IRS Future State
An Evolving Effort to Meet Taxpayer Needs

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The Case for Change

1. Evolving taxpayer expectations
2. Increasing complexity
3. Combatting noncompliance, identity theft & refund fraud
4. Coping with limited budgets
5. Decreasing staff
6. Incorporating stakeholders perspectives
The IRS collects more than $3.3 trillion & funds more than 90% of all federal government expenditures.

The Taxpayer Component
A central concept of the Future State focuses on taxpayers and how to provide the services they need in the way that works for them.
The Taxpayer Component

- A more complete online experience
- Freeing up resources for those who need 1-on-1 assistance
- More up-front issue identification when the return is filed
- Improved authentication to prevent fraudulent returns using stolen identities

Ongoing Activities

Several projects underway will help us identify areas where we can become more effective, more efficient and/or generate savings to reinvest in the future.
Future State Themes

1. **Facilitate** voluntary compliance by empowering taxpayers with secure innovative services, tools, and support

2. **Understand** non-compliant taxpayer behavior, and develop approaches to deter and change it

3. **Leverage** and collaborate with external stakeholders

4. **Cultivate** a well-equipped, diverse, skilled, and flexible workforce

5. **Select** highest value work using data analytics and a robust feedback loop

6. **Drive** more agility, efficiency, and effectiveness in IRS operations

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Operational Efficiencies

Several projects underway will help us identify areas where we can become more effective, more efficient and/or generate savings to reinvest in the future.
Future State for the **Individual Taxpayer**

1. **Increased** online & virtual assistance offerings
2. **More robust** authentication to guard against stolen identity refund fraud
3. **Early Issue** identification for timely resolution
4. **End-to-end** experience reducing unnecessary interactions
5. **Expanded** data analytics to better focus service & enforcement
Futuristic Vision – Individual Taxpayers

• Secure online accounts will provide personalized notifications and guidance based on profile.
• Online account will include:
  o Real-time information on status of an electronically filed return,
  o Notifications regarding potential errors,
  o Options to amend returns,
  o Features for establishing and monitoring progress on installment plans for any taxes owed.

Adapted from:
ABA National Institute on Tax Controversy
Las Vegas, NV
Dec. 9, 2016

Example - Future State for the Individual Taxpayer

1. Clear Guidance
2. Secure Online Account
3. Personalized 3rd Party Information
4. Self-Correction of Errors
5. Confidence in Interactions

- Taxpayer & Outreach Education
- Taxpayer Self-Correction
- Digital Content Management & Privacy and Security Management
- e-Authenticate & Digital Taxpayer Account Management
- Third Party Services
Future State for Small Business

1. **Expand** early interaction programs
2. **Educate** and enable taxpayers
3. **Modify** taxpayer behavior to enhance compliance
4. **Improve** collection case selection and assignment
5. **Enable** data-driven decisions regarding taxpayer contacts

Futuristic Vision – Business Taxpayers

Use of technology to address compliance for business taxpayers.

- Online accounts for business to monitor its account, including ability for representatives to access client’s account;
- Notifications of missed filings or payments, including payroll deposits;
- Notifications of examinations;
- Online portal for submitting IDR responses;
- Virtual conferences to discuss exam issues;
- Electronic payments for any balances due

*Adapted from: ABA National Institute on Tax Controversy Las Vegas, NV Dec. 9, 2016*
IRS Online Tools – Individuals

Also includes tools for: Filing; Refunds & Payments; Credit & Deductions; Calculators and Taxpayer Assistance.

https://www.irs.gov/help-resources/tools

IRS Online Tools – Businesses

For Businesses

<table>
<thead>
<tr>
<th>Online Tools</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Identification Number (EIN)</td>
<td>Get your EIN online without calling us or mailing or faxing a paper Form SS-4, Application for Employer Identification Number (EIN).</td>
</tr>
<tr>
<td>Tax Calendar</td>
<td>Track important business tax dates and deadlines right from your desktop.</td>
</tr>
<tr>
<td>FATCA FFI List Search and Download Tool</td>
<td>Use the search and download tool to find out if a Foreign Financial Institution has registered with FATCA.</td>
</tr>
<tr>
<td>Electronic Federal Tax Payment System</td>
<td>Pay your federal taxes online or by phone with EFTPS, a free tax payment system.</td>
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# IRS Online Tools – Tax Professionals

## For Tax Professionals

<table>
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<tr>
<td><a href="https://www.irs.gov/uac/join-e-news-for-tax-professionals">Preparer Tax Identification Number</a></td>
<td>Request or renew a PTIN. It's mandatory for anyone who prepares or assists in preparing federal income tax returns for compensation.</td>
</tr>
<tr>
<td><a href="https://www.irs.gov/uac/join-e-news-for-tax-professionals">E-Services for Tax Professionals</a></td>
<td>Register as an approved IRS business partner and conduct business electronically with the IRS.</td>
</tr>
</tbody>
</table>

## Taxpayer Digital Communications

### e-News for Tax Professionals

**Useful Links:**

- IRS.gov
- myRA
- Tax Professionals Home
- All Forms and Pubs
- Stakeholders Partners' Headliners
- Training and Communication Tools

**Issue Number:** 2017-20

**Inside This Issue**

1. e-Services, Transcript Delivery System Unavailable Memorial Day Weekend
2. Opportunity Coming to Participate in New Correspondence Examination Digital Pilot Program
3. Deadline for the Information Reporting Program Advisory Committee (IRPAC) is May 21
4. Tax Pros Can Earn 18 CPE Credits at the 2017 IRS Nationwide Tax Forums
5. IRS Announces Three New Members for Advisory Committee on Tax Exempt and Government Entities
6. Military Tax Tips
7. Technical Guidance

Taxpayer Assistance Centers

If face-to-face service is necessary, then taxpayers should call 844-545-5640 to schedule an appointment.


Next Steps

1. Aggregate, prioritize and re-sequence envisioned initiatives into a consolidated roadmap toward the future

2. Pursue priority initiative development, with a continual focus on engaging stakeholders

3. Update the IRS Strategic Plan (2018 - 2022)

4. Track performance toward future state goals, report results and gather input from stakeholders
Taxpayer Bill of Rights

- Right to **Be Informed**
- Right to **Quality Service**
- Right to Pay No More than the Correct Amount of Tax
- Right Challenge the IRS’s Position - and Be Heard
- Right to Appeal IRS Decision in an Independent Forum
- Right to Finality
- Right to **Privacy**
- Right to **Confidentiality**
- Right to Retain Representation
- Right to A Fair & Just Tax System

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1. Skepticism: Is there intention on the part of IRS to limit even further telephone and face-to-face interaction with taxpayers?

2. IRS does not appear to be moving as quickly in developing electronic options and online accounts for tax practitioners as they are for individuals.
3. IRS should provide an electronic option for Forms 2848 and 8821 including use of electronic signatures.

4. Lack of ease in validation for use.

5. LB&I is currently using secure e-mail protocols. When will this be available to SB/SE interactions?

Of Concern to Practitioners:

Thank You!

For more information, search using keywords “Future State” on IRS.gov
Resources and References

IRS Future State

IRS Future State Home Page

IRS Future State Initiative

Future of the Taxpayer Experience

Exploring the IRS Future State

Future State and IRS Activities

Small Business Experience

Tax Professionals Provide Insight on IRS Future State

National Taxpayer Advocate – Annual Report to Congress

Related Initiatives and Tools

IRS Online Tools – for Individuals, Businesses and Tax Professionals
https://www.irs.gov/help-resources/tools

Security Summit

Winners of Tax Design Challenge – Taxpayer Experience of the Future

Face to Face Help Now by Appointment

IRS e-Subscriptions