

2004 Meeting Minutes SB/SE E-File Issue Committee Meetings

- September 9, 2004
- August 12, 2004
- June 10, 2004
- May 13, 2004
- March 28, 2004
- March 11, 2004

SB/SE E-Filing Issue Committee Meeting Minutes

September 9, 2004

Attendance

- Aimee Brace
- Mario Burgos
- David Cain
- Helen Curol
- Patrick McCombie

Program Owners

- Karen Taylor
- Phyllis Grimes

Staff

- Mary Ann Delzer, Designated Federal Official, TAP Analyst

Welcome/Announcements/Review Agenda/Roll Call

Burgos welcomed everyone to the call.

Public Input

None.

Annual Assessment/Finishing Steps

Burgos thanked all those who returned their comments for the annual assessment. Burgos stressed the need to receive input from all the members of the committee. The annual assessment is due to the Joint Committee by October 15, 2004. As far as the oral report at the annual meeting, the committee has a great group staying on that can help. Staff to check on availability of internet access to highlight the webpage the committee worked on.

Burgos stated that the assessments received so far indicate that the members feel they have accomplished what the IRS tasked the committee to do. Grimes shared that she would be wrapping up the committees work since Taylor has moved to her new job. Grimes also agreed that the work the committee was charged with is completed. She believes a new issue will be worked next fiscal year.



Brace asked if hard copies of the direct mail product could be available to share at the annual meeting. Taylor stated the Perry is working on that, and the copies will be available for November.

Burgos asked about the status of the printing of the direct mail packages. Grimes stated that 60,000 copies are being printed and that they should go out early next week. In light of that fact, Burgos asked at what point in the process the IRS would be able to get a sense of the reaction to the packages. Grimes stated it would probably be six months. The TEC field force will be going out and following-up and getting reactions to the materials. Really will have to wait to see there is a change of behavior. IRS will look in the next six months to see if people sign up to be EROs and if the number of e-filed returns increases.

ACTION: Delzer to contact Wedepohl before TAP Annual meeting to determine hits on the webpage.

Burgos asked if the program owners had anything to share in the annual assessment process. Grimes stated that a formalized business plan, with a business case, had to be done before the printing of the 60,000 packages. The business plan does include an action plan for measurement.

Curol stated she would like to see that, to ensure all geographical regions were covered.

ACTION: Grimes to share business case for the marketing materials for inclusion in the committee's annual assessment.

Office Report/Action Items

Delzer reiterated the need for all committee members to participate in the annual self-assessment. IRS finds the information very valuable. As a staff we need to know what things worked well and what things did not. The staff wants to keep the best practices and look for ways to further improve the process.

Closing/Assessment

Burgos thanked the members for their attendance. See you in Washington, D.C.!



SB/SE E-Filing Issue Committee Meeting Minutes

August 12, 2004

Attendance

- Dick Bobb
- Mario Burgos
- David Cain
- Howard Perkins

Program Owners

- Karen Taylor
- Terri Wedepohl

Staff

- Sandy McQuin, Designated Federal Official
- Mary Ann Delzer, TAP Analyst

Guests

- Ann O. Underland, Analyst Systemic Business Advocacy

Welcome/Announcements/Review Agenda/Roll Call

Burgos welcomed everyone to the call.

Public Input

Ann Underland, an Analyst in Systemic Business Advocacy, asked if the committee had any opinion on the “tagging” of Free File returns. Burgos stated that the Issue Committee had not had any discussion on the tagging. Area 5 looked at Free File and may have an opinion on that. Underland asked about the Free File issues related around having to pay for the return when taxpayers thought it was free. Burgos said TAP had heard concerns about the pop up ads offering additional services and by the time taxpayers completed their returns, they really didn’t know what was owed. Underland stated TAS had complaints about paying to file the state return. Taylor shared that she has moved to Electronic Tax Administration and participated in a call with the Free File subcommittee of Area 5.

ACTION: Delzer to send Free File subcommittee meeting minutes to Underland for her information.

Timeline Update

Taylor stated that the website has been launched. Are looking into tracking the hits on the website. The mail out package has been finalized. Portia Perry is working on getting the packages printed. The direct mail list has been pulled by the research team. Wedepohl stated that the hope was to get the number of hits pre/post the direct mailing. When doing the comparison, the hope is that the hits to the website jump after the direct mailing. Are continuing to update and make changes to the website as receive feedback. A link has been put on tax professional’s landing page. Taylor shared that they have been working with a practitioner payroll focus group. They have been very helpful and the user group continues to work with Wedepohl. This group has also been really helpful working on the piece on how to build e-file into one’s business/practice.



Taylor continued that it takes about a month to six weeks from the printer to the street. Therefore, it should be available for an August mail date. Burgos stated that the committee will need to do a report at the annual meeting. McQuin asked if copies of the direct mail package could be made available for the panel members for the annual meeting.

Taylor and Perry reported that the distribution will be 65,000. SPEC requested that the package not be sent to their clients as they are doing their own research and need to have a control group. Package will not be sent to the highest v-coders as previously planned. However, it did have to go farther into the v-coders list than originally planned. Will be sending to the v-coders in the 35, 65 and 85 percentile. Burgos stated that this seems to be the opposite of the original plan. Taylor acknowledged that was true, but reiterated that they could not touch the W&I tax practitioners that SPEC was looking at.

Finishing steps

ACTION: Delzer to inquire on availability of copies of the direct mail package for TAP members at the annual meeting.

ACTION: Wedepohl to update the timeline for the finished product.

ACTION: Wedepohl to pursue the collection of hits on the website page.

Annual Assessment

Burgos shared that the Annual Assessment is due October 15. Burgos committed that he would prepare the report with the feedback received from the committee. On the next teleconference, the draft annual assessment will be discussed.

ACTION: Committee members to complete their assessments and send to Burgos by September 9.

ACTION: Delzer to send annual assessment form to Taylor and Wedepohl for their feedback.

Office Report

McQuin reported that the interviews have been completed and soon the names will go forward to Treasury. The staff is also busy planning the annual meeting.

Closing/Assessment

Burgos commented that as a lesson learned, IRS needs to look at how they assign panel members to issue committees. It appears that the stakeholder practitioner focus group has been a better resource on SB/SE E-File than the TAP. IRS needs to look at how issue committee assignments are made for next year.

The next teleconference is scheduled for September 9, 2004.



SB/SE E-Filing Issue Committee Meeting Minutes

June 10, 2004

Attendance

- Dick Bobb
- Aimee Brace
- Lydia Brasch
- Mario Burgos
- David Cain
- Helen Curol
- Patrick McCombie
- Howard Perkins

Program Owners

- Karen Taylor
- Terri Wedepohl

Staff

- Sandy McQuin, Designated Federal Official
- Mary Ann Delzer, TAP Analyst

Welcome/Announcements/Review Agenda/Roll Call

Brace welcomed the members to the meeting. The minutes were approved as written.

Public Input

None.

Report on feedback from select group of tax professionals

Taylor shared that Wedepohl will be demonstrating the product next week in Washington, D.C. to a practitioner group. She will be doing a walk through just as she did for TAP. Also, the ETAAC member reviewing the product will be visiting with them as well to give her comments.

Taylor attended the E-file Marketing Council meeting. Was a presentation by the ad agency to look at the creatives and discuss the highlights of this year's campaign. At the meeting, some members mirrored Seuntjens' comments that perhaps there is a need for a help guide for individual taxpayers. If a taxpayer saw one of the e-file commercials, would they know how to proceed to e-file?

Burgos stated that most businessmen's time is better spent running their business than filing returns on their own. Bobb stated that despite the negative comments, the committee completed its charge. Brace agreed that the committee needed to stick with its focus and that there is a wealth of information about individual e-file available.

Brasch stated that she still hears concerns about practitioners are charging extra to e-file returns. Wedepohl shared that more and more tax professionals are not charging extra for e-file. Brace agreed stating some in New York state were charging extra for paper. Bobb recalled that at the Dallas meeting the practitioners that participated indicated that some were charging more for paper filing. Brace stated the fact that some are still charging will actually work against the practitioner.



Wedepohl reported that she updated the statistics on the website to reflect this filing season, from the Statistics of Income Bulletin. Information included is for business and individual filing. Thought was that practitioners could use the information to advertise and promote their businesses.

Review of e-file marketing packet mock up

Taylor explained what was included in the mock up packet. She and Wedepohl used the comments received from TAP in deciding the format for the Myths Q&As. Decided to use a screen shot to promote/feature the website. Also included two publications that IRS already has as catalog items, that highlight the e-file process for practitioners.

Wedepohl shared the process she used to clean up/simplify the e-file vs. paper flow chart. She reminded the committee that during the last discussion, the chart made it appear like e-file was harder to do than a paper return.

Burgos stated that visually the flow chart still looked like it would take the same time to do an e-file return as a paper return.

Brace commented that visually the boxes should be the same size on each side. Can you take out the known for both? Or show what is the same on both the e-file and the paper side? Need to really simplify the way you are making the e-file side look. Make the benefits briefer.

Bobb questioned whether the flow chart would be included in the packet?

Taylor stated that they could look at the flow chart again, with changes incorporated, and see how committee likes it. Wedepohl said the problem is that chart is not technically correct, so may not fly as an IRS document or publication. Simple language may be a concern to some.

Brasch gave her concern that hearing from IRS may not/should not be perceived as a bad thing. She hopes that we can make hearing from IRS, a less negative statement. Would be good to show what is the same on both sides of the process, and then highlight the differences and have the taxpayer benefits stand out.

Bobb expressed his preference for, on the paper side, for the word collate, rather than associate. If cannot shorten the left side, can we state benefits in a box on the bottom of the page.

McQuin mentioned that name should read Taxpayer Advocacy Panel, and that the word National should be deleted.

Finishing steps

ACTION: Committee to send any other comments, suggestions, mock up ideas on the flowchart to Delzer before June 18, 2004.

McQuin asked if anything else needs to be discussed regarding the timeline.

Taylor stated the direct mail out portion is almost completed. With the TAP comments received, should be ready to go. Will then be ready to select the market segment to send it out to.

Wedepohl stated that the website portion will need to be maintained and that will be ongoing.

Office Report

Delzer asked if a July meeting will be necessary in light of the work completed. Taylor stated that the



follow-up/ finishing steps, can be handled via email. She will update on the direct mail project. Wedepohl shared that the web-based product is ready to go live.

Next teleconference will be August 12, 2004 at 3 p.m. ET.

Closing/Assessment

Burgos thanked the committee and the program owners for the work done.



SB/SE E-Filing Issue Committee Meeting Minutes

May 13, 2004

Attendance

- Dick Bobb
- Aimee Brace
- David Cain
- Patrick McCombie
- Howard Perkins

Public Participants

- Teresa Douglas, H&R Block, Kansas City

Program Owners

- Karen Taylor
- Terri Wedepohl

Staff

- Sandy McQuin, Designated Federal Official
- Mary Ann Delzer, TAP Analyst

Welcome/Announcements/Review Agenda/Roll Call

Brace welcomed the members to the meeting.

Timeline for E-File marketing to tax professionals

Taylor gave an update on the timeline for the project. Wedepohl took the comments from the March meeting and incorporated them into the E-file Made Easy product. Worked on the Myths Q&As and the cover letter. Did send the package out to a group of tax professionals. The group included participants from the National Association of Enrolled agents, National Association of Tax Professionals and two ETAAC members. Some feedback has been received. So far, good reviews of the product. Found it is easy to understand. Felt was all inclusive for the professional. Package went out in April, right around the time the filing season was ending. Have not heard back from everyone and so will follow up this week.

Wedepohl has more updating to do with the website. Some of the links have changed.

Wedepohl did two versions of the Myths Q&As. One version is in text format and the other two column table.

ACTION: Wedepohl will send out the Myths Q&As for TAP comment on the preferred format.

Taylor reported that her Director, Phyllis Grimes, shared the package with Sherrill Fields, the Director of TEC, and she wants to see the print package we plan to mail out to see what it will really look like. Also shared the E-File Made Easy website with the ad agency. They are currently developing an ERO recruitment campaign. Shared the products with the e-file brand manager at IRS. All are happy with the product and are looking to get the ad agency to promote the product.



The product was also introduced through an IVT to the TEC Tax Specialists. They are currently making their plans to go out to make their site visits with tax practitioners. This will be part of their toolkit.

Plan is to get the packet out to TAP later in the month of May. This will be a mock up before packet goes to final print. Bob asked if the website could be shared with the wider TAP audience. Wedepohl reminded the group that the site is an orphan and can only be found with the link.

ACTION: Delzer to send out link for the E-file Made Easy to the TAP for comments.

ACTION: Delzer to send to Taylor the current addresses for the TAP members.

Brace asked about the actual components of the direct mail package. Taylor stated the cover letter, myths Q&As, and e-file key messages. The cover letter will send the practitioners to the Made Easy site. Brace stated that these practitioners are not computer people and they need a hard copy to get their attention. Wedepohl stated they were also thinking about sending out a print-out of the ERO Spotlight testimonials and include those in the mailings.

Public Input

No comments.

Office Report

McQuin reported that the recruitment process was completed. TAP members are being asked to assist in interviewing. Several different cities will be used, including the cities with TAP offices.

TAP will be represented at the Tax Forums. Wedepohl is working on a presentation to continue to make the case for e-file. Looking to burn a CD for distribution at the presentation. Hoping to have the CD available at the TAP booth. McQuin asked that TAP members be recognized at the Tax Forums for their work on their project.

Brace asked about what is next as the project for this issue committee seems to be wrapping up. McQuin said that many issue committees have completed their tasks. The Joint Committee will be discussing. Before the new group of volunteers comes on board, will be looking at what issue committees will be working for the next two years. May be going in another direction.

Bobb asked if a further break down is available for the filing season in regard to e-file, other than what Delzer has sent out. Taylor stated that IRS has a more detailed breakdown between W&I and SBSE taxpayers. Was a greater increase in the growth for SBSE, but admittedly there is more potential for improvement in that population

ACTION: Taylor to send out statistics for e-file growth in W&I and SBSE segments.

ACTION: Committee to give Wedepohl feedback on improving the paper vs. e-file flowchart. Wedepohl to re-send flowchart to the committee.

ACTION: Taylor to send print information for the direct mail package out to the Committee to comment.

ACTION: Committee members to note future E-File committee meetings to ensure a quorum for the remaining meetings.



All meetings are at 3 p.m. E.T.

- June 10, 2004
- July 8, 2004
- August 12, 2004
- September 9, 2004

October 7, 2004

Closing/Assessment

On behalf of the committee, Brace thanked Taylor and Wedepohl for all their efforts in making the project come together.



SB/SE E-Filing Issue Committee Meeting Minutes

March 28, 2004
DoubleTree Hotel
4099 Valley View Lane
Dallas, TX

Attendance

- Dick Bobb
- Aimee Brace
- Darlene Bramon
- Mario Burgos
- David Cain
- Patrick McCombie
- Howard Perkins

Program Owners

- Karen Taylor
- Terri Wedepohl

Staff

- Bernie Coston, TAP Director
- Sandy McQuin, Designated Federal Official
- Mary Ann Delzer, TAP Analyst
- Gayvial James, TAS Dallas

Welcome/Announcements/Review Agenda

Burgos welcomed the members to the meeting.

Roll Call/Introductions

Panel members introduced themselves and shared why they applied to be members of TAP.

Review /Approve Minutes

Minutes were approved as written.

Taylor--Concern that TAP members be aware that Bob Taylor and Mike Cavanagh from CERCA, Peter Isberg from the Payroll Reporting Consortium and Rick Oelerich from ETAC, all have their own agendas in regard to the e-file program. Talking from software development and transmission point of view and so the software industry has own issues. Isberg's issue was having access to the new e-services. IRS decided to offer this as an incentive to EROs who e-file 100 returns or more. The next iteration of e-service to be offered to the payroll groups. The E-products marketing council is a cross functional approach now. Terry Lutes is the chair of the council. Might be a good idea to have Lutes participate in a call and give the IRS perspective on the marketing.

Burgos If return rejected, it goes back to the ERO and the taxpayer. Even though transmitters discussed, this goes to the point that it is a hassle for everyone.



Taylor - It is an advantage of e-file to fix the problems on the front end. While processing the return, catch the mistakes.

Wedepohl-- False rejects were a problem at the beginning of the filing season. Problem between Social Security Administration and IRS.

Cain - If the return is filed on paper, will get the notice down the road and still have to fix it.

Burgos - Concern is for false rejects that if it is not work right the first time, practitioner will not come back and try it again. Oelerich's comments had to do with piece meal system. Can produce the best marketing materials in the world and still give the taxpayer/tax professional piece meal products.

Wedepohl--- IRS has a strategy and needs to be done incrementally. Processing centers and one system that works for everything. Will be migrating all the returns to the new platforms.

Brace - At the point of delay, need to communicate the delay. Need to do things in a coordinated fashion.

Coston - Want to develop a system that will work right and not create a backlash.

Burgos - Cost savings for e-filing? Now 40% do it and so should be huge cost savings.

Bramon- What is the goal for the systems to have this completed?

Taylor - With the Form 1040, 2009 is the goal for the new platform.

Bobb - For some practitioners, position could be to take the long view and opt out for now and come in when all is fixed. On the conference call, the practitioners indicated being turned off by the problems. Hard to market to the people who have had a bad experience.

Wedepohl - One thing driving increase in e-file is more and more states mandating e-file.

Cain - Practitioners need to go to e-file or will go out of business.

Wedepohl - Need to address barriers, perceived or not. Give the information on how to get over the hurdles.

Taylor - With business returns, hoping that modern e-file of the Forms 1120 and 990 will be big hit. Looking for a partnership with the industry.

Burgos - Why do it piece meal? Why not phase in for all taxpayers and use approach to do so holistically.

McCombie - It seems two separate systems and need to learn how to communicate. Need to transmit to validate and that can cause rejects. Then have to call back the taxpayers to come into the office and fit in the taxpayer in the busy schedule to discuss. For the practitioners with paper filing, you are done with the taxpayer and not have to deal with problems during the filing season. They see it as too much of a hassle and do not have time during tax season. Don't care that they have a reject rate of 5-10% down the road.

Wedepohl - Taxpayer will get the notice and have the taxpayer in the office when the notice arrives.



Bobb - Great advantage to e-file. Once entered things correctly in the system, already gives you a comparison. Return correct the first time.

Taylor - Some large companies like the paper and charge by the pound or page. They get paid fixing the problems.

National Office Report

Coston informed the members that the TAP charter has been renewed. As far as recruitment, applications will be available April 1. Media will be done and are looking to get in the Wall Street Journal. As last time, IRS and Treasury will do a press release and market to certain groups. Will again have TAP representation at the Tax Forums.

Action Plans

Taylor - Committees' charge is to increase e-file among business filers, by reaching out to tax professionals, as they do the majority of the business returns. Looking at doing a cover letter and Q&As. Second group was looking at the Made EZ Guide, a Step by step guide to e-file. Will be using the EZ product for the Tax Forums.

E-File marketing to tax professionals

Taylor ---Completed the cover letter that Brace wrote, have the ERO spotlight which is produced monthly. It highlights a different practitioner in a video piece. Filmed at the Nationwide Tax Forums last year. Is a two minute video with comments on why they got involved in the e-file program. Used by the field force when they make their practitioner visits. ERO spotlight also web-based. They were picked as part of the exemplary ERO project and are selected each year by their filing successes. They are showcased at the forums as a peer approach to marketing.

Brace - Is a packet going out to V-coders.

Taylor No. Want to add a CD to the cover letter with the Made EZ product on it and the ERO Spotlight. Do want to focus test this product. Perhaps get feedback on the product with the step to step guide. Field force will have this to hand out as well.

Burgos - I see that the products have been combined, but probably that should have been a group decision. This is not the marketing packet decided on.

Brace - But still looking for a packet that was to be sent out. Two products and letter and Q&As

Burgos - Plan was for TAP to review packet and then do a focus group with the practitioners. At no point has the TAP group tasked with providing the products ahead of time for the filing season.

Taylor - We are looking to one package now.

Burgos - That was a process decision. We did not come to that conclusion as a TAP committee. That would have been better.

Brace - Really looking for packet and we do not want to see piecemeal.

Wedepohl - I did not really even use the outline available from the volunteers. Did use the concept that was started by the TAP. Was a good concept. Decided to use a web-based product rather than a paper product. We looked at as E-file EZ as the product for the packet.

Brace - Was still looking for a paper product as well, that could be sent out.



Burgos - Looking for the product to be sent out to the V-coders.

Perkins - Took the idea and did a good job translating the outline. Like the product the way it has been developed more logical and very useful.

Brace - We really want to look at the package that will be seen by the tax professional.

Coston - Should be able to generate a CD and a letter, as a sample of the product. Will need to run past a focus group, but should also share with TAP. Put highlights from the web site in the letter. Highlight the benefits and then show that it is on the CD.

Brace - Are you going to focus test the direct mail piece?

McQuin - TAP wants to see the physical product that will be tested. The actual packet that someone would receive.

Coston - Can we adjust the timeline and redistribute the timeline and modify the dates?

Taylor - The web site is the product.

Burgos - Want to see what the final product looks like. What will be sent to the V-coders? Want a specific packet. Want to see how it will look when it is sent out.

Brace - It is good to send the CD, just want to see what will it look like when it goes out.

Burgos - Timeline adjustment is needed. Need to look at the other part of the packet. Will want to be able to present a product at the end of our time in October.

E-File Made Easy

Wedepohl made a presentation on the E-File Made Easy web site product. Wedepohl took the outline Jarrell and the sub-committee had worked on and put together the pieces. TAP had a great idea and it can come together here. Since the web site will be housed on irs.gov, the product will need to have a consistent look with the rest of the site. The site uses multiple pages. Some were developed from scratch and some were already on irs.gov. Wedepohl created a Table of Contents with links to each chapter and so this will make things easier to find.

Wedepohl look the TAP members through the web site, and the members made several suggestions for changes/improvements to the web site.

- Add a last time updated feature
- Link to TAP as a pop-up window
- Can we make our web site part of ERO spotlight or aboutefile.com so the look can be more fun?
- Can we make separate pages rather than one long page? Would be easier to print just the page needed rather than the whole page.
- Add a graph to visually show the increase in e-file over the last few years. Would be better to highlight the successes of the e-file program.
- Replace cheaper with the terms less expensive or cost savings.
- Supply link to EFTPS whenever it is mentioned
- Re-word sentence, In states where certain practitioners are required to e-file state tax returns, consider e-filing your clients' federal forms as well.



- Testimonials of e-file providers, move Joy up to the top of the testimonials as her business model best reflects the outcome wanted.
- Redo flowchart on preparing a tax return as the e-file side appears more complicated. On paper return side, incorporate timeline for refund and notices.

Public Input

Members of the public joined the meeting in the afternoon: Ben Cox, Carmela Davis, Carolyn Gladden, Rachel Marcotte.

Gladden stated that they face a run around with e-filed returns. Practitioners need someone to call to check on the refund. Need to find out why and how long the refund will be held. If IRS can't tell the practitioner, who can? When IRS looks at the return, they will see companies EFIN, EIN, Company name. Why do practitioners need a Power of Attorney (POA)? Davis stated her firms files a tremendous number of tax returns. Actual problem that occurred the taxpayer called and received an answer that was wrong. Practitioners need a direct line they can get too. Gladden stated on one taxpayer account has a 90 day hold and firm is not able to get additional information.

Wedepohl shared that practitioners have a help line for e-file problems, the e-Help Desk, 1-866-255-0654. Do not answer account related questions. Davis was not aware of the service. Bobb stated that practitioners should be made aware of changes at IRS, like this new number. This could be an issue TAP could work.

Marcotte questioned whether Form 8821 or POA preferable in working these refund issues. James stated that a POA is the best route to go because of the concern that something else on that return may become an issue. Wedepohl advised that the new e-services will have disclosure authorization available as part of the program.

Davis further stated that her firm is filing more electronic business returns. Had the opportunity to tour the Austin Service Center and now can give clients their testimony. They encourage their clients to e-file. Doing more Forms 941 and 940 electronically.

Action Plans, Continued

E-File Made Easy

- In step three, add a caution the suitability test must be met to e-file.
- Add link on the tax professional link on the front page for the product
- Add Alternative Minimum Tax information to the last section
- Add information about the e-services disclosure authorization.

ACTION: Committee to further review the web site to look for better language, format, text, centering, numbering, etc. Forward feedback to Wedepohl.

Next Steps

Taylor - Will take comments made during the meeting for the web site. Will look at what could be printed such as the cover letter. Some pieces of the web site could go with the cover letter. Will do a mock up that can be sent out.

Brace - TAP really wants a product to show for the October meeting. Want to have the product to show what we have accomplished.



Burgos - Can certainly use email and send as a PDF file so the members can see what the products look like. Can then see full color without the expense of actual products.

McQuin - Want the myths as a separate sheet?

Brace-Feel should be direct and put out the myths and then dispel them right up front. Format of giving the problem and then giving the answer.

Bobb - The marketing piece needs to tell them to spend some time with the CD. Need a hook them to get them to use the CDs.

McCombie - Need to convince them that they need to look at the CD and use the product.

Wedepohl--Practitioner studies have told IRS that they prefer to use the internet to get information, so the website is a great place for the product.

Burgos - Need to send out marketing packet and get TAP feedback on the final version.

Cain - Are we going to market test the package going to the V-coders?

Taylor - Have a monthly meeting with practitioner organizations. We could do a walk through and ask them to take the link back to their members.

Burgos - Could we ask the four gentleman on our last call look at the website from their point of view? Can we see if they think it is worth while?

Coston - Could we use the marketing info at the Tax Forums to give out at the TAP booth?

Taylor - At the Forums, looking to build a case for e-file, was looking at the possibility of having the CD available. Need to finalize the site and then can make the CD.

Wedepohl - TAP could be featured on the CD cover.

ACTION: Taylor to update timeline by Friday, April 2, 2004.

ACTION: Committee to give Wedepohl feedback on improving the paper vs. e-file flowchart.

Office Report

Delzer reviewed the remaining Action items. McQuin shared that she has contacted

Nancy French, ETAC chair, to ask about TAP participation in the next public meeting May 11, 2004. McQuin asked if TAP wanted to be on the agenda or just attend the meeting? Burgos stated he was interested in a better understanding of how ETAC parallels what TAP is doing. Would be open to being on the agenda if ETAC is interested in what TAP is doing.

Delzer requested that the members complete and return the Meeting Satisfaction Survey.

Closing/Assessment

Both Burgos and Coston thanked the members for attending the meeting.

Next teleconference: May 13, 2004, 3:00 p.m. ET.



SB/SE E-Filing Issue Committee Meeting Minutes

March 11, 2004

Attendance

- Dick Bobb
- Darlene Bramon
- Mario Burgos, Chair
- David Cain
- Helen Curol
- Patrick McCombie
- Howard Perkins

Program Owners

- Karen Taylor
- Terri Wedepohl

Staff

- Sandy McQuin, Designated Federal Official
- Mary Ann Delzer, TAP Analyst

Guests

- Bob Taylor, Chairman, Council for Electronic Revenue Communication Advancement (CERCA); CFO, Universal Tax Systems (UTS)
- Mike Cavanagh, Executive Director, CERCA
- Pete Isberg, National Payroll Reporting Consortium; Director for Government Affairs, Automatic Data Processing, Inc.
- Rick Oelerich, Electronic Tax Administration Advisory Committee; President, Oelerich and Associates

Welcome/Announcements/Review Agenda/Roll Call

Burgos welcomed members of the TAP. Burgos also welcomed the invited guests. Burgos thanked the guests for taking the time to share their concerns about the IRS E-File program.

Guest Input

Bob Taylor: In regard to marketing to tax professionals, am interested in commenting e-file season as issues this season occur over getting the basics done. If IRS doesn't address, will impede acceptance of e-file by practitioner. Need basic system to function. If are inherent problems, then it is difficult. Practitioners are not going to embrace e-file, even if you do all the marketing. The perception in the practitioner community will impede the marketing and you won't get results to get practitioners on board.

From the UTS perspective, was a tough year as PATS was delayed, as well as the answer files were late. ERO database was nightmarish. A month behind and so not good for new e-filers. Their first experience is the EFIN application and that was delayed a month. Bad first impression.



Inconsistent communication in regard to the 515 reject issues. IRS did not give good advice to the transmitters. Actually told to hold them even though false rejects on 515. Austin has poor system implementation issues. Fairly smooth after a rough start. Practitioners feel taking on more problems and so just file on paper.

As far as marketing presence, was forward steps made before Free File Alliance. IRS marketed to transmitters. Were interesting marketing ideas. Each company does merit of proposal, but some concern about endorsement of the IRS. CERCA membership said how can IRS promote one service over the other. With Free File, CERCA was able to bring the industry together to come up and with encourage consumers. In the non: professional market, able to gain coverage. Was able to lay ground work for cooperation between industry and government. Would be smart to look forward at other opportunities for a spirit of cooperation with e-filing services. What important features that could be used as a carrot to get practitioners to embrace e-file. It is a shame there is not more interaction. There would have been good input. IRS putting emphasis on other services. Industry to come to the Service and agree on services for incentives for paper filers. Have existing customer base industry would encourage e-filing. Transmitters send out 1000s of pieces of mail each season to encourage the purchasing e-file. Need more coordinated, concise marketing. To this point, IRS is not able to look at the potential opportunity there.

Mike Cavanagh: Have worked with IRS leadership for several years. Materials prior were out of the box ideas. Have had a difficult pre-season, early season. Has been an emphasis of thinking inside the box. Things need to work smoothly to move segments over to e-file. Are in contact with Terry Lutes. To have new ETA Director reporting in 3-4 weeks. Had issues/problems early this season. More this year than there should have been. Need to be working these issues very hard for the benefit of everyone.

Free File Alliance is an example of an outside box idea. Answered public policy questions. Marketing was done. Less formal and not as much money was spent. Were more opportunities to kick things around. Would urge getting back to using these companies as resources.

Rick Oelerich: ETAC is interested in what incentive package makes sense. E-services piece needs to be a complete range of services, rather than the piecemeal approach that has happened. Have had intense discussions on what e-services are about. What value do they bring to the market place? Business forms not available. Practitioners can't embrace because doesn't work in their business model. Really not want to be bothered.

Really is an incomplete approach. Current 1040 system dates from 1985. This is a problem as 1040 is the biggest market. Message with e-services is how do we develop a complete package. Adding electronic 1120, 990, next 1065. But at what point does the new 1040 come in the new platform. Practitioner wants to hit the send key to deal with all the forms. Otherwise have to force them to the table. Practitioners need to be able to do all returns one way.

Currently rejects remove a return from the e-filing environment, this places an additional responsibility on the practitioner as well as the taxpayer. The modernized platform that the 1120 and 990 is built on holds promise of a solution to this issue. ETAAC continues to discuss whether conditional acceptance or some other solution for IRS to accept e-filed returns that are less than perfect.

IRS seems to see e-filing as a privilege, to move to the next level e-filing needs to be looked at as a choice with a limited number of barriers. Example IRS has screening process to prevent unwanted mail into service centers but no one has to be approved before sending mail. Need to change that thought process; how we look at ERO's.



Delays by IRS a huge barrier with 2-3 years late delivery date for many system improvements. For practitioners to embrace e-filing, need full service solution from start to finish.

Pete Isberg Represents reporting agents or payroll companies. A handful of companies file one third of the employment taxes. All do 100% e-filing, electronic pre-filing verification of client entity information and electronic deposits. All Form 941, 940, W2/W3 and 1099 filings are electronic. And all are waiting for the next generation of service. IRS post: filing activities should be electronic. Now 100s of notices and 100s of envelopes (probably 400,000 notices mailed in standard paper format for the industry). Need to change the notices to electronic. Need automatic link to the reporting agent who filed. Reporting agents know their client accounts and can resolve the error that occurred. Need account resolution through email.

E-services is in good shape for the 1040 filers, who at least have access to the system. Large business e-filers, who file 100% e-file, need e-services. These services not scheduled for years to come, e.g., 2008.

Many practitioners can't e-file because of W2s that do not match IRS' database. Spend time inputting and then need to file on paper. Need to move to getting info electronically. Payroll preparers could print employee: copy W2s with 2-D barcodes to enable tax preparers to scan them return electronically. Barcodes ensure accuracy. Doesn't effect the practitioner and the barcode could be supported if that was a requirement. Industry finds that if we the IRS suggests any optional element for W2s, clients ask why it is there, and often demand that any non: mandatory element be removed from their company's W2s, which requires additional programming, training of client relations staff etc.. If the IRS wants 2-D Bar codes on paper W2s, it needs to be made a requirement.

Large payroll processors do already make W2s available for electronic import over secure internet connection (e.g., into tax prep software such as TurboTax), which has the same benefits (faster return preparation, eliminates data entry errors).

Another issue is that name and Social Security Number don't match. About 10% of the W2s received by the Social Security Administration do not match. The IRS should consider eliminating this as a reason to not accept an electronically filed return. Most are valid; i.e., Employees forget to notify the employer or SSA of name changes (marriage/divorce). That is a significant number of returns that are not able to be electronically filed. IRS does not provide feedback to employers that the TIN is not correct. (This obviously needs to happen before the quality will improve.) Concerns with undocumented workers who once here, if their employers get information about a name/TIN mismatch back, the workers will leave and/or go underground. At least now we have the tax revenue. If not looking to clean up the data, then accept e-filed returns with name/TIN mismatches.

Burgos: To summarize what has been said, really three themes. IRS needs the system to work, communication the practitioners around incentives (IRS needs to ask if providing valuable incentives), the current piecemeal approach won't work.

Bobb: Glitches in the start: up of the season. How are they doing now? Any Idea of how many transmitters were turned off?

Bob Taylor: Don't have statistics. Just what I hear from our customer service. Yes, running smoothly now. Every year it is something. PATS testing is done to approve an ERO if you file direct. If practitioner uses a transmitter, so no extra step. Cost is about \$1.00 per return for that service. We don't hear that cost is really not an impediment.

ERO application database has to be right up front. Need accounts set up properly. Did catch up in November, but is a short season and so need to get it right. Rejects a constant source. Always SSA mismatch frustration. IRS induced 515 false reject error. IRS needs to focus on the basics.



In regard to new things, e-services doesn't scratch the surface as to what practitioners want. But need the basics to work. Identified what practitioners want and we wait with no forward progress.

Filing centers consolidation a problem. Austin filing center should mirror Memphis. Need to get those working through the year.

Cain: Smaller tax practitioners thinking that Free File Alliance is actually competition.

Cavanagh : Not the intent for Free File. Not want to compete meant to be for those taxpayers doing own returns. Really a public policy option that the industry filled.

Curol: Concerns about small businesses, especially women doing projects out of their homes. Are marketing to these practitioners. Seems a very small perspective.

Cavanagh: We are speaking from the industry perspective. Marketing to small business owners need to done as well.

Bob Taylor: Need two prong approaches. Direct to the consumer and then to the professionals and the transmitters. Need both to have to happen.

Oelerich: Need a more complete process. All processes as all forms.

Karen Taylor: As Chief for marketing for SBSE, work with ETA as directly relates to SBSE. Involved with national campaign for TV, radio and print. Want to work with small businesses. Have a TEC field sales force that does visit large practitioners, especially those not filing electronically. Large business will be able to do returns with new modern e-file program for Forms 1102, 5500 and so far.

E-services: Industry solicited and what was requested if file electronically what information they want electronically. Is limited to EROS who file 100 returns or more. It is true payroll providers not getting the first roll out. In the plan for the next generation. Budget is a consideration, do want payroll providers to get the same access.

As far as filing season problems, processing problems early on. Were glitches.

With the application process, Form 8633, changed to completely electronic process. Moving to new database and were problems. Was a big backlog when went from paper to electronic.

Burgos: Interested in marketing collaboration. Free file a great example. Public private sector driving awareness. Idea that private industry sending out marketing pieces. More than IRS and still IRS doing separate marketing.

Bob Taylor: With e-services there was that potential collaboration. Unfortunately unveiled the campaign after the fact.

Burgos: Why do it after the fact. Coordinating the efforts, or at least compliment the efforts of the industry.

Karen Taylor: Terry Lutes heads council for the marketing program. Not sure the same goal, as all are pushing their own business case. Especially with V-coded returns, not sure consolidated effort is possible.



Bob Taylor: The promise of delivery of eservices and effective carrot. Will get them to file business and individual returns. Can do the job easier and facilitate communication. Should be coordinating the message to give them access to improve electronic services. Perspective the same to move across the board to get to 80% e-filing. Need more coordination. Get it if the message is out at the same time.

Oelerich: ETAC looked at e-services in depth. Have process concerns that this is more complicated than the hot line. Wait time not there, but too many times still have to fax disclosure authorization.

Single call can fix it. Why build a process that is not faster in resolution. Need one stop contact, otherwise no incentive. Is a confidence problem with IRS.

Burgos: ETAC members appointed?

Oelerich: Yes.

Wedepohl: If have interest in looking at how e-services will work, was just featured on Tax Talk Today. Program is available through irs.gov. Program is a streaming video and old programs are still accessible.

ACTION: Delzer to send out website link for Tax Talk Today.

Burgos: TAP committee working on an E-file made EZ website. Would practitioner find that helpful?

Oelerich: Great idea. One time thought about a mentoring program pairing early adaptors that will embrace the e: fie ideas. Any resource we can give them. Practitioners often see reject notice as they prepared a bad return. Perception is a problem. Any info for the practitioner will help the process.

ACTION: Next ETAC public meeting May 11, 2004. Delzer to contact Nancy French, ETAC Chair, about agenda and TAP participation.

Office Report

Face-to-face Meeting

McQuin asked if anyone had questions about the meeting in Dallas, March 28, 2004. Members to see Delzer for tax exempt certificates for Texas sales tax. Robb to send out options for transportation. Hotel approximately one-half hour ride from airport.

Burgos: At meeting looking to review the website. Since not part of the practitioner group, feel personally challenged. Won't be sure if it is what people need.

Karen Taylor: IRS will focus test with the practitioner community like folks on the call. Have partnerships with practitioner associations. Dallas meeting will be a step-by-step/ walk through. Look at how it flows.

Wedepohl: Still working on it and so there is a new version everyday. It is aimed at the professional community. But need help with the general flow. Whether it makes sense. Then make sense.

Burgos: Questioned the ability to have contact with Terry Lutes.

Karen Taylor: New director of ETA is reporting soon. ETAC are external experts that report to the ETA director.



Burgos: Would like to explore the marketing between industry and IRS. Move beyond what we can commit to. Would like to pursue to get him on the calendar and on a call.

Closing/Assessment

Bramon stated this was a great meeting and hoping for a great face to face meeting in Dallas.

Burgos requested time on the agenda to use and discuss this information.

Next meeting March 28, 2004, Dallas Texas.