



## **2006 Meeting Minutes Earned Income Tax Credit (EITC) Issue Committee Meetings**

- December 13, 2006
  - November 14, 2006
  - October 10, 2006
  - August 8, 2006
  - June 11, 2006
  - April 21-22, 2006
  - March 14, 2006
  - February 14, 2006
- 

**W&I Earned Income Tax Credit Committee Meeting Minutes  
December 13, 2006, 8:00 AM – 12:00 PM  
Hyatt Regency Washington on Capital Hill  
400 New Jersey Avenue, Washington, DC**

**Program Owner**

- Williams, David - Director, EITC and Health Coverage Tax Credit

**Designated Federal Official**

- Ramirez, Sandra - Brooklyn, NY - Panel Member

**Committee Members Present (These attendees count for quorum)**

- Broniarczyk, Robert - Romeoville, IL - Panel Member
- Chen, Betty - Pound Ridge, NY - Panel Member
- Cooper III, Dale - Atlanta, GA - Vice Chair
- Davis, JoAnn - Scott Depot, WV - Panel Member
- Kennedy, Jeffrey - Louisville, KY - Panel Member
- Lester, Judy - Chapel Hill, NC - Panel Member
- Sosa, Iris - Fontana, CA - Panel Member
- Tanna, Wayne - Honolulu, HI - Panel Member
- Wernz, Stanley - Cincinnati, OH - Chair
- Widmer, Harris - Fargo, ND - Panel Member

**Committee Members Absent**

- Rivera, Ralph - Garland, TX - Panel Member

**TAP Staff**

- Jenkins, Audrey - Brooklyn, NY - Analyst
- Odom, Meredith - Brooklyn, NY - Secretary



## **Other Attendees**

- Woo, Beadsie, Retiring Chair, 2006 EITC Committee
- McDavid, Elijah, Policy Analyst, EITC Office
- O'Brien, Mary, Program Analyst, EITC Office
- Tiah Roberts, Program Analyst, EITC Office

## **Introduction, Agenda Review & Icebreaker**

Ramirez greeted both new and returning members, reviewed the agenda and gave members a chance to introduce themselves by doing an icebreaker.

## **Roles, Committee Structure & Expectations**

Woo explained:

- Roles of Staff, Program Owners, Chairs and Members
- Subcommittee
- Protocol, Participation & Quorum

## **Election Process**

Ramirez explained the election process for Chair and Vice Chair Positions.

## **Roles of the Committee Chair and Vice Chair Presented by Woo Chair**

- Serve as the representative for the Area on the Joint Committee (JC)
- Present the final Area committee's recommendations to JC
- Lead committee Meetings
- Partner in the development of meeting agendas
- Ensure decision are made by consensus within the committee
- Prepare an annual self-assessment
- Prepare a monthly committee report
- Ensure everyone on the Committee is heard
- Keep TAP Staff informed of all needs
- Ensure committee receives all research and documentation needed to make recommendations
- Delegate chair responsibility to the vice-chair or other committee member, on occasion, when unable to attend a meeting or perform a Chair duty
- Respond timely to all staff and Joint Committee requests and inquiries

## **Vice Chair**

- Serve as a back-up for Chair
- Perform other duties on a regular basis as agreed upon with Chair and TAP Staff

## **Committee Accomplishments in Fiscal Year 2006**

Woo gave a brief summary of the issues the 2006 EITC Committee worked on and what accomplishments were made.

## **Election of Chair and Vice Chair**

Chair – Stanley Wernz

Vice Chair – Dale Cooper



### **Establishing Structure:**

- **Teleconferences Dates** – 2nd Monday at 10:30 A.M. ET on alternate months (odd months)
- **Face to Face Meeting Date** – May 31, 2007 – June 2, 2007
- **Formation of Subcommittee** – To be determined at a later date

### **Program Owner Presentation**

Williams, O'Brien and Roberts addressed the committee and did an overview of the EITC program, and addressed the expectations of the members and the program owner.

EITC population now includes a number of Limited English Proficient Taxpayers, an increase in Schedule C filers, and non traditional families. The EITC program faces considerable challenges in meeting its goals which are to increase participation among eligible taxpayers and to reduce the amount of EITC paid in error.

In 2005 the Commissioner had a five point initiative supported by \$50 million in FY 2004 and \$25 million in FY2005. They were to reduce the backlog of EITC examinations, improve the audit process, encourage eligible taxpayers to claim EITC, refocus compliance efforts on those whose income is too high to claim the credit and test approaches to certifying eligible children and other issues with a high risk of error.

The IRS has been conducting tests to address the three main sources of EITC errors. EITC is also improving the return preparer strategy. The return preparer strategy goals: are methodical and balanced between compliance and outreach; are multi-year and research-driven; support(s) results based business decision making. Prior to expanding scope of strategy, objectives are: to identify the best tools to select potentially non-compliant preparers; to identify trends/patterns; to refine selection criteria and selection tools; and, to maintain the results of these visits to track the behavior of the preparers that receive(d) due diligence visits. The other efforts to reduce EITC errors are: to analyze EITC returns to develop more complete information on EITC compliance; to develop new tools for EITC examiners to improve audits and reduce audit errors; to implement paid preparer programs to address non-compliant tax preparers; to develop examination strategies that respond quickly to changing trends; and, to identify and test new sources of data to systemically verify/validate EITC claimant information. Determining eligibility can be difficult for IRS and taxpayer because EITC requirements are complex, much of the required information is not available on tax returns or reported to IRS by third parties, supporting documentation (such as school records) may not be readily available to taxpayers, final determination may require IRS to look into living situation of taxpayer and especially difficult given the wide variation in American living arrangements. The EITC Assistant is an easy-to-use web-based tool that shows you whether you qualify for the EITC, and why. It is available in English and Spanish. There are three Electronic Toolkits to address EITC issues based on specific audience needs. They are (e)Electronic (t)Toolkit for (p)Partners, (e)Electronic (t)Toolkit for (p)Practitioners and (p)Press (k)Kits.

O'Brien requested the members (to continue) to review the websites provided ([www.eitcforpractitioners.com](http://www.eitcforpractitioners.com); [www.irs-eitc.info/spec/](http://www.irs-eitc.info/spec/); [www.irs.gov/eitc](http://www.irs.gov/eitc)). She will be providing them with the task at the January teleconference.



**EITC Committee Meeting Minutes  
November 14, 2006  
12:00 Noon ET  
Teleconference**

**Program Owner**

- O'Brien, Mary

**Designated Federal Official**

- Ramirez, Sandra

**Committee Members Present**

- Broniarczyk, Robert - Romeoville, IL - Member
- Davis, Blanche - Rehoboth Beach, DE - Member
- Margulies, Howard - North Easton, MA - Member
- Mitchell, Neil - Provo, UT - Vice Chair
- Richardson, Lovella - Knoxville, TN - Member
- Uhrig, Edward - Lusk, WY - Member
- Beadsie, Lillian - Durham, NC - Chair

**Committee Members Absent**

- Lawler, Mary Ann - Dearborn, MI - Member
- Natter, Joyce - Miami, FL - Member

**TAP Staff**

- Jenkins, Audrey - Brooklyn, NY - Analyst
- Odom, Meredith - Brooklyn, NY - Secretary

**Other Attendees**

- Knight, David, Program Analyst EITC Office

**Welcome/Announcements/Review Agenda**

Beadsie welcomed the committee and reviewed the agenda.

**Roll Call (quorum met)**

**2007 EITC Committee**

Broniarczyk will be the only returning member to the EITC Committee.

**Preparation**

- **Orientation Package** – The committee provided Beadsie with feedback to the orientation package. The EITC program Office will also cover Child Tax Health Credit; however that will not change the name or the focus of the committee. Margulies provided the panel with a

website called mymoney.gov, which has an information section on EITC. He also suggested a fact sheet on items you must know will also help bring the new members up to date. Beadsie suggested the EITC Office do a brief orientation with the members.

- **Mentoring** – Beadsie asked the committee to become creative with ideas for mentoring the new members. Broniarczyk would like to call and address the new members of the committee. Broniarczyk would like the members provide information on the survey for tax preparers. O'Brien agrees with Broniarczyk, because groups like H&R Block, etc, get information out to preparers on difficult subjects quickly. The EITC committee should come up with a ways to get information out to different areas about EITC.

### **Committee Feedback**

- **Annual Assessment** – Beadsie informed the committee that the top part of the assessment will become part of the annual report to Treasury. If anyone has any comments or any changes, please submit them before the Annual Meeting. On the second page of the assessment form, there is a section where the panel members can give feedback on the committee, TAP staff and IRS interaction. Beadsie requested that all information on the committee, Tap Staff, and IRS be sent to her for her to compile. All Chair assessments should be sent directly to Audrey.
- **Frequency of Committee Meetings** – A suggestion is that all committees move meetings to every other month. Most of the members feel that monthly meetings are very important in the beginning, and as time goes on, then, maybe meetings can be held every other month giving them more time to meet in subcommittees.

### **Subcommittee Reports**

**Richardson** – The members of the Immigration/Language Subcommittee were inspired by Johns in the first meeting to come up with an idea on how immigration would affect the earned income tax credit. The committee chose the 5 countries that had the largest number of legal permanent residents coming into the USA. Then it was narrowed down to the top 5 areas where the immigrants settled. When the 2005 statistics were compiled it revealed that, Mexico, India, China, Philippines and Vietnam are the 5 countries with the most immigrants in 2005. Then it was narrowed down to the most common speaking language in the county. The Mexicans had the largest amount of immigrants (161,445). They settled in Las Angeles, Chicago, Houston, Dallas and San Diego. India has the second largest number (84,681). The Hindi language was used and they settled In New York, Chicago, San Jose, San Francisco and Washington, DC. The Chinese were 3rd. The mandarin language was chosen. The immigrants from China (69,967) settled in New York, San Francisco, Las Angeles, Boston and Chicago. Immigrants from the Philippines (60,748) settled in Las Angeles, New York, San Francisco, Chicago and San Diego. The Vietnamese (32,784) settled in Las Angeles, San Jose, Houston, Dallas and San Francisco. Davis and Mitchell thanked Richardson for being so determined in getting this information. O'Brien stated that this information was helpful to the EITC office as it revealed some of the resources they didn't know existed.

**Mitchell** – The subcommittee discussed the fact that there is an overpayment of 11-14 billion dollars out of about 32 billion paid (2004 figures) and that 20% of the people who qualified for the credit do not receive the EITC. The first issue was legislative so it was not discussed beyond the fact that it probably consisted of one third fraud, one third ignorance of the law and honest mistakes; and one third unknown. It is believed that much of the second problem may be due to poorly trained preparers. These are small time individuals who usually disappear after April 15TH. The problem is when one of these people puts an advertisement in the news paper or does returns for friends and family, the recipient of the service does not realize their preparers limitations. It was pointed out to the committee that the IRS has access to a complete list of these small time preparers. The committee decided that it might be very advantageous to bring some of these people into focus groups to learn better means of helping them gain the information that might be helpful to them. Mass mailings to the small "mom and pop" operators was also discussed. The committee would like to



get the word out about EITC. The Tax Preparer/Technology Committee is looking into developing a survey for Tax Preparers. O'Brien thanked the committee for their work.

**Other Comments**

N/A

**Public Participation**

N/A

**Action Items**

**Full Committee**

- Respond to Broniarczyk's email which will describe the upcoming work around the focus groups and surveys for 3rd party preparers.
- Complete the committee assessment. Send comments about the Chair to Jenkins and all other comments to Beadsie before the Annual Meeting.

Beadsie wished the committee the best in the future and expressed her delight in working with everyone.



**EITC Issue Committee Meeting Minutes  
October 10, 2006  
12:00 Noon ET  
Teleconference**

**Program Owner**

- Knight, David, Acting, Supervisory Program Analyst, EITC Office
- O'Brien, Mary, Program Analyst, EITC Office

**Designated Federal Official**

- Ramirez, Sandra

**Committee Members Present**

- Davis, Blanche - Rehoboth Beach, DE
- Lawler, Mary Ann - Dearborn, MI
- Margulies, Howard - North Easton, MA
- Natter, Joyce - Miami, FL
- Richardson, Lovella - Knoxville, TN
- Uhrig, Edward - Lusk, WY
- Woo, Lillian - Durham, NC - Chair

**Committee Members Absent**

- Broniarczyk, Robert - Romeoville, IL
- Mitchell, Neil - Provo, UT - Vice Chair

**TAP Staff**

- Jenkins, Audrey - Brooklyn, NY
- Odom, Meredith - Brooklyn, NY

**Public Participants**

Mark Heffman, H & R Block, Washington, DC  
Robert Weinberger, H & R Block, Washington, DC  
Rachel Rosner, Center on Budget and Policy Priorities, Washington, DC

**Welcome**

**Woo welcomed all members, IRS staff and public participants.**

**Roll Call (quorum has been met)**

**Year End Meeting**

Woo stated although the committee normally has meetings on alternate months she suggests having a November full committee meeting prior to the Annual Meeting to final any projects and complete the committee's self assessment. The meeting will be scheduled for the second Tuesday of the month, November 14, 2006 Noon ET.

**Subcommittees Report-Out**



### **Return Preparers/Technology**

Natter – The subcommittee is working on a survey that will be sent to tax preparers. The committee would like to know if the IRS has the capability to break down the tax preparers by categories. This will allow the committee to gear the survey according to different groups. The subcommittee will schedule a call that will include O'Brien to decide whether or not the survey should take place and when it can be administered.

### **Demographics/Immigration**

Richardson – The committee has received information from Homeland Security and the US Citizenship and Immigration Services. The proposal has been revised and approved by the committee, but it has not been forwarded to the EITC Office. The five highest legal permanent resident countries are Mexico, India, Philippines, Vietnam, and China. They were divided among the four subcommittee members. The original goal was to help the EITC office to budget the EITC funds for tax payers, but the data were not available. The committee has found information on immigrants which includes illegal aliens who do not pay taxes, but information on legal permanent residents (who pay taxes and are eligible for EITC) is incomplete. This is an unsettled problem on which the committee is asking for help from O'Brien and Knight. The information that was found for 2001 -2003 was used to make projections for 2004 which were then compared to actual statistics for 2004 without much success. The committee could not find any consistent trend with accuracy. Woo would like to know where the five largest language groups are settling in terms of metropolitan areas. O'Brien would like to see the draft.

### **Other Comments**

Philcox has been promoted and will no longer be overseeing the work of the EITC Committee. Knight will be temporarily replacing Philcox. O'Brien is still the person whom the committee can count on to assist them. Woo reminds the committee that the year is ending so it is important to get their work up to date to be handed off to the next group of TAP EITC Committee volunteers. This is Woo's last year as a member of the Taxpayer Advocacy Panel; she will be resigning at the end of this year. Woo asked the members to think about serving in a leading capacity.

### **Public Participation**

Heffman asked for an update on what the committee is working on overall. Woo informed him that the Immigration/Language Subcommittee were in the process of identifying the five largest language groups migrating to the US and the Tax Preparer/Technology Committee was working on a survey.





## **Issue Committee (W & I EITC) Meeting Minutes**

*August 8, 2006 12:00 Noon EDT*  
Teleconference

### **Program Owner**

- Knight, David, EITC Management and Program Analyst
- O'Brien, Mary, EITC Analyst

### **Designated Federal Official**

- Sandra Ramirez, Brooklyn, NY

### **Committee Members Present (These attendees count for quorum)**

- Broniarczyk, Robert, Romeoville, IL
- Davis, Blanche, Rehoboth Beach, DE
- Margulies, Howard, North Easton, MA
- Natter, Joyce, Miami, FL
- Richardson, Lovella, Knoxville, TN
- Uhrig, Edward, Lusk, WY
- Woo, Beadsie, Durham, NC, Chair

### **Committee Members Absent**

- Lawler, Maryann, Dearborn, MI
- Mitchell, Neil, Provo, UT

### **TAP Staff**

- Jenkins, Audrey Y., Brooklyn, NY, Analyst

### **Other Attendees**

Mark Helfman, H&R Bock  
Steve Lewis, Jackson Hewitt  
Hanna Oakland, Center on Budget & Policy Priorities

### **Welcome**

The committee meeting was called to order by Woo at 12:01 PM who welcomed the committee and public participants.

### **Roll Call**

Quorum met

### **Subcommittee Report Out:**

#### **Demographics/Immigration Subcommittee (Richardson, Davis, Uhrig, Woo)**

Richardson reported that the sub-committee met via teleconference this morning, 8/8/06 at 10:00 AM EDT and has been corresponding via email since the June full committee meeting. The committee has



obtained information on refugees, immigrants, low income individuals, and etc. They have researched the United States Citizen Immigration Services, Homeland Security, Office of Refugees as well as the Census Bureau. The committee is going to concentrate on locating limited English proficiency pockets of immigrants and identify what their needs are and how IRS can better serve this community. This will be accomplished by dividing the United States into four sections and assigning a section to each subcommittee member to define where pockets of immigrants have settled. While conducting this research it was discovered that USCIS does not assign individual case workers to immigrants but they do affiliate with other organizations like Catholic Charities and other Jewish associations.

**Return Preparers/Technology Subcommittee  
(Broniarczyk, Margulies, Mitchell, Lawler, Natter)**

Natter reported that at the last subcommittee meeting the committee finalized the Large Corporation insert which was the pre-read for today's meeting. The previous suggestions were incorporated into the document. Because the committee is suggesting that employers distribute the insert with their employee's payroll stubs, O'Brien suggested that the committee research the American Payroll Association and see how things work. Woo suggested the committee emphasize in the memo why they believe the insert is a good idea. Insert and memo were approved with corrections by consensus.

Margulies will correct his Tax Preparer letter per the June meeting minutes and forward to Jenkins.

The subcommittee also discussed maybe developing a survey for Tax Preparers on how they interact with taxpayers, which may be the next project.

**Year End**

Woo informed the Committee that since the Annual meeting is not until December, Committees will continue to work through November. That leaves 3 1/2 months for the committee to work on their projects. She asked that they think about projects which will continue beyond this year, because the EITC office can have a start and maybe continue next year.

**Public Input**

Steve Lewis, Jackson Hewitt- suggested that the Tax Preparer/Technology subcommittee as an alternate supply large corporations with EITC marketing materials to be distributed onsite.

**Recap New Action Items/Meeting Assessment**

Woo informed the committee that as a result of the last full committee meeting survey results, "too much time spent on minor details", the comment is fully noted. Jenkins will be sending out this month's meeting survey.

**Closing/Assessment**

Meeting adjourned at 12:44 PM EDT

**Next Meeting**

Tuesday, October 10, 2006 at 12:00 Noon EDT



## **Issue Committee (W & I EITC) Meeting Minutes**

*June 11, 2006 12:00 Noon EDT*  
Teleconference

### **Program Owner**

- Knight, David, EITC Management and Program Analyst
- Philcox, Crystal, EITC Supervisory, Management and Program Analyst
- O'Brien, Mary, EITC Analyst
- Roberts, Tiah, EITC Analyst

### **Designated Federal Official**

- Sandra Ramirez, Brooklyn, NY

### **Committee Members Present (These attendees count for quorum)**

- Broniarczyk, Robert, Romeoville, IL
- Davis, Blanche, Rehoboth Beach, DE
- Lawler, Maryann, Dearborn, MI
- Margulies, Howard, North Easton, MA
- Natter, Joyce, Miami, FL
- Richardson, Lovella, Knoxville, TN
- Uhrig, Edward, Lusk, WY
- Woo, Beadsie, Durham, NC, Chair

### **Committee Members Absent**

- Mitchell, Neil, Provo, UT

### **TAP Staff**

- Jenkins, Audrey Y., Brooklyn, NY, Analyst
- Odom, Meredith, Brooklyn, NY

### **Other Attendees**

- Taylor, Selma S., Chicago, IL, LTA

### **Public Participants**

- Matisui, Amy, Washington, DC, Public Participant
- McCluer, Dam, Public Participant

### **Welcome**

The committee meeting was called to order by Woo who welcomed the committee and thanked Jenkins for sending out the pre-read on Tax Preparers. Woo also informed the committee of two resignations, Mavis Smith, Chula Vista, California and Clifford McKenzie, Del City, Oklahoma.



**Roll Call**  
**quorum has been met**

**Subcommittee Report Out:**  
**Return Preparers/Technology Subcommittee**  
**(Broniarczyk, Margulies, Mitchell, Lawler, Natter)**

Lawler discussed that the subcommittee is in the process of submitting a recommendation. Woo stated this is very similar to the letter that went out to David Williams. Jenkins stated that the draft letter that O'Brien and the entire committee received is for the entire group to give input. Margulies mentioned that the contents of the letter, is a reminder to Preparers about the existence of the EITC that also identifies the publications and websites available to access the information. In addition, it reminds them of the "Whistleblowers" program to try to reduce the number of improper claims being sent out. It is anticipated that this would be mailed to Preparers by the end of the year allowing time for the upcoming tax season. Woo suggested making that mention in the insert. Jenkins will make a change to the beginning of paragraph two to state the IRS and not the Committee would like to make sure... (Tax preparers don't know the TAP EITC committee). Richardson suggested that Publication 3211M (Will you qualify for the EITC this YR.) in English and Spanish, Publication 3524 (EITC eligibility checklist) and Form 8867 (Paid Preparers EIC checklist) should also be included on the list. Woo suggested restructuring paragraph two, to a bullet style list to so it stands out. Woo suggested having a contact name, office or web address if the tax preparer has any questions; O'Brien suggested that the Tax Preparer Priority Line be the contact number. O'Brien suggested the cover letter should state why the committee feels this system will work. O'Brien liked all of the members' suggestions in regards to the Preparer Insert. O'Brien wants the subcommittee to see what's on EITCforTaxpreparers.com to see if there is anything missing (e.g.—should there be more information for underserved groups) and let the EITC office know. Mitchell explained to the committee about the Whistleblower Program. O'Brien suggested looking on the website at the due-diligence requirements for the preparers. The committee should decide whether this information is more applicable to taxpayers or preparers. Woo suggested the letter is not ready to go, and that the subcommittee take a look at the EITC for Tax Preparers website and figure out whether it has all of the information that would be helpful. Focus should be on the underserved population and other things that were identified. This should help refine the flyer and help to think about how the flyer should be disseminated. Woo also suggested the subcommittee look at the materials that Knight and Philcox gave them on how to put together a project and try to cover those points. This will also give the EITC programs owners some time to give more feedback. O'Brien feels the idea is great; getting better participation (more legitimate claims filed) and getting it right the first time are goals of the EITC program. This will help the people who are applying get the credit they deserve.

**Demographics/Immigration Subcommittee**  
**(Richardson, Davis, Uhrig, Woo)**

Richardson discussed the subcommittee's proposal which was written by Woo. A copy of this proposal went to the subcommittee, David and Crystal. The subcommittee decided to get:

- estimates of the number of immigrants by country of origin
- projections of how many immigrants will seek citizenship
- projections of how many will be eligible for EITC

Then, hopefully the IRS would be able to anticipate changes in the EITC claims due to immigration. Then the subcommittee will focus on the following questions:

- from which countries are immigrants arriving?
- does the country of origin increase the likelihood that an immigrant will become a US citizen ?
- which of those immigrants that become citizens will be eligible for the EITC?
- in terms of likelihood of citizenship and likelihood of EITC eligibility, how do refugees differ from other immigrants?



- does Office of Refugee Resettlement make projections on the percentage of refugees that will become citizens?

Davis provided the committee with copies of documents from Homeland Security and the Office of Immigration Statistics which show which countries immigrants come from and in which states they live. These show the distribution across the states of the immigrants' region of origin. In 2000-2004, 849,807 immigrants arrived in the U.S. from all countries, and in 2004, the number was 946,142. The map that Davis provided shows the state of residence and total figures. Woo provided the committee with a map that showed the distribution of households in poverty by state of residence. Jenkins will send the entire subcommittee color copies. Woo provided the committee with information she received from the Office of Refugee Resettlement. There are 58 countries from which immigrants came to the US in 2004 and 54 countries of origin in 2005. The total number of refugees was 68,999. Cuba, Russia, Somalia, and Liberia are the countries from which most of the refugees came. There are two tables that had poverty status by age and sex. People aged 25-34 had the highest level of poverty. Poverty status by educational level showed that 47% of the people that worked 27 weeks or more are people that have less than a high school diploma. Woo states the map she provided was for the entire US, and not only for refugees. Jenkins will load a pdf of the maps to Tap Speak. Richardson reviewed publication 519 and instructions and forms for the 1040 non-resident alien. Residence aliens are those that spent at least 31 days in the US during the current year and at least 183 days in the 3 years. They have to file 1040 forms, and it's possible for them to get earned income credit. The non-resident aliens that file form 1040NR are not eligible for EITC unless they file married jointly. O'Brien informed the committee of a bill that is in congress right now that pertains to immigration. O'Brien will pass a copy of this bill on to Jenkins, and she will pass it on to the entire committee. The bill has not been passed yet, but it is something the committee can keep their eye on.

Knight would like for the committee to think of ways to apply this will be useful for the contents of the report. Knight will document this and get it back to the committee, and this will include feedback from Philcox and the EITC office. Jenkins will supply the committee with hard copies of the information on John's CD.

### **Public Input**

Dominick McClure, H&R Block, would like copies of the minutes from this call.

Matsui wants to know if the committee has coordinated with the LMI TAP Panel to outline publications and forms that would be useful in other languages. Woo states the LMI committee has its standards and the EITC committee is aware of the work that was done in previous years and is incorporating that.

### **Recap New Action Items/Meeting Assessment**

#### **All**

- Woo wants the members to fill out the Meeting Assessment forms and return them to Jenkins

#### **Sub-committee Chairs**

- set up meetings with the committees for next month

#### **Jenkins**

- send out instructions on setting up sub-committee calls using calling cards
- send meeting minutes to Dom McClure
- send article on immigration to full committee



**O'Brien**

- Send article on immigration in Congress to Jenkins for distribution

**Tax Preparer/Technology Subcommittee**

- The letter that is in draft form that is going to David Williams is not going to be circulated until more work is done.

**Closing/Assessment**

Meeting adjourned at 1:10 PM EDT

**Next Meeting**

Tuesday, August 8, 2006 at 12:00 Noon EDT



April 21-22, 2006  
1111 Constitution Avenue NW  
Washington, DC 20224

**Friday, April 21, 2006, 8:30 AM – 5:00 PM**

**Program Owner**

- Philcox, Crystal—Director, EITC Systems/Stakeholder Engagement

**Designated Federal Official**

- Ramirez, Sandra — Program Manager/DFO

**Committee Members Present (These attendees count for quorum)**

- Broniarczyk, Robert — Romeoville, IL
- Davis, Blanche— Rehoboth Beach, DE
- Lawler, Mary Ann — Dearborn, MI
- Mitchell, Patrick — Provo, UT
- Richardson, Lovella — Knoxville, TN
- Smith, Mavis — Chula Vista, CA
- Woo, Lillian (Beadsie) — Durham, NC, Chair

**Committee Members Absent**

- Margulies, Howard — North Easton, MA
- McKenzie, Clifford — Del City, OK
- Natter, Joyce — Miami, FL
- Uhrig, Edward — Lusk, WY

**TAP Staff**

- Coston, Bernard — TAP Director
- Jenkins, Audrey — TAP Analyst
- Odom, Meredith — TAP Management Assistant

**Other Attendees**

- Johns, Vivianne — EITC Senior Program Analyst
- Knight, David — EITC Senior Program Analyst

**Welcome/Review Agenda**

Beadsie welcomed all members and IRS staff. The meeting was opened at 8:32 am.

**Roll Call**

Quorum Met



### **Committee Update**

Woo and Coston gave the committee an overview on the meeting with IRS Commissioner Mark Everson. There was a discussion on how TAP could protect personal privacy with the sale and distribution of data becoming more common. VITA and TCE sites can be an asset to the organization in the future. Woo and Coston also reported on the meeting with Sue Sottile. Sottile's recent response to a set of recommendations from Area 2 addressed each separate recommendation, making it easier for TAP members to understand what can and cannot be changed.

### **National Office Update**

The recruitment process is going well. As of April 21, 2006 (with one week left in the application period), 455 computer applications had been submitted online, and 20 paper applications received. There are over 1000 online applications in draft form. These applicants were contacted and reminded to complete their applications. There are only 28 vacancies for panel members, and the website lists which states have vacancies. TAP recruitment is on the front page of IRS.GOV. Articles also appeared in local newspapers as well as the Wall Street Journal. A timeline of late May and early June has been set for ranking and Interviews. By August, selected applicants' names will go to Treasury for final approval. The 2006 Annual Meeting will take place the second week of December. Chair training was beneficial and will continue to take place.

### **Researchers**

Johns presented the committee with a handout about research on what we do and do not know about EITC customers. The research was conducted to establish the population's size, understand the population's needs, identify trends, determine where to target customer assistance efforts, educate, and measure effectiveness. What the IRS needs is information to improve EITC participation by qualifying individuals, including ways to leverage Tax Preparers, identifying and prioritizing the needs of individuals with language barriers, and making suggestions that improve EITC return accuracy.

### **Technology Projects**

Philcox presented the committee with a handout. In TY1999, there were \$8.5 - \$9.9 billion in improper payments on claims totaling \$31 billion, 27 -32% percent payment error rate.

#### Key EITC Program Influences

Commissioner's Five Point Initiative supported by \$50m in FY2004 and \$25m FY2005

- Reduce the backlog of EITC examinations
- Improve the audit process
- Encourage eligible taxpayers to claim EITC
- Refocus compliance efforts on those whose income is too high to claim the credit
- Test approaches to certifying eligible children and other issues with a high risk of error

#### Improper Payments Improvement Act (IPIA)

- Requires measures of improper payments, reduction targets each year
- EITC is one of the "big" 7 programs covered – some of which have difficulty complying with IPIA
- OMB still considering how to establish a measurable program goal tied to specific program actions
  - Seeking erroneous payment measure that can be tied to program inputs / activities
  - Initial discussion focused on erroneous payment rate but this turns out to be expensive and difficult to tie directly to program activities
  - Considering focus on amount of revenue protected/recommended
  - Approximately \$1.8 billion in revenue protected from examinations, math error, AUR, Automated Under Reporter Operation and document matching in TY2003





A key component of the EITC office mission is to work with IRS operations that do EITC work to improve performance.

Spanning four filing seasons, EITC-R delivered functionality to many processes that touch EITC taxpayers and their agents. EITC-R releases delivered +/-50% of the concept of operations (+/-50% of the concept of operations remains undelivered). With EITC-R, IRS expects to see improvements in performance.

EITC administration will benefit from projects planned for 2007-9.

### **FY 07 Outreach Campaign**

Philcox presented the committee with a handout on EITC Marketing. The marketing campaign consists of focused initiatives to create national awareness of the EITC, educate the diverse EITC taxpayer population, and promote a call to action.

Marketing Goals Focus on Customer Segments:

1. EITC eligible taxpayers – Focus on Awareness

- Eligibility Requirements
- Limited English Proficient Taxpayers
- Tools to determine eligibility (EITC Assistant)

2. Tax Professionals – Focus on Education

- Avoiding Major Errors
- Due Diligence Requirements
- Tools to Help (Electronic Toolkits)

3. Media – Focus on Information

- Public Service Announcements
- Tools providing information

The 2006 Marketing Products for Taxpayer Awareness will include publications in English and Spanish and advertisements. For Limited English Proficient Taxpayers, there will be:

- EITC Grassroot Events
- Telemundo Infomercial
- Stakeholders (SPEC)

There will be tools for taxpayers, like EITC Assistant on [www.irs.gov](http://www.irs.gov). Tax professionals will receive email blast and direct mail, and there will be Tax Forums for them to attend.

Three Toolkits target diverse audiences:

- Tax Preparation Volunteer Groups (VITA, AARP, LITC)  
[www.irs-eitc.info/SPEC](http://www.irs-eitc.info/SPEC)
- Tax Professionals  
[www.eitcfortaxpreparers.com](http://www.eitcfortaxpreparers.com)



- Media Press Kit  
[www.ws-wr.com/epk/](http://www.ws-wr.com/epk/)

### **Certification Test**

Philcox and Knight presented the committee with a handout on EITC Qualifying Child Certification, A Case Study for Business Process Reengineering.

EITC has a 5-phase work plan

- Local focus project
- Form focus groups
- Immigration & Language Barriers
- Tax Preparers
- Demographics

### **Certification Concept**

Treasury / IRS Task Force looked beyond traditional approach to tax administration work. Certification is a hybrid of tax administration and typical federal benefits administration.

Compared to tax administration of EITC, traditional benefits delivery mechanisms, such as food stamps and TANF (Temporary Assistance for Needy Families, have higher administrative costs, lower error rates, and lower participation rates. The key difference between EITC and the other programs is its approach to verifying eligibility. Other benefits programs have much more stringent “up -front” controls to verify eligibility. Many employ case workers (thus raising administrative costs).

### **Developing Project Plans & Research Techniques**

Philcox and Knight distributed descriptions and templates with which to define, implement, and complete projects.

### **Sub-committee Report Out**

Demographics – Davis visited several websites. Kevin Mullen was the IRS contact who provided efile demographic data. Preliminary exploration of rural vs. metropolitan counties.

Immigration – Richardson reported needing more subcommittee members.

Tax Preparers – Mitchell discussed how to get tax preparers to get the word out to have taxpayers file for EITC. They would like preparers to find ways to ask taxpayers more questions to see if they are eligible for the EITC.

Technology – Smith would like to find a way to use technology to market EITC to low income families.

1. IRS knows 25% of taxpayers don’t claim EITC credit.
2. IRS has information on dependents & income. Why can’t the IRS send letters to taxpayers to urge them to file?
3. Majority of low-income taxpayers don’t use technology.

Smith and subcommittee recommend the IRS focus on the tax preparer to get this info out to the taxpayer.



**Saturday April 22, 2006  
Day 2**

**Sub-Committee Breakouts**

**Sub-Committee Report-Out**

Technology/Tax preparer

The sub-committee came up with two objectives: 1) increase awareness of the EITC among qualified taxpayers, and 2) reduce improper payments. The sub-committee will meet on 05/09/06 to discuss outreach through preparers (e.g.--reach out to places like H&R Block and other tax preparation locations to let everyone know that EITC exists) and raising awareness on the Whistle Blowers program. If people are aware of this program, it may deter them from filing fraudulent returns.

Immigration

Vivianne Johns asked what difference could be made in outreach and customer service if, instead of reacting to changes, the IRS could anticipate what lies ahead with respect to the population qualified to claim the EITC. The subcommittee agreed to do a scan of information on immigrants with an eye toward identifying the languages in which EITC outreach materials should be distributed and projecting EITC claims. Subcommittee members will investigate Citizenship and Immigration Services (formerly Immigration and Naturalization Services), Office of Refugee Resettlement, 1040NR, and Pub 519 (Tax Guide for Aliens). At the next meeting (5/09/06), they will make a proposal for their project.



March 14, 2006 12:00 Noon  
Teleconference

**Program Owner**

- Philcox, Crystal, Director, EITC Systems/Stakeholder, Engagement
- Knight, David, Policy Analyst
- O'Brien, Mary, EITC Analyst - Detailee

**Designated Federal Official**

- Ramirez, Sandra, Brooklyn, NY, DFO/Program Manager

**Committee Members Present (These attendees count for quorum)**

- Broniarczyk, Robert, Romeoville, IL
- Davis, Blanche, Rehoboth Beach, DE
- Lawler, Mary Ann, Dearborn, MI
- Margulies, Howard, North Easton, MA
- McKenzie, Clifford, Del City, OK
- Mitchell, Patrick, Provo, UT, Vice Chair
- Natter, Joyce, Miami, FL
- Richardson, LovellavKnoxville, TN
- Smith, Mavis, Chula Vista, CA
- Uhrig, Edward, Lusk, WY
- Woo, Lillian, Durham, NC, Chair

**Committee Members Absent**

- Wendt, Charles, Iola, TX

**TAP Staff**

- Jenkins, Audrey, Program Analyst
- Odom, Meredith, Staff Assistant

**Public Participants**

Alison Reynolds, Commerce Clearing House (CCH) Reporter, Washington, DC

**Welcome**

Woo welcomed the members, staff and Program Owners to the meeting and opened the meeting at 12:00 noon.

**Roll Call**

Quorum met

**Sub-Committee Progress Report Out**

**Return Preparer**—Mitchell stated the committee met on the February 22nd to discuss ways to reach out to the return preparer community in efforts to increase EITC participation. Through brainstorming,



the committee has reviewed numerous vehicles including posting of EITC marketing materials in different venues. These venues include senior citizen centers where there are VITA sites, commercial tax preparers such as Jackson Hewitt and H&R Block, and possibly partnering with AARP, etc. This committee has read in the Miami Herald, in which the Mayor claimed that his city had the highest EITC participation rate. This sparked the idea to find out exactly what had been done to educate those taxpayers and then to disseminate information in the most cost-efficient manner possible. It will also be important that all of these communications be in all of the languages applicable. Mitchell mentioned the Area 6. Knight reminded the committee that Seniors 65 years of age and older are not eligible for the EITC, unless they have qualifying children.

Beadsie asked "How the outreach to the city leaders relates to Return Preparers"? It is just a strategy to educate the public. The idea was to get input from leaders on how to get to this community. The question was also asked as to what percentage of EITC returns are prepared by preparers. Knight stated it is between 70 and 80 percent.

**Demographics**--The committee met this morning, at which time they discussed the preparation of questions for David Knight to narrow down their focus and direction. Discussion centered around the question, "**Does the IRS have statistics on tax filers using EITC broken down by rural, suburban, inner cities; compared numbers to the total number of tax filers?**" Davis has been in contact with an IRS employee, Kevin Mullan located in SB/SE in Connecticut. He has been able to provide her with information on E-File demographics, statewide for Tax Year 2003 and will have Tax Year 2004 by mid-year, (June 2006). Knight reminded the committee that there was a study done in Hartford, Connecticut which may be of use to them. Knight could ask the research department to run a numbers by zip code to see if that will be of use. Davis asked if the figures for 2002 can be provided. Jenkins will contact Mohan to find out what query they used to get this information. This will make it easier to provide the committee with the requested information.

**Immigration/Language Barriers**--The committee met and discussed the packages that were distributed at the Annual meeting, which were very useful. The committee is interested in finding out who their customers are; their education levels, ability to use the English language, and income levels. The committee believes both benefits of obtaining the EITC as well as the punishment for wrongfully obtaining it should be advertised. Richardson references the MLI committee which she and McKenzie was a members last year. The committee suggests the MLI committee contacts and stakeholders as a good. Although the MLI committee focused on the Asian community, last year's work, may provide this committee with needed information. They suggested that a host of volunteers who speak different languages be centrally located where taxpayers can obtain help. Knight asked about help desk numbers for assistance in other languages. Richardson has only had verbal contacts with college students,

**Technology**--The committee has decided to interview other organizations who work with low income taxpayers to get their opinions and input as to how the IRS could get eligible taxpayers to file for the credit. It appears that four out of seven contacts stated that taxpayers are not interested or educated on the EITC, Taxpayers are only interested in the money amounts they are going to be refunded. The use of technology among this group is limited to downloading music, ring tones and things of that nature. It may be difficult to reach out to that community because the use of technology is low as it pertains to taxes. Ramirez suggests that the EITC office look at using the text Messaging Service to get to that part of the public.

Woo requested that all subcommittees forward her their notes so she can include the activity in the Monthly report.

#### **April Face-to-Face Meeting**

The Face to Face meeting is going to be held at the Renaissance Hotel located at 999 9th Street in Washington, DC. The meeting is scheduled for Friday, April 21, 2006 (full day) and Saturday, April 22,



2006 (half day). Travel days are Thursday, April 21, 2006 and the afternoon of Saturday, April 22, 2006.

Philcox will be providing Analyst from the EITC Research department who will present research that has already been done on EITC customers. There will also be presentations on project planning and tips on research techniques. The committee will be provided with the 2007 EITC Outreach Campaign as well as the Hartford Certification Test results.

There will be time built into the agenda for subcommittee break-outs. Each sub-committee will be provided with a facilitator who will help them develop action plans and identify activities and contact groups.

### **Public Participation**

None

### **New Action Items**

#### **Odom**

- Provide committee with travel information

#### **Ramirez/Woo/Philcox**

- Finalize April EITC Face to Face meeting agenda

#### **Sub-Committee Chairs**

- Provide Face to Face logistic needs to Jenkins
- Send Woo sub-committee meeting notes



February 14, 2006  
Teleconference

**Program Owner**

- Philcox, Crystal, Director, EITC Systems/Stakeholder Engagement
- Watkins, Lisa, EITC Office Detailee

**Designated Federal Official**

- Ramirez, Sandra, Brooklyn, NY, Manager

**Committee Members Present (These attendees count for quorum)**

- Broniarczyk, Robert, Romeoville, IL
- Davis, Blanche, Rehoboth Beach, DE
- Lawler, Mary Ann, Dearborn, MI
- Margulies, Howard, North Easton, MA
- McKenzie, Clifford, Del City, OK, Vice Chair
- Mitchell, Patrick, Provo, UT
- Natter, Joyce, Miami, FL
- Richardson, Lovella, Knoxville, TN
- Smith, Mavis, Chula Vista, CA
- Uhrig, Edward, Lusk, WY
- Woo, Lillian, Durham, NC, Chair

**Committee Members Absent**

- Wendt, Charles, Iola, TX

**TAP Staff**

- Jenkins, Audrey, Brooklyn, NY, Analyst
- Odom, Meredith, Brooklyn, NY, Secretary

**Other Attendees**

- Knight, David, Washington, DC, Policy Analyst
- O'Brien, Mary, Washington, DC, EITC

**Welcome**

Woo welcomed the members, staff and Program Owners to the meeting and opened the meeting at 12:00 noon.

**Roll Call (quorum has been met)**

**Review Agenda**

There were no agenda changes.



## **Agenda Items**

### **Call Etiquette**

Woo discussed call etiquette. If you are not talking, please keep call on mute or find a quiet place to make the call. If you can't do either of the two, it's fine to drop off of the call. When speaking please introduce yourself.

### **Highlights from JC**

Woo updated the committee on a few things that the joint committee is taking on. The joint committee has formed a quality assurance subcommittee; they will be a small group of people that really enjoy looking at documents and making sure that all recommendations being sent to the Joint Committee are in the correct format and that they are clearly written. This will minimize the amount of recommendations being sent back and forth for editing. Members should make sure they read all pre-read materials that are sent out prior to each meeting. This will help keep conference calls to 1 hour.

### **Vice-Chair Nomination**

The Vice-Chair nomination drew a blank via email. Patrick Mitchell (Neil) has volunteered and has been elected by consensus the new Vice Chair for the EITC Committee replacing Clifford McKenzie.

## **EITC Subcommittee Report Out**

### **Return Preparers**

This subcommittee will meet on February 22, 2006 @ 11:00 EST. Mitchell mentioned that, like all of TAP, the subcommittee does not take on legislative issues. The EITC committee submits suggestions to the IRS on how to reach people who are entitled to the EIC but who don't receive it. During the next meeting the subcommittee will brain storm on how to reach those taxpayers and improve that participation of the EITC program via tax preparers. Philcox briefed the committee on what the EITC is doing to combat fraud and to increase participation. The current estimate of participation is around 75% with 25% of the people not claiming the credit (many of these don't file taxes). This is the highest amount of participation in terms of social service types of credit offered through the government, but it is also expensive in terms of error to have a high participation rate. Estimates of errors are between \$11 and 14 billion each year. Knight discussed that Return Preparers complete between 2/3 and \_ of all EITC returns. They should be aware of the credit, identify eligible people accurately, and help taxpayers understand the requirements of the credit.

This subcommittee will focus on how to provide tools and information to Return Preparers from the perspective of outreach and compliance. Richardson stated the welcome package that Knight gave out with publication 3524 (eligibility check list) and 2005 earned income certification test overview is very helpful.

### **Demographics**

Davis contacted the Delaware Local Taxpayer Advocate who put her in touch with the tax specialist for EITC in Delaware, and also put her in touch with a website called E-File Demographics. This webpage has data from TY 2003; TY2004 won't be available until after June 2006. Statistics for tax year 2002 were also given. The committee discussed the kind of statistics are going to be focused on. The committee decided to compare figures on more returns to see if more people are using the EITC feature over time. A comparison of 3 years will be done. The committee will compare trends and formulate questions and submit them to Knight to see if he can come up with any information to assist the committee. The next meeting will be March 14, 2006 @ 10:00 am ET. Richardson suggested using a census because it breaks down by gender, age, race, disability and amount, education, marital status, employment status, occupation, household income which will be very helpful with EITC, household and how the language is concentrated in different areas. Jenkins has started working on





getting the census summary sheet. Richardson suggests the committee look at the handout Knight handed out titled EITC topic of focus 2006. This will help the committee with some ideas.

### **Immigration/Language Barriers & Technology**

On March 10, 2006 both committees met with the David Knight, Lisa Watkins, Mary O'Brien and Crystal Philcox for clarification. The goal is for the committee, working in subcommittees, to help further the IRS's (EITC program office) understanding of the EITC taxpayers' use of technology so that the IRS utilizes the most effective approaches in delivering the EITC mission (i.e., increase EITC participation rates, decrease errors, improve products/services, allocate resources; and focus on the best ways to communicate with EITC taxpayers). The subcommittees will accomplish this by trying to answer/address unknown factors about the EITC population. For example, the Technology subcommittee's focus is ascertaining how computer/technology savvy the EITC population is, whether they use the internet, whether third parties use web tools on their behalf, and so on.

### **Public Participation**

None

### **Action Items:**

#### Members

- Subcommittees set up meetings and select subcommittee Chair
- Forward any questions or to request information

#### Jenkins/Odom

- Complete and distribute Annual Meeting notes

### **Next Meeting**

March 14, 2006 @ 12:00 Noon EST

Meeting adjourned 12:50 PM