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NSA EVP John Ams Calls for Improved Technology and an Adequate Budget at IRS Public Forum

Alexandria, VA, May 17, 2016 —The National Society of Accountants (NSA) today called on the Internal Revenue Service (IRS) to make sweeping improvements to its outdated technology and use this new technology to facilitate more efficient and productive personal contact with taxpayers.

The comments were delivered by NSA Executive Vice President John Ams, at a Public Forum on Taxpayer and Stakeholder Needs and Preferences held by the IRS National Taxpayer Advocate.

Ams and other panelists offered testimony in response to the Taxpayer Advocate's 2015 Annual Report, which identified future needs such as making its operations more agile and efficient, strengthening cyber defense to prevent identity theft and refund fraud, using data analytics, and developing approaches to deter non-compliant taxpayer behavior.

IRS Commissioner John Koskinen has proposed technology that would create taxpayer accounts at the IRS "where they, or their preparers, could log in securely, get all the information about their account, and interact with the IRS as needed."

Ams said this would be a "welcome improvement" but stressed that other factors are hindering taxpayer interaction with the IRS and must be addressed, including:

- Some IRS forms cannot currently be submitted online, which requires that the entire return must be submitted via the regular mail system.

- Computer-generated IRS form letters often include a date by which a taxpayer response must be received to forestall the placement of IRS liens. Since the IRS cannot currently receive an email with the information, this means the taxpayer must respond by mail. However, the IRS does not have the capability to quickly open taxpayer mail, with the result that the IRS may place liens on taxpayer assets even if the taxpayer timely replied to the IRS letter.
- IRS personnel often cannot quickly locate taxpayer forms, records, powers of attorney or other documents when taxpayers or preparers manage to reach an employee, meaning that telephone waiting time of 45 minutes or more is wasted.
- According to the Commissioner, the IRS operates more than 35 different computer systems, most of which cannot communicate with each other, creating technology-related barriers to the resolution of taxpayer problems.

NSA President Kathy Hettick, EA, ABA, ATP, who leads Hettick Accounting in Enumclaw, Washington, added, “For most taxpayers, interaction is simply having the ability to look on the IRS website for information about tax matters in general. Other taxpayers would like to go online to review the specifics of their account and, if everything is in order, have no need to speak directly with an IRS representative. Still others, however, have specific issues that require personal interaction, either by the taxpayer or their representative, and such interaction would be much more efficient if the technology at the IRS allowed it.”

Ams recommended that the IRS implement technology upgrades that would allow any taxpayer or tax professional to:

- Submit a Form 2868 Power of Attorney and have immediate access to a client’s information.
- Submit an inquiry on any IRS Correspondence similar to what was capable on the EAR system.
- Submit form 1040X as an e-filed form.
- Have a chat capability like so many customer service companies to answer procedural questions.

- Have a secure email system for tax professionals in good standing to communicate with the IRS so that responses to any IRS correspondence can both be submitted and be logged as being timely received.

“Improved technology is not a replacement for personal contact with IRS personnel,” Ams concluded. “Rather, it is a means to make that contact more efficient and productive. It is a means of having a substantive interaction where both the taxpayer and the IRS representative have access to the same information.”

Ams also stated that achieving these goals “depends on an adequate IRS budget. NSA is disappointed in the decrease in IRS funding levels since 2010. Although the impact of these budget cuts on the IRS is and has been severe, it has been just as painful for individual and small business taxpayers who have to cope with the tax code that Congress created – a tax code that has seen more than 4,500 changes since it was last overhauled in 1986.”

He criticized the U.S. House of Representatives Appropriations Committee report last year, which declared that the reduced IRS budget it approved was “sufficient for the IRS to perform its core duties.”

“That statement can only be true if the Committee’s definition of IRS ‘core duties’ does not include such tasks as collecting revenue or responding to taxpayer requests, including answering the telephone when taxpayers call seeking help.”

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