples of plans referenced in sentence | Change sentence to read: "Certain plans subject to Department of Labor rules may have an earlier due date for salary reduction contributions and elective deferrals, such as 401(k) plans. " |
| | To the end of the footnote, add: "Solo/ Self-employed 401K plans are non-ERISA plans and do not fall under DOL rules." | Add sentence as recommended |
| | Add "Elective deferral" definition to Definitions You Need to Know | Add the following definition: Elective Deferrals. An elective deferral is the contribution made by employees to a qualified retirement plan. <ul style="list-style-type: none"> • Non-owner employees: The employee salary reduction/elective deferral contributions must be elected/made by end of the tax year and deposited into the employee's plan account within 7 business days (safe harbor) and no later than 15 days. • Owner/employees: The employee deferrals must be elected by the end of the tax year and then can be made by the tax return filing deadline, including extensions. |
| Issue 36246 Form 2848 <i>(continued on next page)</i> | Instructions, pages 3-4, Line 3, Acts Authorized, add a list at the end of this section to indicate which IRS functions require an 'explicit' (specific statement of the matter) listing on line 3, such as innocent spouse relief, access to separate assessment accounts, and reports of Foreign Bank Account Report matters. This addition should also include a statement that the list is not all inclusive. | List will be added when form is revised |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|---|---|---|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 36246 Form 2848 <i>(continued)</i> | Instructions page 4, Line 4, Specific Use Not Recorded on CAF, Add, after the example list of non-CAF recorded powers on page 4, information, references, publications, and directions for completing the Form 2848 for such matters. If specific data is required, the IRS should precisely state what is needed to enable prompt recognition of the authority of the taxpayer representative. | Additional references will be added when form is revised |
| | | |
| Issue 34929 Streamline Filing Compliance webpage/links | At the end of the paragraph entitled "Taxpayers must certify that conduct was non-willful", add definition of non-willful conduct for clarification. | Agreed to include "Non-willful conduct is conduct that is due to negligence, inadvertence, or mistake or conduct that is the result of a good faith misunderstanding of the requirements of the law." |
| | In the paragraph entitled "Taxpayers who want to participate in the streamlined procedures need a valid Taxpayer Identification Number", in the third sentence, after the word "ITIN", add "the return". | Agreed to correct typo error and include "your tax return". |
| | Link 1-U. S. Taxpayers Residing in the United States under Specific Instruction #3 - Add the name "(Form 14654)" following the link to "Certification by U.S. Person Residing in the U.S." | Agreed to update paragraph and include "(Form 14654)". |
| | Link 2-U. S. Taxpayers Residing Outside the United States, under Specific Instruction #3 – Add the name "(Form 14653)" following the link to "Certification by U. S. Person Residing Outside of the U. S." | Agreed to update paragraph and include "(Form 14653)". |
| Issue 36553 Notice CP14H Balance Due for Shared Responsibility Payment Owed | Update Notice CP14H to include information on how to proceed if a taxpayer has an installment agreement currently in place. | Agreed to include guidance. Will work with Office of Taxpayer Correspondence on the wording. |
| | At the end of Notice CP14H, include interest accrual information. | Agreed to include section regarding interest accrual. Will work with Office of Taxpayer Correspondence on the wording. |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|--|--|------------------------------|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 33415 Sustainability of VITA/TCE Sites | <p>Recommends the following changes for the next revision:</p> <p>IRM 22.30.1.3.1.1.9 – Facilitated Self Assistance for VITA and TCE 2(c) Intake and quality review are not required for inclusion into the program. Note: These are minimum requirements; sites can establish additional controls “on a regular basis”.</p> <p>IRM 22.30.1.3.7.1.11.3 – Criteria Used to Consider Direct Training Support for Partners</p> <p>(1) Form 13826, SPEC Training Support Tool, provides... The TM will approve or disapprove and provide feedback “on a regular basis”.</p> <p>IRM 22.30.1.3.10.5.5 – Area Responsibilities</p> <p>(3) The Area Office will conduct conference calls “on a regular basis” with Territory Staff ...</p> <p>IRM 22.30.1.3.13.9 – Partner Reviews</p> <p>(4) Territory offices will work with partners “on a regular basis” to develop a plan and encourage partners to conduct reviews during their meetings and visits.</p> | <p>Agreed to update IRM.</p> |

Figure 5 continued on next page.

| Adopted Recommendations | | |
|--|--|--|
| TAP Issue | TAP Recommendation | IRS Action |
| Issue 34108 AUR Exam Policy | Eliminate the administrative requirement to send both the taxpayer and the practitioner the same attachments with correspondence. | Publications and notices are no longer sent to POAs. IRMs, letters and forms have been updated to reflect this change |
| | Modify Section 4.10.8.1.2 (09-12-2014) of the Internal Revenue Manual to eliminate the requirement that Publications 1, 3498, and 3498-A be provided more than once during the audit process. | IRM 4.10.8.1.2.1 (04-05-2017) has been updated to read: (4) Blank forms, notices and publications available on IRS.gov should not be sent to the taxpayer's representative or appointee, including, but not limited to: <ul style="list-style-type: none"> • Form 9465, Installment Agreement Request • Form 12203, Request for Appeals Review • Notice 609, Privacy Act Notice • Pub 1, Your Rights as a Taxpayer • Pub 1035, Extending the Tax Assessment Period |
| | Modify or change the landing page for the audit process from https://www.irs.gov/Businesses/Small-Businesses-%26-Self-Employed/IRS-Audits to a more user-friendly format. | Web page has been updated. Address is now https://www.irs.gov/businesses/small-businesses-self-employed/irs-audits |

FIGURE 6, TAP RECOMMENDATIONS – PARTIALLY ADOPTED BY IRS IN 2018

| Partially Adopted Recommendations | | |
|--|--|---|
| TAP Issue | Recommendation | IRS Action |
| Issue 33415 Sustainability of VITA/TCE Sites <i>Improve Support</i> | 1. Embark on an overall review of applicable IRS program activity and business unit budgets for adopting a more effective strategy regarding the allocation of resources to VITA/TCE programs. | Agreed to create a webinar-based tool for training the VITA/TCE trainers using Link & Learn. Did not agree to overall review as SPEC does not determine allocation of resources for VITA/TCE programs. Did not agree to modifying Volunteer Hotline due to budget constraints. Did not agree to increase the number of sites open year-round as partners determine site operations based on demand for service. Did not agree to make annual meetings mandatory; however, SPEC offices and TAC managers are encouraged to have on-going communication throughout the year. Did not agree to establish a blog and open to all VITA/TCE volunteers. A Site Coordinator Corner is available on irs.gov and is available to all volunteers. |
| | 2. Create a webinar-based tool for training the VITA/TCE trainers. Consider using 'Link and Learn' as the medium. | |
| | 3. Modify the current Volunteer Hotline to increase its response time to the volunteer preparers' questions. | |
| | 4. Offer Volunteer Hotline support at the levels delivered in prior 7-8 years. The hotline should be staffed to answer any reasonable tax question, regardless of scope. | |
| | 5. Operate the hotline January 15 – October 15 so VITA/TCE volunteers can find answers to frequently asked tax questions for all filing deadlines. | |
| | 6. Increase, through incentivizing, the number of VITA/TCE sites that remain open year-round, even if by appointment only. | |
| | 7. Schedule VITA/TCE sites to be open at least from January 31 through the last day extended filing season - on or about October 15. | |
| | 8. Make mandatory an annual meeting in late November or early December between local TAC (or an IRS employee selected by SPEC) and local VITA/TCE managers to coordinate efforts relative to tax preparation and training. | |
| | 9. Establish a Volunteer Blog so that the TAC and VITA/TCE managers can share information and experiences with TaxWise. Such a website currently exists for IRS VITA/TCE Site Coordinators. | |
| | 10. Open the VITA/TCE Coordinator website (blog) to all the VITA/TCE volunteer certified tax preparers. Any issues identified should be elevated to the IRM staff for resolution. | |

Figure 6 continued on next page.

| Partially Adopted Recommendations | | |
|---|--|--|
| TAP Issue | Recommendation | IRS Action |
| Issue 33415 Sustainability of VITA/TCE Sites <i>Improve Training</i> | <ol style="list-style-type: none"> 1. Return to providing live, face-to-face, hands-on training for first- and second-year tax preparers on both tax software and law. 2. Experienced tax preparers should have additional face-to-face or webinar training on new or revised tax law and quality review requirements. 3. Make prior year certification tests available as practice tests and allow downloads of individual 'Link and Learn' modules for offline training. The SPEC Relationship Manager can provide the answer key. 4. All VITA/TCE volunteer tax preparers should be certified at the advanced level, with the applicable test administered at the end of the training cycle. Certification only at basic levels limits tax preparer usefulness. | <p>Did not agree to provide live, face-to-face, hands-on training for first- and second-year tax preparers on both tax software and law. SPEC developed Form 13826, Training Support Tool, to assist employees with assessing partner's need for face-to-face training for volunteers and site coordinators.</p> <p>Agreed to provide webinar training to partners and volunteers.</p> <p>Agreed to make all prior year certification tests available electronically to SPEC employees.</p> <p>Volunteers are encouraged to train and certify to Advanced. However, SPEC requires volunteers to only prepare returns for which they are certified.</p> |
| Issue 35531 1040EZ <i>Instructions</i> | Add statement advising taxpayer how to get another form if he/she elects to use another form. | Agreed to add a reference and hyperlink for getting tax forms and publications. |
| Issue 34038 Babysitting Income <i>Not Clear</i> | <p>Modify text to read: Childcare providers and Babysitters.</p> <p>Revise paragraph to add including babysitting to clarification.</p> <p>Minimize use of contractions.</p> | Agreed to minimize use of contractions; changed <i>generally aren't</i> to generally are not . Did not change sentence structure from "...you generally aren't an employee" to one defining what an employee is as this is not consistent with the section. Did not agree to add " including babysitting " after childcare as publication currently states babysitting is a form of childcare. |
| Issue 35283 TAC Signage | Attach a plastic publication holder to the existing front door signpost/sign stand at TAC offices and place Publication 5136-A IRS Services for Individuals in the publication holder. | Existing sign holders are unable to accommodate a recommended sign due to size. However, agreed to approve having Pub 5136-A printed and included on the forms rack within the TAC offices. |

Figure 6 continued on next page.

Partially Adopted Recommendations

| TAP Issue | Recommendation | IRS Action |
|---|---|---|
| Issue 17399 Payment Due Dates are Ambiguous | Rewording all applicable sentences in collection and demand notices to indicate that the payment or response needs to “be received in our office by” a certain date. (CP 501, CP504, CP521 and CP2000). | Agreed to add clarifying language to Collection notices CP501, CP 504 and CP521. Did not agree with recommended changes for CP2000 to avoid confusion as taxpayer may not owe proposed tax. |
| | Ensure IRS policy regarding payments or responses is consistent with filing and payment of a tax return where IRS considers a tax return/extension to be timely if postmarked by the filing deadline. | Agreed to add clarifying language to Collection notices CP501, CP504 and CP505. However, not accepting recommended changes to CP2000 notice. |

FIGURE 7, TAP RECOMMENDATIONS – NOT ADOPTED BY IRS IN 2018

| Not Adopted Recommendations | | |
|--|--|---|
| TAP Issue | TAP Recommendations | IRS Response |
| Issue 35531 1040/1040A Instructions number to order tax forms | 6 recommendations made to insert text advising where taxpayer can get forms, change page title and to include toll-free number for ordering forms. | Where to get forms is listed in both the table of contents and the index. IRS wants to encourage taxpayers to use IRS.gov . |
| IRS TAX TIP 2012-04, January 6, 2012 | Recommended text change to clarify that IRS has discontinued mailing tax packages and remove option to visit local TAC. | This tax tip reflects information for the 2012 filing season. When accessing it on IRS.gov , a caution appears stating this is “Historical Content” |
| Publication 17 | Recommended added additional information for ordering forms including listing toll-free number. | We want to encourage taxpayers to use IRS.gov . |
| Issue 34038 Publication 17 Babysitting Income | Change wording of text from “babysitting” to “childcare”. | Refer to Pub 926 which indicates babysitting is a subset of childcare. |
| Publication 587 | Change “Daycare Provider” throughout Pub 587 to “Childcare Provider”. | Changing “daycare” to “childcare” would lead to confusion amongst those who provide daycare services to people other than children. (See IRC 280A(c)(4)(A)). |
| Issue 34929 Internet Explorer Statement | Recommended adding note to link that form could only be viewed via Internet Explorer. | The forms may be accessed and opened using a variety of web browsers. |
| Issue 35898 Pub 974 Premium Tax Credit | Nine recommendations made related to rephrasing segments for clarity and format or order of words changes. | Rephrasing not necessary as active voice construction is easier to understand. Segments are in order of importance as dictated by Treasury and Counsel. |
| Issue 35283 Improve TAC Signage | Change title for Publication 5136-A from “IRS Services for Individuals” to “NEED HELP? / GET HELP! IRS Instant Access.” | Changing the name would be problematic as the title of this publication is included in numerous evergreen products and materials, many of which do not get updated each year. |
| Issue 36059 Pub 17 Late incoming documents from 3rd parties | Include text informing taxpayers of the option to obtain an extension. | Filing for an extension may not solve the taxpayer’s problem in this situation. If the payer does not issue the 1099, requesting an extension only prolongs the problem situation. The options to request an extension are adequately addressed in the appropriate sections. |

Figure 7 continued on next page.

| Not Adopted Recommendations | | |
|---|--|---|
| TAP Issue | TAP Recommendations | IRS Response |
| Issue 17399 Payment due dates are ambiguous | All applicable demand notices should set the word “received” in bold letters, capitalize the word received and underline it. | Putting everything in capital letters is not a good emphasis technique and it makes text harder to read. In an electronic environment, using capital or bold letters is considered shouting. Similarly, in an electronic environment, people expect underlined text to be a link. |
| | All applicable demand notices should state that the taxpayer is solely responsible for ensuring IRS’s timely receipt to avoid potential imposition of interest and penalties. | With the increased usage of Third-Party Payers, adding this statement would likely cause confusion on the part of both taxpayers and Third-Party Payers. |
| Issue 36245 Accounting for IRA Distribution to Qualified Charitable Organizations | Add a Box 7 distribution code to Form 1099-R for the IRA custodian to indicate that the taxpayer instructed them to send distributions to a qualified charitable organization as defined in Internal Revenue Code Section 170. | Distributions codes are extremely limited and are used only when a large percentage of the recipients of the form are affected. |
| Issue 33524 Customer Callback Technology | Seven recommendations made related to evaluating wait time, announcing caller’s position in the queue and offering option for call back. | IRS continues to monitor and enhance the accuracy of the messaging for customer wait time estimates. Currently, IRS is not offering callbacks as an option. |
| Issue 32455 Enhancements to IRS website IDT section | Subdivide IDT topics on IRS.gov . | IDT landing page on IRS.gov meets the needs of the 3 recommended subtopics. |
| Issue 35999 Improve Awareness and Utilization of | Three recommendations made to change existing IRS web link name | Changing the name would require updating the existing marketing strategy, reeducating internal and external stakeholders, and revising existing written materials |
| Issue 36206 Area Code Time Zone Restrictions | 2 recommendations were made to remove restrictions of call routing based upon taxpayer’s area code and designate staff to cover varying time zones. | Currently, other than using the caller’s area code, there is no technical solution to identify the location of the caller. Area code routing allows us to provide equal access to all callers. |

Figure 7 continued on next page.

Not Adopted Recommendations

| TAP Issue | TAP Recommendations | IRS Response |
|--|---|--|
| Issue 36252 Letter 728 Review | 5 recommendations were made to either revise Letter 728 to wording that is more courteous or add verbiage addressing payment options and assessment of penalties. | Determined use of the active voice is consistent with the Plain Language Act of 2010, IRS Style Guide. Also, letter is used by Revenue Officers and allows for inclusion of additional paragraphs, <i>i.e.</i> text regarding penalties. |
| Issue 36253 Letter 3220 Review | 5 recommendations were made to revise Letter 3220 to wording that is more courteous and to include text regarding penalties. | Determined use of the active voice is consistent with the Plain Language Act of 2010, IRS Style Guide. Also, letter is used by Revenue Officers and allows for inclusion of additional paragraphs, <i>i.e.</i> text regarding penalties. |
| Issue 34028 IRS Transcripts | Create FAQ to address concerns regarding the authenticity of submitted IRS Transcripts. | The Department of Education and the IRS are in discussions on the best way to share this data. |
| Issue 35655 Form 8965 - ACA | 12 recommendations were made to either revise punctuations or sentence structure. | IRS determined no change is needed and/or that appropriate style guide was followed. |
| Issue 36467 IRS2GO | 6 recommendations were made to add specific links on IRS2GO to other sites, <i>i.e.</i> SSA or IRS.gov web pages. | IRS2Go does not include content related to tax forms, so the IRS2Go app would not be an appropriate place for the recommended links. Additionally, limited space available in the IRS2Go app. |
| Issue 36227 Change to Notice CP22A | Edit the programming to reveal only the last four digits of the taxpayer's SSN on Notice CP22A. | At this time the CP 22A is not scheduled for revision/updating. However, OTC is exploring a process to redact or eliminate the SSNs/EINs on more balance due notices. |

Project Committee Chair Reports

NOTICES AND CORRESPONDENCE COMMITTEE

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Gregory Giles, Program Analyst, MD

Rose Babb, Management Assistant, NY

Committee Work Scope and Recommendations

The Notices and Correspondence Committee (NCC) addresses the need to improve IRS notices and correspondence that cause undue burden to taxpayers. Taxpayers are frequently confused by IRS notices and form letters that do not explicitly state what actions are required, the underlying cause of the problem, or available options and remedies. Taxpayers spend additional time and money resolving the issue(s) raised in the correspondence. The Committee also focuses on making recommendations that improve the content, clarity, tone, and organization of IRS notices and letters, which will result in a better overall experience for the taxpayer.

The following issues were elevated to the IRS for consideration:

- **Issue 36533 – CP14H Needs Comprehensive Instructions for Installment Agreement.** Taxpayers who have entered into installment agreements with the IRS sometimes receive notices of additional taxes and need instructions on adding new tax liabilities to the existing agreement. The committee studied one such notice, CP14H, which addresses amounts due for the Individual Shared Responsibility Payment. The Committee made two recommendations for improving CP14H. The IRS agreed with both recommendations and will implement these changes by January 1, 2020.

Math Error Notices

The IRS uses its math error authority to prevent a refund of an improperly claimed credit or deduction. However, notices should be refined to allow taxpayers to understand their obligations and options. Current math error notices are unclear about what changes are being made to the return or what rights the taxpayer must dispute the change.

Math error notices in their current form impact six of the Taxpayer Bill of Rights: the Right to Be Informed, the Right to Pay No More than the Correct Amount of Tax, the Right to Challenge the IRS's Position and Be Heard, the Right to Appeal an IRS Decision in an Independent Forum, the Right to Finality, and the Right to Retain Representation.

The NCC devoted most of its efforts this year on improving the clarity and content of the following math error notices.

- **Issue 37335 – CP10 Content and Clarity.** CP10 is sent to a taxpayer when a math error adjustment affects estimated tax payments for the coming year. The IRS sent 13,238 of these notices in Calendar Year 2017.
- **Issue 38434 – CP11 Content and Clarity.** CP11 is sent to a taxpayer when a math error adjustment results in an amount due. The IRS sent 585,806 of these notices in Calendar Year 2017.
- **Issue 38435 – CP12 Content and Clarity.** CP12 is sent to a taxpayer when a math error adjustment results in a payment becoming an overpayment or when an original overpayment amount has changed. The IRS sent 1,290,873 of these notices in Calendar Year 2017.
- **Issue 38436 – CP13 Content and Clarity.** CP13 is sent to a taxpayer when a math error adjustment results in a zero-account balance. The taxpayer is not due a refund, nor owes an additional amount. The IRS sent 67,128 of these notices in Calendar Year 2017.
- **Issue 38437 – CP16 Content and Clarity.** CP16 is sent to a taxpayer when a math error adjustment results in a refund being applied to other tax debts. The IRS sent 100,961 of these notices in Calendar Year 2017.

Other Activities and Achievements

In addition to the work on math error notices, the Committee reviewed recommendations for timeline implementation with an emphasis on the National Taxpayer Advocate's Most Serious Problems and the Taxpayer Bill of Rights. There was a wide variety of outreach activities, including a radio talk show, conversations with neighborhood organizations, and university classroom presentations.

Ongoing Work

The following IRS notice and letter issues were received from the public and are currently being researched as potential 2019 projects.

- **Issue 36695 - CP71A and LT39 Notices.** A taxpayer submitted this issue based on concerns that CP71A and Letter 39 misinterpretations may harm taxpayers. CP71A and Letter 39 misinterpretations can occur in the following scenarios: 1. A CP71A notice is

issued to a Taxpayer whose past-due amount is in “currently not collectible” status. 2. A Letter 39 notice is issued to a taxpayer whose account is blocked from the automated levy program. Many taxpayers believe that they’ve been removed from CNC status or marked for the automated levy program. Each notice contains verbiage that doesn’t seem to apply to anyone in the CNC status or anyone blocked from the automated levy program. Most people reading a notice like the CP71A or Letter 39 believe that they had previously resolved their IRS issues. The notices seem to imply that, if the taxpayer is not currently working with the IRS, additional steps are required.

- **Issue 38667 – CP90 Notice.** A taxpayer submitted this issue requesting the Notice Committee to take on the project of revising CP90 to improve the quality of the notice. The taxpayer noted that the tax periods involved are not listed on the first page of the notice. Instead, the periods are “buried” on the third page. The taxpayer suggested moving the tax periods in question to Page 1 or the Summary section in the upper-right hand corner of every page.
- **Issues 40062 and 40093 – ACS Correspondence Sending Notices to Represented Taxpayers.** These issues were submitted by a taxpayer and an LITC clinic in response to ACS sending Letter 11 notices, Letter 16 notices, and Letter 33 notices that ask represented taxpayers to call the IRS about the collection of unpaid taxes. Internal Revenue Code (IRC) section 6304(a)(2) generally prohibits the IRS from communicating with a represented taxpayer about the collection of unpaid taxes. IRC section 7803(a)(3)(I) requires the IRS to act in accord with taxpayer rights, which include the Right to Retain Representation. By demanding that represented taxpayers call the IRS about their unpaid taxes, despite Form 2848 being on file, the Service appears to be circumventing the spirit of IRC sections 6304(a)(2) and 7803(a)(3)(I).

The Committee addressed the following Referrals submitted by the 2017 Committee to which the IRS responded in 2018:

- **Issue 17399 – Payment Due Dates are Ambiguous.** The committee reviewed CP 501, CP 504, CP 521 and CP 2000 with the goal of making clear to the taxpayer the date payment should be received by the IRS to prevent further interest and penalties. The committee recommended these notices should contain language that the taxpayer is solely responsible for ensuring a timely receipt by the IRS. The committee also recommended that these notices should emphasize the word “received” by using bolding, capitalization and underlining. The IRS rejected these recommendations for all four notices. The committee recommended rewording applicable sentences in the notices to indicate that the payment or response needs to “be received in our office by” a specific date. The IRS adopted this recommendation for CP 501, CP 504, and CP 521, with a proposed implementation date of in January 2020. The IRS rejected this recommendation for the CP 2000. The committee accepted the IRS response.
- **Issue 35772 – Letter 63C.** The purpose of the IRS 63C Letter is to inform an employer or payer that a taxpayer contacted the IRS reporting income from the employer or payer, but no Form W-2 or Form 1099-R was issued, or they received an incorrect form. The 63C letter instructs the employer or payer to select from a list of options pertaining to why a W-2 or 1099-R was not sent or to confirm and advise the taxpayer of the amount reported. Some types of employees, such as day workers, agricultural workers, and election workers, do not make more than \$600 and therefore do not meet the minimum

income reporting level for issuance of a Form W-2. There is no option for an employer to indicate that the employee did not reach the minimum income reporting level. The committee recommended adding an option for employers or payers to select under these circumstances. The IRS accepted the recommendation with a proposed implementation date of January 31, 2018. The committee accepted the IRS response.

- **Issue 36227 – Change to Notice CP22A.** In May of 2007, the Office of Management and Budget, issued Memorandum M-07-16: Safeguarding Against and Responding to the Breach of Personally Identifiable Information. The memorandum requires all federal agencies to take steps to eliminate or reduce the use of SSNs to protect citizens from identity theft. In response to the requirement, the IRS implemented an initiative which is known as the IRS's Social Security Number Elimination and Reduction (SSNER). During a 12 month period, 2.5 Million CP22As were mailed to request past due payments with the taxpayers full Social Security Number. The committee submitted a recommendation that the IRS mask SSNs to only reveal the last four digits on the CP22A. The IRS did not adopt the recommendation but noted that the Office of Taxpayer Correspondence is exploring a process to redact or eliminate SSNs on balance due notices. The Notice committee agreed to accept the IRS decision.
- **Issue 36245 – Accounting for IRA Distributions to Qualified Charitable Organizations.** Taxpayers who had directed their IRA custodians to distribute an amount to a qualified charitable organization received notices that they had underreported the distribution as taxable income, because of the taxpayer failing to make a special notation on Line 15 of the Form 1040. The committee recommended that a Box 7 distribution code be added to the 1099-R that would allow the custodian to indicate that a charitable distribution had been made rather than require the taxpayer to report independently on their tax return. The IRS did not adopt the recommendation citing a small number of affected taxpayers. The committee accepted the IRS response.
- **Issue 36252 – Letter 728 Your payment did not Cover Entire Tax Liability.** A significant number of taxpayers receive Letter 728 from the IRS to provide a current balance due and request payment. Taxpayer confusion as to the actions and timeframes to be followed resulted in payment delays and assessment of penalties and interest. The committee made recommendations to update the letter and the Taxpayer Bill of Rights by including a notice that the taxpayer has the right to request an installment agreement. The IRS did not adopt these recommendations. The committee accepted the IRS response.
- **Issue 36253 – Letter 3220 Accounts Outstanding – Payment Request.** A significant number of taxpayers receive Letter 3220 from the IRS to provide a balance due after the receipt of a partial payment that requests additional payment. Confusion as to the actions and timeframes to be followed resulted in payment delays and assessment of penalties and interest. The committee made recommendations to update the letter and the Taxpayer Bill of Rights by including a notice that the taxpayer has the right to request an installment agreement. The IRS did not adopt these recommendations. The committee accepted the IRS response.

Issues Under Consideration for 2019

- **Issue 38499 – Letter 1224C.** Small non-profits have received letters thanking them for the most recently filed 990-EZ but failed to notify them that their organization's non-profit status has been auto-revoked. This failure causes a burden to small non-profits who are run by volunteers. The committee will look at Letter 1224C with consideration of adding notification of revocation.
- **Issue 38667 – CP90 Notice.** A CP90 notice is sent to notify a taxpayer of intent to levy assets for unpaid taxes, and the taxpayer has the right to a Collection Due Process hearing. Currently, CP90 does not include the tax years that are involved in the upper right-hand corner as is present in many other notices. The committee will look at CP90 with consideration of placing the relevant tax years in the upper right-hand corner of all pages of the notice.
- **Issue 40062.** Letters 11, 16, and 33 The Automated Collection Service is sending requests to represented taxpayers to call the IRS about the collection of unpaid taxes. Internal Revenue Code § 6304 (a)(2) generally prohibits the IRS from communicating with a represented taxpayer about the collection of unpaid taxes. The committee will look at the Letters with consideration of adding language about contacting their representative to contact the IRS.

SPECIAL PROJECTS COMMITTEE

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Committee Work Scope and Recommendations

During the 2018 TAP year, the Special Projects Committee had two Sub-Committees, the International Sub-Committee, and the ID Theft Sub-Committee. The International Sub-Committee focused on the difficulties of taxpayers dealing with the Individual Taxpayer Identification Number (ITIN) process. A referral was submitted to the IRS with several suggestions for better communication with taxpayers regarding the ITIN application process. The International Sub-Committee also researched one of the Most Serious Problems in the NTA's Annual Report to Congress relating to the Passport Revocation Process. With the closing of all international IRS locations and an ever-increasing reliance on online communications, the Committee is also looking at issues taxpayers living abroad will face as the IRS rolls out the Future State platform. Critical areas of concern under the Taxpayer Bill of Rights are the Rights to Be Informed and Quality of Service.

The Identity Theft Sub-Committee worked several months on a referral regarding the IP PIN process only to discover that the IRS was currently working on this very issue. The IP PIN and matters of protecting taxpayer security are very complex and not easily solved. In exploring some of the problems, the suggestion of a hack-a-thon, which would tap into the knowledge and creativity of experts, as well as providing favorable exposure to TAP and the IRS, was made. Special Projects will continue to work on this in 2019. This committee also developed a referral to address the difficulties taxpayers are having in finding information about digital currency/ cryptocurrency on IRS.gov.

The following issues were elevated to the IRS for consideration:

- **Issue 37212: Taxpayer need for information on cryptocurrencies.** Referral on this issue suggests improving the search function on the IRS website to help taxpayers find information on this topic.
- **Issue 35050: Delay in ITIN and Refund.** Referral on this issue suggests that information on this topic should be easier to find on the IRS website and addresses concerns about returning documents to taxpayers after the process is completed.

Other Activities and Achievements

Members of the Committee have:

- Conducted Outreach throughout the year
- Provided feedback to the IRS and TAP concerning making improvements to the TAPSpace website
- Assisted in the testing of the “Paycheck Checkup” feature on IRS.GOV
- Conducted outreach to the public on IRS Change website and Paycheck Checkup, encouraging people to check income tax withholding in 2018.

The Committee addressed the following Referrals submitted by the 2017 Committee to which the IRS responded in 2018:

- **Issue 35185 – International Future State.** Overseas taxpayers and other taxpayers have difficulties communicating with the IRS and authenticating their identities. The Committee suggested using current technology to set up a two- factor authentication process. This issue is still under consideration by the IRS.
- **Issue 35080 – Transcript Function Not Working with Foreign Address.** Taxpayers were not able to request IRS transcripts by mail to addresses outside of the United States. The IRS did not adopt this issue. The Committee reviewed the IRS response, and one of the Committee members verified that he received a transcript by mail at his non-US address. Based on this information, the Committee accepted the IRS response.
- **Issues 32455 and 34586 – Identity Theft.** Taxpayers had difficulty in accessing information relating to Identity Theft on the IRS.GOV website. The Committee suggested using flowcharts on the website to assist taxpayers in finding relevant information. The IRS did not adopt the referral and indicated website improvements have made the information more accessible. The Committee reviewed the response, verified the improvements made, and chose to accept the IRS response.
- **Issue 35609 – Google Listings.** The Committee determined that, in many cases, the information provided by Google is often incomplete or inaccurate concerning office hours and services available at ITS TAC offices. The referral suggested that the IRS monitor Google listings. The IRS did not adopt the referral because of improvements

to the IRS website and because the IRS intends for IRS.gov to be the primary search resource. The Committee is currently reviewing the IRS response.

- **Issue 34929 – Update Streamline Filing Compliance Webpage (multiple recommendations).** This referral suggested several changes to the IRS website on Streamline Filing Compliance information being provided to taxpayers.
 - At the end of the paragraph entitled “Taxpayers must certify that conduct was non-willful,” add: “This conduct is due to negligence, inadvertence, or mistake or conduct that is the result of a good faith misunderstanding of the requirements of the law.” Defining non-willful conduct provides clarity as to what taxpayers are certifying without referring to another document. The IRS agreed with the recommendation. The Committee accepted the IRS response
 - In the paragraph entitled “Taxpayers who want to participate in the streamlined procedures need a valid Taxpayer Identification Number,” the third sentence needs clarification. After the word “ITIN,” “the return” should be inserted for clarity. The IRS agreed to the recommendation; Committee accepted the IRS response.
 - Under Specific Instruction #3 - Add the name “(Form 14654)” following the link to “Certification by U.S. Person Residing in the U.S.” The hyperlink to the form is provided but providing the form number is a helpful reference. IRS agreed to the recommendation; Committee accepted the IRS response.
 - Also, at the end of the paragraph, add the sentence: “This form can only be viewed using Internet Explorer”. The IRS indicated the problem was resolved. The committee accepted the IRS response after verification that the issue was resolved.
 - Under Specific Instruction #3 – Add the name “(Form 14653)” following the link to “Certification by U. S. Person Residing Outside of the U. S.” The hyperlink to the form is provided but providing the form number is helpful in the reference. The IRS agreed to the recommendation; Committee accepted the IRS response
 - Also, at the end of the paragraph, add the sentence: “This form can only be viewed using Internet Explorer.” The IRS indicated the problem was resolved. The committee accepted the IRS response.

Ongoing Work

The Special Projects Committee has focused on issues relating to Identity Theft and concerns of International Taxpayers. Regarding Identity Theft, the main concerns are Identity Protection, PIN matters, Multi-Factor Authentication issues, and the IRS usage of full Social Security numbers on taxpayer documents. Regarding international taxpayers, the main concerns are the availability of IRS services for overseas taxpayers, ITIN matters, and problems caused by the IRS Passport Revocation Program.

The Committee is currently working on the following issues related to the processes that the IRS uses to validate taxpayer identity for account access

- **Issue 35966 – Deficient Options for Accessing Accounts online.** This issue relates to taxpayer concerns that a mobile phone is required to access account information online.
- **Issue 37384 – Accessing and Creating Accounts for Payments.** The taxpayer was unable to access information online using the correct credit card or mortgage information and suggested creating an alternative method of authentication.
- **Issue 35423 – Victims of ID Theft Issued Form CP 5747 C.** This letter notifies taxpayers that have ID Theft issues and that they need to appear at an IRS office to verify their identity physically. This requirement places a substantial burden on taxpayers as an appointment is required. In some areas, this may also require extensive travel.

Second, the Committee is currently reviewing the following issues related to the IRS use of Social Security numbers on letters and forms.

- **Issue 35920 – IRS Check Endorsement.** Taxpayer expressed a concern that the IRS uses the full 9-digit Social Security Number as part of the stamp on check endorsements. This practice could lead to identity theft.
- **Issue 36017 – Feedback to IRS.** The taxpayer is concerned that the complete 9-digit Social Security Number listed on letters sent by the IRS could lead to identity theft.
- **Issue 37113 – Protection of Personal Privileged information.** The taxpayer is concerned that full 9-digit Social Security Numbers are listed on Form W-2. This practice could lead to identity theft.
- **Issue 37119 – Tax Forms.** The taxpayer is concerned that the IRS asks for complete Social Security Numbers or Taxpayer Identification Numbers on tax returns. This information could fall into criminal hands and lead to identity theft.

Third, the Committee is currently reviewing the following issues related to the IP PIN process. An IP (Identity Protection) PIN is a number that is issued by IRS to victims of ID Theft that they use on filing subsequent returns as a means of verifying that they are the valid taxpayer and not the Identity Thief.

- **Issue 36550 Mandatory IP PIN Issuance.** Taxpayer suggestion that IP PINs be issued in all identity theft cases.
- **Issue 37112 Issuance of an Identity Protection IP PIN.** The taxpayer is concerned that he is required to have the capability to receive text messages to obtain an IP PIN.

Fourth, the Committee is currently working on the following issues concerning the availability of IRS services to taxpayers residing overseas.

- **Issue 35733 1040 Preparation Help for International Taxpayers.** The committee researched the Service's accessible information from its website, as well as its approach to bridging the gap in information regarding private tax preparer services for international taxpayers. The subcommittee is in the process of formulating additional

information and research needed to develop a referral. This issue is likely to be ongoing into the next TAP year.

- **Issue 36969 Complicated for US Citizen Living Abroad.** The issue of compliance complications arising out of a taxpayer's residency or frequency of travel is an overarching and far-reaching problem. The Committee is examining how this issue is like or distinctive from Issue 34733, Help for International Taxpayers. The Committee intends to conduct research to determine whether the issue is separate and distinct from an existing international issue by year-end. The Committee will initiate questions for the IRS to address.
- **Issue 37156 International Online Service.** The taxpayer has had difficulty carrying on communications with the IRS. U.S. Citizens living outside the country could create a login to an IRS account online like taxpayers living in the U.S.
- **Issue 37337 Private insurance purchased overseas.** A taxpayer residing outside the U.S. must buy private health insurance abroad. It is often difficult getting information from the IRS on the deductibility of the insurance costs.

Issues Under Consideration for 2019

- Determine the number of taxpayers affected by the IRS Passport Revocation Program and the overall impact.
- Help for International Taxpayers and Complications for Taxpayers Living Abroad. There are several inquiries from taxpayers living outside the U.S. expressing concerns about contacting the IRS, receiving information from the IRS and being able to contact qualified U.S. tax preparers outside the U.S.
- Review the Multi-Factor Authentication (MFA) for verification to prevent identity theft
- Hack-a-thon to test identification security. Exploring ideas and researching what group within the IRS would have responsibility and authority to develop, plan, and execute a hackathon for finding new and innovative ways to verify/validate that the taxpayer who is communicating/ interacting with the IRS is whom they claim to be.
- Educational efforts to improve taxpayers' understanding and impression of the IRS. (Might be part of ImproveIRS.org refresh and rebranding.)

TAX FORMS AND PUBLICATIONS COMMITTEE

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Committee Work Scope and Recommendations

The Tax Forms and Publications Committee (TFP) reviews and makes recommendations for changes in forms and publications used by taxpayers. Requests for review come from the IRS, practitioners, and taxpayers, and may also be generated by members of the committee.

This year, two important themes for the Committee's work were reviewing and conforming selected forms and publications to changes resulting from the Tax Cuts and Jobs Act and improving and clarifying tax guidance to military taxpayers. The screening committee, along with a committee analyst, reviewed all the issues for project consideration. The issues that were accepted were divided between two subcommittees to develop recommendations.

The nature of the work of TFP tends to look comprehensively at major issues affecting taxpayer experiences rather than the details of individual forms and publications. In some cases, the IRS requested that TFP provide feedback on a form or publication before publishing.

The following issues were elevated to the IRS for consideration:

- **Issue 36670 – IRS NTEE Codes.** NTEE codes were originally designed by the National Center for Charitable Statistics (NCCS). The NTEE code is not used for IRS purposes but instead are used for matching grant recipients with respective organizations. When an organization applies for 501(c)(3) status, Form 1023 or 1023-EZ requires submission of activity codes that describe the activities of the organization. The codes are very important as they represent many funding opportunities. The IRS may issue an incorrect NTEE code or, as the organization matures, the NTEE code may no longer be appropriate. There is no information in any form, instruction, or publication on the correct methodology to obtain or correct this code. The Committee completed work on the methodology to correct or modify an NTEE code once an organization already has 501(c)(3) status. The Committee suggested putting a pointer to Publication 557 into the 501(c)(3) instructions on Form 1023 and Form 1023-EZ, as well as specific instructions on how to change a code into Publication 557. Currently, the Committee is awaiting an IRS response.
- **Issue 36995, IRS Form W-4: Employee's Withholding Allowance Certificate.** The Committee reviewed and evaluated IRS Form W-4, Employee's Withholding Allowance Certificate, to determine if the form communicates appropriate guidance to the public. The Committee made three recommendations: a) asking to provide language to remind the taxpayer to consider a spouse's income when calculating the number of allowances; b) to consider whether the taxpayer or a spouse receives social security benefits or unemployment compensation; and c) to provide general guidance that a higher number of allowances claimed will result in a lower amount of tax withheld from a taxpayer's wages. The IRS informed the committee that two of the recommendations were already being incorporated into future draft instructions, and the Social Security recommendation could not be adopted due to a change in the tax law.
- **Issue 37005 – Form 5471, Information from US Person Foreign Corp and Issue 37006 – Form 5472, Information from 25% Foreign-Owned US Corp.** These related projects were significantly impacted by major changes made to the tax treatment of certain foreign income that were enacted as part of the Tax Cut and Jobs Act (P.L. 115-97). The committee had the opportunity to review and provide input to the IRS concerning Work Request Notices (WRNs) for revisions to Form 5471 and Form 5472, as well as new Form 8991. Formal referrals for both forms were also submitted to the IRS. The recommendations made focused on adding clarity and explaining the FTIN. The Committee is awaiting a response from the IRS and plans to review and comment on instructions for these forms when they are available.
- **Issue 37017 – IRS Publication 1212 and Form OID-1099 (Original Issue Discount).** The Committee completed a review of OID-1099 (Original Issue Discount) and Publication 1212 to determine if the instructions and form clearly communicate appropriate, useful, and understandable guidance to the public. The Committee suggested changes to clarify the treatment of the purchase of an OID bond and the treatment of premium as compared to acquisition premium, which had led to confusion for taxpayers. The recommendations provide language to clarify the relationship between premium and acquisition premium, to provide guidance about the effect of a premium on the tax basis of the relevant bond, and to clarify some definitions.

Additionally, the Committee suggested adding a link to help the taxpayer locate a Service Center for proper filing. Currently, the Committee is awaiting an IRS response.

- **Issue 37144 – Form 5329 & Instructions.** The Committee recommended 8 changes to Form 5329 and its Instructions explaining clearly how the taxpayer may request a determination by the Service to grant a waiver of the 50% penalty for a shortfall in a Required Minimum Distribution from a qualified plan (including an IRA) or other tax-favored account. The taxpayer must explain in a written statement that the shortfall was due to reasonable error and that the taxpayer is taking reasonable steps to correct the error (including a prompt request for a distribution from the plan in the amount of the shortfall). The statement must be attached to the Form and the taxpayer need not pay the penalty unless the IRS denies the waiver. The Committee's changes inform taxpayers about the availability of this important and valuable benefit. Currently, the Committee is awaiting an IRS response.
- **Issue 37220 – Publication 976: Disaster Relief.** The Committee submitted a total of eight recommendations to clarify Publication 976: Disaster Relief. Recommendations included adding introductory language, changing the order of contents for ease of taxpayer understanding, emphasizing the Employee Retention Credit, including several other severe 2017 storms not noted on pages 4-6, adding an action that a resident of Puerto Rico may use 2016 earned income to compute 2017 ACTC, and adding language to point out that residents of the U.S. Virgin Islands potentially have benefits. Many taxpayers do not fully understand that many IRS forms are not standalone forms. To add clarity, the Committee recommended adding a new "Form Flow" icon with a mini-flowchart containing hyperlinks to help taxpayers understand the relationship of various IRS forms where information flows from Form 4684 (Casualties and Thefts) to Schedule A (Form 1040/Itemized Deductions / Line 20) to Form 1040 (Page 2/Line 40). Currently, the Committee is awaiting an IRS response.
- **Issue 38527 – Publication 3, Armed Forces Tax Guide.** *Publication 3, Armed Forces Tax Guide*, was initiated by the committee in response to concerns identified by the National Taxpayer Advocate in her annual report to Congress, as Most Serious Problem 13, assistance to military taxpayers. A preliminary review of the recommendations of this project resulted in a meeting with a Subject Matter Expert within the Taxpayer Advocate Service and the favorable endorsement of that SME of the extensive changes recommended to the content and wording within the publication. Errors and omissions identified in the National Taxpayer Advocate's Annual report were specifically addressed, including the addition of information about special retirement plan contributions limits applicable only to members of the armed forces that served in a combat zone and survivors of members that die on active duty. Some of this information is not addressed in any current IRS publications. Also, recommendations were made on Pub. 3 guidance specific for military taxpayers that are also found in other publications of the IRS, with the intention of making Pub. 3 the primary source of tax information for the millions of current and former members of the armed forces, their dependents and other family members. The recommended changes also addressed information recently published by the IRS in Notice 2018-148, July 11, 2018, regarding the implementation of recent federal legislation addressing overpayments and authorizing refunds for years as early as 1991 for thousands of disabled veterans.

The recommended changes to Pub 3 also clarified the proper tax treatment of disability severance pay. That information was also recommended to be included in Pub. 3.

- **Issue 39730 – Form 1040 Simplified (2018).** The Committee reviewed the new draft Form 1040 Simplified with the associated schedules and made suggestions to improve the readability, understanding, security, and ease of use of the new form. Because of the significance of these forms to every individual taxpayer, the Committee also invited comments from all TAP members which garnered suggestions from a rich diversity of representatives; these suggestions were included in the comments to the IRS. The Committee's final proposal encompassed suggestions concerning the taxpayers filing status, the standard deduction, and additions to that deduction, the number of dependent lines, changes to the signature line for added security, confusing line titles, and requirements for adding certain schedules for additional clarity. This review was done without the aid of the accompanying instructions. Further review was required under Issue 39836 to coordinate both the form and instructions.
- **Issue 39836 – Instructions for Form 1040 Simplified (2018).** The Committee reviewed the new draft Instructions for Form 1040 Simplified and made suggestions to improve understanding to the taxpayer in completing the new Form 1040 Simplified. The Committee's final proposal suggested more consistency in wording throughout the instructions, better flow of Schedules 1-6 to the Form 1040 Simplified, clarification of what transfers from the new schedules to the 1040, guidance on limitations of the Qualified Business Income deduction, uniformity with Publication 3, Armed Forces Tax Guide, and other changes to help the taxpayer understand the instructions. Another key recommendation included providing the phone number for ordering forms in the instructions. While internet access is sometimes viewed as being universally available to all Americans, there are large groups of taxpayers who lack sufficient internet access and must rely on paper forms and correspondence and the telephone. The review was done without a finalized Form 1040 Simplified. A further review may be necessary to coordinate any changes made from the suggestions of the Committee's review of the draft Form 1040 Simplified. Currently, the Committee is awaiting the IRS' response to the recommendations.
- **Issue 39940 – Form 1040 Schedule A (Itemized Deductions).** The Committee recommended two changes to Schedule A (1040) to increase taxpayers' understanding of the form. The changes included editing language and cautioning taxpayers that Job Expenses and Certain Miscellaneous Expenses are no longer deductible under the Tax Cuts and Jobs Act of 2017. Many taxpayers will attempt to add these non-deductible expenses to "Other Miscellaneous Deductions." A warning on Form 1040 Schedule A will reduce the number of taxpayers that erroneously take job expenses, tax preparation fees, investment advisory fees, safe deposit box fees, and other previously deductible miscellaneous expenses as an itemized deduction. Currently, the Committee is awaiting an IRS response.
- **Issue 39941 – Schedule C (2018 Form 1040) Profit or Loss From Business and Instructions for Schedule C.** The Committee performed a complete review of Schedule C and instructions to improve the usefulness to taxpayers considering the changes to the Internal Revenue Code made by the Tax Cuts and Jobs Act (TCJA) enacted in December 2017. The Committee recommended seven changes, including clarifying specific instructions related to Section 179 expense deductions, bonus

depreciation, and fringe benefit deductions; enhancing the guidance to taxpayers with international operations; including an important on-line link for obtaining an EIN electronically; and correcting an inconsistency in the instructions related to rental of personal property. Currently, the Committee is awaiting an IRS response.

Other Activities and Achievements

Also, concerning the Tax Cuts and Jobs Act, members of the committee participated in the review and comment on the IRS “Paycheck Check-up” program, with suggestions and comments on how that interactive program could be more useful and understandable to the taxpaying public. In addition, the Committee members, in their outreach, used various media to inform the public about the importance of employees checking federal tax withholding before the end of the 2018 tax year.

The committee made significant changes in the processing of project recommendations this year aimed at compiling and tracking recommendations in a logical and organized fashion. Participation by all committee members has remained at a high level throughout the year, with most telephone conferences attended by all members. The committee members were engaged and enjoyed a productive and collegial tenure. Each committee member was assigned to a subcommittee, where the bulk of the work on issues took place, as well as having at least one other task, such as quality review, screening, and internal communications. Several committee members took part in a conference call and gave feedback on the IRS Strategic Plan.

As resources become available, the committee looks forward to IRS implementation of new systems and technology, providing ever-increasing electronic capabilities and resources to taxpayers. Simultaneously and importantly, it urges the IRS to consider the effects of future change on those taxpayers who still file and obtain information on paper and via face-to-face methods.

On-going Work

The Committee addressed the following Referrals submitted by the 2017 Committee. The IRS responded in 2018 to the following:

- **Project #34038 – Publication 17 & 525 Babysitting Income Not Clear.** Three recommendations were submitted that provide clarification on babysitting earnings that may normally be considered household employment and not necessarily independent contracting for childcare services. Previously there has been a contradiction among various IRS publications. The IRS did not accept any of these recommendations. The Committee resubmitted the recommendations, and one was partially adopted; the other was not. An issue based on this recommendation was submitted to the Taxpayer Communications Project Committee (TCC) to review IRS Publication 587, Your First Job, to give clear information to new taxpayers.
- **Project #35251 – Form 8885, Health Coverage Tax Credit.** The Committee recommended adding a tip at the beginning of the instructions which cautions taxpayers that few taxpayers may qualify for this credit. The IRS did not adopt the recommendation, and the Committee provided additional justification on why this may reduce the risk of taxpayers spending unnecessary time and effort. The recommendation was adopted to include a caution in the instructions.

- **Project #35276 – Form 709, Gift and Generation-Skipping Transfer Tax.** Although not affecting many taxpayers, the Committee developed twenty-one recommendations designed to overcome confusing instructions that were outlined in a detailed letter from a tax attorney. The recommendations included the addition of a new section to the form to address other transfers that may be subject to Generation Skipping Tax (GST), including gifts to trusts (other than an Indirect Skip) that may later be subject to GST tax. All recommendations were adopted for implementation.
- **Project #35531 – Instructions for Form 1040 – Ordering Tax Forms.** This referral contained thirteen recommendations elevated to the IRS in 2017 that awaited IRS response. The recommendations focus on conciseness, ease of understanding, updates to TAC information, specifics regarding how to order a printed copy of Publication 17, and the inclusion of the phone number to order forms that was removed from previous instructions. The committee prepared a rebuttal, but with tax law change and the introduction to the new 1040 short form, the project was closed, and focus was placed on the new form and instructions (see Issue 39836 and 38730 above)
- **Project #35655 – Form 8965, Health Coverage Exemptions.** This referral recommended twenty-one changes to Form 8965. Most of the suggestions were designed to make the directions more comprehensible to the public. Twelve of the recommendations were not adopted. The rest of the recommendations remain under consideration for implementation, and one has already been adopted.
- **Project #35657 – Form 1040 Schedule D and Instructions.** One of the key recommendations made is to immediately alert the taxpayer that capital gains reporting may not need to be made on the Schedule D, saving taxpayers time and effort. Six recommendations were submitted for review to the IRS. One was adopted; five were not. A rebuttal on the issue regarding the misleading of the taxpayer reporting a sale was resubmitted. The IRS has not yet responded to the request for reconsideration.
- **Project #35899 – Form 3115 and Instructions for Change in Accounting Method.** Recommended forty-nine changes to this extremely complex and time-consuming form, which may or may not be reviewed by the IRS on receipt from a taxpayer. Nineteen recommendations were accepted in whole or in part. Several recommendations dealt with simplifying the process by having different forms for different segments of taxpayers and introduced an F3115-EZ. The committee was pleased to note that these recommendations were referred to the Office of Chief Counsel for consideration, which would be required before a major change can be implemented. Four recommendations were resubmitted for additional consideration, including a recommendation that the publication make clear the relationship between a list of automatic changes given in the instructions and the official, updated list contained in Revenue Procedures. Also recommended was including a TIP early in the instructions to alert taxpayers that they could be eligible for an automatic change request, saving time going through instructions that do not apply to their situation. Two recommendations are being considered, and two recommendations are not being adopted. The Committee received a response from Counsel indicating that they would not adopt an EZ form as they felt it might confuse taxpayers. Based on the complexity and length of time it takes to complete the form the committee provided addition justification on why adopting this EZ form will benefit both parties. Currently, the Committee is awaiting an IRS response to the rebuttal.

- **Project #36059 – Publication 17 – Language on Late Third-Party Income Documents.** The IRS accepted three of the four recommendations made under this project. The current language in Publication 17 advises a taxpayer who has not received an expected 1099 in a timely manner to call the IRS. As a call to the IRS would likely result in suggesting the taxpayer apply for an extension, the Committee recommendation is to direct the taxpayer to apply for an extension, ultimately cutting down on call volume to the IRS and unburdening taxpayers. The three accepted recommendations of providing this information in Publication 17, rather than increasing traffic on the phone lines during tax season, are viewed by the committee among those with the most significant impact to taxpayers made during the 2017 year. The Committee believes the remaining recommendation that gives the same guidance was also particularly compelling, but the IRS did not adopt the recommendation on rebuttal.
- **Project #36175 – Publication 560 – Deduction Worksheet for Self-Employed.** This Referral recommends four additions to the deduction worksheet to make a clear distinction between ERISA and non-ERISA plan requirements and is currently under review by the IRS. Three have been adopted, and one was not adopted.
- **Project #36246 – Instructions for Form 2848, Power of Attorney.** Two recommendations were elevated to the IRS to provide clearer instructions for the completion of the form. The IRS accepted both recommendations.
- **Project #36343 – TFP Style Guide for Tax Forms and Publications.** The Committee made a recommendation for the tax forms and publication style guide to aid in bridging any communication gaps and ensuring product consistency throughout all IRS products. Currently, the Committee is awaiting an IRS response.

The high rate of IRS acceptance of comments from TFP reflects the sound working relationship with TAP staff, subject matter experts, attorney advisors, and systemic advocates; the willingness of IRS owners to consider suggestions with an open mind; and the seriousness with which TFP approached its work in looking for material items that matter to taxpayers in their practical, day-to-day use of Tax Forms and Publications.

The Committee is currently working on the following Referrals:

- **Issue 40132 – Instructions for Form 1040NR-EZ.** Recommendations were made to improve the instructions. Allowing foreign persons to determine when it is acceptable to use form 1040NR EZ instead of Form 1040 or 1040NR. Recommendations were made to improve instructions and to indicate the tax rates under the new tax laws. Currently, the Committee is awaiting Joint Committee approval and IRS response.
- **Issue 39926 – Form 8812 (Form 1040) Additional Child Tax Credit and Instructions.** The Committee completed a review of Form 8812 and its instructions. With the changes to the Internal Revenue Code made by the Tax Cuts and Jobs Act enacted in December 2017, it was important to ensure updates to the form and instructions were made. The Committee recommended five changes, including the following: identifying form references, as most taxpayers do not memorize form numbers; clarifying the need for Social Security numbers for children to qualify for the credit; clarifying that an ITIN does not qualify for this credit, and changing Combat Pay to Combat Compensation to provide consistency with other recommendations

submitted to the IRS. Currently, the Committee is awaiting Joint Committee approval to send the recommendations to the IRS.

- **Issue 39941 – 1040 Schedule C & Inst. Issue 39941 – Schedule C (2018 Form 1040) Profit or Loss From Business and Instructions for Schedule C.** The Committee performed a complete review of the Schedule C form and Instructions to improve their usefulness to taxpayers considering the changes to the Internal Revenue Code made by the Tax Cuts and Jobs Act enacted in December 2017. The Committee recommended seven changes, including the following: clarifying specific instructions related to Section 179 expense deductions, bonus depreciation and fringe benefit deductions; enhancing the guidance to taxpayers with international operations; including an important on-line link for obtaining an EIN electronically; and correcting an inconsistency in the Instructions related to the rental of personal property. Currently, the Committee is awaiting Joint Committee approval to send the recommendations to the IRS.
- **Issue 40159 – Form 1040 Simplified for 2019.** At the final phase of the 2018 1040 Form draft the IRS released a preliminary draft of the 2019 Form 1040. The committee sent recommendations to the IRS that mirrored many of the recommendations sent forward for the 2018 draft (listed above 39730). These recommendations focused on filing status, standard deduction, dependent lines, changing the signature line for added security, line title clarity, reminders to the taxpayer, along with a host of other small changes that might cause difficulty for the taxpayer.

Issues Under Consideration for 2019

- **Issue 40358 – Form 5471 Information Return of U.S. Persons With Respect to Certain Foreign Corporations**
- **Issue 37336 – Form 2555 Foreign Earned Income**
- **Issue 36545 – Form 8941- Health Care Credit for Businesses**
- **Issue 37155 – Fillable Forms and Worksheets (automated computations)**
- **Issue 39943 – Hard to Read Forms and Worksheets**

We are grateful to the Joint Committee and Chair Holly Hoffman for their thoughtful, positive reaction to TFP suggestions.

TAXPAYER ASSISTANCE CENTER IMPROVEMENTS COMMITTEE

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Lisa Billups, Senior Program Analyst, TX

Annie Gold, Management Assistant, TX

Committee Work Scope and Recommendations

The Taxpayer Assistance Center Improvements Committee (TAC) looks for suggestions to improve services to taxpayers who seek help from IRS Taxpayer Assistance Centers. TAC's focus in 2018 was to review suggestions to improve the appointment process and mitigate refund delays while maintaining taxpayer confidentiality and taxpayer rights. AC was also asked by the IRS Stakeholder, Partnerships, Education and Communication office (SPEC) to review SPEC publications via participation on several product review teams.

The following issues were elevated to the IRS for consideration:

- **Issue 37360 – Tax Refund Delays, Confidentiality, Taxpayer's Bill of Rights.** It has been observed that in some TAC Offices there may be a lack of confidentiality in an open room setting. Personally Identifiable Information (PII) may be revealed to anyone in proximity. There is also a lack of appropriate space that can provide complete privacy, such as a small office with four walls and a door. Individuals in the waiting area can hear private discussions between the assistors and the taxpayers. Taxpayers need a private space to discuss confidential matters with the IRS. Taxpayers should be able to discuss matters without other persons overhearing sensitive information. The TAC Committee submitted two recommendations to the IRS to address confidentiality in the TAC Office.
- **Issue 38550 – Taxpayers being Turned Away in Error at TAC Office.** It has been observed by TAP Members and Staff that taxpayers without an appointment are being

turned away in error, and TAC Appointment Exception Procedures are not being followed or considered. It has also been observed that Security Personnel are handing out Forms 15006 and turning taxpayers away from TAC Offices. Every taxpayer without an appointment who visits a TAC office has a right to be seen by a TAC employee and consideration of TAC Appointment Exception Procedures must be followed. The TAC Committee submitted seven recommendations to the IRS to prevent taxpayers from being turned away in error.

Other Activities and Achievements

- **Issue 3851 – VITA/TCE product review.** SPEC, of The IRS Wage and Investment (W&I) organization, asked TAC members for assistance with product reviews of the following four products: Publication 4012 – VITA/TCE Volunteer Resource Guide; Form 6744 – VITA/TCE Volunteer Assistor's Test/Retest; Publication 4491 – VITA/TCE Training Guide; and Link & Learn Taxes – Online Training Application. Products were reviewed and updated to reflect tax law changes in the Tax Cuts and Jobs Act (TCJA) effective for TY 2018 tax returns.
 - Several TAP members attended lengthy, week long, teleconferences dealing with several of these SPEC products.
 - Although this issue is not technically a “referral”, over 120 volunteer hours were dedicated to this project, and a formal report was prepared.
 - The TAC analyst incorporated the report and suggestions into SAMS, since a referral was not submitted to the IRS.
 - TAP/TAC participation in the VITA/TCE product review is vital to ensure that the program materials are accurate, applicable to the learning audience, and up-to-date with the new tax laws. Participation in this project allowed for various members expertise and input to be added to the group reviews and work.
 - Several portions of the Taxpayer Bill of Rights are ensured by the work of the VITA/TCE Programs and the Volunteers who serve in them. These include:
 1. The Right to Be Informed
 2. The Right to Quality Service
 3. The Right to Pay No More than the Correct Amount of Tax
 4. The Right to a Fair and Just Tax System

Ongoing Work

Ongoing work for TAP year 2018 has either been closed out or under consideration for the 2019 TAP year.

The Committee addressed the following Referrals submitted by the 2017 Committee. The IRS responded in 2018 to the following:

- **Issue 35283 – Improved Signage at Taxpayer Assistance Centers.** The TAC Committee recommend an alternative title for Publication 5136-A from “IRS Services for Individuals” to “NEED HELP? / GET HELP! IRS Instant Access.”
 - **Response from IRS:** “Non-adopted” – Publication 5136-A, currently titled “IRS Services for Individuals” is a handout for taxpayers who come to a TAC. Since all TACs have been migrated to appointment service, the purpose of this publication has changed slightly and will be updated for 2018 filing season. Changing the name would be problematic.
 - The committee voted to accept the IRS response.
- **Issue 34028 – Encourage Institutions to accept Get Transcript Products.** Create Frequently Asked Questions (FAQs) concerning IRS transcripts received by third parties titled “Third Party Transcript Recipient FAQs” to address concerns regarding the authenticity of submitted IRS Transcripts.
 - **Response from IRS:** “Non-adopted” – The Department of Education and the IRS are in discussions on the best way to share this data with third parties. The IRS is unable to adopt this recommendation pending the outcome of those discussions.
 - TAC voted to accept the IRS response.
- **Issue 35999 – Build Awareness of Availability of Online Services.** Change existing IRS web link from “Direct Pay” to “Direct Pay With Checking or Savings Acct” to more accurately describe the online tools and to consistently use the labels to promote increased taxpayers’ awareness and web link utilization.
 - **Response from IRS:** Partially Adopted – The IRS changed the name from Direct Pay to Direct Pay with Bank Account and thanked the committee for the recommendation regarding changing the IRS.gov application name for “Welcome To Direct Pay”.
 - TAC voted to accept the IRS response.

Change existing IRS web link name from “Where is my Amended Return” to “What’s the Status of My Amended Return” to more accurately describe the online tools and consistently use the names to promote increased taxpayers’ awareness and web link utilization.

- **Response from IRS:** “Non-adopted” – The IRS Accounts Management discussed this recommendation with a cross-functional team. The team decided not to adopt the name change.
- TAC voted to accept the IRS response.

Change existing IRS web link name from “Your tax account”, “View Your Account Information” to “My IRS Tax Account (MITA)” “View My IRS Tax Account (MITA)”.

- **Response from IRS:** “Non-adopted” – IRS Accounts Management discussed this recommendation with a cross-functional team. The team decided not to adopt the name change.
- TAC voted to accept the IRS response.

Issues Under Consideration for 2019

- **Issue 36900** – Some taxpayers are spending 40 to 50 minutes on hold just to Schedule an IRS Appointment. This issue was transferred to TAC by another project committee. Subject matter expert is researching additional details.
- **SPEC Project** – TAC analyst is reaching out to appropriate contacts to see if SPEC wants TAC involved with VITA/TCE projects in 2019. The TAC analyst is checking to see if the budget will permit TAC members to travel and participate in SPEC face to face product meetings in 2019.

TAXPAYER COMMUNICATIONS COMMITTEE

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Designated Federal Officer (DFO)

Susan Jimerson, Chief TAP West, WA

IRS Program Owners

Wage & Investment (W&I)

TAP Staff

Antoinette Ross, Program Analyst, DC
Annie Gold, Management Assistant, TX

Committee Work Scope and Recommendations

The Taxpayer Communications Committee (TCC) is charged with addressing all issues concerning communications with taxpayers that are not addressed by another TAP committee. The TCC can also act as a focal point where issues and recommendations cross committee boundaries. For a voluntary tax compliance system to be effective, it is critical that any interaction with taxpayers, both to and from the IRS, be straightforward, convenient, easy to navigate, and timely. When written communications are difficult to understand, do not provide a way to obtain clarification, or identify a resource to resolve a problem or question, taxpayers seek out personal interaction with IRS personnel to resolve their issues. Given IRS budget constraints on staffing, this results in even fewer effective communications and delays in problem resolution.

The TCC exists to examine, research, and make suggestions to improve or enhance communication between the IRS and taxpayers. The TCC acknowledges traditional barriers such as security, cost, and personnel constraints but also seeks out solutions already in use in other areas of government or private industry that have resolved similar constraints while maintaining security to aid the IRS in developing a 21st-century communication structure.

Activities and Achievements

- **Issue 37181 – Tax Withholding Calculator.** The IRS encourages everyone to use the Tax Withholding Calculator (TWC) to perform a quick “paycheck checkup”, based on the Tax Cuts and Jobs Act (TCJA) changes to tax rates, deductions, tax credits, and withholding calculations, beginning in 2018. Several Taxpayer Communication Committee (TCC) members, along with other members of TAP, participated in a TWC focus group. The TAP members received concerns related to the complexity of the calculator and initiated a project to evaluate the effectiveness and the ease of use with the TWC.

In conclusion, after capturing the concerns both written and orally from the members, a primary concern is; not all taxpayers are computer savvy and/or understand tax terminology necessary to complete the calculations accurately and may find the process complicated. As a result, this may frustrate/confuse taxpayers and lead them to seek assistance from a paid tax professional or not complete the use of the self-help withholding calculator.

Ongoing Work

- **Issue 38523 – Online Tools Add Additional Barriers for Taxpayers.** Potentially, there should be three different ways to obtain tax records for taxpayers. “Get Your Tax Records” on www.irs.gov only provides two ways to obtain your tax record. One way is online. To register and use this service, you will need:

- your SSN, date of birth, filing status and mailing address from the latest tax return,
- access to your email account,
- your account number from a credit card, mortgage, home equity loan, home equity line of credit or car loan, and
- a mobile phone with your name on the account.

The concern is that some disabled veterans who may have suffered traumatic brain injuries (TBI) or post-traumatic stress disorder (PTSD) disabilities may not be able to recall prior financial information or prior location/address information to be able to pass the authentication process for personal identification verification. The committee discussed the types of information normally used for validation on www.irs.com, Get Your Tax Records. Committee members tested the system and suggested adding a note directing taxpayers to go to the IRS2Go app. There is a section on the Get Your Tax Records listing common registration errors that could be helpful.

- **Issue 37192 – IRS Frequently Asked Questions.** TAP received a suggestion about the “Frequently Asked Questions (FAQ)” site on www.irs.com. This FAQ site should provide a blank line so that users can type in their question if a relevant question does not exist. The IRS should make indicate that no response is issued, but the IRS is actively seeking “missing” frequent questions that are not on their FAQ lists. A link to Improve the IRS may be appropriate, as well.

The committee addressed the following referrals submitted by the 2017 committee. The IRS responded in 2018 to the following:

- **Issue 35819 – Refundable Credits Communications (Recommendation #1).**

The recommendation was to create and deploy printed, electronic, and informational media campaigns designed, both in content and in delivery, to reach EITC-eligible workers in the hospitality and health care industries. There is increased use of income reported on 1099-Misc in these fields. For example, efforts might include printed literature distributed through organized labor in periodic education campaigns. Such an information channel is more likely to be familiar and regularly accessed than the channels typically associated with tax-season information gathering.

IRS Response: The IRS delivers year-round outreach to increase awareness of the Earned Income Tax Credit through detailed communication and outreach strategies and strong internal and external partnerships. The IRS uses those leveraged partnerships to encourage eligible taxpayers to file and file accurately. The IRS uses research-driven information and trend analysis to develop marketing strategies to ensure the right audience receives the right message at the right time. This analysis also aids in the development of informative webinars, tax forum presentations, and any other opportunities for targeted communications. Additionally, EITC has carefully been woven into traditional and social media communication that the IRS issues as well as appropriate tax publications, forms, marketing materials, and other products that target EITC taxpayer and tax professionals.

The IRS stated that they would widen their outreach opportunities by developing strong partnerships with the hospitality and health care industries to reach eligible employees.

This recommendation has been fully adopted.

- **Issue 35819 – Refundable Credits Communications (Recommendation #2).** This second recommendation was to create and deploy accessible, portable decision tree tools that taxpayers can reference at will, share with others (such as a co-parent), and discuss to make EITC eligibility a collaborative process. With greater understanding and confidence in the eligibility decision, taxpayers will be less likely to rely on poor or anecdotal information and may be more likely to apply for credits to which they are legally entitled.

IRS Response: The IRS agrees to a partial adoption of the recommendation. Their adoption is partial because IRS already offers a portable decision tree tool that taxpayers can reference at will, share with others (such as a co-parent), and discuss to make EITC eligibility a collaborative process. The EITC Assistant, an online tool, is available to taxpayers in English and Spanish on IRS.gov. They have included communication about the EITC Assistant in the EITC outreach efforts since its deployment. These efforts include filing season readiness and EITC Awareness Day communications, news releases, IRS tax tips, social media messaging, Volunteer Income Tax Assistance/Tax Counseling for the Elderly volunteer information and EITC Central.

The IRS stated they will increase outreach communication to maximize awareness and visibility of this online tool to taxpayers and IRS community partners.

The scheduled implementation date is January 31, 2019.

- **Issue 36467 – IRS2Go (There were seven recommendations to this TAP referral).**

The Service requested TAP's assistance to:

- Determine if there are additional methods and avenues to educate taxpayers via online media;
- Develop cost-effective solutions due to recent budget cuts.

The focus of this Referral is to make recommendations to improve the IRS2Go mobile application to better accommodate users and to drive additional traffic to the IRS.gov website and other IRS social media platforms.

The IRS has responded to most of the recommendations. With thousands of potential topics to cover, a searchable website backed by a content management system is the most appropriate tool, rather than an app with limited exposure. IRS2Go's goal is to provide quick, actionable, mobile-friendly tools to the broadest range of taxpayers. The IRS did not adopt this TAP referral, and the TCC accepted the IRS's response.

Issues Under Consideration for 2019

- **Issue 39879 – Partnership Representation and Form 2848.** Improvement to Form 2848 (Power of Attorney and Declaration of Representative) and its instructions. The new final regulations under the Bipartisan Budget Act addresses the new position of Partnership Representative, which is a person designated to act on behalf of a partnership in circumstances involving the Centralized Partnership Audit Regime. The IRS Form 2848 may not be used to designate a partnership representative. However, the new Form 2848 (January 2018) and its instructions do not reflect this rule. The IRS should consider revising the Form 2848 and its instructions to reflect the limitation on its use.
- **Issue 39764 – Withholding Tax Allowance.** The suspension of moving expense deductions from January 1, 2018, through December 31, 2025, has the effect of raising the cost of relocating for federal workers (other than the armed forces, who are exempt from the change). It is suggested that TAP recommend the Service disseminate an easier way to understand description of the Withholding Tax Allowance (WTA) and Relocation Income Tax Allowance (RITA) processes, along with a description of the nature and extent of the applicability of the effects of Sec. 11049(a) of the Tax Cuts and Jobs Act (TCJA) on Sec. 217(k) of the Internal Revenue Code (IRC). This suggestion represents the first item on the Taxpayer Bill of Rights, where the taxpayer has The Right to be Informed.

TOLL-FREE PHONE LINES COMMITTEE

Chair

Alice Guy Azzaro, FL

Members

Zanobia Oliver, SD
Timothy Bolin, WY
Alyssa Burrows, PN
Angel Hower, IA
Phillip Kleiber, GA
Diana Nelson, OH
Bernard Peterson, NY
Bruce Stratton, ID
Stephen Vanderver, IN

Designated Federal Officer (DFO)

Cedric Jeans, TN

IRS Program Owner

Wage & Investment (W&I)

TAP Staff

Rosalind Matherne, Program Analyst, DC
Rose Babb, Management Assistant, NY

Committee Work Scope and Recommendations

The focus of the Toll-Free Phone Lines committee in 2018 was to encourage the improvement of telephone technology, specifically customer callback technology, authentication retention, and voice recognition in support of the Taxpayer Advocate's 2017 Annual Report.¹ According to the Annual Report, telephone service at the IRS is treated as a "dying relic of taxpayer service."² The Taxpayer Bill of Rights ensures taxpayers the right to receive prompt, courteous, and professional assistance, however, experience has shown that the IRS continues to fail in that regard.

Also, the committee has requested to expand its mission to an omnichannel focus. As internet-based solutions become the standard for customer service, the Toll-Free Phone Lines committee believes that communication channels should be considered and not as non-integrated, separate systems. Embracing an expanded mission would allow for the committee to offer recommendations to improve the synergy between telephone lines, the IRS website, and social media outlets.

1 Taxpayer Advocate Service. (2017). *Telephones: The IRS needs to modernize the way it serves taxpayers over the telephone, which should become an essential part of an omnichannel customer service environment*. Retrieved from www.taxpayeradvocate.irs.gov: https://taxpayeradvocate.irs.gov/Media/Default/Documents/2017-ARC/ARC17_Volume1_MSP_02_Telephones.pdf.

2 Internal Revenue Service. (n.d.). *Taxpayer Bill of Rights*. Retrieved from www.irs.gov: <https://www.irs.gov/taxpayer-bill-of-rights>.

The following issues were elevated to the IRS for consideration:

- **Issue 39905 – Utilize Toll-Free Line and potentially other IRS communication vehicles to increase marketing of Free File availability to taxpayers.** It is estimated that U.S. taxpayers are spending about \$1.5 billion per year in unnecessary tax return filing fees. The key reason taxpayers are not using Free File is that they are unaware of its existence. Increased usage of this program would greatly increase taxpayer savings and likely relieve some pressure on the VITA program, as many new Free File taxpayers would potentially move from VITA to Free File.

The following recommendations were referred to the Internal Revenue Service for consideration:

- Implementing Free File on the messaging callers receive while on hold with the IRS and/or add a tag line on to existing PSAs
 - Improved positioning and placement of Free File on www.irs.gov
 - Starting and/or increasing frequency of Free File messaging on IRS social media platforms (Twitter, Facebook, etc.)
- **Issue 39906 – Customer Callback Technology.** Currently, taxpayers seeking assistance from the IRS over the phone are forced to remain in the toll-free telephone queue, hearing announcements of estimated wait-times while having no way of knowing their position in the queue. Additionally, taxpayers don't have the ability to request a callback in lieu of being on hold, which wastes valuable time waiting to speak to a representative. After frustratingly long hold times, sometimes 30 minutes or longer, calls are often misdirected or disconnected. Investing in customer callback (CC) technology will provide taxpayers with the option of remaining on hold while hearing periodic announcements as to their position in the queue or of scheduling a callback. Further, the CC technology could include a feature to allow the taxpayer to schedule the callback at a time slot and day, as well as providing a callback telephone number, convenient for the taxpayer. CC technology would allow the IRS call sites to operate more efficiently, save telephone resources and greatly improve the taxpayer experience with the IRS. The Toll-Free Phone Lines committee recommended Internal Revenue Service (IRS) install and implement Customer Callback technology, which will allow taxpayers to choose how to interact with the IRS' toll-free services while waiting to speak with a Customer Service Representative (CSR).
- **Issue 39940 – Authentication Retention Technology.** Per findings of the Federal Trade Commission, identity theft is the number one customer complaint nationwide for the past decade. "Taxpayers need to be assured that the IRS is taking every precaution to protect their private information from inadvertent disclosure."³

As an excerpt to the 2010 TIGTA report, the following information is provided:

3 (a) Reference TIGTA report 2010-40-045, published March 31, 2010.
<https://www.treasury.gov/tigta/auditreports/2010reports/201040045fr.pdf>

(b) Reference TIGTA report 2015-40-053, published May 29, 2015.
<https://www.treasury.gov/tigta/auditreports/2015reports/201540053fr.html>

“Assistors are not always authenticating taxpayers who call the IRS’ toll-free telephone number for tax account information. From our statistical sample of 180 contact recordings, we determined that assistors did not properly follow procedures when authenticating 29 (16 percent) callers, increasing the risk of unauthorized disclosures. Nine assistors did not ask callers the two additional authentication probes (high-risk questions) when the situation required eight assistors did not ask callers all five required authentication questions seven assistors did not authenticate callers for various other reasons. For example, assistors did not appropriately end the call when the caller continued probing questions incorrectly, or the assistor was in doubt of the caller’s identity.”

“During our review of 48 (27 percent) of the 180 sampled calls, we were able to hear parts of assistors’ conversations with other callers. For ten calls (6 percent) the conversations were very clear, and for 38 calls (21 percent), other assistors’ interactions with callers were heard, but the conversations were not clear. These issues happened because assistors did not put callers on hold when they were researching the taxpayers’ accounts. Also, the physical layout of workstations at call centers allows other conversations to be overheard. For 26 calls (14 percent of all calls tested), assistors repeated the Social Security Number back to the caller on the telephone. This practice puts the IRS at risk of disclosing Personally Identifiable Information.”

“Using results from our statistical sample, if 50 percent of the callers were authenticated while waiting to speak to an assistor, the IRS could save 136,654 minutes of assistor time, or 2,278 hours per week. The projected 5-year (Fiscal Years 2010 through 2014) productivity gain from authenticating callers while they wait to speak with an assistor equates to 496 Full-Time Equivalents, or approximately \$30 million. During Fiscal Year 2009, the average time assistors spent on the telephone assisting callers was more than 11 minutes. The IRS could also increase productivity by answering 1,180,306 additional calls per year because assistors would spend approximately 1 minute less talking with callers.”

A limited pilot testing is scheduled for the 2019 filing system for disclosure retention; the committee recommended funding full implementation and consideration of full authentication retention subsequently.

- **Issue 37269 – Voice Recognition Technology.** To understand how other Federal government entities support clients, our Toll-Free Phone Lines committee members called the Social Security Administration (“SSA”) number and felt like it was a significantly superior experience to the one clients receive when they call the IRS 1040 line. The SSA provides several elements that are not currently present on the IRS line, including voice recognition, suggested areas of need, and estimated time to complete tasks.

Currently, the IRS has numeric voice recognition (“press 1”) on limited phone lines. The committee recommended investment in more comprehensive technology, as currently employed extensively in the private sector.

Other Activities and Achievements

The committee was asked to comment on the Paycheck Calculator and the new 1040 forms. Committee members also conducted outreach campaigns with their perspective lawmakers in Washington, D.C. and in their states to share the TAP mission and accomplishments and challenges facing taxpayers. Taxpayers were encouraged to share their concerns and challenges with telephone technology funding with their congressional leaders.

Ongoing Work

The Committee addressed the following Referrals submitted by the 2017 Committee. The IRS responded in 2018 to the following:

- **Issue 36206 – Area Code/Time Zone Restrictions.** In response to requests from the Toll-Free Lines Committee for information as to how call routing is handled, the IRS responded, without identifying specific product lines: “For the busiest IRS product lines, the IRS telephone system uses area code routing; answering some calls by assuming an incoming call originates in an identified geographic location. In general, if an incoming telephone call has an area code associated with a specific time zone, that call will not be answered if outside of the working hours of that time zone. For some other product lines, the IRS uses a simpler method for hours of operation, using Central Time only to determine if the product line is open when a call is received. These product lines do not differentiate hours based on a caller’s time zone. These are typically lower volume product lines.”

Taxpayers calling the IRS product lines using cell phones with area codes that do not match their geographical locations may find that their calls go unanswered (*i.e.*, if a taxpayer has an East Coast area code but lives on the West Coast, then his/her call would not get answered after 5 pm Eastern time).⁴ The Pew Research Center, Internet Not only has cell phone usage increased, but for Americans under the age of 65, cell phone ownership ranges from a low of 97% (for those aged 50-64) to 100% (for those aged 18-29). Even for Americans aged 65 and older, cell phone ownership stands at 80%. Further, there is minimal variation in percentage ownership concerning income level, education level, and urban/suburban/rural residence location.

Two older studies (2009 and 2012) reported approximately 12% of “cell-phone-only” adults resided in a state different from that associated with the cell phone’s area code. This trend was reported to vary widely by state, from a low at the time of the studies of about 4% for Texas, to a high of about 52% in the District of Columbia. (See http://ww2.amstat.org/sections/srms/Proceedings/y2012/Files/400225_500647.pdf)

The committee recommended the removal of restrictions for call routing based upon taxpayer’s area code. Based on IRS response, this issue is being resubmitted under a new ID number with a different recommendation.

4 The Pew Research Center, Internet, and Technology notes in a fact sheet issued January 12, 2017, (see <http://www.pewinternet.org/fact-sheet/mobile/>) that 95% of Americans now own a cellular phone, up from 62% in 2002. Further, 77% of Americans now own a smartphone. According to NPR, 50.8% of the population has a cellphone only, 39.4% has both a cellphone and landline and only 6.5% does not have a cell phone. (See <http://www.npr.org/sections/tech/2015/12/03/458225197/the-daredevils-without-landlines-and-why-health-experts-are-tracking-them>)

- **Issue 35594 – Informational Returns Toll-Free Line.** The sub-committee reviewed the phone script after one sub-committee member received comments through an outreach contact that the wait time for this phone line was extensive. While the comment from the outreach contact did not appear to be supported by statistics from the Informational Returns Toll-Free Line, the members of the sub-committee felt the script could be reordered to improve service to taxpayers who reach the line with issues for which the line is not designed.

Reorder the position in the phone script of the announcements 57439, 56354, 58053, and 58054. This issue was submitted in November 2017; it was approved and adopted by the IRS on 8/31/2018.

The Committee is currently working on the following Referrals

- **Issue 40124 – Disconnected from CSR.** This recommendation will increase customer satisfaction based on best practices generally used by private industry, as well as governmental agencies. This improvement would also help increase efficiency for the Internal Revenue Service (IRS) so that two CSRS don't duplicate their efforts.

Request taxpayer callback information should the conversation be unexpectedly disconnected. This will aid in alleviating taxpayer frustration from having to call back, wait on hold, and starting over on their issue(s).

- **Issue 36641 – Private Debt Collection (“PDC”).** Currently, taxpayers who receive Notice CP40 from the IRS are provided a toll-free number to gain further assistance on understanding their overdue debt to the IRS and ways to resolve. However, the current information on this line repeats information provided in CP40 and the prompts only provide a direct connection to the PDC's.

The notice itself provides direction to the taxpayer to obtain further information through online resources, but the committee believes that a material number of taxpayers do not have easy access to online resources and may need to obtain this information through toll-free lines. Adding the additional prompts suggested in the proposed solution would provide this set of taxpayers easy access to these resources and enhance and expand options that taxpayers are provided when calling the toll-free number on correspondence that is associated with the private debt collection program.

Issues Under Consideration for 2019

For the 2019 TAP year, the Toll-Free Phone Lines committee anticipates a focus on improving the telephone service of the Taxpayer Advocate Service. According to input from the public received by TAP members, the level of customer service varies significantly by location, and taxpayers often wait weeks for a callback, if they receive one at all. As the Taxpayer Advocate

shines a light on IRS telephone customer service,^{5,6} TAP aspires to reflect the same scrutiny on all IRS toll-free lines to promote improved customer service in all areas of the IRS.

5 Taxpayer Advocate Service. (2018, September 26). *NTA Blog: Measuring the taxpayer experience - The IRS's level of service measure fails to adequately show the experience of taxpayers seeking assistance over the phone*. Retrieved from [www.taxpayeradvocate.irs.gov](https://taxpayeradvocate.irs.gov/news/nta-blog-measuring-the-taxpayer-experience-part-1?category=Tax%20News): <https://taxpayeradvocate.irs.gov/news/nta-blog-measuring-the-taxpayer-experience-part-1?category=Tax%20News>

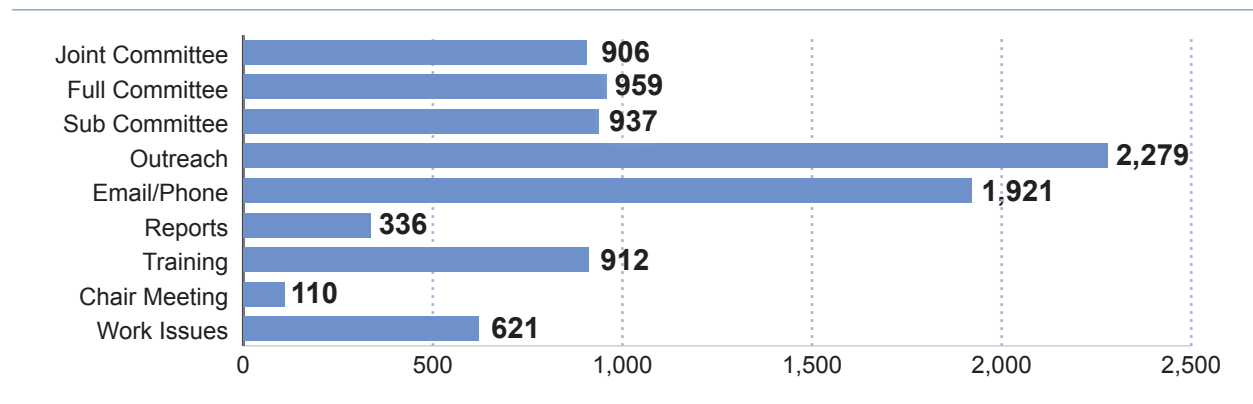
6 Taxpayer Advocate Service. (2018, October 3). *NTA Blog: Measuring the taxpayer experience - External evaluations show the IRS is failing to provide the quality of customer service expected by taxpayers*. Retrieved from [www.taxpayeradvocate.irs.gov](https://taxpayeradvocate.irs.gov/news/nta-blog-measuring-the-taxpayer-experience-part-2?category=Tax%20News): <https://taxpayeradvocate.irs.gov/news/nta-blog-measuring-the-taxpayer-experience-part-2?category=Tax%20News>

Annual Summary of TAP Member Activity

TAP volunteers submit a monthly activity report showing volunteer hours worked on various types of activities. These reports were reviewed, and the hours and activities were organized into categories. TAP members reported a total of 11,212 volunteer hours devoted to TAP activities in 2018. Because of the inherent inaccuracy in reporting hours worked, these hours represent the minimum number of volunteer hours. A description of the major activities and the hours devoted to these major activities is shown below.

The annual face-to-face meeting is a two- and one-half-day event, attended by all TAP members, which includes a full day of training about TAP and IRS issues that volunteers need to be successful. The remaining time is spent in committee organization such as election of lead persons, subcommittee and screening committee assignments, establishing meeting times and other administrative details, and beginning the work of the committee. This work may include briefings from IRS program owners about issues the committee will be working on during the year. The hours reported for the face-to-face meetings account for many of the volunteer hours listed above but are not included below.

FIGURE 8, 2018 REPORTED HOURS PER ACTIVITY REPORTS



Joint Committee — The Joint Committee is the governing body of TAP and includes the TAP chair and vice chair, along with the chair of each of the established committees. The Joint Committee meets monthly to review the work completed by the committees and once each year to review the future direction of TAP and to establish coming year TAP priorities.

Committee — Each TAP volunteer is assigned to one of six established committees. Members may also participate in two internal committees (Internal Communications and Outreach), as well as different ad hoc committees that may be formed during the year.

Subcommittee — Most of the committees use a subcommittee structure to accomplish their work. Each subcommittee meets administratively in addition to its main committee. Established committees have a screening committee that meets separately to review potential new issues. Both the established committees and the Joint Committee have quality review subcommittees.

Outreach — Outreach is an integral part of the TAP mission. Outreach includes a variety of activities designed to provide opportunities to listen to taxpayers and identify taxpayer issues

and ultimately to propose recommendations to improve IRS service to taxpayers and increase customer satisfaction.

Email/Phone — Aside from the annual face-to-face meeting and outreach activities, all TAP interactions occur via email or phone. The time spent interacting with other members not specifically allocated to other activities is reported in this category.

Reports — This includes the time each TAP member spends completing his or her monthly activity reports and other reporting requirements. Other reporting requirements such as newsletter articles and chair reports are categorized under this heading.

Training — Hours reported in this category reflect training meetings conducted during the year to train new members and educate members about issues facing taxpayers. It also includes time spent by both mentors and new TAP member mentees to assist them in integrating in the TAP organization.

Chair Meeting — This category is used for meetings between chairs and vice chairs of a single committee or the chairs and vice chairs of committees working together on a project to coordinate activities or address concerns and challenges.

Working Issue — TAP members use this category to report the time they spend working separately or as part of a group in research, discussion, and consideration and development of proposals, in addition to the time spent drafting recommendations and related reports.

Outreach

OUTREACH COMMITTEE

Chair

Scott Hall, TAP National Vice Chair, KY

Members

Zanobia Oliver, Toll-Free Phone Lines, SD
Kristen Peterson, Special Projects, CO
Joseph Holley, Taxpayer Assistance Centers, WV
Sheila Campbell, Taxpayer Communications, OK
Kathy Davis, Tax Forms and Publications, NM
Susan Wennermark, Notices and Correspondence, RI

Designated Federal Officer (DFO)

Cedric Jeans, Chief TAP East, TN

TAP Staff

Gilbert Martinez, Program Analyst, TX
Kevin Brown, Management Assistant, DC

Committee Work Scope

A key component to the success and continuation of the TAP program is outreach. TAP members connect with taxpayers in local communities; speaking at trade associations, civic organizations and communicate with small business owners, tax professionals, legislators, and local and state organizations to identify the issues taxpayers experience with the IRS. Because of these grass roots efforts, TAP provides a voice for taxpayer concerns and strives to address the related policies, documents, and procedures with the IRS through a formal recommendation process. Since outreach is an integral part of the TAP mission, the Outreach Committee is charged with leading, tracking, and communicating TAP member actions. Each TAP Project Committee is represented by its respective Vice Chair (VC), who leads his or her committee members in their outreach efforts. Outreach ideas and success stories are shared at the monthly Outreach meetings chaired by the National Vice Chair, providing different approaches for Vice Chairs to take back to their respective Project Committees. In 2018, the National Vice Chair also began a weekly email Reminder/Tax Tip of The Week template to each Project Committee Vice Chair. The Vice Chairs used the templates to distribute to their respective Project Committee members. The goal of this tool was to keep TAP members engaged on a weekly basis by encouraging timely compliance with monthly Activity Report submissions and to spark creativity with a weekly Outreach tip. TAP members are encouraged to pursue opportunities to speak about TAP wherever the general taxpaying public is present.

The Committee met in April after completion of the face-to-face meetings, where the Project Committee VCs were elected. Despite the late start, the Committee operated seamlessly, exchanging information about the various outreach tasks conducted by all TAP members. Strategies were discussed for increasing outreach opportunities and ensuring that all TAP members are connected to their Local Taxpayer Advocates and Stakeholder Liaison, expanding virtual outreach success and improving activity reporting. A special Social Media exchange of ideas session was held during one of the Monthly Outreach meetings in 2018. The desired

outcomes of these efforts are three-fold: a) Create awareness of TAP's existence, b) Solicit specific systemic customer service issues and drive them into the TAP process so members can develop referrals to submit to the IRS, and c) Recruit future TAP members.

The 2018 group of Project Committee VCs were extremely creative, committed, enthusiastic, engaged, hard-working and were largely responsible for this year's outreach successes. They represented TAP at the National IRS Tax Forums, gave periodic reminders to fellow Committee members to complete activity reports, and arranged for time at monthly meetings to report on outreach activities and share ideas. Their contributions were instrumental to the Committee's overall success this TAP year. We were very fortunate in 2018 in that both our National Chair and National Vice Chair were able to attend the Chicago 2018 Tax Forum and worked the TAP booth together.

Activities and Achievements

The primary goal of the TAP National Vice Chair for 2018 was to make TAP a household name.

In addition to supporting the Chair, the National Vice Chair worked to improve three specific facets of TAP in a quest to make TAP a household name:

- Set a goal of 100% Outreach efforts from all members monthly. Consistent, effective outreach is the key to the long-term success of TAP. Outreach efforts from every member, no matter how great or small, will pay large dividends in the future.
- Introduction of an Outreach Planner. A blueprint that gives new TAP members a place to start, a clear path forward, and continued focus throughout the year. The Planner is a digital tool that gives TAP members a useful, yet flexible template they can make their own. The Outreach Planner will be used beginning in 2019.
- "Passing the Baton" initiative. In 2018, an Outreach Resources Repository was created whereby TAP Staff can seamlessly pass along to new TAP members the contacts and best practices learned by past TAP Members in their State. Over time, such contacts and best practices will evolve into a treasure trove of invaluable information for new TAP Members. Information so valuable that Year 1 TAP members should be able to hit the ground running with immediate Outreach successes. The implementation of this initiative in 2019 will serve as a confidence builder for new TAP Members as they move forward through their three-year appointment to the Taxpayer Advocacy Panel.

In 2018 we continued to recognize creative outreach by TAP members using the Outreach Spotlight report in the monthly TAP Newsletter. We highlighted Project Committees and individual members who achieved outstanding results in audience reach, outreach hours, and number of events for the prior month. The Project Committee Vice Chairs provided input for these selections. Along with the Outreach Spotlight, monthly reports from each Project Committee were posted on TAPSpace. These offer greater detail regarding outreach activities. The Virtual Outreach Tools and Tips guide developed in 2017 were used in 2018 to assist TAP members in performing outreach via electronic means. As society moves to a digital world, virtual outreach methods will allow TAP members to be more efficient in reaching taxpayers, tax professionals, and community and business leaders. The Outreach Committee is encouraged by TAP staff efforts in producing tools to help TAP members perform in this venue and believes that a focus on enhancing electronic formats will enable and expand future outreach efforts.

Additionally, the Outreach Committee continued collaboration with the Internal Communications Committee that was instituted in 2017. The National Vice Chair attended all ICC meetings in 2018.

Ongoing Work

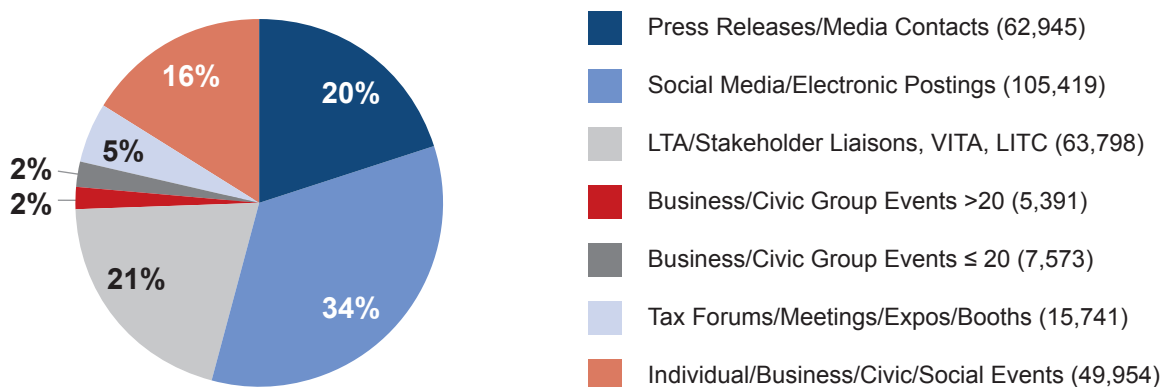
For virtual outreach efforts to gain traction, be user-friendly, and prosper, appropriate content that is newsworthy, current, and easily assessable must be available. To that end, it is vitally important that:

- The Outreach Committee staff analyst keeps current a virtual outreach Library of IRS news, articles, and press releases.
- The TAP Facebook Group Administrators regularly update this group page with information from the Library.
- The Outreach Committee chair and members keep in place the strategies, activities, and ideas implemented in 2018 and continue to expand the virtual outreach program by encouraging its use by all TAP members.

OUTREACH SUMMARY

TAP members conduct outreach in a variety of venues. These include National Taxpayer Advocate Forums held across the United States, professional organizations, service clubs, one on-one discussions with taxpayers, media outlets, press releases, and social media. Members also meet with individuals running for or currently holding local, state and national political offices. Use of social media has proven to be a great outreach tool and members use social media outlets to share the TAP mission. In 2018, TAP members reported 2,279 hours on Outreach Activities reaching a total audience of 310,821 individuals through 1,062 events. In Figure 9, these events are classified into seven major categories meant to convey the scope of each type of outreach activity.

FIGURE 9, 2018 OUTREACH REPORTED AUDIENCES



Press Releases/Media Contacts, Interviews — Members may be contacted by local newspapers and radio stations to discuss their appointment to TAP or the work of the TAP. It is most likely that the audience reached is larger than reported as it is difficult to determine the audience reached from these activities. Often newspaper readership or subscription information is not reported.

Social Media/Other Electronic Postings — Members use social media, such as LinkedIn, Twitter, Instagram and Facebook, to let others know about TAP. Other members choose to monitor these and similar sites or specific forums and blogs to identify current and emerging taxpayer issues. Members also take advantage of electronic newsletters published by professional groups and firms. It is difficult to accurately report individuals reached through these efforts as members of social media communities forward information posted by TAP members. The above two categories are primarily one-way communication but reach a far larger audience and are the most efficient method of outreach as determined by numbers reached for volunteer hours provided to reach taxpayers.

LTA (Local Taxpayer Advocate)/Stakeholder Liaisons/VITA/Other IRS — Some LTAs and Stakeholder Liaisons actively seek out working relationships with TAP members and encourage their participation in meetings and activities such as meetings with congressional staff and tax practitioners. TAP members listen for issues that can be brought to TAP, give presentations, or

otherwise participate in the meeting or activity. Several TAP members are active in VITA or Low-Income Taxpayer Clinics (LITC).

Large Business/Civic Groups > 20 — TAP members are invited to participate and actively solicit opportunities to “tell the TAP story” to business or civic groups with memberships presumed to be greater than 20. These groups might include professional or trade organizations, chambers of commerce, homeowner associations, senior centers, non-profit organizations, and state or local government boards or commissions. If travel is involved, it is included in the reported time.

Small Business/Civic Groups ≤ 20 — This is like the above category but is for groups where the membership is presumed to be 20 or less. It can also include book clubs, local investment clubs, women’s clubs, executive committees, and local boards and commissions.

Tax Forums/Annual Meetings/Expos — These opportunities present themselves less frequently but tend to provide larger audiences than most meetings with individuals focused on improvement of taxpayer service. TAP members may participate by staffing a booth or by speaking about the TAP mission and activities. When distance, schedules, and budgets permit, the members attend IRS Nationwide Tax Forums, National Taxpayer Advocate Forums, and statewide or regional conferences.

Individual/Business/Civic Social Events — This category represents various types of networking, from a business luncheon to a chat with a neighbor or coworker about TAP. It could be a small group such as a neighborhood block party or a one-on-one meeting with a city council member; however, the personal nature of this type of outreach tends to generate more TAP issue submissions than any other.

Internal Communications Committee

Chair

Joseph T. Holley, WV

Members

Sue Wennermark, RI, Vice Chair

Penny Doak, MT

Angel Hower, IA

Jeri Hunter, NE

Tiffany Mosley, CA

Sheila Olsen, OK

Zanobia Oliver, SD

Kristen Petersen, CO

Robin Sabio, NY

Jim Sowell, FL

Designated Federal Officer (DFO)

Susan Jimerson, Chief TAP West, WA

TAP Staff

Lisa Billups, Program Analyst, TX

Terrie English, TAP Director, TX

Gregory Giles, Program Analyst, MD

Cedric Jeans, TAP East Manager, TN

Susan Jimerson, DFO, WA

Gilbert Martinez, Program Analyst, TX

Rosalind Matherne, Program Analyst, DC

Robert Rosalia, Program Analyst, NY

Antoinette Ross, Program Analyst, DC

Rose Babb, Management Assistant, NY

Kevin Brown, Management Assistant, DC

Annie Gold, Management Assistant, TX

CSO Staff

Maryclaire Ramsey, Director CSO, DC

Sheila Andrews, Deputy Director CSO, IN

Committee Work Scope and Recommendations

The Internal Communications Committee is integral to the TAP mission by providing consistent and up-to-date messaging to the TAP members. The ICC has two primary responsibilities, publishing our monthly newsletter and maintaining our social media presence. The information is provided via outlets such as social media, TAPSpace, and the TAP Newsletter.

The Internal Communications Committee works closely with the Outreach Committee to assist TAP members with outreach ideas, opportunities and information. This work is essential to providing a consistent message about the TAP mission to taxpayers in an appropriate format.

The following issue was elevated to the Joint Committee for review and approval:

- **Issue 37323 – TAP Business Cards.** The goal of this proposal is to redesign the TAP business card for 2019 to make them more relevant and readable, so that people will retain, use and refer others to TAP and www.ImproveIRS.org.

Our proposed solution is to totally redesign the TAP business card for 2019, with the TAP logo appearing prominently at the top of the card, adding a call to action and improve readability by limiting content to just what is important.

The primary benefit of this design change will be to differentiate TAP members from TAS employees, thereby clearing up the misconception that TAP members are IRS employees.

Issues Under Consideration for 2019

A “Total Rebranding” of TAP, to include but not limited to our:

- On-line presence
- Print media
- Business cards
- Logo
- Tag line
- Social media outlets and
- Web presence or web site

This project has been directed to the ICC but, it’s an all-encompassing project and will require input and participation of all TAP members and staff during the upcoming year.

TAP Special Events and Activities

2018 TAP Leadership

The TAP Members elected Holly Hoffman as the 2018 National Chair. Holly, a resident of Wisconsin brought strong leadership in her third year on the panel. She served as the Chair of the Taxpayer Assistance Center Committee in 2017 and was instrumental in bring an increased number of recommendations to the IRS.

The TAP Members elected Scott Hall as the 2018 National Vice Chair, an Executive Director in local government from Kentucky. Scott led the TAP Outreach Committee in his 3rd year on the panel. He focused on highlighting the achievements of TAP members. He was also instrumental in sending out emailed “TIPs of the Week” to remind members to submit their activity reports and to suggest creative Outreach ideas. Those Outreach efforts paid off as the Outreach Committee nearly doubled the 2017 Total Audience reached by logging 310,821 individuals reached in 2018. Scott served as the Vice Chair of the Taxpayer Communication Committee in 2017.

New Member Appointments for 2018

TAP was pleased to welcome 16 new members for 2018. The new TAP members joined 42 returning members and six alternates who were elevated to the panel to round out the panel of 64 volunteers for the year. The new members were selected from more than 700 interested individuals who applied during an open recruitment period last spring and the pool of alternate members who applied in prior years.

2019 TAP Recruitment Drive

The IRS recommended, and the Department of Treasury approved the selection of 11 new members to serve on the panel. The new TAP members will join 41 returning members and 17 alternates who were elevated to the panel to round out the panel of 69 volunteers for the coming year. These new members were selected from more than 305 applicants during the recruitment period.

W-4 Tax Withholding Calculator

The IRS encouraged everyone to use the Tax Withholding Calculator (TWC) to perform a quick “paycheck checkup”, based on the Tax Cuts and Jobs Act (TCJA) changes to tax rates, deductions, tax credits, and withholding calculations, beginning in 2018. The TAP members have received concerns related to the complexity of the calculator and determined a project was needed to evaluate the effectiveness and the ease of use with the TWC.

In conclusion, after capturing the concerns both written and orally from TAP members, primary concerns are; computer and tax knowledge to provide accurate calculations and taxpayers may find the process complicated. As a result, this may frustrate/confuse taxpayers and lead them to seek assistance from paid tax professionals. TAP members recommended changes to make the calculator more user-friendly and promote clarity.

TAP MEMBERS IN ACTION

Members Represent TAP at IRS Tax Forums

Tax professionals from across the U.S. attended five IRS Nationwide Tax Forums. TAP was pleased to send representatives to each Tax Forum to interact with tax professionals about the work of TAP and to hear about issues TAP can research and explore. In 2018, 34 issues were received from Forum participants. The issues TAP members receive from their outreach efforts often results in successful recommendations to the IRS. Some efforts from TAP attendees follow:

A TAP Member from Toll Free Phone Lines said that she reached over 2,000 audience members over the 2-day Orlando Tax Forum. A TAP Member from Tax Forms and Publications hosted a table for two days where they answered questions, distributed information brochures and provided information about TAP to tax practitioners and visitors attending the Forums.

Letter From the Incoming Chair

As I look forward to taking over the role of TAP Chair, I am spending a great deal of time thinking about what has been accomplished over the past year and what new paths must be forged to achieve our most important goal of giving a strong voice to the taxpaying public and addressing any needs that are impacting the service the taxpayers receive from the IRS. TAP's role is vital and very important in the years to come. This past year, our mission to address systemic issues and problems as well as determining possible problems before they become issues and providing comments to draft forms before publication has kept us very busy and has made our contributions extremely worthwhile. In addition, we are a key tax group to tap in order to provide comments on implementing new regulations as a result of the Tax Cuts and Jobs Act of 2017. TAP will continue to face these demands with professionalism, enthusiasm and hard work.

One of the key elements in accomplishing our task is to broaden our outreach since I would expect a large portion of tax professionals may be unaware of our ability to make changes to forms, publications, notices, instructions, correspondence, the website, suggestions for identity theft, communications with the taxpayer and even procedural changes that directly affect the taxpayer. In my discussions with many ABA tax professionals including many accountants and tax attorneys, they are always surprised that TAP has the ear of the IRS. Many tax professionals have noticed systemic issues that could be addressed but have no idea where to take those issues. We need to broaden our outreach and educate tax professionals that they have a place to go and that we can achieve real results. To achieve that goal, we need to alert professional groups such as the ABA Tax Section and state and local bar groups, the AICPA, the National Association of Enrolled Agents (NAEA) and other similar organizations that we are here. We also need to ask those groups to get the message out to their members who are often in the best position to know of systemic issues and would welcome the chance of reporting them.

In addition, we need to update the TAP webpage to simplify and make the reporting procedure more visible, so taxpayers can make comments or suggestions as well as give the taxpayer more information about our group and what we do. The Suggestion/Comment box must be placed in a more prominent position and when a taxpayer clicks that option, they must be led to a page dedicated to reporting a difficulty and not more information about TAP along with a reporting form. Our webpage represents us and should give the taxpayer an easy platform to not only get to know who we are and what we can accomplish, but also help lead the taxpayer by making reporting easier so we can take care of their issues. Webpages have become less cluttered and more professional since the TAP webpage was designed. I would expect that some of the TAP members have had experience in web design and could lend a hand in this process.

An additional avenue of contact would be preparing articles discussing our mission and how we can help the tax professional fix a known issue. Some of the publications we can target directly concern tax matters such as the Daily Tax Report, Tax Notes or other periodicals or publications as well as general media publications such as the Wall Street Journal. Within TAP, we have a very skilled and capable team of members that would be more than willing to spend some time writing articles about what we do. TAP members would jump at a chance to not only do personal outreach, but written outreach through publication of who and what we are, and what we can accomplish.

As I take over in the coming year, I want to thank the TAP staff, TAP officers and all the outgoing TAP members for their very hard work. A great deal has been accomplished this year and we will see the level of that commitment in future years as we move forward. I take this responsibility seriously and I will see to it that TAP only gets stronger. I want the TAP members to look back on their three-year commitment with a sense of just how important their work was and feel pride in having so willingly given their time and effort to accomplish so much.

Heidi Hirschfeld
2019 National TAP Chair

Appendix A: Taxpayer Advocacy Panel Members

| Member | State | Project Committee |
|--------------------------|----------------------|-----------------------------|
| Aganikian, Vahagn* | Utah | Taxpayer Assistance Centers |
| Azzaro, Alice | Florida | Toll Free Phone lines |
| Bemis, Ellen | Maine | Taxpayer Communications |
| Bender, Robert* | Alabama | Special Projects |
| Bolin, Timothy | Wyoming | Toll Free Phone lines |
| Brookens, Michelle | Illinois | Special Projects |
| Buchanan, David* | Mississippi | Notice and Correspondence |
| Bunner, Tracy | Utah | Tax Form and Publications |
| Burrows, Alyssa | Pennsylvania | Toll Free Phone lines |
| Campbell, Sheila | District of Columbia | Taxpayer Communications |
| Clark-Robinson, Kimberly | Delaware | Taxpayer Assistance Centers |
| Creggett, Kathleen* | California | Taxpayer Assistance Centers |
| Davis, Kathy | New Mexico | Tax Form & Publications |
| Doak, Penny | Montana | Notice and Correspondence |
| Dorsey, Tasheka | Louisiana | Taxpayer Assistance Centers |
| Florence, Mary | Missouri | Special Projects |
| Frausto, Victor | Texas | Notice and Correspondence |
| Hall, Scott | Kentucky | Taxpayer Communications |
| Herman, Richard | California | Tax Form and Publications |
| Hirschfeld, Heidi | New York | Tax Form and Publications |
| Hoff, Gary | Arkansas | Taxpayer Assistance Centers |
| Hoffman, Holly | Wisconsin | Taxpayer Assistance Centers |
| Holley, Joseph | West Virginia | Taxpayer Assistance Centers |
| Horton, Felicia | Kentucky | Notice and Correspondence |
| Hower, Angel | Iowa | Toll Free Phone lines |
| Hunter, Jeri | Nebraska | Notice and Correspondence |
| Hutchins, MiCoya | New Hampshire | Notice and Correspondence |
| Illickal, Manoj | New York | Notice and Correspondence |

| Member | State | Project Committee |
|----------------------|----------------|-----------------------------|
| Jennings, Wallace* | Oregon | Special Projects |
| Johnson, Ryan* | Ohio | Taxpayer Communications |
| Jones, David | Texas | Taxpayer Assistance Centers |
| Kasal, Millicent | Minnesota | Taxpayer Communications |
| Kleiber, Phillip | Georgia | Toll Free Phone lines |
| Kusiak, Patrick | Virginia | Tax Form and Publications |
| Manasa, Harold | North Carolina | Special Projects |
| Martin, Joseph | Missouri | Taxpayer Communications |
| Mason, Kimberly | Illinois | Special Projects |
| Mason, William | Tennessee | Tax Form and Publications |
| Medina, Loren | California | Tax Form and Publications |
| Mosely, Tiffany | California | Special Projects |
| Nelson, Diana | Ohio | Toll Free Phone lines |
| Oliver, Zanobia | South Dakota | Toll Free Phone lines |
| Olsen, Sheila | Oklahoma | Taxpayer Communications |
| Petersen, Kristen | Colorado | Special Projects |
| Peterson, Bernard | New York | Toll Free Phone lines |
| Pierre, Kimberly | Texas | Toll Free Phone lines |
| Rendo, Carlos* | Nevada | Taxpayer Communications |
| Russell, Richard | Alabama | Special Projects |
| Sabio, Robin | New York | Tax Form and Publications |
| Sachs, Kathy | Kansas | Notice & Correspondence |
| Sampson, Joseph | Georgia | Tax Form and Publications |
| Scott, Bryon* | Oregon | Special Projects |
| Selden, Stephen | Maryland | Tax Form and Publications |
| Sewald, Marco* | International | Special Projects |
| Shamgochian, Michael | Massachusetts | Notice and Correspondence |
| Simmons, Myra* | Mississippi | Notice and Correspondence |

| Member | State | Project Committee |
|--------------------------------|----------------|-----------------------------|
| Smith, Thurston | Tennessee | Notice and Correspondence |
| Smolnik, Dan | Connecticut | Taxpayer Communications |
| Sowell, James | Florida | Taxpayer Assistance Centers |
| Stratton, Bruce | Idaho | Toll Free Phone lines |
| Tessmer, April | Texas | Taxpayer Communications |
| Torres, Jacob* | Puerto Rico | Tax Form and Publications |
| Tracy, Kathryn | Arizona | Taxpayer Assistance Centers |
| Tsujimura, Ruth | Hawaii | Taxpayer Communications |
| Valentine, Arthur* | Pennsylvania | Notice and Correspondence |
| Vanderver, Stephen | Indiana | Toll Free Phone lines |
| Walrond, Carmela | New Jersey | Tax Form and Publications |
| Weeks, Juliana | South Carolina | Special Projects |
| Wennermark, Susan | Rhode Island | Notice and Correspondence |
| * Resigned during the TAP year | | |

Appendix B: Taxpayer Advocacy Panel IRS Staff

| Name | Position Title | Location |
|----------------|----------------------|----------------------|
| Terrie English | TAP Director | Texas |
| Kevin Brown | Management Assistant | District of Columbia |
| Kudiratu Usman | Program Analyst | District of Columbia |

| TAP East | | |
|----------------|----------------------|----------------------|
| Cedric Jeans | TAP Program Manager | Tennessee |
| Rose Babb | Management Assistant | New York |
| Gregory Giles | Program Analyst | Maryland |
| Robert Rosalia | Program Analyst | New York |
| Otis Simpson | Program Analyst | District of Columbia |
| Fred Smith | Program Analyst | District of Columbia |

| TAP West | | |
|--------------------|----------------------|----------------------|
| Susan Jimerson | TAP Program Manager | Washington |
| Annie Gold | Management Assistant | Texas |
| Lisa Billups | Program Analyst | Texas |
| Gilbert Martinez | Program Analyst | Texas |
| Matthew O'Sullivan | Program Analyst | California |
| Antoinette Ross | Program Analyst | District of Columbia |

Appendix C: TAP Committee Designated Federal Officers

| Designated Federal Officer | Location |
|---|------------|
| Cedric Jeans, Chief, TAP East | Tennessee |
| Notices and Correspondence | |
| Taxpayer Forms and Publications | |
| Toll-Free Phone Lines | |
| Susan Jimerson, Chief, TAP West | Washington |
| Special Projects | |
| Taxpayer Assistance Centers Improvement | |
| Taxpayer Communications | |

Appendix D: Acronyms

| | |
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| AM | Accounts Management |
| CSO | Communications, Stakeholder Liaison and On-Line Services |
| CSR | Customer Service Representative |
| DFO | Designated Federal Officer |
| EITC | Earned Income Tax Credit |
| ERISA | Employee Retirement Income Security Act |
| FACA | Federal Advisory Committee Act |
| FIRE | Filing Information Returns Electronically |
| FY | Fiscal Year |
| GST | Generation Skipping Transfer |
| IRA | Individual Retirement Accounts |
| IRC | Internal Revenue Code |
| IRS | Internal Revenue Service |
| JC | Joint Committee |
| LITC | Low Income Taxpayer Clinic |
| LTA | Local Taxpayer Advocate |
| NCC | Notices and Correspondence Committee |
| NTA | National Taxpayer Advocate |
| PIN | Personal Identification Number |

| | |
|----------|-----------------------------------|
| PR | Puerto Rico |
| PSA | Public Service Announcement |
| QCD | Qualified Charitable Distribution |
| SB/SE | Small Business/Self Employed |
| SME | Subject Matter Expert |
| SSN | Social Security Number |
| TAC | Taxpayer Assistance Center |
| TAP | Taxpayer Advocacy Panel |
| TAS | Taxpayer Advocate Service |
| TBOR | Taxpayer Bill of Rights |
| TCC | Taxpayer Communications Committee |
| TCE | Tax Counselling for the Elderly |
| TF&P | Tax Forms and Publications |
| Treasury | Department of the Treasury |
| USPS | United States Postal Service |
| VC | Vice Chair |
| VITA | Volunteer Income Tax Assistance |
| W&I | Wage and Investment |

