

2003 Meeting Minutes W&I EITC Issue Committee Meetings

- November 19, 2003
 - May 21, 2003
 - May 8, 2003
 - January 15, 2003
-

Issue Committee (W & I EITC) Meeting Minutes

November 19, 2003

Opening of the Meeting

DeMarais opened the meeting at 2:07 p.m. by welcoming members and guests as well as the new Brooklyn Analyst, Audrey Jenkins. DeMarais asked if any members of the public were present, even though this meeting had not been announced in the Federal Register.

Roll Call

Panel Members Attending

- James Banks, Bozeman, MT
- Laura DeMarais, Crystal, MN, **Vice Chair**
- Daniel Drumel, Wind Lake, WI
- Gwen Handelman, Fort Lauderdale, FL, **Chair**
- Cheyanna Jaffke, Placentia, CA
- Catherine Kelly, Corinth, ME
- Steven Landauer, Bettendorf, IA
- Lesile Malcolmson, Detroit, MI
- Robert Maziarz, Hainesport, NJ
- Shamsey Oloko, Staten Island, NY
- Sandra Ramirez, Brooklyn, NY, **DFO**
- Joe Reder, Richland, WA
- Agnes Tillerson, St, Marys, GA
- Faith Vinikoor, Baltimore, MD
- Nan Wilson, Overland Park, KS

Tap Staff and IRS Staff Attending

- Audrey Jenkins, TAP Program Analyst
- Marisa Knispel, TAP Program Analyst

Guests

- Kay Farrow, Senior Policy Analyst, EITC Program Office
- Kathleen Swain, Senior Analyst, Notices Re-Design/Re-Engineering Team



Review and Approval of Minutes

DeMarais asked if everyone had a opportunity to review the minutes from the last meeting. Some members had not, so members agreed that the approval of the October minutes should be deferred until the December meeting.

Guest Speaker

Kathleen Swain - Notice **Re-Design/Re-Engineering Team Member** explained that the Commissioner and the National Taxpayer Advocate, Nina Olson , were charged with notice redesign and finding better methods for processing of EITC examinations as it pertains to single issues audits. As a result, two teams were created; one to focus on the notices in the EITC exam process and the other to look at the audit process. The EITC Director, Dave Williams, leads both teams, consisting of members from TAS, SB/SE, Appeals and Counsel.

The long-term goal of the Notice Redesign Team is to make notices informative but not overwhelming (plain language). The short-term goal is to make changes to current letters and notices for this filing season. The combo letter is being reviewed and the team also wants to ensure that taxpayers' appeal rights are clear. They also intend to translate letters in to Spanish and in the future, other languages.

Vinikoor asked whether the feedback from the EITC Co mmittee on Letters 566B-EZ and Form 886H-EIC were taken into consideration as the team was reviewing current notices. Swain informed the C ommittee that all of the feedback was sent to the Program Owners.

The team decided that the current Publication 3498 does not state the appeals process simply and clearly. The team has come up with a revision and has sent it forward for review and approval to Appeals and Counsel. Swain responded that the Publication 3498 revision is pretty rough now; a draft is due by the end of the 1 st week of December. Swain said the panel could look at the first draft after that. Handelman responded it is probably not realistic for the Committee to provide input on this version of the publication. Swain agreed there probably isn't enough time for the Committee to provide input on this short-term goal.

Regarding Publication 3498, Swain said they are also looking at splitting it into two, one section to address field examinations and the other campus audit situations, where a significant number of EITC examinations occur.

Swain stressed that the Committee might better use its time to give input into technological features, such as scanning taxpayer documentation which will allow for quicker matching.

Kelly said that at a recent outreach she conducted, practitioners voiced concerns that when taxpayers send in documentation they do not receive any form of acknowledgement and have no idea if it was received until they receive a request for additional documentation or the matter is resolved. She suggested that the IRS send the taxpayer a letter stating we received your documentation and will get back to you in 90 days. Swain informed the Committee that a soft notice was being considered but there was resistance because of the time and cost that would be involved. Swain went on to explain that when the exam cases are not properly updated on the IDRS (Integrated Data Retrieval System) in Examination it makes it hard to associate any taxpayer correspondence with the cases, but contact from the Examiners will continue. Drumel suggested the Committee come up with inexpensive ways that the IRS could acknowledge receipt of correspondence, possibly electronically.

Landauer asked if IRS notices would still be written at the Grade 7 reading level. Swain said yes. Banks asked whether or not all revisions were being sent to Counsel to ensure revisions were specific enough to meet the law. Swain said yes and added that there was a request for an addition to the publication stating that the taxpayer can request an oral reply or appeals conference. **Handelman asked Swain to email Ramirez with the specific issues or publications the C ommittee could**



work on with due dates and specify the short and long term goals. Swain responded that the group could do that in their December meeting.

Vinikoor asked for the statistics on EITC cases that went to Tax Court, other than collection cases. Swain stated 31 went to litigation this year. Vinikoor asked about LITC referrals. Swain said that an LITC listing would be included with the 90-Day Notice, Publication 3498 and other notices.

Swain expressed her appreciation for the invitation to the meeting and hoped that her presentation was helpful. She stated that the Committee's input was greatly appreciated.

Kay Farrow - Senior Policy Analyst began by stating that she had emailed the EITC Communication Strategy to Marisa this morning to share with members. She stated that the objective of the EITC communications plan is to maintain a high level of awareness of the credit and increase taxpayer participation. The multimedia campaign will include print, radio, outdoor advertising and grass roots activities and toolkits. The campaign's messages will focus on three areas of common errors qualifying children, income limitations and filing status.

Some of the highlights of the campaign are:

- EITC posters at bus stops and in subways
- Public service announcements in both Spanish and English
- Grass roots street teams distributing flyers in Spanish in Los Angeles and Miami
- Direct mailings to 16,000-20,000 practitioners containing helpful hints and encouraging them to send postcards to their clients that tell them what documents to bring to support EITC eligibility
- Electronic press kits sent to IRS media relations specialists

Banks was interested in the profile of practitioners who would receive the mailing. Farrow stated that IRS was able to target paid preparers who completed more than 100 EITC returns and had a history of errors. Vinikoor stated there are a lot of single taxpayers without children who are not aware they qualify for the credit. Farrow stated the IRS changed the graphics and is not using photos of families in this year's campaign; however, this group is not being specifically targeted. The IRS is trying to direct people to the IRS website and toll-free number for detailed information. There are also on-line toolkits available.

Reder suggested that the team develop multilingual materials instead of just concentrating on Spanish-speaking taxpayers. Farrow said there is only one million dollars allotted this year for paid advertising. Future efforts will include translating materials into numerous languages.

Farrow informed the Committee that the EITC Certification (formerly pre-certification) test will begin with the first mailing going out on December 1st and the second mailing on December 8th. Results of this test will be evaluated.

Handelman asked if there were any specific assignments the Committee could work on. Farrow stated the LITC program is conducting a survey to find out why individuals don't respond to the first mailed EITC notice. SPEC is also doing studies around this issue. She said the Committee could give input on this issue, as well. Handelman responded that the Committee is really more interested in outreach initiatives. Farrow responded she could get the Subcommittee included in outreach efforts.

Kelly asked about the volunteer organizations. Farrow stated that the on-line tool kits will be distributed through SPEC & TEC and have a part for VITA & TCE. **Farrow will forward the URLs to the analysts to share with the members to allow members to access on-line toolkits.**



DFO Report

Ramirez announced that Audrey Jenkins is the new analyst assigned to Brooklyn and will work with this Committee for the next 90 days or so. Also, Bernard Bernie Coston has been selected as the new TAP Director. **Drumel requested that Coston's email address be forwarded to members. Kelly also suggested that in the future Jenkins put TAP in the subject line of all emails so they will not get missed.**

Ramirez reported that due to budget constraints, each area and issue committee will have only one face-to-face meeting this year and the Joint Committee will have two. The Committee decided to cancel the January meeting and hold the May face-to-face meeting. Drumel suggested that we meet an extra day. Ramirez agreed to check with Coston about extending the meeting. DeMarais suggested the Committee hold a regular monthly teleconference in January. Handelman suggested that the group could be more productive if we bring draft proposals to the May meeting and use that time to edit and finalize recommendations.

Overclaims Analysis Subcommittee Report

Vinikoor thanked everyone for their responses to Allan Goldberg's request . Handelman stated that anyone who still wants to submit comments can send them to her by Sunday. She will compile and forward responses by the end of the month. Handelman went on to state that some comments went beyond the issues Allan wanted addressed, which was stopping abuses versus unintentional errors.

Marketing and Outreach Subcommittee Report

Malcolmson spoke on TAP and the EITC committee at Detroit area coalition meetings on 9/9, 10/14, and 11/7. She also attended and spoke at the Michigan Governor's Conference. She will try to write a brief synopsis for the Committee. Malcolmson suggested that each Sub committee member also get feedback from the public. Malcolmson said she received SPEC's rural outreach strategy and she would like to hold a sub-committee meeting with members Drumel, DeMarais, Maziarz to prepare a discussion paper and get comments about obstacles to EITC participation. Subcommittee members should submit available dates to Malcolmson. Landauer said he could provide the IRS or SPEC with the YMCA's national contact for partnering.

Joint Committee Report

Handelman informed the Committee that 64 new TAP members will be recruited for 2004, with 33 (of the 55 who volunteered) current members continuing in their positions. Nina Olson will be working with Treasury and the White House liaison to determine who will remain. The Joint Committee has approved 5 FreeFile recommendations from Area 5 . DeMarais explained that she was instrumental in the drafting of the Area 5 recommendations, so that EITC Committee views were incorporated into the proposals. Handelman also reported that the Ad Hoc Committee would continue to work on advocating for preparers licensure.

New Business

Landauer put forth a suggestion that the IRS identify groups that could test the EITC forms on a regular basis. He pointed to GAO study 03-486, which noted a 35% error reduction rate on an EITC form after it was revised from input from focus groups. Landauer asked if the Committee could identify some groups for the IRS to focus on for this purpose. Handelman suggested his suggestion be referred to the Education , Publications and Forms Subcommittee and Subcommittee Chair Kelly agreed to have the Subcommittee consider the proposal.

Closing/Assessment

A round robin of members' comments regarding the meeting took place.

Malcolmson, Drumel, DeMarais and Kelly stated it was a good meeting. DeMarais thanked all the members and guests for their participation.



Meeting was adjourned at 4:04 P.M. EST.

Action Items

All Committee Members: (1) Email responses to Allan Goldberg's request to Handelman by 11-23. (2) Review on-line tool kit when URLs are made available.

Marketing and Outreach Subcommittee Members: Email Malcolmson their available dates for a subcommittee teleconference.

Malcolmson: Schedule and conduct Marketing and Outreach Subcommittee teleconference to discuss rural outreach, obstacles to EITC participation, and SPEC partnership with YMCA.

Kelly: Schedule and conduct Education, Publication and Forms Subcommittee teleconference to discuss forms testing procedures.

Handelman: Submit responses to Allan Goldberg's request by 11-30.

Swain: (1) Obtain specific assignments from Notice Redesign Team for EITC Committee re revising Publication 3498. (2) Obtain statistics re EITC appeals and forward to Jenkins to share with Committee.

Farrow: (1) Send EITC Toolkit URLs to Jenkins to forward to Committee so members can review on-line. (2) Specify assignments for Committee re EITC outreach and communications.

Ramirez: (1) Discuss extending May face-to-face meeting to four days (including travel). (2) Provide Jenkins with the email protocol.

Ramirez/Jenkins: Supply Committee with Bernard Bernie Coston's email address.

Next Meeting

Teleconference on December 17, 2003 at 2:00 p.m. EST.



Issue Committee (W & I EITC) Meeting Minutes

May 21, 2003

Opening of the Meeting

The meeting was called to order at 2:04 p.m. EDT. Handelman welcomed members and introduced guest. She indicated that the purpose of this call is to hear a presentation from Sue Sotille, SPEC Director of Strategic Planning.

Panel Members Attending

- Laura DeMarais, Crystal, MN, Vice Chair
- Daniel Drumel, Wind Lake, WI
- Gwen Handelman, Fort Lauderdale, FL, Chair
- Catherine Kelly, Corinth, ME
- Robert Maziarz, Hainesport, NJ
- Sandra McQuin, DFO
- Shamsey Oloko, Staten Island, NY
- Agnes Tillerson, St. Marys, GA
- Faith Vinikoor, Baltimore, MD
- Nan Wilson, Overland Park, KS

Absent

- James Banks, Bozeman, MT
- Robert Burke, Chicago, IL
- Cheyanna Jaffke, Placentia, CA
- Leslie Malcolmson, Detroit, MI
- Joe Reder, Richland, WA

TAP Staff and IRS Staff Attending

- Nancy Ferree, TAP Program Manager
- Marisa Knispel, TAP Program Analyst
- William Phillips, EITC Program Owner
- Sue Sotille, SPEC Director of Strategic Planning

Guests

- Sara Wilson, Government Liaison, H&R Block

Review and Approval of Minutes

Handelman requested that approval of the minutes from the May 8th meeting be postponed until our next meeting so that she and subcommittee chairs can submit additional revisions before approval. Subcommittee chairs will review the draft minutes and submit appropriate revisions to DeMarais. The minutes will be presented for approval at the next teleconference.

Presentation on EITC Outreach

Sue Sotille, SPEC Director of Strategic Planning, stated that both SPEC (Stakeholder Partnerships, Education and Communication) and TEC (Taxpayer Education and Communication) are new organizations formed through the recent reorganization of the IRS. Prior to their formation, data and



research surrounding IRS' outreach activities was primarily anecdotal. Data collection and research analyses done by SPEC (with individuals) and TEC (with small businesses) assist the IRS in measuring its effectiveness and outreach impact at local levels.

Sotille explained that she wanted to share information on SPEC's research priorities, particularly pre-filing outreach, with the committee. Currently, Sotille said, SPEC is focusing its efforts on offering EITC assistance to low-to-moderate income taxpayers in three market segments: limited English proficient, U.S. military personnel and transient workers. Another segment targeted for future study is retired baby boomers.

Through indirect and direct outreach, SPEC has assisted 55 million people with their tax returns. The organization currently identifies pockets of under-represented taxpayers-those in rural areas for example, are targeted for fiscal year (FY) 2004. The goal, with the assistance of local partners, is to provide tax education and outreach, enhanced with IRS products and volunteer-assisted, tax-preparation services.

The role of SPEC, as it relates to the EITC, is to (1) help increase pre-filing awareness of the credit among eligible taxpayers and (2) address EITC compliance issues. SPEC fosters the partnership between the IRS and local coalitions to provide relevant tax information, financial literacy training and volunteer tax assistance during the filing season.

Handelman asked Sotille if SPEC offers mobile services. Sotille said "yes, through the Field Division." In addition, IRS's CARE organization utilizes mobile units that provide EITC-related literature.

Phillips briefly explained the procedure followed by the Product and Partnership Development unit as it creates promotional materials or literature for targeted initiatives, such as the EITC. Initially, a particular IRS unit provides product specifications and content. Production becomes a collaborative effort at a national level among IRS divisions and evaluation and input from IRS Counsel. Product and Partnership Development also has the responsibility of delivering the literature to the public. Sotille recommended that a representative of this unit make a presentation to the committee, if we have an interest in a more detailed description of the process.

Handelman expressed interest in receiving direction on how the committee could assist SPEC and the EITC Program Owners. Sotille explained that the committee could be very valuable in suggesting ways to deliver EITC's compliance and awareness messages.

The Committee discussed the FY 2001 EITC Math Error statistics provided by SPEC at the Committee's Atlanta meeting (PowerPoint attachment). Sotille explained that this information is provided to IRS's front line managers to warn them of the errors common to their geographical area. Handelman reminded members of the suggestion made in Atlanta to include checkbox on Form 1040 for IRS to calculate the EITC for the eligible taxpayer. This would be an opportunity to reduce these math errors, she added.

Sotille continued by explaining that SPEC wants to prepare a portfolio to address the top five errors. Databases exist that subdivide the errors by zip code, so that correction to these errors could be targeted geographically.

Tillerson mentioned the possibility of disseminating information on EITC through community organizations, like the Philadelphia Food Bank and free health clinics. Sotille explained that this is exactly the kind of outreach that is possible through partnerships with local coalitions.

Currently, SPEC is compiling data and testing different initiatives, as well as analyzing best practices, comparing the cost and success of various methods. For instance, the IRS is analyzing the math error data along with census data to identify communities that seem to be unaware of the EITC. EITC



products and literature are developed and shared with the various local coalitions. She mentioned that testing is currently being done in southern California and Austin, TX. McQuin suggested that committee members assist SPEC in this effort since they are geographically diverse. Sotille agreed.

Test sites for VITA outreach, she added, are currently in upstate New York, southern California and Austin. SPEC's business model and planning for FY 2004 involves identifying issues, identifying communities, EITC product development and outreach across the country.

Sotille said that one of the market segments on which the organization is focusing its efforts regarding the EITC (see the second paragraph of this section) is transient workers, or more specifically those defined as migrant farm workers. Through research, SPEC has found that this population accounts for the majority of the EITC non-responses. Due to their transience, IRS is often unable to contact them.

Handelman asked, will precertification aid in providing research? Sotille said that it would help in tracking the activity of the 45,000 non-response cases.

Sotille said the key to SPEC's success is the delivery of products in a timely manner to taxpayers. Unfortunately, delays in production often occur at crucial times due to changes in legislation. Kelly mentioned that she noticed a reduction in the distribution of 1040 booklets due to the increasing use of e-filing. She asked if there is a possibility of just the EITC-related information and EITC Tables from the 1040 package distributed to those who no longer receive the booklets. Phillips responded that the EITC Committee may want to target this issue for development potential.

On the subject of the Top 5 FY2001 EITC Math Errors as listed on SPEC's PowerPoint presentation, Handelman asked if the "non-taxable earned income not included" in calculation error wouldn't drop from the list as the legislation changed. Sotille agreed that it would and Phillips said that he has seen the recent statistics in math error drop. Sotille added that in addition to these five errors, there are others and promised to share the list of all EITC problems with the committee.

She continued by stating that SPEC has an ongoing three-year analysis on behavior of the EITC population. The analysis deals with patterns of behavior, such as repeated errors from the same taxpayer. An example is the use of incorrect Social Security Numbers. Is this done intentionally or unintentionally? Why is this error prevalent and what are its causes? Discussion on different possibilities ensued. Phillips will forward research on this issue to the committee. McQuin asked Sotille if EITC information is distributed or posted in offices of the Social Security Administration. Sotille responded yes.

Public Input

Handelman asked guest Sarah Wilson if she had questions or input on the meeting. She had none but she thanked the members for allowing her to participate.

Closing Assessment

In closing, Handelman requested a round robin of all participants to express their thoughts on the meeting. The meeting was adjourned at 3:19 PM EDT.

NEXT MEETING:

The next teleconference meeting is scheduled on June 18, 2003 at 2:00 PM EDT.



Issue Committee (W & I EITC) Meeting Minutes

May 8, 2003
Atlanta, GA

Opening of the Meeting

The meeting was called to order at 1:06 P.M. EDT. Handelman welcomed members to the meeting.

Panel Members Attending

- James Banks, Bozeman, MT
- Laura DeMarais, Crystal, MN, Vice Chair
- Daniel Drumel, Wind Lake, WI
- Gwen Handelman, Fort Lauderdale, FL, Chair
- Cheyanna Jaffke, Placentia, CA
- Catherine Kelly, Corinth, ME
- Leslie Malcolmson, Detroit, MI
- Robert Maziarz, Hainesport, NJ
- Shamsey Oloko, Staten Island, NY
- Joe Reder, Richland, WA
- Deryle Temple, Washington, D.C., Acting DFO
- Agnes Tillerson, St. Marys, GA
- Faith Vinikoor, Baltimore, MD
- Nan Wilson, Overland Park, KS

Absent

- Robert Burke, Chicago, IL
- Sandra McQuin, DFO

TAP Staff and IRS Staff Attending

- Marisa Knispel, TAP Program Analyst
- William Phillips, EITC Program Owner

Review and Approval of Minutes

Handelman requested a couple of revisions be made to the April 23rd minutes. Revised minutes were approved.

Joint Committee Report

Handelman reported to the members on the response to questions previously forwarded to the Joint Committee.

On the subject of TAP membership and staggered terms, the Joint Committee proposed that after the initial two-year membership commitment, one third of the current membership volunteer to continue on the panel for an additional year. New members will be selected for a two-year term. The proposal is to be submitted to the TAP Director and NTA for approval.

Handelman requested additional feedback on Form 8867 at the Joint Committee meeting. TAP staff will circulate the request via email to TAP committee chairs and practitioner members. Handelman reported that at the Joint Committee meeting, it was announced the Ad Hoc Committee might be



asked to look at financial literacy issues that impact taxpayers, including Refund Anticipation Loans. In addition, matters related to individual electronic filing will be handed off to the Area 5 Subcommittee working on this topic.

On the subject of working on two committees and the stressful effect it has on TAP members, it was decided that only the committee chairs had the option to be excused from active participation on their second committee. This option was not provided to the remaining members. Each committee chair is empowered to provide relief from attendance or active participation on the committees to members based on individual situations.

Handelman explained the directive given by NTA Olson at the Joint Committee meeting in reference to formulating and/or proposing legislative recommendations. This directive was addressed in writing to the Chair of the Joint Committee and copies were provided to all committee chairs. Committees may forward legislative recommendations to the Executive Director for Systemic Advocacy.

Lastly, Handelman spoke about the TAP's new internal website called TAP Speak. Postings to this site and a members-only chat room may relieve some of the e-mail burden that panel members have experienced.

Program Owner Report

Phillips requested the committee's input on the issues of the IRS's Return Preparer Program, due diligence and the recertification process.

Discussion on Form 8862 as part of the recertification process took place. Phillips indicated that the committee could aid in the improvement this form, such as when this form is required to be filed, and if a different process should be established to indicate the taxpayer's desire to begin the recertification process. If a proposal is made to submit documentation, how would this be accomplished and what impact would it have on the taxpayer's ability to file electronically.

A TIGTA Report was distributed to members containing studies done on the EIC and the recertification program. Phillips asked members to read the report so that they may better understand some of the issues revolving around recertification.

Phillips requested that it would also be timely for the committee to review, comment on and suggest changes to the professional guide for practitioners.

Given limited resources, Phillips asked, should the IRS be charged with educating taxpayers and tax practitioners? What level of funding should be allocated to the education and training of practitioners, considering they are paid for their services?

Oloko asked if the On-LineTax Advisor used by IRS staff could also be made available to taxpayers and/or tax practitioners. Phillips indicated that IRS is investigating the feasibility of providing this service, but one big concern is the issue of confidentiality.

Subcommittee Reports:

Education, Publications and Forms- Chair Kelly

Subcommittee chairs Kelly and Vinikoor will meet to clarify the Education and Compliance subcommittees' new tasks.

Kelly indicated that the Education Subcommittee will hold a teleconference to discuss their revised action plan. This subcommittee has spent many hours on the proposed Forms 8836 and 8856 related to precertification with the final product being feedback on both the process and the specific forms.



Handelman commended them for their efforts. Phillips stated that some of the ideas presented by this group were under serious consideration by the EITC Joint Task Force.

Kelly indicated that the subcommittee will focus its efforts on preparer education and training, including the EITC Tool Kit. Phillips requested that the subcommittee also review educational information that IRS distributes to tax practitioners.

Handelman requested that Phillips provide the EITC Committee with information, as it becomes available, involving the strategy of the Return Preparer Program.

Marketing and Outreach- Chair Malcolmson

Upon Drumel's resignation as chair, Malcolmson volunteered to take over the leadership of this subcommittee.

Malcolmson stated the goals of the subcommittee are: expand participation in EITC, expand participation in the VITA program, and look at the issue of the high rate of non-response to EITC letters.

Malcolmson said it would also be helpful to have more meetings with a SPEC representative, meet with local SPEC officers, and review and evaluate their brochures and other material. A SPEC representative will be invited to at their next teleconference, or if all committee members are interested, at our next committee meeting. We should keep the Powerpoint presentation we received until this future presentation.

The subcommittee agreed that it would be much more effective to market the EITC nationally, rather than on a local basis. Subcommittee members agreed that marketing efforts on the part of TAP could be propelled forward if area committee members became involved in EITC outreach. They requested the list of SPEC's partners/ coalitions involved in the national marketing effort of the EITC as well as the VITA Assessment Document. They expressed concern that EITC-qualifying taxpayers in rural areas might not have good access to volunteer preparation.

The subcommittee decided to place the marketing and expansion of the VITA Program and the study of EITC claimants' non-response to IRS notices in the parking lot at this time as the IRS, per Phillips, is doing studies on both issues. We will work with Phillips to review the results of these studies when they are available.

Over Claims - Chair Vinikoor

This subcommittee has various issues on their agenda. Vinikoor explained the committee is currently gathering input, and will report recommendations for improvements to Form 8867. Handelman will again request input from other committees through the joint committee structure. The second item on the subcommittee's agenda is the recertification process as it relates to Form 8862. The subcommittee will also review its language and instructions to taxpayers.

Vinikoor requested statistics on the number of IRS notices that are sent to EIC claimants and related underclaims or non-responses. Vinikoor mentioned that it might be a good idea to include a copy of Form 8862 in the mailing with the IRS notice.

Member Oloko asked about changing Form 4549. Handelman explained that IRS is currently drafting a Form 4549EZ. Phillips added this EZ form is strictly for EITC use.



New Business

Employer Role in Precertification

Drumel read aloud an email he sent to all members suggesting the development of an innovative program that could assist the IRS in gathering precertification data. His proposal involves employers scanning their employee payroll records in the month of May and earmarking those employees that seem to meet EITC eligibility. The employer would then send a notice to the employee advising him/her of the possible eligibility and of the application requirements (precertification forms). The employer would also send the employee's information to the IRS. The proposal would allow for an effective precertification program and provide precertification data to the IRS. At the same time, Drumel says, IRS would be able to concentrate its resources on the EITC program during its active time period, thus increasing participation and reducing fraud.

Members discussed Drumel's proposal. Tillerson saw this proposal as a mandate, while Handelman thought it was of administrative nature. Phillips clarified the discussion by stating that IRS cannot require employers to forward information on the employees unless it is done under a legislative mandate. Also, IRS may not require employers to distribute EITC information to their employees.

Handelman explained that this proposal might be an opportunity for the committee to join in SPEC's efforts with local coalitions in an effort to bring money into a community. The proposal, she said, would have to be revised and the word "require" replaced.

Maziarz suggested that the Form W-2 be revised to add a "Note" to the recipient making him/her aware of the EIC. Handelman asked that this suggestion be made in writing. Vinikoor suggested a flyer be included with the W-2 when mailed to employees. This may be more efficient than revising the W-2.

Jaffke added that a media blitz on the EIC and the new precertification requirements may be useful.

Discussion ensued on the Advanced Earned Income Credit (AEIC) and Banks explained that most taxpayers do not claim the AEIC because of fear that their situation may change and have a balance due the IRS at the end of the year instead. For personal economic reasons, Banks said, most taxpayers seem to like receiving the large EIC payment as a refund.

Jaffke objected to Drumel's proposal by saying that it would cause all EIC claimants to complete and file the precertification required forms, including those who do not need to precertify. The effect would be the same as including Form 8862 with the tax forms package prior to April 15th. Discussion followed.

After Drumel's attempt to withdraw his proposal, Handelman expressed that she was reluctant to accept the withdrawal and asked Drumel to revise it instead.

Other

Phillips stated that none of the information presented at the May 7, 2003 sessions was to be considered private.

Jaffke recommended that IRS include the box in the Form 1040 that states, "If you want the IRS to calculate the EIC, check the box." This would alleviate numerous math errors on the returns. Phillips requested that this suggestion be made in writing and forwarded to the EITC Program Owners. Handelman requested that this suggestion be worked and referred by the Education Subcommittee.

Public Input

None.



Closing Assessment

Handelman asked members for feedback and comments regarding these sessions. In a round robin members indicated that they found this face-to-face meeting and the participating IRS speakers to be very informative. Meeting Assessment Surveys were returned to Handelman at the end of the meeting.

Handelman thanked the IRS staff and EITC Program Owners for the meeting. She also thanked TAP Director Temple for joining us.

NEXT MEETING:

A tentative teleconference has been scheduled for Wednesday, May 21, 2003 at 2:00 p.m. EDT with Sue Sotille, SPEC Director of Strategic Planning as the featured guest.



Issue Committee (W & I EITC) Meeting Minutes

Date: January 15, 2003

Location: Teleconference

Call to Order

In the absence of Chair Handelman and Vice-Chair DeMarais, Kelly chaired this meeting of the EITC Issue Committee. The meeting was called to order at 2:05PM Eastern Time. Kelly welcomed guest Sara Wilson.

Panel Members Attending

- Daniel Drumel, Wind Lake, WI
- Cheyanna Jaffke, Placentia, CA
- Catherine Kelly, Corinth, ME, Meeting Chair
- Marisa Knispel, Brooklyn, NY, DFO
- Leslie Malcolmson, Detroit, MI
- Shamsey Oloko, Staten Island, NY
- Joe Reder, Richland, WA
- Agnes Tillerson, St. Marys, GA
- Faith Vinikoor, Baltimore, MD
- Nan Wilson, Overland Park, KS

Absent

- Jim Banks, Bozeman, MT
- Robert Burke, Chicago, IL
- Laura DeMarais, Crystal, MN, Vice Chair
- Gwen Handelman, Fort Lauderdale, FL, Chair
- Robert Maziarz, Hainesport, NJ
- Linda Miller, Memphis, TN

TAP Staff and IRS Staff Attending

- Susan Boehmer, EITC Program Manager
- William Phillips, EITC Program Manager
- Jenny Reyes, Management Assistant (Note Taker)

Guest

- Sara Wilson, Government Liaison, H&R Block

Review and Approval of Minutes

Reder made a motion to approve the minutes and Vinikoor seconded it. The minutes of the previous meeting were approved by the committee.

Reder asked if copies of IRS forms and publications on CD-Rom were available to members yet. Other members requested them as well. DFO Knispel will order and have them sent to all EITC committee members.



Chair Reports:

Kelly read Handelman's report to the EITC Committee. The Joint Committee has not held a teleconference since last reported.

Handelman proposed possible liaisons between the committee and the ABA Tax Section and the IRS Advisory Council (IRSAC) to work on EITC issues. DFO Knispel discouraged an alliance with IRSAC or other IRS advisory units at this time as premature. She stated that a liaison of this type may represent a conflict of interest and the concern has been referred to upper TAP management. The matter is therefore tabled at this time.

Handelman encouraged members to use the Optional Conference Call Feedback Form (Attachment) created by the Joint Committee to provide their opinions on conference calls. Members' discussion centered around a preference that the form be available to fill-in and transmit on-line. It currently must be printed, filled out and then mailed to someone. Malcolmson asked whom it should be sent to. Knispel responded either to her or to Chair Handelman. DFO Knispel will investigate the possibility of having a fillable on-line form.

Handelman also provided committee members with the Self Assessment Form (Attachment) that they will use to evaluate their activities and participation as a TAP member at the end of the fiscal year. The Joint Committee also created this form. Kelly asked members to review the form, as they will be asked to provide feedback on it at the next meeting.

Subcommittee Reports:

Kelly reported that a conference call for subcommittee chairs was held on January 2, 2003 where they agreed to have their subcommittees meet to formulate action plans and plan the direction of each subcommittee before the meeting on February 19, 2003. She encouraged chairs to utilize an agenda to keep members focused and meeting times down.

Education, Publications and Forms- Chair Kelly

Kelly indicated the subcommittee would examine and provide feedback on publications related to the EITC, including Publication 596 and the EIC forms. She said they will also discuss DeMarais' "proposal of pre-certification.

Marketing and Outreach-Chair Drumel

Drumel stated that members of the subcommittee are individually examining various aspects of EITC outreach. He indicated that he hasn't found e-mail a productive way for this subcommittee to accomplish its work and is looking forward to having a teleconference meeting.

Drumel reports that efforts to compile data from local organizations through direct contact have not been particularly successful. Program Owner Boehmer suggested that he meet with representatives from the SPEC organization to acquire background information on their outreach efforts.

Over Claims - Chair Vinikoor

Vinikoor proposed a teleconference for this subcommittee for January 31 at 1 p.m. Eastern Time. The preliminary agenda includes overclaims prevention and the EITC recertification process.

In order to address prevention, Vinikoor stated that the subcommittee needs to examine statistical information on who actually prepares EIC returns and the education/training they receive from the IRS. She expressed enthusiasm for Geoffrey Gerbore's presentation at the last full committee meeting, and looks forward to visiting Brookhaven and gaining a better understanding of the process.

The subcommittee will also examine Forms 8862 (Information To Claim Earned Income Credit After Disallowance) and 8867(Paid Preparers' Earned Income Credit Checklist).



Vinikoor suggested members read the sections of the newly released NTA 2002 Annual Report to Congress dealing with EITC issues. Knispel stated that we would receive print copies as they become available. Vinikoor also requested information on IRS partnerships. DFO Knispel indicated the possibility of inviting a representative of the SPEC organization to participate at the next teleconference.

Other Issues

DFO Knispel confirmed that Sprint telephone cards are being held in the Seattle office and will be distributed soon to members. Members need to sign and send back a form to receive cards.

Kelly read the proposed Statement of Purpose for the EITC Committee from a January 12 email from Handelman for approval of members. No changes or corrections were made. Wilson moved to accept the document and Reder seconded the motion.

Knispel will get all committee members an updated list of contact information for the group, as there have been changes since the last revision. Reder mentioned that he may be traveling a lot more in the future, but his e-mail will be forwarded to him.

Knispel recommended members check with their area analysts regarding business cards, as they will be distributed by area. She said the cards were delayed because a new logo was going to be designed. In the end, an interim logo was used.

Knispel stated that members were sent a sample of a pink and white flyer, which can be displayed in public locations. Vinikoor expressed interest in getting more of the "Speak Up" brochures with the space for comments to be returned to TAP if they are available. Members should contact their area analysts for additional copies of these marketing tools, Knispel added.

Reder also inquired if the IRS has any alliances with tax software companies. Program Owner Boehmer indicated that numerous taxpayers will be able to use free software that is available on the IRS website for preparation, but it does not specifically target EITC filers.

Open Remarks

Jaffke indicated that she felt that accomplishments have been made in our committee. Other members agreed. Guest Sara Wilson enjoyed the discussion.

Next Meeting

The next teleconference meeting of the EITC Issue Committee is scheduled for Wednesday, February 19, 2003 from 1:00 PM to 2:30 PM Eastern Time.

Meeting Close

The meeting adjourned at 3:00 PM Eastern Time.

Attachments:

EITC Committee Statement of Purpose

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