



January 30, 2020

The Honorable David J. Kautter  
Assistant Secretary for Tax Policy  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Charles P. Rettig  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

**RE: Taxpayer First Act – Tax Professionals’ Feedback**

Dear Assistant Secretary Kautter and Commissioner Rettig:

As significant Internal Revenue Service (IRS or “agency”) stakeholders, our organizations are committed to supporting the IRS in achieving improved customer service and organizational modernization. We appreciate the opportunity to provide collective input as the IRS establishes a comprehensive customer service strategy, a comprehensive training strategy and a comprehensive written plan to redesign the organization of the IRS, as required by the [Pub. L. No 116-25](#) (referred to as the *Taxpayer First Act* (TFA)).

Most importantly, we recommend a new Practitioner Services Division as an integral part of the organizational modernization. The IRS also needs to adopt a visionary approach looking beyond immediate constraints to develop long term goals (which look towards a 10- or even 15-year horizon). Finally, the IRS should provide flexibility in its design to ensure the agency will continue to evolve.

As the IRS prepares its comprehensive reports to Congress, we encourage the IRS to consider our specific recommendations below.

### **Comprehensive Customer Service Strategy**

The IRS’s comprehensive customer service strategy should provide its customers with access to empowered employees, timely information, and tailored resources.

- *Access to empowered employees* – In order to improve customer service, the IRS should: (1) grant authority to general assistors to resolve issues over the phone; (2) provide an opportunity for a discussion with a higher skilled/trained assistor (on the same call); and (3) expect a sense of ownership from a single team (or “pod”). Resolving issues on the “front-end” of the process (e.g., through the initial assistor) would free up resources on the back-end.
- *Access to timely information* – To streamline interactions, the IRS should provide: (1) a secure communications platform (for two-way communication with tax professionals); (2) a robust tracking system (similar to “Where’s my Refund”) for notices, ITIN applications, time-stamped responses, confirmations of receipt, and other correspondence; (3) an efficient process for taxpayers to authorize third parties; and (4) an online professional account (with single sign-on for access to all of their clients’ information, not just one client.) Authentication for accessing information must be strict, but manageable.
- *Access to tailored resources* – The vast majority of resources have traditionally focused on taxpayers. Other customers, such as tax professionals and hard to serve taxpayers with differing needs, should not be forced to use platforms/resources designed for general taxpayers. The IRS would create efficiencies by developing resources to serve tax professionals (who represent the majority of taxpayers, including taxpayers served by low income clinics). The IRS also should form focus groups to better understand how particular taxpayers (that are not currently served by traditional resources) best receive information.

### **Comprehensive Training Strategy**

The IRS’s strategy on training should include customer-focused subject matters, a consistent and high-quality format, and the leveraging of trained employees.

- *Customer-focused subject matters* – In addition to substantially enhancing the way it teaches core and advanced tax law, the IRS should fundamentally prioritize the training it provides employees on: (1) general customer service; (2) procedural issues; and (3) real-life business practices and taxpayer limitations.
- *Consistent and high-quality format* – To deliver training comparable to the private sector, the IRS should: (1) standardize its approach (perhaps through an IRS University); (2) modernize its approach to training, including implementing current training best practices and offering interactive options; (3) leverage the experience of tax professionals; and (4) use subject matter experts with strong instructional skills (internal and external) to train employees. If an internal “IRS University” is deemed unfeasible, we recommend a centralized and more coordinated oversight of cross-organization specialized training to ensure consistency and quality.
- *Leveraging of trained employees* – Given the limitations, we recognize it is not realistic to fully-train all of the IRS employees on the large scope of the tax laws and procedures.

Therefore, we recommend that IRS assistors operate in teams (or “pods”) that allow general assistors to immediately transfer more complex issues to higher skilled assistors with specialized training.

## **IRS Redesign Plan**

The IRS’s comprehensive plan to redesign the organization should incorporate a customer-focused culture, provide an integrated technological infrastructure, and create a dedicated Practitioner Services Division.<sup>1</sup>

- *Customer-focused culture* – To improve customer service, the IRS should (1) adopt a business-like approach to maximize its efficiencies; (2) embrace a mindset as if there were a competitive incentive to provide stellar service; (3) partner with external stakeholders to efficiently leverage private sector best practices; and (4) develop metrics based on quality of service instead of the number of touches with taxpayers and metrics that will help determine the success of implementing the TFA.
- *Integrated technological infrastructure* – The IRS currently has a significant number of legacy systems that prevents it from using current and evolving technology. Therefore, we recommend the IRS move to a platform company model in which the technological infrastructure allows for integration and coordination of information throughout the organization. An integrated infrastructure will ultimately allow the IRS to meet the needs of both the taxpayers and their representatives in an efficient and timely manner. Furthermore, the IRS should explore the efficiencies of cost and timeline of implementation with in-house development as well as outsourcing. Many partner organizations, such as banks, software companies and municipalities, are currently utilizing the technological platforms and understand the benefits and challenges of implementing the platforms. Outsourcing could potentially allow the IRS to remain current from a technological perspective.
- *Dedicated Practitioner Services Division* – Practitioners play a vital role in tax administration. In order to enhance its relationship with the practitioner community, the IRS should commit to a Practitioner Services Division. Without a dedicated “executive-level” Practitioner Services Division that can participate in the design of key practitioner-impacting policies and programs, the IRS will not achieve the success it desires with the tax preparer community.<sup>2</sup> At a minimum, the Practitioner Services Division should: (1) engage with the tax professional community; (2) ensure practitioner feedback is acted upon

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<sup>1</sup> This recommendation is consistent with previously submitted recommendations: Tax professionals’ coalition letter, “[Ensuring a Modern-Functioning IRS for the 21<sup>st</sup> Century](#),” April 3, 2017; AICPA comment letter, “[Taxpayer First Act Discussion Draft](#),” April 6, 2018; and NAEA white paper, “[Creating a Taxpayer-Focused Internal Revenue Service](#),” January 15, 2020.

<sup>2</sup> Tax professionals represent millions of taxpayers, including 58.34% of all e-filed returns in 2019, according to the [Filing Season Statistic for Week Ending Nov. 22, 2019](#).

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through a liaison with all major operating divisions; (3) maintain robust practitioner hotlines; and (4) provide an online tax professional account.

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We are committed to focusing on solutions and how, together, we can ensure the IRS achieves improved service and organizational modernization.

Sincerely,

**alliantgroup, LP**

**American Institute of CPAs (AICPA)**

**H&R Block**

**Latino Tax Professionals Association**

**National Association of Enrolled Agents (NAEA)**

**National Association of Tax Professionals (NATP)**

**National Conference of CPA Practitioners (NCCPAP)**

**National Society of Tax Professionals (NSTP)**

**Padgett Business Services**

**Prosperity Now**

cc: Ms. Amalia C. Colbert, Taxpayer First Act Office, Internal Revenue Service  
Ms. Lisa J. Beard, Taxpayer First Act Office, Internal Revenue Service  
Mr. Robert A. Ragano, Taxpayer First Act Office, Internal Revenue Service  
Mr. James P. Clifford, Taxpayer First Act Office, Internal Revenue Service  
Ms. Bridget T. Roberts, Acting National Taxpayer Advocate, Internal Revenue Service