

2003 Meeting Minutes Ad Hoc Committee Meetings

- December 1, 2003
 - October 3, 2003
 - August 25, 2003
 - July 7, 2003
 - June 6, 2003
 - May 13, 2003
 - April 7, 2003
 - March 3, 2003
 - February 3, 2003
 - January 6, 2003
-

Ad Hoc Issue Committee Minutes

December 1, 2003

8:00 a.m.

Members in Attendance

- Larry Barnard / Riggins, ID
- James Griffin / Walnut Creek, CA
- James Grimaldi / Brooklyn, NY
- Calvin Johnson / Virginia Beach, VA
- Lawrence Lexow / Edwardsville, IL
- Chris Lowe / Placentia, CA
- Gregory Maciulla / Tucson, AZ
- Robert Meldman / Milwaukee, WI Ad Hoc Chair
- Diane Mignano / North Kingstown, RI
- Judi Nicholas / Seattle, WA Designated Federal Official
- Francis Paolone / Hoover, AL
- Paul Smathers / Edgeley, ND
- Sherry Whah / Anchorage, AK
- Lillian Woo / Bryan, TX Ad Hoc Vice Chair

Members Absent

- Gerald Gensiejewski Jr. / Newtown, PA

Staff/Note Taker

- Virginia Patterson

Welcome/Announcements/Review Agenda

Introduced Virginia Patterson, who is temporarily filling in for Anne Gruber as analyst.



Virginia is a program analyst with Taxpayer Advocate Service (TAS).

Practitioner Licensing

Bob Meldman read an excerpt from Nina Olsen November 18, 2003 response to his letter of October 10, 2003. *Thank you for the opportunity to reply to the Ad Hoc Committee regarding issues the group might take up in the coming year. The registration and certification of tax return preparers is a very good issue for the Ad Hoc Committee to address. Inviting Thomas Berry Cooke and others to provide input to the Committee is a fine strategy for gathering all viewpoints before formulating a recommendation.*

Sherry, Jim Grimaldi, others on the subcommittee will contact various professional organizations involved in taxes to obtain their thoughts and suggestions regarding practitioner licensing find out what they think is necessary for licensing.

The sub-committee will meet again on December 5 to discuss the results of the conversations with the practitioner organizations. The sub-committee would like members of interested organizations to provide comments to the Ad Hoc committee. The recommended format is a 2-½ hour teleconference. Each group would have up to 15 minutes to make a presentation regarding licensing and registration. A 15-minute Q & A session would follow the presentations. The guests would leave the call after the Q & A portion to allow the committee to discuss the issue further. **(we cannot ask the participants to leave the call since this is an open meeting but we can indicate that the committee will discuss what they have heard without taking any additional comments)** Each group would be asked to provide their views in writing in advance of the call.

Consensus was reached regarding the call format and date. The call will be scheduled for February 2, 2004 at 8:00 am PST / 11:00 am EST.

Communication Strategy

The Joint Committee approved the communication strategy proposed by the Ad Hoc committee. The Joint Committee was given a window of time to provide any additional comments to Bob; he has not received any comments to date.

ACTION: Judi work with the TAP Director and managers regarding a timeline for implementation.

Other Ad Hoc Issues

Bob listed the four issues in his October 10, 2003 letter to Nina Olsen and Thomas Seuntjens:

1. Registration and certification of tax return preparers.
2. Confidentiality of information
Nina Olsen November 18 th reply: *I also endorse the Ad Hoc Committee's desire to develop the issue of confidentiality of information provided to return prepares. I look forward to the Committee's perspective on this issue.'*
3. ITINS
Nina Olsen November 18th reply: *The issuance of ITINS to immigrants is an issue that is very much in flux within the IRS, and I suggest the Committee wait to see if the IRS resolves the matter.*
4. Large case (LMSB) issues.
Nina Olsen Nov 18 th reply: *I do not feel that it is appropriate for the Ad Hoc Committee to take up issues facing LMSB taxpayers since Treasury envisioned the TAP addressing issues impacting small business taxpayers and taxpayers whose income is from wages and investments.'*



Confidentiality: The committee needs to flesh out what it means by confidentiality. Lillian, Larry Lexow, Calvin, Diane and Larry Barnard will be on the subcommittee for this issue. Lillian will serve as chair for the group. The first conference call is scheduled for December 8 th at 11:00 EST.

Action: Judi will send an e-mail reminder with the call in information.

Lillian asked the sub-committee members review the Gramm Leach Briley Act information at the following web site www.ftc.gov/privacy/privacyinitiative

ITINs: per Nina's suggestion, committee will put this issue in the parking lot for future consideration.

LMSB related issues: If an issue is strictly related to Large and Mid-sized businesses the committee will not take in on. If an issue impacts Large and Mid-sized businesses and other taxpayer segments (wage earners or small businesses) the committee will consider the merits of the issue and make a decision whether to accept or reject the issue.

Bob invited each committee member to raise any other issues they think the Ad Hoc Committee should consider. Other Issues:

Jim Grimaldi The president of the Brooklyn Borough is interested in having the TAP help with a financial literacy initiative. After some discussion Jim will direct him to the IRS Web site. The Ad Hoc committee also sent a letter to Secretary Snow regarding the need for high school education about tax obligations.

ACTION: Judi will send Jim the link to the web site as well as a copy of the letter sent to Secretary Snow.

Greg Maciulla The IRS needs to advertise the resources available to taxpayers to assist with all manner of tax issues. This issue may be addressed when the communication strategy is implemented.

Sherry Whah What happened to the issue regarding refund anticipation loans (RALs)? Lillian indicated Area 5 is working this issue and had a conference call with the IRS E-File Executive last week. The primary barriers are the desire of the free-file alliance members to offer RALs and the IRS' interest in maintaining the alliance. Lillian indicated the issue has become so big that Area 5 may break off part of it and ask it be assigned to the Ad Hoc committee.

FACE to FACE Meeting

The meeting is scheduled for May 23 - 25 in Seattle. The meeting will begin on May 24 at 8:30 am and end at 4:00 pm PST. The meeting will resume at 8:00 am on May 25 and end at 11:00 am. Travel will be May 23 and May 25 or 26 depending upon flights.

Next Ad Hoc Teleconference: January 5, 2004, 8:00 am PST / 11:00 am EST



Ad Hoc Issue Committee Minutes

**October 3, 2003
Face-to-Face Meeting
Grand Hyatt Hotel
Washington, D.C.**

Attendance

- Gerald Gensiejewski Jr., PA
- James Griffin, CA
- James Grimaldi, NY
- Calvin Johnson, VA
- Lawrence Lexow, IL
- Gregory Maciulla, AZ
- Robert (Bob) Meldman, Chair, WI
- Diane Mignano, RI
- Buck Paolone, AL
- Paul Smathers, ND
- Sherry Whah, AK
- Lillian Woo, Vice-chair, TX
- Judi Nicholas, Designated Federal Official

Guest

- Karen Krausharra

Staff

- Marla Ofilas, Notetaker

Welcome/Announcements/Review Agenda

Bob welcomed everyone and introduced Karen Kraushaar, Public Affairs Specialist with the Internal Revenue Service, and explained that she is attending the meeting to discuss the marketing strategy for the Taxpayer Advocacy Panel. Marla took roll call and Bob continued with the next agenda item.

Election for Chair & Vice-chair

Bob explained that Chris Lowe, current Ad Hoc Chair, would be unable to continue as Chair. Judi explained that it is up to the committee to decide how they would like to go about electing a new chair.

The committee discussed possible candidates and decided Bob is currently Vice-chair he should continue as the chair of the Ad Hoc committee. Bob graciously accepted his new roll as chair of the Ad Hoc committee.

Bob asked if there were anyone interested in representing the Ad Hoc committee as the Vice-chair. Lillian Woo and Paul Smathers were nominated and the committee continued with questions to both candidates.

The committee submitted their votes and Lillian Woo was named Vice-chair for the Ad Hoc committee.



Review Committee Minutes

The committee reviewed minutes from their previous meeting. There were no additional changes made and the minutes were approved.

Marketing Strategy

Judi explained the work of the subcommittee for TAP marketing strategy. Judi presented a marketing strategy to the committee for their review. Judi indicated that the marketing strategy would need to be sent to the Joint Committee by October 21st.

The committee reviewed the strategy and provided changes to Judi. The committee discussed and felt that the demographic portion of the strategy was not needed.

Bob introduced Karen Kraushaar to the committee and asked if she would provide her background to everyone. Karen expressed that it was an honor to be affiliated with the Taxpayer Advocacy Panel. Karen explained that she was with INS public affairs and was with them for five years. She saw her current position with Taxpayer Advocate Service as an opportunity. Karen continued and explained her background was media. She was in the media for 15 years. This included being a Washington correspondent, a reporter for a newspaper in Detroit, and a columnist.

Karen commented: How do you get things out to the public and how do you get them to pay attention? She explained that this has been her specialty for the last 20 years. She explained to the committee when she was given the assignment to create a marketing strategy, she understood that it was mainly a communication strategy and how to raise the profile of this organization. Karen felt the document was only a part what the Ad Hoc committee tasks was.

What Karen tried to focus on was figuring out how a newsroom editor would look at this panel and if they should decide to run a news story on TAP. Karen explained that in journalism school the first thing that is taught is that any news editor asks is; So what? and Who cares?

Karen continued to explain that she looked at TAP in two aspects and one is how to raise the profile internally within the IRS. This is a strategy that is already in progress.

Karen referred back to the editor's question and indicated that this is the group that is suppose to be the voice of the taxpayers. If this is true, Karen asked, what do we know are the results of TAP?

- TAP has been in existence for a year
- TAP has received a variety of multiple input taxpayers from around the country.
- TAP has the ability to analyze the input

Karen asked Judi to explain the SAMS database. Judi explained that SAMS is the Systemic Advocacy Management System. SAMS is a database of systemic issues. Systemic Advocacy will be creating a section for TAP. While this system was being developed, TAP has created it's own database to track TAP issues. The analyst will be able to go into the database and retrieve all the issues, analyze the issues and see if they fall into any categories or if there are any trends.

Karen expressed that it's one thing to go to a media decision maker and ask if them if they could do a story about TAP because it's new and different. It's another thing to say we are listening to taxpayers and here's what they're telling us. Karen also expressed that timing is also an issue. She felt since TAP has been in existence for a year that TAP should look at doing a study. Karen explained to the panel members that studies are very popular in the media. Everyone reads studies every day. Karen provided examples and explained the reason everyone sees it every day because it's very popular with newsrooms editors.



It occurred to Karen that doing a study is something TAP should do. TAP is in a unique position to know what it is that taxpayers want and what are they concerned about. Karen suggested that someone work with TAP to design a study to give us some kind of impartial analysis of all the input. Then to write up a summary of the study and do a news release that talks about the study and what it found. Karen feels this is something that could be used to the groups advantage. Karen continued to suggest other strategies that the committee could do.

Judi suggested that the committee review the marketing strategy and ask themselves is there are anything listed that they didn't like, is there anything listed that is great, or is there anything that's missing.

The committee continued to discuss the document and changes that should be made. The committee felt that the strategy should be to increase taxpayer input and not just market TAP to increase their knowledge of TAP.

James Griffin commented that the IRS is doing a lot of the marketing or advertising that's being done. Most people have an adverse reaction to the IRS. If the committee would like to do marketing, Jim suggested that the committee needs third party attention. He continued to suggest that the committee explore having the Council for Excellence in Government produce an article. It's a monthly federal digest. They could explain how this is an important new function that has developed some momentum and is dedicated to being available to the public. James felt that as long as we keep telling this to ourselves it's incestuous and the message is not getting out. Karen felt this was an interesting idea. James continued by stating as long as the marketing comes from IRS, people tend to shut down.

The committee felt that this is the reason why the group is discussing a marketing strategy that is coming from TAP and not the IRS. The committee wants the focus on TAP not IRS. Therefore, the committee should look at the criteria Karen presented and have the same so what and who cares criteria to groups and organizations.

Karen continued to suggested that the committee draw up a list of TAP success stories and accomplishments to answer the So What? question. The committee gave two examples; the Kiosk and check the box. Karen felt it would be a nice document to have and be available to committee members.

Lillian asked the committee what should Ad Hoc send to the Joint Committee. She felt that the two marketing strategy documents are very thought out, very comprehensive and very doable. Lillian asked if the committee wants to send to the Joint Committee the big objectives and strategies or does the committee wants to outline the strategy in more detail.

A committee member explained that the Ad Hoc committee was charged with developing a comprehensive strategy. He continued to express that the Joint Committee is another committee, not necessarily to have a stamp of approval but to at least have a say so. Lillian felt it was up to the Ad Hoc to decide how detailed the strategy should be.

Karen concluded her presentation and the committee continued to discuss and edit the documents. Judi noted the changes on both documents.

Decision: The committee decided to change the title from Marketing Strategy to Communication Strategy.

Decision/Action: The committee discussed marketing materials, for example TAP post-it notes, note pads and bookmarkers. Bob requested that there be digital pictures available to the person who is ordering the supplies so that they know what they are getting.



Annual Assessment Review

The committee discussed and edited the annual assessment written by Chris Lowe that would be delivered to the Joint Committee.

Future Meetings

The committee discussed the proposed face-to-face meeting dates and locations. Judi suggested that the committee select 3 dates and locations. Although the panel was told that they may only have 2 face-to-face meetings, there could be a chance TAP will receive additional funding and a third meeting maybe possible.

- February 2nd - 4th Tucson, AZ or Phoenix, AZ
- May 24th - 26th Seattle, WA
- August 1st - 3rd Philadelphia, PA. Possible meeting if additional funding is received

Action: Judi has agreed to cost out the suggested cities and provide the information to the committee.

Additional Comments

Bob asked the committee if they were still interested in having their teleconference schedule stay the same. The committee meets monthly on the first Monday of the month at 8 am in the morning.

Decision: The committee decided to keep the teleconference schedule the same. Their next meeting will be Monday November 7 th at 8am pacific.

Public Comment Sherry Whah

Bob informed the committee that Sherry, committee member, wanted to make a few comments on practitioner licensing. Sherry provided a document to each member and continued to discuss its contents.

Sherry explained when she attended the Las Vegas Tax Forums she spoke with Thomas Cooke. He conducted a class on Ethics and Consumer Responsibilities. Sherry continued to explain that a heated discussion took place in his class regarding Privacy Act.

Sherry asked what makes a tax professional a tax professional. She explained that there was a person that worked for a tax firm and committed ID theft. She continued to speak with Thomas Cooke during her visit to Las Vegas and he felt something needed to be done about National Licensing for practitioners.

Sherry continued to discuss Thomas Cooke proposal that federal tax return prepares be subject to federal registration and certification. The committee discussed the document and gave suggestions. The committee would like Nina Olson input his proposal into her annual report to congress.

The committee concluded by reviewed the decisions that were made during the meeting and discussed their next meeting in November. No additional comments were made and the meeting adjourned.



Ad Hoc Issue Committee Minutes

**August 25, 2003
8:00 A.M. PDT**

Members Present

- Jerry Gensiejewski, PA
- James Griffin, CA
- Larry Lexow, IL
- Chris Lowe, CA
- Gregory Maciulla, AZ
- Robert Meldman, Vice Chair, WI
- Diane Mignano, RI
- Paul Smathers, ND
- Lillian Woo, TX
- Judi Nicholas, Designated Federal Official

Members Absent

- Larry Barnard, TN
- James Grimaldi, NY
- Calvin Johnson, VA
- Francis Paolone, AL
- Sherry Whah, AK

Staff

- Anne Gruber

Welcome/Announcements/Review Agenda

Judi Nicholas as Designated Federal Official opened the meeting and Chris Lowe as the chairperson led the meeting. He welcomed everyone and reviewed the agenda for today's meeting.

Roll Call

Anne Gruber took roll call.

IRSAC Request

First item on the agenda was IRSAC's request for help. Judi reviewed the request that was presented to the Ad Hoc Committee on ways to disseminate information to small businesses when IRS initiatives or procedural changes could be of benefit. The request was forwarded to the entire Ad Hoc Committee in late June. As a result of a suggestion by Bob Meldman to utilize Area 4's "What's on TAP" articles as a vehicle to obtain input, an article was written and shared with the professional organizations. The article asked that feedback be sent to Anne Gruber with an August 22, 2003 deadline. To date, Anne has not received any input. If any Ad Hoc committee members have ideas, please forward them to Anne.

Marketing Strategy

Buck Paolone and his subcommittee consisting of Chris Lowe, Larry Lexow, Diane Mignano, Judi Nicholas, and Paul Smathers created a priority list of marketing items to be used by the TAP. The items were previously used by the CAP and would only require minor editing. Judi Nicholas will obtain the list and have the materials ready to be shared at the Annual TAP meeting in October. Samples of



each of the items will be available at the meeting where panel members may place orders for type and quantity. It was also recommended that the subcommittee meet again to discuss our marketing strategy and how we recommend the products be used. **ACTION ITEM:** Anne will set up a conference call of the subcommittee.

Tax Literacy Letter

The letter that was written by the committee was sent to the Commissioner, the National Taxpayer Advocate (NTA), the Secretary of the Treasury, and TAP's director on July 31 under the signature of the Panel Chair, Tom Seuntjens. To date there has been no feedback about the letter.

The committee discussed some of the initiatives by other committees such as a member in communication with the Chicago schools about adding tax literacy as part of the high school curriculum. Area 7, with support from the IRS, is looking into the curriculum that financial organizations offer their clients. They offered courses in financial matters, not tax matters.

Greg Maciulla wondered what the NTA thinks, where she rates tax literacy on her priority list for the Report to Congress. Judi Nicholas indicated she would ask the question.

Jerry Gensiejewski wondered if tax literacy was in the report for 2003, and if not, maybe she could be convinced of its importance for 2004. Greg Maciulla suggested the issue could be raised at the TAP Annual Meeting and invite the entire panel to endorse the topic as a top priority for the TAP. Lillian Woo agreed to present the idea at the Joint Committee meeting in Denver in early September when discussion of the agenda for the annual meeting is addressed. **ACTION ITEMS:** This issue will be elevated to the Joint Committee by Lillian Woo and Bob Meldman, and then brought to the annual meeting for all the members. Judi will attempt to find out the NTA's position on this issue.

New Directives from Joint Committee

No new issues have been identified.

The committee needs to begin working on the Ad Hoc Committee's annual self-assessment, which will provide input to the TAP Annual Report. This report should include the committee's scope, the issues under current consideration, actions taken, issues tabled for future consideration, accomplishments, disappointments, and an overall grading.

Chris asked for a volunteer to write the report for the Ad Hoc Committee and Paul Smathers agreed to gather the information. Paul will ask for committee member's input on accomplishments, disappointments and overall grading. The chair grading must be done by Chris, but the committee must evaluate the committee overall, the staff support, and IRS cooperation. **ACTION ITEM:** Bob will send the template to Paul. Anne will send the list of email addresses to Paul. Paul will poll the committee on their opinions of the committee overall, staff support, and the IRS cooperation. Committee members should give their responses a high priority and respond no later than this week. Paul will write the report for submission no later than next week at the Joint Committee meeting.

Future Meetings

None are scheduled. Chris reminded everyone that at this year end our leadership will be reviewed. Chris is interested in stepping down as Ad Hoc chair. Whoever is interested in a leadership position should submit their name to Judi. Since the Ad Hoc Committee will meet for a half day during the annual meeting the list of candidates will be ready for selection by that time. A discussion about future meetings and conference calls will also be held until the annual meeting.

Closing

Chris asked if there were any questions. Lillian wanted to take this opportunity to thank Chris for his leadership of the Ad Hoc Committee. Judi adjourned the meeting at 8:56 AM PDT. **ACTION ITEM:** A copy of the final financial literacy letter will be provided to all Ad Hoc Committee members.



Ad Hoc Issue Committee Minutes

July 7, 2003
8:00 A.M. PDT

Members Present

- Griffin, James, CA
- Grimaldi, James, NY
- Maciulla, Gregory, AZ
- Meldman, Robert, Vice Chair, WI
- Mignano, Diane, RI
- Paolone, Francis, AL
- Smathers, Paul, ND
- Whah, Sherry, AK
- Gruber, Anne, acting/Designated Federal Official

Welcome/Announcements/Review Agenda

Chris Lowe could not make the meeting so Robert (Bob) Meldman, as Vice chair, ran the meeting. Bob began the meeting by thanking Larry Lexow and Anne Gruber for a successful face-to-face meeting last month in Edwardsville, Illinois.

Roll Call

Anne Gruber took roll call.

Name Change

Bob reviewed the agenda for today's meeting. First item on the agenda was the suggested name change to Treasury Advisory Panel that the Ad Hoc Committee had proposed. The subject was discussed at the 6-17 meeting of the Joint Committee and it was resoundingly rejected. However, the Joint Committee said that if the Ad Hoc Committee felt strongly about it, they could bring it up again. Bob read through the Joint Committee meeting minutes where they discussed the name change word by word. In the end, they all offered their opinions and 10 people thought NO and three people thought YES. Consequently, the Ad Hoc Committee decided to stay with Taxpayer Advocacy Panel and not to waste time on the issue. The Ad Hoc Committee will defer to the Joint Committee's recommendation and continue using the name Taxpayer Advocacy Panel.

Marketing Strategy

Buck Paolone and his subcommittee consisting of Chris Lowe, Larry Lexow, Diane Mignano, Judi Nicholas, and Paul Smathers had each received a packet of promotional items in the mail last week and Buck called each person individually to discuss his/her opinion, except Judi Nicholas who he could not reach. All the items sent were met with approval with a few minor changes to the name, except the postcard. Bob said that there is a Screen Cleaner that is quite good and also recommended luggage tags. The subcommittee thought the mouse pad/notepad was too busy and the writing space was too cluttered. They would like to see the Mission Statement on a placard.

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

They didn't think the bookmark had any value. **ACTION ITEM:** Diane agreed to take digital pictures of the items and email them to Bob. Anne will scan the tri-fold and the press releases and email them to Bob. Buck will create a list of all the items numbered in order of need and send it to Bob. Chris will present the information to the Joint Committee with a recommendation to order.



Tax Literacy Letter

Greg Maciulla briefly reviewed the letter that his subcommittee had prepared promoting tax literacy in the high schools. Now it was in Chris' possession awaiting the next Joint Committee meeting. Bob wondered what the letter actually suggested. Were the panel members to volunteer their time to go to the high schools and teach tax preparation? Greg said NO. It is not our goal to come up with a solution, but merely to identify the problem. Ideally, he would like the Secretary of Treasury, the Secretary of Education, and Alan Greenspan to get together and talk about financial literacy and stress that it includes tax literacy. Anne emailed everyone a copy of the letter that had been developed so far. Everyone approved. Bob suggested that an additional paragraph be written saying exactly what the Ad Hoc committee wants to happen. **ACTION ITEM:** Greg will write the additional paragraph and get it to Anne by the end of the day, Anne will send the full letter to Chris.

Committee Comments

Anne requested that the committee fix a date for their August and September meetings. August 4 is the scheduled date but Judi and Anne are occupied. The first Monday in September is Labor Day. The Committee decided to combine the two meetings and have one meeting on August 25 at 8 AM PDT.

No other comments were made and the teleconference adjourned.



Ad Hoc Issue Committee Minutes

**JUNE 6, 2003
8:30 AM CDT
EDWARDSVILLE, ILLINOIS**

ATTENDEES:

- JAMES GRIFFIN
- JAMES GRIMALDI
- LAWRENCE LEXOW
- CHRIS LOWE
- GREGORY MACIULLA
- ROBERT MELDMAN
- DIANE MIGNANO
- FRANCIS (BUCK) PAOLONE
- PAUL SMATHERS
- SHERRY WHAH
- LILLIAN WOO
- JUDI NICHOLAS, DESIGNATED FEDERAL OFFICIAL

ABSENT:

- LARRY BARNARD
- GERALD GENSIEJEWSKI, JR.
- CALVIN JOHNSON

STAFF:

- ANNE GRUBER

OPENING:

Judi Nicholas, as the Designated Federal Official, officially opened the meeting and handed it over to Chris Lowe, as Chairperson, to conduct business. Chris welcomed everyone to the first face-to-face meeting and especially thanked Larry Lexow for arranging the meeting space on the campus of Southern Illinois University Edwardsville. He asked Larry to give a brief introduction, which he did, describing the beautiful, 2660-acre campus and the B.Barnard Birger building where the meeting was being held. Everyone introduced themselves in lieu of a roll call.

REPORTS:

Chris then talked about the Joint Committee meeting that was held on May 2nd and 3rd. At the meeting, the Chairs of all the committees reviewed the TAP Charter and concluded that it was not within the TAP guidelines to pursue legislative matters. Nina Olson, the National Taxpayer Advocate (NTA), wrote a letter to Tom Seuntjens, the TAP Chairman, that was shared with the whole panel, in which she said that there is no authority for TAP or TAP members, in their capacity as TAP members, to directly present views to Congress. The Joint Committee will forward final recommendations and other appropriate documents to the National Taxpayer Advocate, the Commissioner of the Internal Revenue, and the Secretary of the Treasury. However, to the extent that the panel has issues or concerns that it feels requires legislative intervention, such issues should be raised to the office of the Executive Director for Systemic Advocacy within the Taxpayer Advocate Service and the issue will be researched, developed, and considered for possible submission in the annual report to Congress.



Chris went over the different functions of the Area Committees and the Issue Committees, mainly that the Issue Committee work the issue and its recommendations do not go through the Joint Committee. The Area Committees are the place to initiate grass-roots issues and issues that are procedural and national in scope progress to the Joint Committee for discussion and disposition.

It was just announced that the annual meeting for the entire Panel will be October 2, 3, and 4 in Washington D.C. Chris asked everyone to save the date. And, since a year will have gone by, the leadership of the Ad Hoc committee should be re-examined. The time commitment has proven to be immense and discussion centered on the fact that TAP members each have two committees to work on.

The next topic for discussion was Financial Literacy. Greg Maciulla, Mario Burgos from New Mexico, and Dick Greenberg from Illinois have all been working on projects to promote not only financial literacy, but also income tax literacy. The IRS has a wonderful website called Understanding Taxes for both teachers and students, but it seems to be under-advertised. Greg suggested that the committee do something to get the NTA involved, perhaps even including the topic in her next Report to Congress. Greg stressed that it is not our job to come up with the method to promote tax literacy, but simply to get the problem acknowledged. He suggested that the Panel write letters to our three contacts, i.e. the NTA, the IRS Commissioner, and the Secretary of Treasury. Statistics should be included in the letter to show that high school is the time to start training in preparing tax forms. The letter should come from TAP and be signed by the Chair, Tom Seuntjens. **ACTION ITEM:** Chris, Greg, Judi, and Anne will get together this afternoon and compose the letter. Bob Meldman pointed out that it is important to get the letter "endorsed" by the TAP, we are not asking the Joint Committee to write it.

BREAK

NATIONAL LICENSING OF PRACTITIONERS REPORT:

Sherry Whah reported on the survey that the sub-committee sent out to all the members of TAP regarding the licensing of tax practitioners. She said that we needed to complete the information we promised to send the NTA when the survey was concluded on May 13th. Also, the members of the TAP panel have asked information on the results of the survey. Out of 96 possible replies, 61 responses were received. One, committee member observed that although 61 replies seems like a good response, considering that the panel consists of people who are supposedly interested in improving the tax system, it probably should have been better. **ACTION ITEM:** Sherry will write a letter to the members of the panel to thank them for their support and to tell them the results of the survey. She will post this letter on TAPSpeak for all to see.

Discussion continued on the question of whether the NTA needed any more information. Had Nina Olson even mentioned TAP's assistance when she reported to Congress? Is this a dead issue? The IRS has already published its position against licensing. The committee decided to terminate their involvement, but a final report was still due presenting both sides. **ACTION ITEM:** Sherry, Bob, Lillian Woo, and Paul Smathers, will write the final minority/majority report to send to the NTA regarding TAP's position on National Licensing of Practitioners. **ACTION ITEM:** Anne will attempt to find statistics on error rates by states. And she will contact Ken Drexler to ask where this issue stands as far as the NTA.

MARKETING REPORT:

Buck Paolone reported on the results of his meeting with the Luckie public relations firm. They made several suggestions regarding methods and products to get the TAP name out to the public. Judi commented that it is easy to get products made at the IRS in-house print shop. Once the strategy and key message are developed, it is easy to get the products. Nametags, tri-folds, a TAP logo, a tagline, sample letters to the editor, are all items that have been developed in the past. Judi asked if the committee liked the Speak Up tagline. Comments were favorable. There was a great deal of discussion about the need to use a consultant to assist with developing the key messages, tag line, logo etc. A



consultant developed the CAP marketing and after some discussion it was decided to review those materials and determine if they could be used with some slight modifications.

However, no one liked the Taxpayer Advocacy name because they did not feel it conveys what they are charged with. They liked the initials and would, like to keep TAP. Ultimately the committee members thought that "Treasury Advisory Panel" would be a better name and less confusing to the public. Now most of the calls that come on the toll-free telephone line are in error. Taxpayers want the Taxpayer Advocate Service and instead call or are referred to Taxpayer Advocacy Panel. It was decided to request a name change by discussing the idea with Tom Seuntjens and writing a letter to the NTA, the IRS Commissioner, and the Secretary of the Treasury. **ACTION ITEM:** Chris will talk to Tom Seuntjens and then possibly write a letter to the NTA, the Commissioner, and the Secretary.

At this point in the meeting, a Social Science class came in the room to observe. The Committee was eager to get the students' views on tax literacy. Two of the approximate 30 students had learned how to fill in their own tax form in high school. Several of the students, as well as the teacher, were involved with the VITA program. Now about half of them filed their own tax return. None of the students had heard of the Taxpayer Advocate Service. The university's chancellor, Dave Werner, dropped by to extend his welcome to the committee.

LUNCH

CLOSING:

Chris reviewed the afternoon's assignments. Chris, Greg, Judi, and Anne will meet to write a letter about tax literacy. Sherry, Bob, Paul, and Lillian will meet to write a follow-up report expressing the majority and the minority views of the panel regarding National Licensing.

Tomorrow's meeting will be held in room at the hotel. Judi adjourned the meeting.



**TAXPAYER ADVOCACY PANEL
AD HOC COMMITTEE MEETING
ST. LOUIS, MISSOURI
JUNE 7, 2003
8:30 AM CDT**

ATTENDEES:

- JAMES GRIFFIN
- JAMES GRIMALDI
- LAWRENCE LEXOW
- CHRIS LOWE
- GREGORY MACIULLA
- ROBERT MELDMAN
- DIANE MIGNANO
- FRANCIS (BUCK) PAOLONE
- PAUL SMATHERS
- SHERRY WHAH
- LILLIAN WOO
- JUDI NICHOLAS, DESIGNATED FEDERAL OFFICIAL

ABSENT:

- LARRY BARNARD
- GERALD GENSIEJEWSKI, JR.
- CALVIN JOHNSON

STAFF:

- ANNE GRUBER

OPENING:

Judi Nicholas, as the Designated Federal Official, officially opened the meeting and handed it over to Chris Lowe, as Chairperson, to conduct business. Chris welcomed everyone back again. Anne Gruber took the roll call.

REPORTS:

Chris then reviewed the two letters that were written on the committee's behalf yesterday. The letter with the majority/minority report to the National Taxpayer Advocate was complete and copies were distributed to all. The group was still editing the letter about tax literacy, so Chris read it to all.

TAPSpeak:

Judi Nicholas briefly went over the new Internet based forum for TAP members to use to communicate. It can be accessed at <http://TAPSpeak.fedworx.org>. It can be accessed with a User name and a password that are created by the user the first time on the system. If anybody has any trouble, Barbara Toy can be contacted. Her back up is Mary O'Brien. But actually any staff member should be able to help. After registering, within 24 hours approval is emailed. Then panel members can access the site anytime to change their account information, edit their Bio, or enter discussion items. Other uses include accessing information in a Reading Room, or a Discussion topic, or responding to an Action item where comments are being asked for, such as meeting minutes or elevated issues. Also the year's calendar is available and eventually all members' Bios will be on the system. TAPSpeak should be an easy and quick way to review TAP material. As topics are posted



members will receive an e-mail notification of any information related to their issue or area committee.

SAMS TOPICS:

Everyone received two lists. One is the TAMIS list of taxpayer problems and contains the top 25-taxpayer issues sorted by volume on Taxpayer Advocate Management Information System(TAMIS), but it is fairly technical and probably not understandable to the non-practitioner. The other list is the 23 most serious problems encountered by taxpayers from the National Taxpayer Advocate's Report to Congress. Chris was hoping to get the top 20 items from the SAMS (Systemic Advocacy Management System), but they weren't available in time. Chris wanted everyone to look at the lists to see if any problems interested them enough to want to work them.

Buck asked if Navigating the IRS meant problems with the phone system Judi explained that it meant since the reorganization employees' jobs changed and it is difficult to find the right person to handle your problem.. But that is a good point, the list only contains titles, which are often not clear. The Report itself is helpful in deciphering the problem. The TAMIS list is the problems that come to TAS. The Report to Congress list is what the NTA feels are the most serious. The SAMS list is problems identified by employees, taxpayers, practitioners, congressionals, anybody who writes in.

Judi explained the procedure to get referred to TAS and the criteria that must be followed. Hardship is the key word, but also anybody who has waited over 30 days for a response. Consequently, some TAS cases are 3-day priority, while others have a 7-day turn around.

Lillian wondered how many of the Advocates' suggestions have been picked up by legislation and become law. **ACTION ITEM:** Anne will attempt to find out.

ITIN (INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER)

Judi said that this is an issue that might need TAP help, but she doesn't know any of the details yet. Jim Griffin said that Bank of America is an important stakeholder in the ITIN problem because of their help in getting money to the families in Mexico.

BREAK

MARKETING MATERIALS:

Larry Lexow brought samples of past marketing materials previously used by the CAP (Citizen Advocacy Panel). Everyone looked at the wording in the tri-fold brochure and felt that changing the name might be the only change necessary. Jim Grimaldi said that the previous CAP had a banner and a Mission Statement that they would put out whenever they had a meeting and he thought that they were quite effective. **ACTION ITEM:** A committee was formed to review the old marketing materials and key message and to develop a recommendation for the Joint Committee about TAP marketing. The following individuals will be on the committee:

- Larry Lexow
- Chris Lowe
- Diane Mignano
- Judi Nicholas
- Buck Palone
- Paul Smathers

FUTURE:

Bob Meldman suggested that they discuss a change in chairmanship since they had time. Everyone wanted Chris to stay in his position if he felt he had the time. Paul Smathers said he would consider being chairperson, but only if Chris wanted or needed to voluntarily step down. As far as meetings go



next year, everyone thought that a meeting in January was a good idea. The first two weeks in January were identified as workable dates and the committee liked the meeting on Friday and Saturday. **ACTION ITEM:** Anne will work up cost estimates for Phoenix, San Diego, Las Vegas, and Los Angeles, preferably for January 8, 9, and 10, 2004.

CLOSING:

Next meeting is a teleconference on July 7, 2003 at 8 AM PDT. Judi adjourned the meeting.

Attachment A:

Taxpayer Advocacy Panel

Nina Olson
National Taxpayer Advocate
1111 Constitution Ave NW
Washington, DC 20004

8 June 2003

Dear Nina:

Attached please find the majority and minority statements from the AD HOC Subcommittee on Preparer Licensing. These statements are a follow up from our May 13th statement.

If I can be of further assistance in this matter or if the panel can assist you further in this matter, please feel free to contact me.

Sincerely,

Sherry Whah, EA
Taxpayer Advocacy Panel Member
AH HOC Committee
Subcommittee on Licensing, Chairman

Taxpayer Advocacy Panel
8 June 2003
AD HOC Committee
Subcommittee on Licensing

Majority Statement

The majority believes the proposal appears to establish the necessary structure to have reasonable assurance that there is consistency and accuracy in preparation of tax returns. Having standardized guidelines and compliance for all nonprofessionals tax preparers would allow for greater confidence for many people who do not use professionals and certified tax preparers.

Minority Statement

The minority believes licensing and enforcement is best left to the states. We concur with the points raised by the Service. We reached this conclusion partially because we believe there is insufficient empirical data to support national licensing of tax preparers.



Ad Hoc Issue Committee Minutes

May 13, 2003
8:00 A.M. PDT

Members Present

- Gensiejewski Jr., Gerald, PA
- Griffin, James, CA
- Grimaldi, James, NY
- Lexow, Lawrence, IL
- Lowe, Chris, CA, Chair
- Maciulla, Gregory, AZ
- Meldman, Robert, Vice Chair
- Mignano, Diane, RI
- Paolone, Francis, AL
- Smathers, Paul, ND
- Whah, Sherry, AK
- Woo, Lillian, TX
- Nicholas, Judi, Designated Federal Official

Guest Speaker

- Drexler, Ken

Note Taker

- Marla Ofilas

Welcome/Announcements/Review Agenda

Chris Lowe began the meeting by noting that the time of the meeting had changed on a temporary basis from the afternoon to the morning. He asked the committee if this was a more appropriate time it could be made permanent. The committee agreed that the morning was appropriate and felt that it worked better with their busy schedules. Judi Nicholas explained that there might be a conflict with Anne Gruber's schedule, but will discuss it with her and get back to the committee.

Action: Judi will discuss Anne's options regarding her work schedule so the start time of the Ad Hoc Committee teleconference can begin at an earlier time. Judi will contact Chris when a decision has been made.

Roll Call

Roll call was taken was taken by Marla Ofilas.

Review Minutes

Chris asked the committee members if they were able to review the meeting minutes from their previous call. All members reviewed the minutes and no changes were made. Committee members approved the meeting minutes.

National Licensing of Practitioners

Chris began by addressing the first issue of the agenda. Sherry Whah was asked to give a report on



the licensing issue and she deferred to Bob Meldman. Chris introduced Robert (Bob) Meldman to briefly discuss the subcommittee and the work that was done on the survey.

Bob explained that the subcommittee gathered to get a sense of where some subcommittee members stood on the licensing of practitioners. Rather than going to the public the subcommittee decided to survey the 101 TAP members. The subcommittee received 58% response to the survey. Anne designed a graph and chart that included the responses that were received. Bob told the group that the Internal Revenue Service (IRS) prepared a statement opposing the National Taxpayer Advocate's (NTA) proposal on national licensing of tax preparers.

Chris told the committee that they should have received, in preparation for the teleconference, several documents. One of the documents is the response from the IRS, The Regulation of Federal Tax-Return Preparers, and IRS Position Paper - April 2003. In this document the IRS identified six (6) different reasons for its opposition. Chris summarized the reasons.

- The IRS felt this is the role of the state and that the state is tasked with regulating the tax service.
- The public perception, if the IRS regulates tax preparers, it would be an endorsement by the agency
- The IRS does not have sufficient current resources to engage in this process.
- The IRS would be faced with pulling resources from other programs and this would deplete funds from other programs that the IRS feels have value.
- Many preparers would go underground if this is implemented and it would be difficult to locate and regulate them.
- Businesses typically pass on fees to the consumers and if this were imposed any cost for certification would be passed on to the taxpayers.

The survey was drafted to get panel members input on the idea of national licensing of tax practitioners and specifically the recommendation in the NTA's Annual Report to Congress. Bob indicated that 78% of respondents support national licensing. The NTA has asked the committee to develop and provide a formal recommendation on this issue.

Chris introduced Ken Drexler, who is the NTA staff person responsible for the Annual Report to Congress, to briefly discuss the NTA's perspective on this issue.

Since the committee was familiar with the NTA's proposal and the IRS opposition Ken stated that the most compelling reason for implementing the recommendation is that it is a national tax and there should be national rather than local regulation/certification. Ken also stated that the NTA was testifying at the Joint Review Committee regarding the implementation of RRA 98 provisions and had been asked to address some of her comments to the issue of national licensing of practitioners. Having the Ad Hoc committee recommendations prior to that hearing would be of value. Chris opened the floor for comments or ideas from the committee members.

Paul Smathers felt that the proposal conflicted with state's rights to regulate such occupations. He feels the overall bureaucracy that this may create would not be wise at this time. Chris acknowledged Paul's comments and stated that the NTA's view is that there are 50 states and if each were allowed to come up with its own system of certification there would likely be 50 different processes. Ken added that in the legal profession, there is a split in the extent to which the state verses federal entities require certification. He gave an example that lawyers normally have to pass a state exam that is administered by the state to practice in the state but not before federal court. To argue a case before the U.S. court, an attorney must pass a federal exam. Paul felt that some of the points were valid but CPA's that are currently allowed to practice before the IRS are state licensed and the states have different rules. He understands that NTA's proposal won't change for CPA's and they will be able to practice before the IRS. They currently operate on state laws, which vary from state to state.



Ken agreed and also expressed additional concerns. CPA's and lawyers are required to be licensed in all states and enrolled agents need to take an exam to practice before the IRS. The likelihood that all 50 states, anytime soon, are going to impose regulations on tax-preparers is low. NTA's concern is that the federal tax system has something at stake and there are real consequences for the taxpayer and for the IRS when the tax returns are not properly prepared.

The committee continued to express their thoughts and feelings on this issue. Chris reviewed the responsibility of the Ad Hoc Committee; to take the data from the survey; use the IRS position paper and if the Ad Hoc Committee is able to synthesize that into a unanimous opinion. Judi offered that if the committee does not have a unanimous decision that the committee include a dissenting opinion.

The committee took a poll of each member asking the question: Does the Ad Hoc Committee support the certification of tax preparers? Supporters of this statement voted "Yes" and non-supporters of this statement voted "No".

- Gerald Gensiejewski - No
- James Griffin - Yes
- James Grimaldi - Yes
- Lawrence Lexow - Yes
- Chris Lowe - Yes
- Gregory Maciulla - Yes
- Robert Meldman - Yes
- Diane Mignano - Yes
- Francis Paolone - Yes
- Paul Smathers - No
- Sherry Whah - Yes
- Lillian Woo - No
- Judi Nicholas - Yes

Chris recommended that the three-committee members that voted "No" meet and develop a minority report to be included in the committee recommendation. . Chris also indicated that the Ad Hoc Committee should come up with a position so it could help the NTA in giving her testimony to congress. Chris also explained that this is the first issue given to the committee and he wanted to make sure that there was a lot of thought, consideration and consensus that went into this decision.

Chris asked each of the members opposed to the issue to share their reasons with the rest of the committee. Gerald explained that the Ad Hoc Committee conducted a poll and based on the responses that were received a majority of the respondents are in favor of national licensing. And, although Gerald was not in favor of national licensing he could support a statement that "a majority of respondents and majority of the Ad Hoc Committee members supported the proposal." Paul also expressed that he is not in favor for previously stated reasons but could support a statement such as the one Gerald made. Lillian agreed with the IRS' position stating that most of the objections the Service had were compelling in terms of government resources, cost, and enforcement. Lillian also felt that if the government doesn't have the resources, you couldn't fight for something they don't have. She also believes that federal licensing should not be for everything and if there are alternative ways besides federal licensing, then it should be sought out.

Action:

The Ad Hoc Committee agreed to the following:

- Sherry Whah will draft a general letter to the NTA from the Ad Hoc Committee to be ready in time to be considered in her testimony at the Joint Review Committee.



- Sherry will produce the letter and have this out to the committee for comments by the end of the day.
- Response to Sherry's letter will be due to her by May 15th, 2003.
- Respective members of the Ad Hoc Committee will produce a majority and minority report. The reports will be developed at the Committee meeting in June and sent to the NTA shortly thereafter.

Joint Committee Meeting Report

Chris had to leave the call and this topic will be held until the June meeting.

Ad Hoc meeting in St. Louis

Judi discussed the agenda for the St. Louis meeting and advised that the agenda had not changed materially. The NTA has proposed that the Ad Hoc committee begin work on an issue regarding financial literacy. The TAP director is seeking details about the issue. This issue may be added to the agenda for this meeting.

Public Input

No one from the public was scheduled to speak therefore there was no public input.

Committee Comments

Lillian asked if there would be a teleconference on June 2nd. The committee agreed that the teleconference should be cancelled since they will be having their face-to-face meeting that week in St. Louis.

No other comments were made and the teleconference adjourned.



Ad Hoc Issue Committee Minutes

April 7, 2003
1:00pm PDT

Members in attendance

- James Griffin
- Lawrence Lexow
- Gregory Maciulla
- Robert Meldman
- Francis Paolone
- Lillian Woo
- Judi Nicholas - Designated Federal Official

TAP Staff

- Anne Gruber

Guests

- Erick Patterson, Director, Individual Advocacy - Washington, DC
- Sharon Lassar - TAP Member - Area 3

Absent

- Larry Bernard
- Jerry Gensiejewski
- Chris Lowe
- James Grimaldi
- Calvin Johnson
- Diane Mignano
- Paul Smathers
- Sherry Whah

Opening

Committee Chair Chris Lowe was not able to attend the meeting so vice-chair Bob Meldman took over. He welcomed everyone and wanted to see if quorum was met.

Roll call

Roll was taken. When the roll was taken quorum was not met. However, later an additional committee member joined and the quorum was met.

Review of Minutes

The minutes of the March 3, 2003 meeting were discussed and accepted.

Discussion of DFO Change

Judi Nicholas introduced herself as the new Designated Federal Official. She explained that when the new TAP director came, she decided that the DFO responsibilities were typical of managerial duties and consequently she thought it made more sense that the managers were to be the DFOs. Anne Gruber will continue to help the committee in the same way as she has with research and meeting



notes. The committee should think of the staff as interchangeable, i.e., if a request is made and Anne is not in the office, the committee member can call Judi. Likewise, if Judi is not in the office, then the committee member can ask Anne. Basically, an additional person has just been added to the group.

National Licensing of Practitioners

Sherry Whah was unavoidably absent. Sherry provided Anne with information to be shared with the committee. Anne stated that Sherry felt that the USA Today survey was delayed indeterminably and the committee should think of other ways to get public input. She wondered what Erick Patterson had to report.

Erick said Nina Olson spoke in front of the Ways and Means Committee last Tuesday and although her primary reason for testifying was not to discuss national licensing the subject did arise. The members in attendance were pretty receptive to the idea of national licensing. The president of H&R Block was there too and he also seemed to support the idea of national licensing.

Judi led a discussion about Nina's initial request to the Ad Hoc committee for help in getting public input about the issue. She suggested that if the group was interested in continuing to work this issue that they consider additional ways to obtain public input.

Bob pointed out that there have been lots of articles about the issue and although the articles were not the result of the Ad Hoc Committee's efforts, they still represented public exposure to the idea. Bob suggested that the National Licensing subcommittee create a questionnaire to be sent out to the entire panel. The panel is a ready-made focus group and each person represents many more people.

ACTION ITEM: Anne will get the subcommittee (Sherry, Larry, Greg, Calvin, and Bob) together to create the questionnaire to send to the entire panel. Judi will check with Deryle Temple to get her thoughts about a survey to the entire panel.

Lillian Woo wondered since Nina's comments are already part of the public record, by virtue of her testimony on Capitol Hill last week, and therefore can be or already may have been quoted by any media source, would it be possible for IRS media specialists to extract the most important portions of her presentation about national registration for distribution to local newspapers across the country? This would provide information about the registration of unenrolled preparers to taxpayers so that when we do our survey, they will be familiar with the issue. Bob and Judi felt that Nina really wanted control over what went out to the public and that included re-sending her comments. **ACTION ITEM:** Judi will find out what actions have been taken on behalf of the NTA to generate a broad public awareness of the issue.

Greg Maciulla wondered what the occupational demographics of the panel are, specifically those in the tax preparation business. Judi said that about 15% of the panel members are tax preparers, but that does not include all tax professionals, like Bob Meldman. **ACTION ITEM:** Judi will find out the occupational demographics of the panel.

Marketing Strategy

Buck Paolone reported that he has had two meetings with Luckie & Company, a public relations firm that handles national advertising campaigns, and they are reviewing the information on the Power Point presentation to possibly create some 15 and 30 second Public Service Announcements for TV, radio, and the print media. They have agreed to do this pro bono and Buck is meeting with them again this week. Name recognition of TAP on a national level is the goal.

Agenda for St. Louis Meeting

Judi reviewed the two-day proposed agenda. A large part of the meeting will be spent discussing the as-yet-unknown topics brought forward from the Joint Committee meeting in early May. Another large segment of the agenda will be spent discussing the marketing strategy. Judi talked about the previous



members of the Citizen Advocacy Panel (CAP) and the plan that they developed. Lillian wondered if their plan could be shared. **ACTION ITEM:** Judi will get CAP's marketing plan to share.

Larry Lexow described how the students at Southern Illinois University in Edwardsville, IL were going to be invited to the TAP meeting. The university is not only providing a room for the meeting, but they are also going to provide transportation from the hotel.

Bob wondered if members of Congress were being notified. Judi briefly discussed the congressional, media, and local IRS contacts that would be made before the meeting as a matter of routine.

Bob wondered if the video "Pipeline" should be shown, since it shows the workings of a Submission Processing Center. Many of the area committee meetings have already been held at service centers and people have seen the processing of returns firsthand.

Social Aspect of St. Louis Meeting - June 6 & 7, 2003

Larry reviewed the options for social activities associated with the two-day event. Everyone will travel on Thursday, June 5. The hotel, Embassy Suite at Laciède Landing, hosts a nightly reception from 5 PM to 7 PM and afterwards the committee members who are interested are walking to Kemoll's, an Italian restaurant with a view. On Friday night, Larry is suggesting a dinner-theater, The Royal Dumpe. The St Louis Cardinals are also in town both nights for those who are interested in baseball. **ACTION ITEM:** Anne will email everyone to get numbers and names for attendance at the dinner-theater. For committee members who are staying the weekend, Larry offered to talk further about things to do and places to visit. **ACTION ITEM:** Don't forget to call the hotel and make reservations (1-800-445-or local 314-241-4200 - make sure to ask for government rate.)

NEXT MEETING: MAY 5, 2003

Meeting adjourned at 2:00 PM PDT.



Ad Hoc Issue Committee Minutes

March 3, 2003 - 1:00pm PT
(Teleconference)

Members in attendance

- Lawrence Lexow
- Chris Lowe
- Gregory Maciulla
- Robert Meldman
- Diane Mignano
- Francis Paolone
- Sherry Whah
- Lillian Woo
- Anne Gruber

TAP Staff

- Judi Nicholas - TAP Manager - Seattle, WA
- Nancy Ferree - TAP Manager - Plantation, FL
- Sallie Chavez - Analyst - Plantation, FL

Guest

- Erick Patterson, Director, Individual Advocacy - Washington, DC
- Sharon Lassar - TAP Member - Area 3

Absent

- Larry Bernard
- Jerry Gensiejewski
- James Griffin
- James Grimaldi
- Calvin Johnson
- Paul Smathers

Committee Chair Chris Lowe welcomed everyone and wanted to see if quorum was met.

Roll call

Roll was taken. When the roll was taken quorum was **not** met. However, later an additional committee member joined and the quorum **was** met.

Review of Minutes

The minutes of the [February 3, 2003 meeting](#) were reviewed and, by consensus, were accepted as written.

Introduction of Erick Patterson

Erick Patterson was introduced to the committee. Committee Chair read a short bio and asked Erick to speak to the committee. Erick said he would be taking over the duties as "program owner". He said he would take a "hands on" approach to this issue.



Status of St. Louis Meeting - June 6 & 7, 2003

DFO Anne Gruber advised that the host hotel would be the Embassy Suite at Laclede Landing. She asked that everyone call the hotel and make their own hotel reservation as the hotel will not allow her to "block" rooms for this event. She will send an email with all the information needed to arrange for the hotel lodging.

Committee Member Larry Lexow stated that he is arranging for the meeting room. He is having a meeting with the South Illinois University in Edwardsville, IL to use their facility for the meeting. The school will have some political science students attend the meeting. If the meeting can't be arranged at the University both days the second day will either be at the hotel or at Larry's office.

National Licensing of Practitioners

Committee Members Sherry Whah stated that Nina Olson is reviewing the information that was forwarded for submission to the USA Today for the poll. Erick Patterson said he talked to the media specialist and he had forwarded it to Nina for her review. The media specialist stated that it was very long and suggested it should be shorter. The committee re-stated the fact that they intended it to be long so that "whoever" could edit it. Erick said he would follow-up on it.

Committee Member Bob Meldman suggested that Sherry write a short 250-word paper to submit to Nina Olson. She may have too much on her plate to be able to consider it. Send this statement to the paper and let them come up with a question for the poll. It was agreed that this needs to get into the paper within the next 5 weeks (during tax season) or it will lose its power.

Possible wording (as submitted by Anne):

At the present time there is no license requirement for tax practitioners. Anyone can throw up a sign saying they do tax returns. The customers give them their Information, often they give them money up front, and when they go back for their tax return, the business is gone; the people are gone with the records and everything. Taxpayers are at the mercy of their preparer. Do you believe that Congress should enact legislation to register and certify Federal Tax Return Preparers?

Committee Member Lillian Woo stated she does polls and she said they are usually "short and snappy". However, she does not think that a poll will make a difference concerning the legislative change.

Sherry will rewrite and send it off to Erick. He will make sure it goes to the media specialist and to Nina.

It was clarified what was being licensed. These are only the UNENROLLED TAX PREPARERS.

Committee Member Buck Paolone asked if a copy of the final version of this paper would be shared with all committee members. It was agreed that it would be shared.

Committee Chair Chris Lowe advised that the Joint Committee would like the Ad Hoc Committee to promote the Taxpayer Advocacy Panel. Committee Member Paolone said he would research this. Chris would like to get some National Media coverage before the end of filing season in USA Today and on TV such as "Today". Committee Member Sherry Whah stated her daughter works for a PBS station and she is working on a strategy for TAP, which she will share next week.

Report from National Office

Erick Patterson stated he has covered most of what he wanted to say during other parts of the meeting. He welcomes questions and gave the committee his telephone number.



Sharon Lassar stated she is speaking to the FICPA in a few days and would like to assist in the Licensing project. Erick invited her to contact him for more information. Sharon will report back to the Ad Hoc Committee with what the FICPA has to say about it.

Committee Member Bob Meldman said he is having a luncheon for Nina Olson when she comes to Milwaukee next week. Committee Chair Chris Lowe said that all the committee members would like to do that for Nina and would like to know her travel plans. Erick Patterson will check and see how the committee can be aware of her travel plans. Chris stated he would write a letter asking for it from her. Erick stated that might be a better idea than having him ask her for it.

Committee Member Diane Magnano said she has noticed negative advertising lately on TV. She would like to combat this type of ads. Committee discussed and agrees that it should take care of itself with improved customer service.

Meeting was adjourned.



Ad Hoc Issue Committee Minutes

February 3, 2003

1:00pm PT

Teleconference Meeting

Members in attendance

- Gerald Gensiejewski, Jr.
- James Griffin
- James Grimaldi
- Lawrence Lexow
- Robert Meldman
- Diane Mignano
- Francis Paolone
- Sherry Whah
- Lillian Woo
- Anne Gruber, Designated Federal Official

TAP Staff

- Judi Nicholas - TAP Manager - Seattle, WA
- Sallie Chavez - Analyst - Plantation, FL

Committee Vice-Chair Meldman welcomed everyone and explained that Chairman Chris Lowe was at a CPE and could not attend the meeting and Bob would chair the call.

Roll call

Roll was taken. There was a question of what was quorum. It was discussed that it was never decided what quorum would be. A discussion ensued and it was decided (by consensus) that quorum would be ½ plus 1. Quorum was met.

Review of Minutes

The minutes of the January 6, 2003 meeting was reviewed and by consensus was accepted as written.

National Licensing of Practitioners

Sherry Whah discussed the information that she would like to have submitted to USA Today for their poll. Everyone received a copy of the proposal. Vice-Chair Meldman thanked Anne Gruber and Sherry Whah for preparing it. (See Attachment 1: Survey)

A question was asked if any other profession needed a license and a yearly examination. The response was that attorneys, CPA and enrolled agents are required to be licensed and also must have varying degrees of continuing education annually. However, none of these professionals were subject to reoccurring examinations. It was pointed out that recently patent officers (not attorneys) were required to be tested annually.

There was discussion about Nina Olson's report to Congress on the issue. Ms. Olson's recommendations would require refresher examinations for all licensed tax preparers other than attorneys, CPAs and EAs. A lively discussion took place regarding whether everyone, i.e., including attorneys, CPAs and EAs should be required to take this type of reoccurring examination. It was agreed that expanding the annual reexamination to three professionals, i.e., attorneys, CPAs and EAs would not be acceptable.



This program (licensing) will be burdensome for the government. Should it be out-sourced to another organization?

What would be the repercussions if preparers don't comply? Need to have legislation to state specifically that it's against the law not to be licensed and to prepare returns. Will this send some preparers underground?

There will be a need to educate the public and tell them it's against the law to prepare a return without the license.

VITA is concerned but they do pass exams. They would also be exempt because they are not "paid".

What about the Office of Professional Responsibility (a new organization within the IRS)? Will it be in control of this program? Can it handle the program? Maybe it can handle some of the requirements. Others would be handled by other organizations and agencies.

There are statistics that indicate that on EITC returns the error rate is the same for CPAs, EAs and unenrolled agents.

Is this a good idea to eliminate the "retail" preparers? Oregon has a very low error rate. Should the Oregon state model be used as the National model? States are not interested in licensing.

Vice-Chair Meldman stated that he thinks the committee should hold to the two (2) issues:

1. Should there be licensing?
2. Who should do it?

He brought it to the committee and asked each for their opinion.

Gerald Gensiejewski - He is not "sold" on the issues. He thinks the IRS should require ALL preparers to get a PTIN (preparer tax identification number) and put it on all returns. Then the IRS could get some statistics. There was some discussion about the PTIN and that preparers already used employer identification number and social security numbers. (See [Attachment 2](#): email sent to Committee members dated 2-3-03 for further information.)

James Griffin - He suggests that a preparer request certification on the current year return for the next year. Preparers can get certified by experience.

James Grimaldi - Preparers already have PTINs. Any preparer can apply for a PTIN now. It's a good way to monitor preparers. Do we want it to be mandatory? He's not sure.

Larry Lexow - He is concerned about public awareness. He thinks that this may be better handled at the state level.

Diane Mignano - She states that clients don't know the individual and he or she may not be qualified to prepare returns.

Buck Paolone - He thinks that if a preparer has a PTIN that should mean that the preparer is certified. But that's not necessarily so. PTINs already exist.

Lillian Woo - There is a need for this. The recommendation is very broad. She thinks it will run into legislative roadblock. She should like to keep it simple. Advertise proper preparers. She thinks this



may be far too complicated for Congress to address. Both the concept and the simple implementation of Jerry's PTIN suggestion are good and worth a try.

Sherry Whah - She would like to put up the following for a vote:

Forward the poll to USA Today to be put out to the public.

There was discussion about the poll. USA Today would not give demographic poll. They have specific readership. It would be better to have Gallop do the poll.

Lillian mentioned that since the readership of USA TODAY is fairly homogeneous demographically, any response would not be a good representation of the nation as a whole. If USA TODAY conducts a telephone survey with its polling partners, CNN and Gallup, the results will better reflect the demographics of the country.

Sherry Whah's suggestion was accepted by consensus. Anne Gruber and Sherry Whah will work on the survey to get it worded correctly. It was mentioned that there was nothing on the survey about penalties. Anne Gruber will address that.

It was suggested that the poll also be taken to individual newspapers in the committee member's towns/cities. It was also suggested that it could be put on the Internet on a site such as AOL.

Anne Gruber will check with USA Today to see if they have a problem with giving it to other sources. It was agreed that the survey would be given to USA Today first.

Committee Comments

There were no comments.

Meeting was adjourned.

ATTACHMENT 1: Survey

Nina Olson, the National Taxpayer Advocate, recommended to congress in her FY 2002 Annual Report that Congress enact a registration, examination, certification, and enforcement program for Federal Tax Return Preparers. This program should consist of the following eight (8) components:

1. Definition: Federal Tax Return Preparer (FTRP) is someone other than an attorney, certified public accountant, or enrolled agent who prepares more than five (5) federal tax returns in a calendar year and satisfies the registration, examination, and certification requirements.
2. All FTRP who prepare more than five (5) returns for a fee must register with IRS.
3. IRS must develop four (4) exams that test knowledge and competency of individual income tax preparation, business income tax preparation, and annual refresher and update exams in both.
4. FTRP must pass initial exam in the first year and must also pass annual refresher exams.
5. IRS will certify those who successfully pass the exams.
6. IRS will advertise to inform public that FTRP must sign the return and display their registration card.
7. IRS will maintain a public list of FTRP who are registered and certified, registered and not certified, and those whose registration has been revoked.
8. IRS will notify any taxpayer who used an unenrolled preparer who is not registered, or registered and not certified.



Over 50% of taxpayers pay a tax return preparer to complete their income tax return. Many tax preparers are not required to meet minimum standards of competency. Anyone, regardless of training, experience, skill, or knowledge, is able to prepare federal tax returns for others for a fee. Currently, there are no national standards for a person to qualify to sell tax preparation services to the public.

"Do you believe that Congress should enact a registration, examination, certification and enforcement program for Federal Tax Return Preparers?"

ATTACHMENT 2: Email sent to Committee members from Jerry Gensiejewski dated 2-3-03 for further information.

Here is my preliminary thought on the licensing issue:

1. Require that all paid preparers obtain a PTIN (Preparer Taxpayer Identification Number)
2. On the PTIN application form: information garnered from applicants would include their credentials (I.e., CPA, Attorney, Enrolled Agents, others etc...), length of time they have been preparing returns, types of returns etc... Any other type of info the IRS wants that they think bear on the issue of who is preparing credible returns. The form would require a signature that if they fail to provide the PTIN they are assigned on any return, then the taxpayer for whom they prepare a return is not obligated to pay for such preparation and should report such to the IRS.
3. IRS should then engage in a marketing/awareness campaign that does one thing: makes people aware that if their return is prepared by a paid-preparer then they need to see the PTIN in a box on the return. If the number is not in the box when they pick up their copy of the return, then they should not pay for the return.
4. Over a period of years the IRS could compile statistics by groups of similarly credentialed PTIN holders. If the evidence warrants, then at that point they could require a national licensing program.

The goals of my suggestion:

- A. Easy for taxpayers: The public will be able to hone in on what they are looking for -- a PTIN in a box, and if they don't see it, they don't pay for the return. I imagine that a free return will incite people to notice the number in the box.
- B. Easy (OK at least "easier") for government: Devising a form and public campaign is certainly easier than establishing a national licensing and education requirement.
- C. Easy for Preparers: Ask preparers to complete a form to get a number and sign it under penalties of perjury.
- D. In time: it will give empirical evidence on strata's of return preparers and on individual return preparers. [Is it possible that the IRS computers could be used to determine which preparers are preparing "high risk" returns, i.e., returns with refunds > "x", high concentration of EITC claims -- and average refund?] Unscrupulous preparers probably have a higher EITC claim than scrupulous preparers.
- E. Such a requirement may act as a deterrent for unscrupulous preparers -- because the public could threaten the preparer that they are not going to pay for the return -- because no PTIN. And even if they continue to prepare returns underground they may have less people willing to go to them. Those that continue to go to them know they are committing a crime and would likely continue to do so no matter what requirements exist.

These are just some thoughts I came up with as we were speaking on the call because I am not sold on the ability to institute a nationwide licensing program. I do agree, however, that something needs to be done.



Ad Hoc Issue Committee Teleconference Minutes

January 6, 2003
1:00pm PT

Members in attendance

- Gerald Gensiejewski, Jr.
- James Griffin
- James Grimaldi
- Lawrence Lexow
- Chris Lowe
- Gregory Maciulla
- Robert Meldman
- Diane Mignano
- Francis Paolone
- Paul Smathers
- Sherry Whah
- Lillian Woo
- Judi Nicholas (acting DFO)

TAP Staff

- Nancy Ferree - TAP Manager - Plantation, FL
- Sallie Chavez - Analyst - Plantation, FL

Guests

- Nina Olson - National Taxpayer Advocate
- Arlene Kay - Director, Systemic Advocacy
- Deryle Temple - TAP Program Manager
- Dan Rinke - CCH Reporter

Panel Chair welcomed everyone and wished everyone a Happy New Year.

Roll call

Roll was taken and the quorum is met.

Review of Minutes

The minutes of the December 5, 2002 meeting was reviewed and by consensus was accepted as written.

National Licensing of Practitioners

Sherry Whah reported on the feedback she has received so far on the surveys she has received back. She has received 16 responses. Of those 16 responses, 15 used professional preparers and were satisfied with the preparers. Two of the respondents stated that they received notices. One said the error was the preparer's fault and the other stated incorrect information was given to the preparer. All those responded would support national licensing.



Sherry said she has talked to several citizen groups and no one at any of these meetings objected to the national licensing. She talked to a group of 102 professional preparers and out of this group only two objected.

Larry Lexow said he has spoken to practitioners in his area and most support the idea. The only question they have is who will regulate the program and support it?

Sherry stated that Oregon has had the licensing program for years and it is self-supported by the fees charged.

It was mentioned that most of the issues are covered in the National Taxpayer Advocate's Report to Congress.

Deryle Temple commented that Nina Olson would be joining the conference call in a few minutes and she would like to address the issues covered in her report. The chair welcomed Deryle to the TAP.

One of the committee members brought up a question about EIN processing and a story about someone who requested an EIN and was contacted by both campuses concerning the EIN. He is concerned that the EIN processing is not centralized.

One of the committee members questioned how this program would be funded. Someone answered that Nina Olson's report indicated it would be self-funded by fees.

Sherry Whah reviewed the licensing process in the State of Oregon.

One of the committee members brought up education of children. He thinks that the school should have a class about "what it means to pay taxes". This could help in some people preparing their own tax return. Someone else mentioned VITA and how this program helps the low-income taxpayers.

Nina Olson joined the conference call. She stated that VITA would not take away from the paid preparers. As far as licensing is concerned, a specific proposal is needed and the only question is whether it should be state or federally regulated. Nina would like the program to be complacent but not intrusive. She is now waiting for comments from tax administrators.

Chris Lowe asked Nina where the Ad Hoc Committee could be useful in supporting this issue? She said she would like to see the committee gather responses from citizens on what they are looking for in a tax preparer. She suggested contacting USA Today and working with them on a poll.

There is now a program where some low-income taxpayers can file electronic returns free online (through FirstFed). More research needs to be conducted on why low-income taxpayers go to paid preparers. The reason may be because they are confused.

The licensing proposal in the Annual Report to Congress would require preparers to take a refresher exam each year to be re-certified. It would also require a great deal of "paid advertising" to get the word out about this new process.

Chris Lowe asked if H & R Block has "bought" into the program. Nina Olson said that originally they were opposed but now they are more comfortable.

Again it was suggested that children be educated on the taxing process. Nina said she would support such a recommendation. The IRS has classes available for the schools and she would like to revive it. She said she would support and take the proposal to the Secretary of Education if this is what the



committee wants. She also stated that each committee member could go to each state board of education to support such a class. One of the committee members stated that if we teach kids they won't need paid preparers.

Nina said there was a report by the Brookings Institute at Brookings.org on Refund Anticipation Loans. There is more information out there. TEC has additional research on this subject. Greg Maciulla said he would like to have this information. Judi Nicholas said she will have Anne Gruber provide this information for Greg. There is also information on the IRS web site.

Nina was asked about specifications for referring taxpayers to TAS. She explained significant hardship. She is requesting that the definition for significant hardship be rewritten to include more situations.

A committee member brought up the GAO report on inappropriate levies. Nina said that if the committee thinks this is appropriate they should work on it. She would like to have a conference call with the committee (before January 27) about Private Debt Contractors. She would like to have their comments on this program.

Chris thanked Nina for taking her time to join the panel on the conference call today.

Sherry will get together with the sub-committee and they will rewrite the survey.

Committee Comments

There were no comments.

Meeting was adjourned.