



Change
Representation
Improvement
Service
Progress
Fairness
Consensus
Volunteer
Grass Roots

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To: Timothy F. Geithner
Secretary of the Treasury

Douglas Shulman
Commissioner of Internal Revenue

Nina E. Olson
National Taxpayer Advocate

Subject: TAP 2009 Annual Report



On behalf of the members of the Taxpayer Advocacy Panel, I am pleased to submit the 2009 Annual Report. The Taxpayer Advocacy Panel (TAP) was created in 2002 under Public Law 92-463, the Federal Advisory Committee Act, which was passed to ensure that recommendations made by an advisory committee are objective and accessible to the public.

The TAP began the year with our annual meeting held in December, 2008, in Washington, D.C. Members from all over the country came together with the common goal of “making a difference for taxpayers.” Looking back, our hard-working and dedicated members accomplished that goal and achieved new levels of success. The TAP had a banner year in 2009.

Our Annual Report highlights the work of our members in representing taxpayers in our ongoing effort to improve the Internal Revenue Service (IRS). During the year, our members identified “grass roots” issues and forwarded recommendations for improvements to customer service and completed projects to both the IRS Wage & Investment and Small Business/Self-Employed divisions.

These recommendations were designed to increase operational efficiency, improve procedures, and provide better service to the taxpayer. Of those 137 recommendations and completed projects, 67 came directly from independent taxpayer suggestions solicited through numerous outreach activities during the year. The remaining

70 completed projects were presented in response to requests from the IRS. This represents a 15.1 percent increase in recommendations from the previous year. Our Annual Report includes a summary of each of these recommendations.

Of the 67 problems or issues identified by taxpayers, the IRS agreed or partially agreed to the TAP's proposed solutions for 39 issues. The IRS disagreed with the recommendations the TAP provided on 13 issues and the remaining recommendations are pending a final determination by the IRS or the TAP.

Not all recommendations to the IRS come from taxpayers as "grass roots issues." Many come from the IRS program owners who rely on the TAP to serve as a focus group. In 2009, the TAP provided 70 recommendations to program owners in the following areas: Volunteer Income Tax Assistance, Earned Income Tax Credit, Forms and Publications, Notices Improvement, Multi-lingual Services, Small Business/Self-Employed taxpayers, Taxpayer Assistance Centers, and Communications.

One of the hallmarks of the TAP is our willingness and ability to partner with the IRS and the Taxpayer Advocate Service (TAS) to accomplish our mission. In 2009, the TAP teamed with the IRS and the TAS to make events such as the TAP/TAS Town Hall meetings, the IRS National Tax Forums, and the Earned Income Tax Credit Awareness Day a great success.

One measure of our success is the increase in member applications we receive. Over 100 TAP members represent all 50 states, the District of Columbia, and Puerto Rico. Volunteers serve a three-year term and approximately one-third of the group is new each year. We have seen increased interest in these volunteer positions each year and our efforts in 2009 delivered 900 applications from candidates pursuing the 25 available positions. This represents a 45 percent gain over last year. We believe that this increase is due to an increasing awareness of the TAP and our success. With an increase in our pool of applicants, we are able to bring well-qualified citizen volunteers to

serve as representatives for the public and as focus groups for IRS initiatives.

The primary mission of the TAP is to bring recommendations to the IRS on matters of tax administration. Legislative matters regarding the tax code are outside of our jurisdiction. In 2009, however, we were fortunate to be able to respond to a request for public comment from the President's Economic Recovery Advisory Board. In this capacity, the TAP provided comments to the current administration based on comments received from taxpayers over the last several years.

Because of our recommendations, the Tax Reform subcommittee invited the TAP to explain and answer questions about our recommendations. This high-profile invitation is just one example of how the IRS, as well as other organizations, view the TAP as a valuable resource. Our connection with the taxpaying public allows us to provide critical details about systemic issues within the IRS from those most affected by changes in tax administration.

I would like to recognize all of our members, the TAP staff, and our partners within the IRS for a highly successful year. It has been my pleasure and privilege to work with these highly qualified, dedicated, and professional individuals while working toward our common goal of advocating for the American taxpayer. Thank you all for your many tireless and unselfish contributions to the panel.

I believe that 2010 and beyond will continue to provide challenges to taxpayers across the nation. The TAP stands as a vital link between those taxpayers and the government organization responsible for tax administration. I know I speak for all of our members when I say that it is an honor to serve the American public in this way.

Charles Davidson
2009 TAP Chair

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Executive Summary

During 2009, the Taxpayer Advocacy Panel (TAP) elevated 67 taxpayer recommendations for Internal Revenue Service (IRS) review. The IRS approved or partially approved 39 of these recommendations, rejected 13 issues, and the IRS and the TAP are reviewing 12 additional issues. Three issues were deemed to be related to legislative issues, beyond the scope of the TAP. The TAP referred 14 taxpayer issues to the IRS TAS Office of Systemic Advocacy requesting immediate intervention. The 39 approved or partially approved recommendations address issues related to Improving Taxpayer Experience, Identity Theft, and IRS Instructions, Forms, and Procedures. This report details these approved recommendations but the key achievements follow:

Improving Taxpayer Experience

The TAP has offered many recommendations regarding the IRS procedures over the years and in 2009 supported taxpayers and the IRS as follows:

- The TAP successfully demonstrated a need for more user-friendly services at www.irs.gov for senior citizens and their caregivers.
- E-file returns are often rejected because the SSN does not match the name in the Social Security Administration database. The TAP proposed creating a taxpayer authentication tool on the IRS web site to confirm correct names prior to submitting an e-file return.
- The TAP recommended that the IRS use e-services to provide a taxpayer with ready access to estimated tax payments and other credits to the taxpayer's account.

- The TAP supported a need for better instructions allowing domestic partners to accurately report joint state income tax refunds.
- The TAP recommended that the IRS provide timely notice to bankrupt taxpayers when their refunds are released to their bankruptcy estates. As an alternative, the IRS added information to the “Where’s My Refund?” on the IRS web and provided a contact phone number.

Identity Theft

The National Taxpayer Advocate reported to Congress that identity theft continues to be one of the top 20 concerns. In 2009, the IRS Taxpayer Advocate Service (TAS) experienced a 96 percent increase in cases where identity theft was the primary issue.¹ Two recommendations from concerned taxpayers addressed the security of taxpayer information to help prevent identity theft.

- Volunteer Income Tax Assistance (VITA) volunteers were concerned about the security of taxpayer information, especially the required SSN. The IRS approved the TAP recommendation for greater physical security for the forms that the VITA volunteers use for taxpayer assistance.
- Another taxpayer raised an issue about potential identity theft for taxpayers not required to file tax returns. The IRS endorsed the TAP recommendation allowing taxpayers to lock their accounts when no tax returns are required.

Forms and Publications

Inaccurate or unclear procedures in IRS forms and publications cause confusion and frustration by taxpayers trying to comply with tax laws

¹ National Taxpayer Advocate 2009 Annual Report to Congress, p. 310.

and file an accurate return. Many tax changes resulted from the Economic Stimulus Act of 2008, Housing and Economic Recovery Act of 2008, and American Recovery and Reinvestment Act of 2009. Taxpayers told the TAP members of these problems:

- “I knew my Health Savings Account contributions were pre-tax; yet, no matter how I interpreted the form, I came up with an amount to ADD to my taxable income - which is wrong!”
- The TAP recommended expanding the examples of Immediate Family listed in the instructions and on Form 2848, *Power of Attorney and Declaration of Representative*, to include grandparents and grandchildren.



2009 TAP Chair Charles Davidson and Acting TAP Director Shawn Collins

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2009 TAP Annual Report

Introduction

The Department of the Treasury (Treasury) created the Taxpayer Advocacy Panel (TAP) in 2002 in response to a review of IRS advisory committees. The TAP's predecessor, the Citizen Advocacy Panel operated in ten states. In 2002, Treasury recommended a nationwide expansion of the Citizen Advocacy Panel based on the contributions of the earlier panel, and renamed it Taxpayer Advocacy Panel. The TAP is an independent advisory committee and operates under the ground rules defined by the Federal Advisory Committee Act (FACA) to ensure that advice by advisory committees is objective and accessible to the public.

The Department of the Treasury, IRS, and National Taxpayer Advocate oversee the TAP. The Taxpayer Advocate Service (TAS) provides funding and technical, administrative, and clerical support essential to accomplish the TAP's objectives.

The TAP members represent all 50 states, the District of Columbia, and Puerto Rico. The panel consists of approximately 100 citizen taxpayers. Treasury appoints each TAP member for a three-year term. New panel members replace approximately one-third of the panel each year after a recruitment program each spring. The TAP website (www.improveirs.org) details the recruitment process.

The TAP members represent diverse experiences, training, backgrounds, and interests. They are:

- full-time employees working for both the public and private sectors;
- retirees;
- volunteers with other organizations, including American Association of Retired Persons (AARP) /Tax Counseling for the Elderly (TCE) and VITA;
- immigrants who want to help their new nation;

- fathers, mothers, grandparents; and
- citizens who care about the United States and want to help make it a better place to live and work.

A listing of 2009 TAP members can be found in Appendix A of this report.

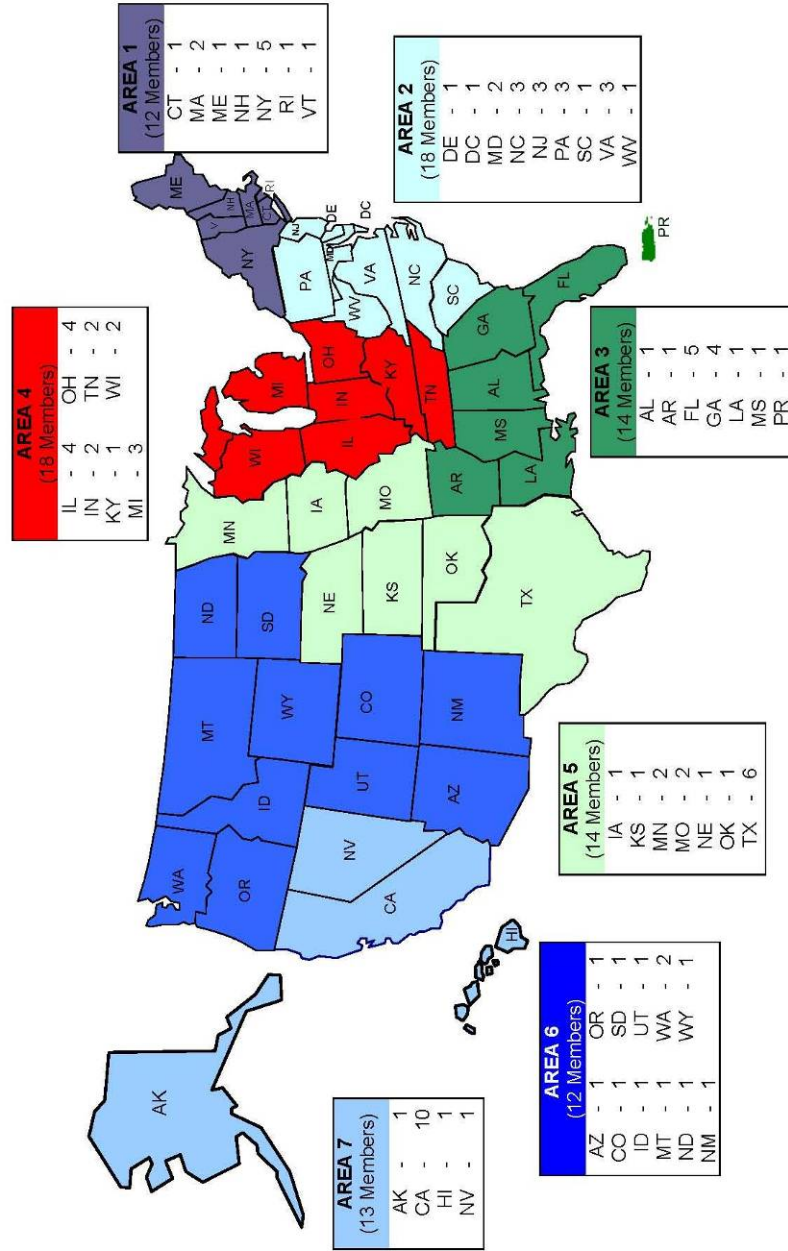
TAP Objectives and Scope

The TAP shall provide a taxpayer perspective on critical tax administrative programs and help to identify “grass roots” tax issues. The TAP shall provide listening opportunities for independent taxpayer comments and suggestions regarding IRS service and customer satisfaction, and have direct access to the appropriate operating divisions. The TAP shall focus primarily on issues that fall within the jurisdiction of the Wage & Investment (W&I) and Small Business/Self-Employed (SB/SE) operating divisions.



From left: Al Rodriguez, TAP member; staff members Marisa Knispel and Louis Morizio; TAP members Anne Rasmussen and Karla Toomer

TAP Geographic Area Committee Map 2009



TAP Member Responsibilities

Each TAP member has the following responsibilities:

- Participate on one of seven geographically based Area Committees. The TAP members represent their home states. The Area Committees identify taxpayer concerns, research the issues and improvement opportunities with the IRS, and elevate recommendations to IRS management. Area Committees operate in a bottom-up fashion, focusing on taxpayer issues and concerns.
- Participate on one of eight Issue Committees. The IRS program owners define the scope of work for the Issue Committees. The Issue Committees work the projects, develop project recommendations, and forward these recommendations to IRS management. Issue Committees operate in a top-down fashion focusing on the IRS issues and project support requests.
- Conduct individual outreach activities with the taxpaying public and paid tax preparers to identify grassroots taxpayer issues and serve as a listening post for the IRS.
- Participate in team events with the various departments of the IRS to interface with the taxpaying public including: Town Hall meetings, Tax Preparer forums, and TAS outreach events.
- Attend the one-week annual TAP meeting in Washington, D.C.
- Attend one two- to three-day meeting for each of the two committees, typically held in the first part of the year.
- Participate in monthly telephone conferences with team members from the Area and Issue Committees to address and work on program issues and assignments.
- Participate in additional special project events associated with Area and Issue Committee assignments.

This volunteer work typically requires from 300 to over 500 hours per year for panel members. Additional time is required for TAP members in team leadership positions.



Local Taxpayer Advocate, John Tam, and TAP members at an Area Committee meeting

Outreach: How TAP Listens To Taxpayers

During 2009, the TAP members reached out to tell the TAP story to a wide variety of individual taxpayers and organizations both large and small. These outreach events were also used to identify taxpayer issues and concerns with the IRS. The key objective of the TAP outreach program is to identify issues that can affect a large group of taxpayers. Another important objective is to address issues for improved work process and forms and documents within the IRS.

The TAP does not work on legislative issues or with individual tax returns. The TAP refers taxpayers with legislative issues to their local Congressional representatives and refers individuals with specific issues dealing with their own tax returns directly to the IRS or the TAS.

The following table summarizes the wide-ranging outreach activities conducted by the TAP members in 2009. Outreach events ranged from individual one-on-one events to large public meetings, the new social networking media, and mass media events that reached hundreds and thousands of the taxpaying public simultaneously.

During 2009, the TAP participated in more than 2,300 outreach events and interacted with more than 7 million members of the taxpaying public.

Outreach Event	Number of Events	Estimated Total Audience
Individual or small group contacts	1,284	311,195
Speeches and presentations	411	66,156
Internet	336	62,301
Media articles ¹	75	3,338,692
Seminars	51	3,656
Media interviews ¹	47	3,284,817
Fairs and Expo booths	47	46,089
Correspondence	29	2,966
EITC Day	14	295
Forums	13	3,416
Tax Forums	4	7,282
TAP/TAS Town Hall events	3	190
TOTAL	2,314	7,127,055

¹ These estimated totals are based on data collected from TV and radio stations and reflect market share or potential audience.

Figure 1. Summary of Outreach Efforts by TAP Members during Calendar Year 2009.

2009 TAP Area and Issue Committee Accomplishments

TAP Area and Issue Committee Organization

The seven **TAP Area Committees** are charged with soliciting comments from the taxpaying public on experiences and improvement opportunities for the IRS. The Area Committees review these comments, identify the most promising opportunities, research the taxpayer issues, and make appropriate recommendations to the IRS. This work process is driven by the taxpaying public.

The TAP Area Committees are organized by seven regions in the United States and have 12 – 18 TAP members per committee. The TAP map shown on page 9 provides additional detail on Area Committee geographic structure.

The scope of work for the eight **TAP Issue Committees** in 2009 is as follows: Seven of the eight TAP Issue Committees work on projects defined by IRS program executives. Each committee has 12 – 18 members from around the country. The Issue Committees work with the IRS to define problems and then develop project recommendations to address the topics identified by the IRS. This work process is a top-down process directed by the IRS management. The IRS values TAP efforts on IRS-defined projects as the TAP members bring a variety of backgrounds and thinking which can lead to fresh approaches which may not be apparent to the internal IRS organization.

The final TAP Issue Committee (Communications) works on internal TAP communication opportunities including member feedback, TAP work processes (TAP Handbook), TAP web products (<http://www.improveirs.org> and TAPSpace), and TAP documentation standards.

The total number of activities presented to the Area and Issue Committees are presented below based on the nature of the IRS business function or domain impacted by the activity.

IRS Function	Issues/Projects	Percentage
Forms, Instructions, Publication	108	17.25%
Notices	60	9.58%
Toll-Free Number	53	8.47%
Return Processing	45	7.19%
Communication	43	6.87%
Taxpayer Assistance Centers	39	6.23%
E-File	35	5.59%
Taxpayer Rights	28	4.47%
Education	25	3.99%
Audits	22	3.51%
VITA	20	3.19%
Collection Process	16	2.56%
Website	16	2.56%
Payments	12	1.92%
Penalty & Interest	11	1.76%
Third Part Return Preparation	10	1.60%
Burden Reduction	7	1.12%
EITC	5	0.80%
Appeals	4	0.64%
Multi Lingual Initiative (MLI)	4	0.64%
SB/SE	4	0.64%
Offers in Compromise	3	0.48%
EFTPS	2	0.32%
Other	56	8.63%
Total	626	

Figure 2. Summary of issues the TAP received for consideration by topic in 2009.

TAP Made 137 Recommendations to the IRS

The TAP Area and Issue Committees completed a significant amount of work in 2009 and submitted 137 recommendations to the IRS. As shown in the following table, the seven Area Committees completed work on 67 Issues and elevated recommendations to the IRS.

The seven external Issue Committees completed 62 Projects and documented project recommendations to the IRS. Finally, the TAP Communications Committee completed an additional 8 projects for internal TAP application.

Committees	2009 Total	2008 Total
Area Committee Issues Elevated	53	21
Area Committee Issues Sent to Systemic Advocacy	14	5
Subtotal – Area Committee Issues Completed	67	25
Special Project – Recommendation	0	1
Issue Committee External Projects Completed	62	86
Subtotal – Issue Committee External Projects	62	86
Subtotal – Recommendations forwarded to the IRS	129	112
Issue Committee Internal Projects Completed	8	7
Subtotal – Internal Projects Completed	8	7
Total Deliverables Completed by TAP	137	119

Figure 3. Summary of Elevated and Referred Issues and Completed Projects by TAP Committees for 2008 and 2009.

These results demonstrate that the TAP continues to serve the role of an independent listening post and to provide significant ideas for change to the IRS.

TAP Area Committees Elevated 67 Recommendations

The Area Committees completed work on 67 taxpayer issues and elevated recommendations to the IRS. Fifty three of these issues were defined and researched by TAP Area Committees using the standard TAP work process, reviewed by the TAP Joint Committee, and then elevated to IRS management for their consideration and subsequent action.

Fourteen additional Issues were defined to be so time critical that they were sent to the IRS Office of Systemic Advocacy for immediate intervention and action by the IRS.

The following table provides detail on the work completed by each of the Area Committees and compares favorably with prior years. In addition, the Area Committees have a number of taxpayer issues under study which will be carried over into the 2010 TAP program.

Area Committee	Issues Elevated	Referrals to Systemic Advocacy	2009 Total	2008 Total	2007 Total
1	4	4	8	6	5
2	6		6	6	2
3	5	1	6	4	2
4	11	4	15	3	2
5	17	4	21	0	2
6	4	1	5	3	4
7	6		6	3	2
Total	53	14	67	25	19

Figure 4. Summary of Elevated Issues and Referrals by Area Committee for Calendar years 2007 through 2009.

IRS Response to TAP Area Committee Recommendations

When the Joint Committee elevates an issue from an Area Committee, the IRS assigns it to the appropriate department for consideration.

The IRS takes TAP recommendations seriously. However, at times, they are limited in their ability to implement them due to the following:

- Availability of personnel;
- Cost of implementation;
- Difference in IRS management philosophy; and/or
- Balance of easing taxpayer burden with enforcement of tax obligations.

After evaluating the recommendation the IRS will formally respond to the TAP Chair regarding the review and implementation if appropriate.

The following table provides an overview of IRS responses to the 67 recommendations elevated by TAP Area Committees to the IRS in 2009 with illustrative data for 2008 and 2007.

Status	2009 Responses	2008 Responses	2007 Responses
Accepted	22	14	6
Partially Accepted	10	2	8
Referred to Systemic Advocacy – Accepted ¹	7		
Referred to Systemic Advocacy – Rejected ¹	4		
Referred to Systemic Advocacy – Legislative ¹	3		
Rejected	9	9	5
Under Review ¹	12		
Total	67	25	19

¹New Status Category in 2009

Figure 5. Summary of IRS Responses for 2007 through 2009.

TAP Issue Committees Highly Productive in 2009

The Issue Committees are formed to work on projects for one year and are redefined at the beginning of each TAP year. Hence, there is usually no carryover work by individual Issue Committees from year to year. IRS Program Managers redirect TAP resources to work on the most urgent IRS issues each year.

The eight TAP Issue Committees completed work on 70 projects in 2009. Seven Issue Committees took direction and worked on projects requested by the IRS. The Communications Committee worked on internal TAP work processes and tools to improve organization productivity and efficiency.

Issue Committee	2009 Projects Completed	2008 Projects Completed	2007 Projects Completed
EITC	2	5	0
Forms and Pubs	12	22	10
MLI ¹	5		
Notices Improvement	32	40	16
SB/SE Burden Reduction	2	6	6
TAC	1	1	2
VITA	7	12	6
Ad-Hoc Video Project	1		
Subtotal – External Projects	62	86	40
Communications	8	7	0
Subtotal – Internal Projects	8	7	0
Total	70	93	40

¹New Committee for 2009

Figure 6. Summary of Issue Committee Projects, 2007 through 2009.

The numbers in Figure 6 should not be used to compare Issue Committee productivity. Each Issue Committee counts their projects completed in a manner which is most appropriate to meet the needs of the IRS Program Owner. For example, the Taxpayer Assistance Center Committee (TAC) worked on one major project for the entire year and developed a set of improvement recommendations to enable the IRS TAC offices to better serve the taxpaying public

The TAP modified the tracking of Issue Committee deliverables after a major procedural change in 2008. Each notice reviewed by the Notices Committee and each form or publication reviewed by the Forms and Pubs Committee is now logged and counted as a separate project. Prior to 2008, all notices or forms and publications reviewed on a single day were combined and counted as a single project. This resulted in a gain in projects defined as “Completed” in 2008 and 2009. Further details on the projects completed by each Issue Committee may be found later in this report in the TAP Chair Reports section.

Summary and Future Considerations

The TAP Area and Issue Committees were highly productive in 2009 and produced many recommendations to IRS management. The IRS continues to view TAP as a valued independent partner to assist the IRS to carry out their mission: “To provide America’s taxpayers top quality service by helping them to understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.”

Suggestions for consideration as TAP moves forward in future years:

- With the increasing number of recommendations over the past few years, the TAP members and leadership have sought further understanding of the impact within the IRS on behalf of the taxpayer. When the IRS accepts TAP recommendations, the TAP continues to question the steps taken for implementation and what material benefits are achieved. This is the key priority for 2010.

- Progress has been made among the TAP members to extend taxpayer concerns into opportunities for creating issues relevant for IRS consideration. From a rate of elevated issues to total issues of five percent in 2008, the 2009 TAP panel created issues from taxpayer concerns at a rate of 12 percent. With 549 taxpayer concerns presented to the TAP, the TAP Area Committees presented 67 recommendations for the IRS consideration. This significant achievement in one year represents the faithfulness of the volunteer members of the TAP. This achievement does not represent the limits of the TAP membership and future years will provide more salient recommendations to the IRS on behalf of the taxpayer.
- The TAP continues to identify the most productive sources of issues from taxpayers. Outreach efforts continue to increase in larger numbers, especially with the social media initiatives. Using all types of outreach contacts helps promote the values of the TAP but the members strive to focus outreach efforts in ways that generate opportunities to develop issues to improve customer service within the IRS.
- A large number of taxpayer issues resurface each year. The TAP should consider whether opportunities exist to promote these reoccurring issues with the IRS in a more directed way.
- A continuing concern among the TAP leadership is the incidence of IRS rejection of the TAP recommendations. Although the rejection rate in 2009 (13 rejections of the 67 submissions) improved from the experience in previous years, the TAP has further developed ways to probe these rejections for possible resubmission to the IRS.

Special Achievements and Events



TAP member Chuck Tice (center) interviewed by local TV news

EITC Awareness Day

For the second year, the TAP partnered with the IRS in events across the country designed to increase awareness about the Earned Income Tax Credit (EITC). The IRS and community partnerships organized and hosted hundreds of events throughout the country and 13 TAP members participated in 15 of these events, providing information to taxpayers about the TAP and the EITC.

In addition to events planned by the IRS and community partners, five panel members organized their own EITC awareness event in their own areas. Although most of the events were held on EITC Awareness Day, January 30, 2009, several events were held from January 10 to March 21.

During EITC events, the TAP members spoke with approximately 354 taxpayers and visited with attending dignitaries including mayors, local state and congressional representatives, and staff members. Members also conducted media outreach, contacting television and radio stations to promote the events.

While the IRS was providing information to taxpayers about EITC, the TAP members used the events to increase awareness about the TAP and to solicit grassroots issues from taxpayers attending the events.

IRS Oversight Board Public Forum

On February 17, 2009, TAP Chair Charles Davidson attended the annual public forum of the IRS Oversight Board in Washington, D.C. At that meeting, three panel discussions addressed important issues in tax administration: employee engagement, enterprise risk management, and funding the IRS as either an investment or an expense.

Davidson had the opportunity to speak with members of the Board, invited guests, and audience members about the TAP and its significance to tax administration. Many of the Board members were already aware of the TAP.

TAP Released 2008 Annual Report and Held Discussions with IRS Commissioner

The TAP released its 2008 Annual Report during the summer and on September 22, 2009, the TAP leadership team met with IRS Commissioner Douglas Shulman to share the report and discuss several important topics of interest to the TAP and the IRS.

Representing the TAP at the meeting were Charles Davidson (TAP Chair), Ken Wright (TAP Vice-Chair), Dean Condor (Area 6 Chair), Sabby Jonathan (Area 7 Chair), and Shawn Collins (Acting TAP Director). Also in attendance was National Taxpayer Advocate Nina Olson.

The TAP leadership group discussed the following topics with Commissioner Shulman:

- The TAP 2008 Annual Report;
- TAP Recruitment and the selection of new members;

- Successful partnership between the TAP and the IRS;
- Highlights of outreach and special activities completed by the TAP;
- Areas of customer service improvement identified by the TAP over the past several years; and
- Ways to improve the “taxpayer experience” with the IRS.

The members also visited with IRS Program Owners in both the W&I and SB/SE operating divisions where they discussed the partnership between the TAP and the IRS, how to improve procedures and identifying projects that TAP committees could complete in 2010.



From Left: TAP Member Kenneth Wright, Acting TAP Director Shawn Collins, TAP Chair Charles Davidson, IRS Commissioner Douglas Shulman, TAP Member Dean Conder, TAP Member Sabby Jonathon, National Taxpayer Advocate Nina Olson.

Nationwide Tax Forums

The TAP members attended four of the six IRS Nationwide Tax Forums held in 2009 to promote an awareness of the TAP among the tax practitioner community, elicit comments from practitioners about their experience with the IRS, and to gather facts and suggestions on how to improve customer service and the IRS products.

Panel members, with support from IRS staff, attended Forums in New York, Orlando, Dallas, and Las Vegas. They provided the TAP literature and answered questions at the venue located outside the main conference rooms.

In addition to speaking with forum attendees throughout the day, the TAP members also conducted focus group sessions at each location to further explore issues and identify opportunities for IRS improvement.



TAP Staff and Participants at New York Tax Forum

Town Hall Meetings

TAP members participated in three Town Hall meetings in collaboration with the TAS. The three events in Little Rock, Arkansas; Oklahoma City, Oklahoma; and Albany, New York drew a total audience of approximately 150 taxpayers eager to share their concerns with National Taxpayer Advocate Nina Olson and TAP members. Panel members moderated the meetings and facilitated smaller focus group sessions at the conclusion of the main event.

The purpose of the Town Hall meetings is to elicit comments from taxpayers about their experience with the IRS and to gather suggestions on how to improve customer service and IRS products. The TAP staff in attendance documented the issues for potential future action.

Initiated in 2006, the Town Hall Meetings have elicited highly valuable grassroots issues from taxpayers on a variety of tax concerns and problems. They also raised public awareness of both the TAP and the TAS in the meeting locales.

TAP Issue Committee Work on Key IRS Issues

On June 25, 2009, a subcommittee of the SB/SE Issue Committee, tasked with reviewing materials and determining contact points to educate taxpayers on the Mortgage Debt Forgiveness Act of 2007, held a focus group session with six housing counselors from Colorado. The counselors staff a statewide hotline for Colorado citizens that are about to experience or are currently experiencing a home foreclosure. The purpose of the focus group session was to identify the usefulness of Publication 4705, *Overview: Mortgage Debt Forgiveness*. This publication serves as a starting point for educating taxpayers on the Act and its tax implications and exclusions.

The TAP subcommittee gained a unique and helpful perspective in the one-hour focus group session with the counselors. The session provided enlightening information that enabled this subcommittee to

provide a more comprehensive recommendation to the IRS on this topic.

Tax Preparer Regulation

In response to Notice 2009-60 and to follow up on a 2007 IRS request, panel members once again considered the issue of tax preparer regulation.

Commissioner Douglas Shulman requested comments from various stakeholder groups, including the TAP. The TAP Joint Committee heard a briefing on this request at the August face-to-face meeting.

The Joint Committee asked TAP members to gather ideas from their constituents and make recommendations. An ad hoc committee compiled and incorporated these TAP member suggestions into the final TAP report.

The TAP initially supported the need for regulation along with a provision for judicially administered regulations. The final recommendation included specific ideas for implementation.

The TAP believes the interests of the taxpayers are served by having professional, competent, and ethical tax return preparers and supports a system of regulation protecting taxpayers' interests and rights.

The IRS announced the new regulations for the tax preparer industry and incorporated many of the components included in the TAP recommendation, specifically mentioning the TAP report.

President's Economic Recovery Advisory Board

In October, the TAP responded to the request of the President's Economic Recovery Advisory Board (PERAB) for public comments on issues relating to tax reform. The TAP members prepared and submitted a formal set of recommendations to the Board.

On December 18, 2009, representatives from the TAP met with the Tax Reform subcommittee. The Department of the Treasury arranged

the meeting at the request of PERAB. Representing the TAP were 2009 TAP Chair Charles Davidson, 2009 TAP Vice-Chair Ken Wright, 2010 TAP Chair Sabby Jonathan, and 2010 TAP Vice-Chair Tom Walker.

Members of the PERAB's subcommittee on tax reform present at the meeting included Roger W. Ferguson, Chief Executive Officer of TIAA-CREF; Adam Looney, Senior Economist, President's Council of Economic Advisors; Austan Goolsbee, PERAB Staff Director and Chief Economist; and Emanuel Pleitez, PERAB Special Assistant; other members of the subcommittee joined by phone. The meeting took place at the Eisenhower Executive Office Building in Washington, D.C. and streamed live on the Internet. Additional information and an archived video are available from the PERAB website: <http://www.whitehouse.gov/administration/eop/perab/blog>.

During the meeting, the TAP members presented a summary of five recommendations for tax reform based on top priorities in tax administration identified by TAP members. Specifically, the members discussed changes to the Alternative Minimum Tax, Phase-out Provisions, the Retirement System, the EITC, and Tax Code Simplification. A question and answer period followed the presentation. The meeting lasted about 20 minutes.

The TAP meeting with the PERAB is the first time TAP has had an opportunity to directly present recommendations on legislative issues, which are normally outside the scope of the TAP mission. It is also significant that the meeting occurred at the request of the PERAB subcommittee. The TAP responded to requests for comments from the IRS in the past, but has never before received a request for a recommendation from the Department of the Treasury or the Administration.

Recruitment

The TAP recruitment drive for new members in 39 states ended on April 30, 2009. During the recruitment period, the TAP received 900

applications, a 45 percent increase over the 620 received last year. The TAP management team ranked all the applicants in May and interview panels consisting of a TAP manager, Local Taxpayer Advocate and current TAP member interviewed the highest ranked candidates in June.

In July 2009, the TAP provided the National Taxpayer Advocate a list of recommended selections to fill 25 member vacancies, plus alternate candidates for future vacancies. The National Taxpayer Advocate forwarded her recommendations to the IRS Commissioner for approval and to the Department of the Treasury for final selection. New TAP members began their three-year terms in December 2009 at the TAP Annual Conference in Washington, D.C.



TAP 2009 and 2010 Leaders, December 2009, Washington, D.C. Pictured left to right: Charles Davidson, 2009 TAP Chair; Sabby Jonathon, 2010 TAP Chair; Shawn Collins, Acting TAP Director; Thomas Walker, 2010 TAP Vice-Chair; Kenneth Wright, 2009 TAP Vice-Chair.

Taxpayer Suggestions Approved by the IRS

During 2009, the seven area committees reviewed 549 suggestions and issues presented by taxpayers at Town Hall Meetings, Tax Forums, the TAP toll-free line, improveirs.org, and other venues. Of the 549 suggestions and issues reviewed, 67 were developed and elevated to IRS through the TAP Joint Committee; of these, the IRS approved 39 completely or in part. The 39 approved recommendations focused on the following key areas: Improving Taxpayer Experience, IRS instructions, Identity Theft, and Disregarded Entities.

Improving Taxpayer Experience

When procedures are insufficient or inaccurate, taxpayer confusion and resentment increase which leads to frustration by those trying to comply with tax laws and file an accurate return. During 2009, the TAP listened to taxpayers and submitted the following recommendations to help improve the taxpayer's experience:

- In response to taxpayer complaints that IRS representatives do not have access to notes of prior contacts, the TAP recommended that IRS include those notes in the computer system. The IRS agreed with the recommendation but could not forecast when the recommendation may be implemented due to the uncertainty of future funding. (309-4930)
- The TAP recommended that IRS provide timely notice to bankrupt taxpayers when their refunds are released to their bankruptcy estates. As an alternative, the IRS added information to the "Where's My Refund?" on the IRS web and provided a phone number to call. (409-5366)
- E-file returns are often rejected because the SSN does not match the name in the SSA database. The TAP proposed creating a taxpayer authentication tool on the IRS web site to

confirm correct names prior to submitting an e-file return. (509-4480)

- The IRS adopted several TAP recommendations to prevent taxpayers from using two identification numbers after a SSN is issued for reporting income when they transition from using an individual taxpayer identification number (ITIN) to a SSN. (309-4977)
- The United States Department of Agriculture (USDA) Farm Service Agency (FSA) requires EIN for trusts owning farmland even though the trusts do not file trust income taxes . The TAP endorsed revised procedures between IRS and FSA for these non-filing trusts. (509-5889)
- The TAP recommended automating the Fraud Referral Program (Form 3949-A, *Information Referral*). (609-4358)
- The IRS is updating applicable Internal Revenue Manuals to ensure employees communicate to taxpayers how to file a complaint as outlined in Publication 1, *Your Rights as a Taxpayer*, and to provide managers the necessary guidance on how to handle taxpayer complaints. (709-4545)
- The IRS agreed to provide specific responses from the person/office impacted in response to taxpayer recommendations to improve the website. (709-4661)
- The TAP recommended that the IRS use e-services to provide a taxpayer with ready access to estimated tax payments and other credits to the taxpayer's account. (209-5080)
- The IRS is in the process of implementing a system that allows taxpayers to use Form 1099 series on the IRS web site. (709-4639)

- The TAP supported a taxpayer need for better instructions allowing domestic partners to accurately report joint state income tax refunds. (709-5225).
- The TAP was successful in demonstrating a need for more user-friendly services at www.irs.gov for senior citizens and their caregivers. (209-4729).
- The IRS will begin implementing plans in January 2011 to shorten processing time for amended tax returns. (109-5189)
- The TAP championed the need for IRS to explain to dependents claimed by parents how a standard deduction will change based on the tax bracket of the parents. (509-5418)

Identity Theft

Three recommendations from concerned taxpayers addressed the security of taxpayer information to help prevent identity theft.

- The IRS approved the TAP recommendation for greater physical security for the forms that VITA volunteers use for taxpayer assistance. (509-5368)
- The IRS endorsed the TAP recommendation allowing taxpayers to lock their accounts when no tax returns are required. (409-4210).
- The IRS agreed to minimize use of the SSN on correspondence in order to guard against identity theft. (609-5320)

Systemic Advocacy

The Office of Systemic Advocacy is a function within the IRS Taxpayer Advocate Service that identifies systemic problems. The TAP referred fourteen issues to the Office of Systemic Advocacy during 2009. The

Office of Systemic Advocacy intervened in seven instances, referred three for legislative consideration, and rejected four. The seven instances in which the Office of Systemic Advocacy intervened were:

- The refund deposit time posted to www.irs.gov was incorrect. Within 24 hours the IRS posted the correct deposit schedule onto “Where is My Refund.” (509-5250)
- IRS Correspondence letters contained an incorrect contact telephone number. The IRS responded by correcting the phone number. (509-5333)
- The IRS computers would not calculate the Recovery Rebate Credit for families with more than three children. (509-5790)
- A computer programming error proved to affect only a few 2008 returns. The Office of Systemic Advocacy agreed to help individuals impacted by the error. (409-5791)
- A discrepancy in computing a standard deduction for a dependent child presented by practitioners using tax software identified a computer programming error. The Office of Systemic Advocacy accepted this problem and referred the programming issue to an IRS team. (509-5512)
- A taxpayer complained the Form 8582, *Passive Activity Loss Limitations*, free file form was incorrect. TAS personnel asked the vendor to correct the form. (109-5944)
- A taxpayer complained that Schedule E, *Supplemental Income and Loss*, on the free file form was incorrect. IRS personnel asked the vendor to correct the schedule. (109-5945)
- The three issues that the TAP referred to the Office of Systemic Advocacy due to a basis in legislative action were:

- Raise the Foreign Tax Credit that one can claim without filing Form 1116, *Foreign Tax Credit*, from \$300 (\$600 if married) to \$500 (\$1,000 if married). (409-5637)
- Change Form 1098-T, *Tuition Statement*, to include all qualified education expenses and to show whether the school was in an area covered by Disaster Relief. (409-4946)
- The Modified Adjusted Gross Income (MAGI) limits for the Hope and Life Time Learning Credits and Tuition Deductions unfairly penalizes widowed parents. (609-5939).



TAP members Gerald Stepner (l) and Cheryl Morse (r) with a member of the public at an Area meeting

Forms and Publications

Inaccurate or unclear procedures in IRS forms and publications cause confusion and frustration by taxpayers trying to comply with tax laws and file an accurate return. Many inaccuracies resulted because of new tax laws that included the Economic Stimulus Act of 2008, Housing and Economic Recovery Act of 2008, and American

Recovery and Reinvestment Act of 2009. Taxpayers told the TAP members of these problems.

- “I knew my Health Savings Account contributions were pre-tax; yet, no matter how I interpreted the form I came up with an amount to ADD to my taxable income - which is wrong!” The IRS corrected the worksheet. (309-5340)
- The TAP recommended expanding the examples of Immediate Family listed in the instructions and on Form 2848, *Power of Attorney and Declaration of Representative*, to include grandparents and grandchildren. (609-4395)
- Instructions for calculating the standard deduction were incorrect in Publication 919, *How Do I Adjust My Tax Withholding?* IRS revised Pub 919 and posted it to www.irs.gov. (109-5508)
- The IRS revised Publication 550, *Investment Income and Expenses, Schedule D, Capital Gains and Losses instructions*, and IRS Regulations to clarify that under section 6045 a short sale is reported in the year of closure rather than the year the short sale is initiated. (209-5551)
- A small business owner identified a problem with inaccurate information posting of annual and quarterly tax information. The IRS adopted the recommendation made by TAP to make a minor adjustment to Form SS-4, *Application for Employer Identification Number (EIN)*. (409-4771)
- The IRS added clarifying language to Publication 575, *Pension and Annuity Income*, to better explain calculation of non-taxable pensions and annuities. (409-5563)

- The IRS changed the typeface for tax and earned income tables in 1040 instructions so they are easier to read. (509-5811)
- The IRS agreed to use the table recommended by the TAP for training VITA volunteers to recognize the difference between earned and unearned income. (409-5561)
- The TAP recommended changes to the instructions for Form 1041, *U.S. Income Tax Return for Estates and Trusts*, to better explain how to handle depreciation and elected expenses from pass-through entities. (509-5800)
- The TAP recommended that the IRS change the language on Notice CP 210, *Even Balance*, to recognize when no balance is due. (409-5286)
- The IRS agreed to include the word “proposed” in its 30-day letter (Letter 525 (Rev. 9/2008)). (609-5280)
- The TAP recommended that the IRS provide a comprehensive list of items affected when a taxpayer changes filing status to married filing jointly from married filing separate. (409-5562)
- The IRS agreed to highlight and clarify the instructions for surviving children in Publication 915, *Social Security, and Equivalent Railroad Retirement Benefits*. (709-5601)
- A new instruction provides direction to the taxpayer when a 1099-MISC, *Miscellaneous Income*, is issued in error. (709-4680)

Disregarded Entities

A disregarded entity is a business that is separate from its owner for all aspects except taxes. If an individual owns a disregarded entity,

the IRS treats the business as a sole proprietor. Otherwise, the IRS treats the business as a branch or division of its owner. During 2009, the IRS began treating disregarded entities as corporations for reporting employment and excise taxes, causing taxpayer concerns.

- The IRS did not consider qualified employment tax (FICA) exemption requests for disregarded entities. The TAP sanctioned a change to §§3127, 3121(b)(3)(A) and 3306(c)(5) making FICA exemptions available for disregarded entities. IRS included the change in the IRS Priority Guidance Plan.² (509-5873)



IRS Commissioner Douglas Shulman at TAP Annual Meeting

² IRS Priority Guidance Plan, November 24, 2009, updated March 16, 2010, p.11.

TAP Chair Reports

Each Area and Issue Committee is led by a Chairperson and Vice-Chairperson elected by the committee. The following reports submitted by this leadership provide additional information about each committee that is not provided elsewhere in the annual report.

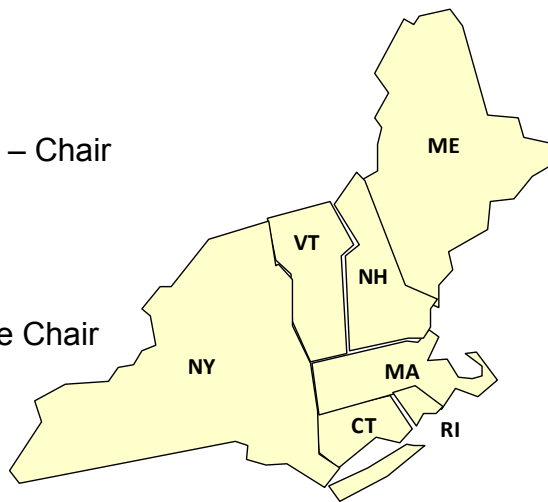
Area 1 Committee

The Area 1 TAP members can be proud of the significant engagement with taxpayers during 2009. Area 1 volunteer advocates supported the National Taxpayer Advocate at the Albany Town Hall meeting and the IRS efforts at the New York City Tax Forum. All members of Area 1 did outstanding work and this is especially noteworthy as ten (10) members were new, including the Area 1 chair for 2009.

Area 1 represents the taxpayers of seven states: Connecticut, Massachusetts, Maine, New Hampshire, New York, Rhode Island, and Vermont.

Members

Haidee Cabusora (NY)
George Deller (NY)
Linda Gambardella (NY) – Chair
Felicia Garant (ME)
Jo Ann Gibbons (VT)
Robert Jackson (RI)
Julie Jason (CT)
John Leggett (NH) – Vice Chair
Robert Markman (NY)
Cheryl Morse (MA)
Alan Murray (NY)
Gerald Stepner (MA)



Designated Federal Official

Betsy Fallacaro, Local Taxpayer Advocate for Massachusetts

Staff

Louis Morizio, Program Manager (NY); Audrey Y. Jenkins, Program Analyst (NY); Meredith Odom Program Analyst (NY); and Rose Babb, Management Assistant (NY).

Activities & Achievements Summary

- Identified and evaluated 118 issues;
- Elevated eight issues to the Joint Committee in 2009;
- Conducted 444 outreach events with an estimated potential audience of 798,667 taxpayers. These efforts represent an increase of 248 percent over outreach events in 2008; and
- Received 51 membership applications for member vacancies in Connecticut (25), Massachusetts (19), New Hampshire (6), and Vermont (1).

Outreach Details

In support of issue identification, Area 1 members also conducted outreach activities in 2009. Notable outreach events included:

- Participated in EITC Awareness Day at various Area locations;
- Attended IRS Nationwide Tax Forum in New York City;
- Staffed booth at Long Island Tax Symposium;
- Interview on Albany Radio Station; and
- Received extensive print media coverage in New York.



National Taxpayer Advocate Nina Olson and
TAP member Linda Gambardella

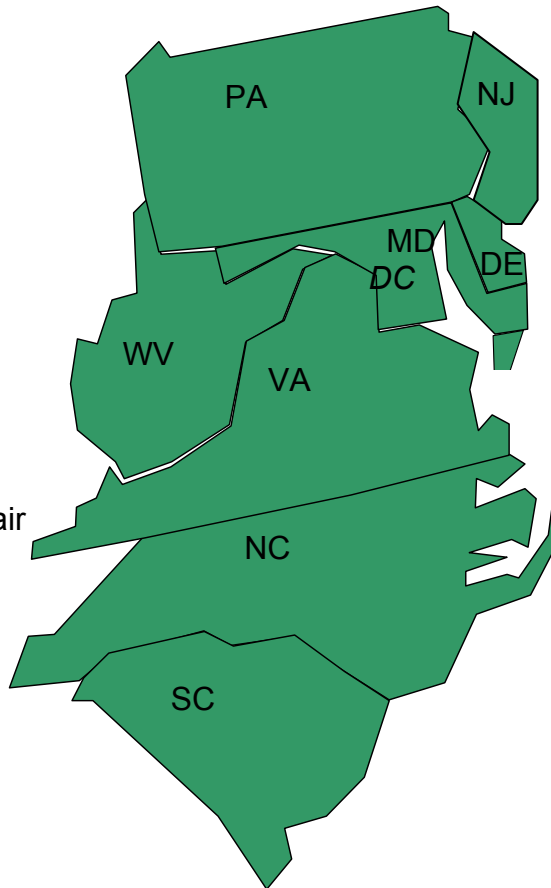
Area 2 Committee

Area 2 enjoyed a productive year in 2009. The 18 TAP members were successful in bringing taxpayer issues to the IRS. Area 2 also utilized an issue matrix, which has proven to be very successful in monitoring the issues, as well as providing status reports to the panel members.

Area 2 represents the taxpayers of eight states: Delaware, Maryland, North Carolina, New Jersey, Pennsylvania, South Carolina, Virginia, and West Virginia, plus the District of Columbia.

Members

Raymond Boyle (DE)
James Brock (VA)
Kimberly Brown (PA) – Chair
Benson Chapman (NJ)
Andrew Feng (VA)
Steve Fulkrod (MD)
Richard Grzebinski (NC)
Joseph T. Holley (WV)
Carolyn Hutchinson (NC)
Edward Johnson (NJ)
Frances Johnson (DC)
Jose Martinez (NJ) – Vice Chair
Louise McAulay (SC)
Robert McQuiston (PA)
Ernest Miller (NC)
Robert Patterson (PA)
Connie Sharpe (MD)
Donald Thomas (VA)
Erica Webber (VA)



Designated Federal Official

Lois Lombardo, Local Taxpayer Advocate for Pennsylvania

Staff

Nancy Ferree, Program Manager (FL); Marianne Ayala, Program Analyst (FL); Donna Powers, Program Analyst (FL); and Anita Fields, Management Assistant (FL).

Activities & Achievements

- Identified and evaluated 92 issues;
- Elevated six issues with recommendations to the Joint Committee;
- Conducted 205 outreach events with an estimated potential audience of 52,803 taxpayers; and
- Received 172 membership applications for member vacancies in Delaware (7), District of Columbia (1), Maryland (24), North Carolina (26), New Jersey (32), Pennsylvania (49), Virginia (30), and West Virginia (3).

Outreach Discussion

Area 2 members worked hard through a myriad of outreach methods; one-on-one, seminars, fairs, and forums. The total of outreach efforts for 2009 totaled 205, reaching a possible audience of 52,803. These outreach efforts have led to several issues moving forward and a large reserve of work for the 2010 year.

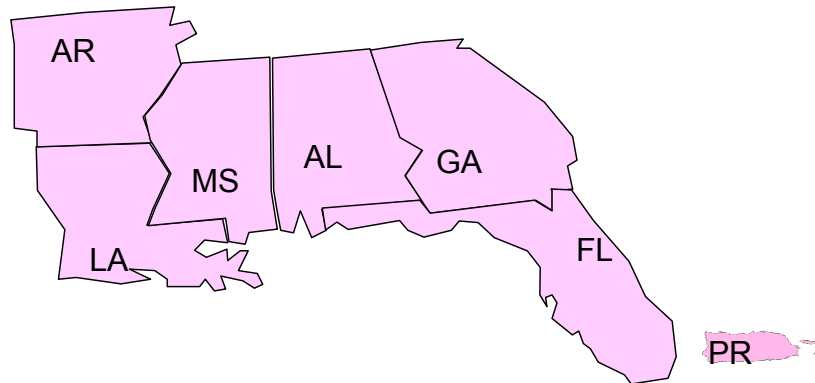


TAP Member Donald Thomas

Area 3 Committee

During the year, Area 3 reviewed 87 preliminary issues. Of these issues, thirty were complaints about the Taxpayer Assistance Centers (TAC). Through an agreement with the TAC executives, Area 3 has been sending these complaints directly to them so they can see what type of issues TAP receives about the TACs. Area 3 members evaluated the efficacy of each issue and worked these to recommendation status with IRS.

Area 3 represents the taxpayers of six states and one territory: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, and Puerto Rico.



Members

Charles Armstrong (LA)
Justin Axelrod (FL)
Dale Cooper (GA) – Chair
Susan DaCorte (FL)
Jasponia Florence (AL)
Luis Fuentes (PR)
Randee Head (GA)
Louis Kapugi (GA) - Vice Chair
Susan Lynn (FL)
Mark Paris (FL)
Alberto Rodriguez (FL)
Homer Sewell III (GA)
Tommy Thompson (MS)
Chuck Tice (AR)

Designated Federal Official

Rose Richardson-Browne, Local Taxpayer Advocate for Georgia

Staff

Nancy Ferree, Program Manager (FL); Sallie Chavez, Program Analyst (FL); Donna Powers, Program Analyst (FL); and Anita Fields, Management Assistant (FL).

Activities & Achievements

- Identified and evaluated 57 issues;
- Elevated six issues with recommendations for improving customer service;
- Conducted 659 outreach events with an estimated potential audience of 1.7 million taxpayers, These outreach events represented an increase of 332 percent over the number of events in 2008;
- Hosted TAP/TAS Town Hall Meeting (Little Rock, AR) with approximately 50 public participants;
- Represented the TAP at the Orlando Tax Forums reaching an estimated 1,000 taxpayers/practitioners; and
- Received 166 membership applications for member vacancies in Arkansas (27), Florida (97), Georgia (38), and Puerto Rico (4).



TAP Member, Dale Cooper

Outreach Details

Outreach included one-on-one discussions as members encounter travelers, patients at doctors' offices, individuals at a restaurant, etc.; small group presentations such as men's or women's clubs, civic organizations, senior center groups, academic groups, and special interest groups; mass media, newspaper reporters interviewed members and published articles; radio reporters and special announcements. In addition, several members are part of groups that use the internet extensively, and have done outreach programs using this technology.

Area 3 hosted a Town Hall Meeting in Little Rock, AR. More than 50 members of the public attended this Town Hall Meeting and provided opinions and issues to the committee members in attendance. Area 3 also participated in the IRS Tax Forum held in Orlando, FL. During this event, the TAP members held a focus group to request issues from the practitioner community. They received a number of issues from taxpayers interested in improving IRS service.

The TAP entered the virtual world in 2009, utilizing social networking sites to promote its programs. From YouTube to Facebook to Blogs, the TAP message is reaching thousands of taxpayers, and the number of visitors to these sites is steadily increasing. The development of these sites has generated current issues for the TAP to work, as well as, an interest in the participating as a TAP panel member.

Social networking allows the TAP to use different outreach means to make contact with taxpayers. On YouTube, taxpayers can view a TAP video, while on Facebook taxpayers can read current TAP news and view pictures of TAP members working hard for taxpayers.

Area 3 members embraced this new technological arena and the TAP has broken a barrier setting an example and paving the way for other IRS organizations to follow.

Area 4 Committee

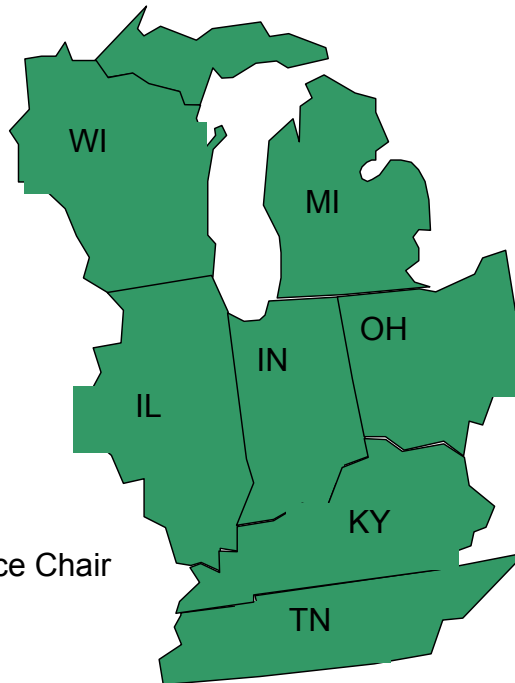
Area 4 Panel Members exemplify the TAP Mission: The Taxpayer Advocacy Panel listens to taxpayers, identifies taxpayer's issues, and makes recommendations for improving the IRS service and customer satisfaction.

Area 4 has worked diligently to develop and elevate quality issues, expeditiously and efficiently. Our team includes a subcommittee that reviews incoming issues with dispatch, an IRS staff that provides timely research, support, and guidance, an insightful membership that accepts responsibility and pursues tasks with diligence, and an internal Quality Review subcommittee that works tirelessly to assure our elevated issues are clear and focused. We are completely dedicated to promoting improvements in IRS and that promotes the common good!

Area 4 represents the taxpayers of seven states: Illinois, Indiana, Kentucky, Michigan, Ohio, Tennessee, and Wisconsin.

Members

Carolyn Adams-Dodds (MI)
Gregory Blanchard (TN)
Patricia Bryant (TN)
Ray Buschmann (IL)
Jeff Kennedy (KY)
Anne Khan (IL)
Wayne Mackie (MI)
Lev Martyniuk (OH)
David Monnier (IN)
Robert Mull (MI)
Joyce Rhyan (OH)
Ann Spiotto (IL)
Rita Taylor (OH)
Stephen Vanderver (IN) – Vice Chair
John Verwiell (WI)
Mary Jo Werner (WI)
Stanley Wernz (OH) – Chair
Kelly Wingard (IL)



Designated Federal Official

Betty Martin, Local Taxpayer Advocate for Tennessee

Staff

Roy Block, Program Manager (WI); Ellen Smiley, Program Analyst (WI); and Lisa Gabriel, Management Assistant (WI).

Activities & Achievements

- Identified and evaluated 70 issues;
- Elevated 15 issues with recommendations to the Joint Committee, an increase of 12 issues from 2008. Each issue was subsequently elevated to the IRS for resolution;
- Conducted 114 outreach events reaching an estimated audience of 49,707 taxpayers;
- Participated in numerous events to promote EITC Day; and
- Received 214 membership applications for member vacancies in Illinois (75), Indiana (25), Kentucky (10), Michigan (25), Ohio (45), and Tennessee (34).



TAP members at work

Outreach Details

Area 4 TAP members used a variety of outreach techniques to become involved with taxpayers including:

- one-on-one as members encounter travelers;
- patients at doctors' offices;
- individuals at a restaurant and other public venues;
- small groups such as women's clubs, civic organizations; senior center groups, academic groups, special interest groups;
- newspaper articles and interviews;
- radio interviews and special announcements;
- internet resources and social media; and
- IRS Forum using teleconference.

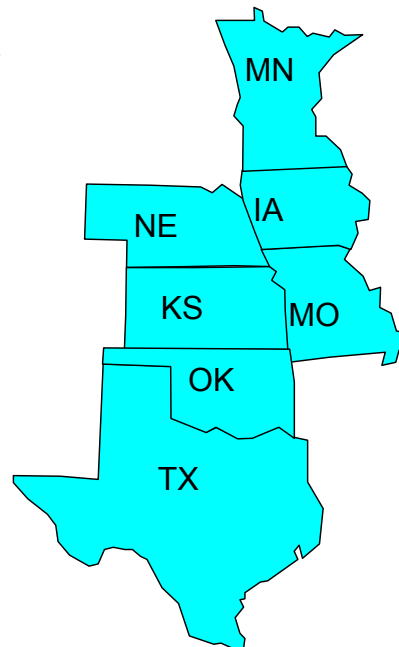
Area 5 Committee

The 2009 volunteers in Area 5, both new and returning, brought varied backgrounds and strengths to the group. They shared a willingness to thoroughly examine taxpayer concerns and find ways to resolve issues for the benefit of the individuals who raised the issues, as well as for all taxpayers. The volunteers are all talented, confident, and eager to offer their thoughts and suggestions on issues. Moreover, they also are willing to discuss pros and cons of problems and proposed solutions and work to move the group-approved solution through the TAP channels.

Area 5 represents the taxpayers of seven states: Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, and Texas.

Members

Kay Bell (TX) - Chair
Craig Capehart (TX) – Vice Chair
Ralph Colon-Sacarello (TX)
Ken Donnelly (MO)
Christopher Freeman (MN)
Daniel Fretheim (IA)
Bradley Lee (MN)
Reagan Lynch (TX)
J. T. Manuszak (KS)
Anne Rasmussen (MN)
Rajiv Shah (MO)
Paul Shoemaker (NE)
Josefina Villarreal (TX)
Thomas Walker (TX)
Norma Woodard (OK)
Kenneth Wright (MO)



Designated Federal Official

Marian Adams, Local Taxpayer Advocate for Kansas

Staff

Roy Block, Program Manager (WI); Patti Robb, Program Analyst (WI); and Lisa Gabriel, Management Assistant (WI).

Activities & Achievements

- Identified and evaluated 62 issues;
- Elevated twenty-one issues with recommendations to the Joint Committee;
- Conducted 162 outreach events reaching an estimated audience of 259,020 taxpayers;
- Published an article on the TAP in the Journal of Accountancy; and
- Received 115 membership applications for member vacancies in Kansas (9), Minnesota (16), Missouri (26), Nebraska (2), and Texas (62).



TAP Member Daniel Fretheim; IRS Staff member Lisa Gabriel

Outreach Details

Area 5 participated in one-on-one outreach activities as members encounter travelers, patients at doctors' offices, individuals at a

restaurant, etc.; small groups such as women's clubs, civic organizations, senior center groups, academic groups, and special interest groups;

Newspaper reporters interviewed members and published the interviews; radio reporters and special announcements; several members are part of groups that use the Internet extensively, and have done outreach programs using this technology.

Area 6 Committee

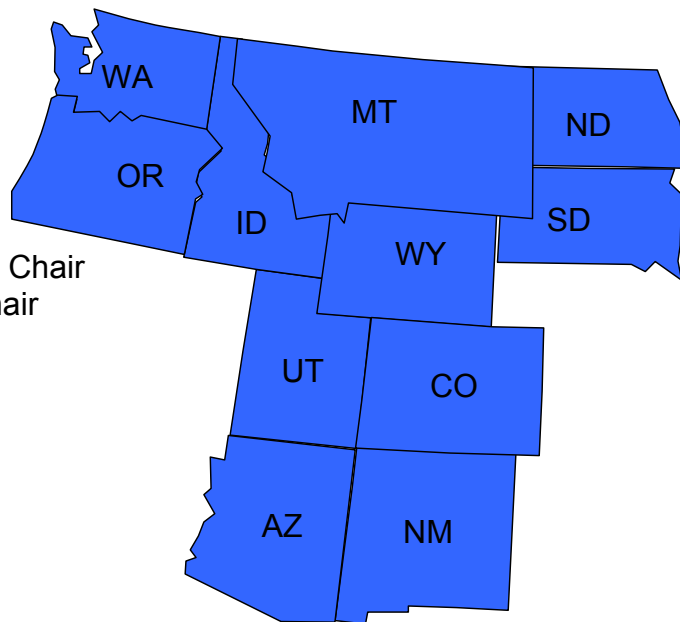
Area 6, again, had a very successful year thanks to the incalculable, extraordinary efforts of TAP members and IRS support staff. Area 6 focused on TAP's mission of taxpayer outreach. Area 6 members were extremely successful in relaying the TAP message. Many members found inventive ways to reach the taxpayers in their states and interacted with over 900,000 citizens.

We were sad to see three members retire from the panel, but are excited to welcome our new members. All TAP members exemplify the spirit of service, but the amazing individuals of Area 6 will ensure continued success for TAP and the taxpayers of this great country.

Area 6 represents the taxpayers of 11 states: Arizona, Colorado, Idaho, Montana, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

Members

Kirsten Ball (UT)
Harlan Barnett (WA)
Milissa Bensen (OR)
Eileen Birge (WA)
Herb Bohrer (ID) – Vice Chair
Dean Conder (CO) - Chair
Laura Criel (NM)
Nancy Eik (MT)
Joan Gustafson (AZ)
Chris Paustian (SD)
Karla Toomer (WY)
Harris Widmer (ND)



Designated Federal Official

Teresa Thompson, Local Taxpayer Advocate for Montana

Staff

Judi Nicholas, Program Manager (WA); Dave Coffman, Program Analyst (WA); Nina Pang, Program Analyst (WA); and Marla Ofilas, Management Assistant (WA).



Left to right; IRS DFO Theresa Thompson; TAP Members, Eileen Birge and Chris Paustian

Activities & Achievements

- Identified and evaluated 88 issues;
- Elevated five issues with recommendations to the Joint Committee with three subsequently elevated to the IRS;
- Conducted 353 outreach events with an estimated audience of 926,786 taxpayers. Area 6 members interacted with an increased audience of nearly 500 percent over the same period in 2008;
- Represented TAP at one of six Tax Forums (Las Vegas, NV); and
- Received 44 membership applications for member vacancies in Arizona (15), Montana (2), North Dakota (4), New Mexico (9), and Oregon (14).

Outreach Details

Area 6 had another banner year in the development of outreach. The efforts ranged from attendance at an IRS Tax Forum booth in Las Vegas, to one-on-one contacts throughout the vast geographical expanse of Area 6.

Tax preparers are our best source of issues. An individual taxpayer may not see the distinction between tax law and IRS procedures, but preparers have a much better idea of what can be improved.

Area 7 Committee

Thanks to the efforts of thirteen capable and dedicated individuals, this year was particularly productive for Area 7. We established new records for outreach and for elevated issues. Area 7 focused its efforts in 2009 on change within the IRS that would improve taxpayer service. We focused on this goal, and enjoyed a successful year.

In addition to individual issues, Area 7 began the process of addressing global, systemic issues that impede the ability of IRS to serve more effectively the needs of the taxpayer public. Specifically, we addressed concerns about the overall communications process between the IRS and the taxpayer.

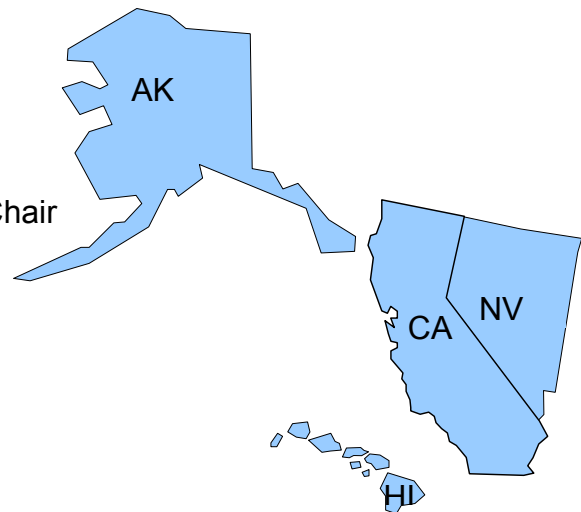
Correspondence audits are a good example of the communication breakdown, as is the IRS's toll-free telephone number. National Taxpayer Advocate Nina Olson addressed shortcomings associated with the toll-free number in the 2008 Annual Report to Congress.

As we look ahead to 2010, Area 7 hopes to exceed its performance in 2009, and to continue in its efforts to improve the IRS.

Area 7 represents the taxpayers of four states: Alaska, California, Hawaii, and Nevada.

Members

Lee Battershell (CA)
Richard Coonradt (NV)
Charles Davidson (CA)
Sandra Finestone (CA) – Vice Chair
Sabby Jonathan (CA) – Chair
David Kahn (CA)
John Kim (HI)
Merijane (MJ) Lee (CA)
Howard Levine (CA)
Patricia O'Neill (CA)
John Rodgers (AK)
Richard Waterman (CA)
Clifford Young (CA)



Designated Federal Official

John Tam, Local Taxpayer Advocate, Oakland, CA
Dorothea Curran, Local Taxpayer Advocate, Los Angeles, CA.

Staff

Judi Nicholas, Program Manager (WA); Janice Spinks, Program Analyst (WA); Nina Pang, Program Analyst (WA); and Marla Ofilas, Management Assistant (WA).

Activities & Achievements

- Identified and evaluated 62 issues;
- Elevated six issues with recommendations to the IRS for resolution;
- Conducted 380 outreach events reaching an estimated audience of 3,276,635 taxpayers. The citizen volunteers of Area 7 not only increased the outreach events by 135 percent in one year; they interacted with more taxpayers through one-on-one and media events by an increase of over 800 percent; and
- Received 138 membership applications for member vacancies in Alaska (4), California (124), Hawaii (2), and Nevada (8).

Outreach Discussion

Area 7 has had an exceptional year for outreach. As of the end of 2009, Area 7 members had participated in 242 individual events as part of our total 380 Outreach events. Estimating the number of people exposed to TAP through mass media is difficult. However, we can estimate that our members have reached over 200,000 individuals through a variety of methods.

Area 7 is creative in the types of outreach activities undertaken. Members participate in and present TAP through:

- One-on-one contact;
- Small community-oriented groups such as Chambers of Commerce, fraternal organizations like the Lions Club or

Rotary, educational groups like college classes and civic organizations like city councils and special interest groups;

- IRS-sponsored events such as the Tax Forum and EITC Awareness Day;
- Public events such as fairs and trade shows;
- Articles and press releases on TAP activities;
- E-mails and letters to reporters, community leaders, and members of the public;
- Interviews on radio and television stations;
- Participation in EITC Awareness Day events in January;
- Contact with state legislators to increase awareness of TAP;
- Continuous interaction with Local Taxpayer Advocates to participate in joint events; and
- Support for IRS at the Las Vegas Tax Forum in August.

By conducting outreach activities, members were able to identify several issues to bring before the committee. Participation at the focus group sessions held at the Tax Forum in Las Vegas unearthed approximately 10-15 new issues. One-on-one contact continues to be our most productive form of identifying new issues.



TAP members, (l to r): Cliff Young, MJ Lee, Rich Waterman, and Patricia O'Neill

Communications Committee

The Communications Committee is tasked with identifying, expanding and promoting TAP's internal (e.g., intra-membership) and external (e.g., public, government) communications through message, methods materials and measurement. The group acts on behalf of the TAP as a whole, with the TAP membership as the program owner as its work does not coincide with any IRS program and as such does not have an IRS program owner. The group works holistically on broad topics. Three subcommittees work on specific tasks: e-TAP, External, and Internal.

Members

Sharon Bell (TX)
Susan DaCorte (FL) – Vice Chair
Charles Davidson (CA)
Luis Fuentes (PR)
Julie Jason (CT)
J. T. Manuszak (KS)
Cheryl Morse (MA)
Mark Paris (FL) – Chair
Chris Paustian (SD)
Joyce Rhyan (OH)
Connie Sharpe (MD)
Paul Shoemaker (NE)

Designated Federal Official

Roy Block, TAP Program Manager, (WI)

Staff

Patti Robb, Program Analyst (WI); Ellen Smiley, Program Analyst (WI) and Lisa Gabriel, Management Assistant (WI)

Committee Work Scope (Deliverable)

The Communications Committee develops communications strategies and products used by the TAP both for internal TAP business and for

interacting with the taxpaying public. The committee responds to requests from the Joint Committee and from the TAP Director.

Projects Completed

The Communications Committee completed eight projects with recommendations approved for TAP use.

Completed Project Details

Compliance Survey Review Project - For the first time, an IRS program owner (Systemic Advocacy & W&I) requested that the TAP, through the Communications Committee, evaluate the questions presented to taxpayers in the Compliance Customer Satisfaction Survey. Taxpayers received this survey after either a correspondence examination or the IRS CP 2000 under-reporter program. Communications Committee members reviewed the existing survey and provided comments regarding the survey format, text and tone.

Strategic Plan and Annual Report - The Communications Committee continued work on the TAP Strategic Planning Initiative and accepted responsibility for creation of the TAP annual report beginning with the 2009 volume.

Additional Communications Committee Work

eTAP: Created in 2008, this new subcommittee works to unify responsibility for identification and development of electronic communications concepts. Initiatives include social media (e.g., Facebook, Flickr, iPod, My Space, YouTube); TAPLinks - web site links with Congressional offices and relevant civic and professional associations; the enhancement & management of TAP websites (e.g., <http://improveirs.org> and TAPSpace); and the development of the TAP e-Town Hall meetings concept.

External Subcommittee Team: Creation and development of TAP marketing/public relations concepts including: update of the outreach tool kit including an update of the success stories; marketing materials; newsletter; TAPRap; and tradeshow cooperatives.

Internal Subcommittee Team: Completed compilation and analysis of 2008 New, Returning & Exiting Member surveys, recommendations for 2009 surveys; preparation for 2009 New, Returning & Exiting Member surveys; update of the TAP member handbook.

Major accomplishments for 2009

- Development and preliminary implementation of the Congressional outreach project to establish a link to ImproveIRS.org on the website of each member of Congress. The goal is to raise awareness of the TAP and its mission, and potentially increase the number and types of issues from taxpayers.
- Implementation of the Civic & Professional Association outreach project. The goal of this initiative is to establish a link to ImproveIRS.org on the website of relevant civic and professional organizations. Some of these groups include AARP, American Bar Association, American Institute of Certified Public Accountants, AFL-CIO, National Active and Retired Federal Employees Association, National Association of Enrolled Agents, National Society of Accountants, National Association of State Boards of Accountancy, National Association of Tax Preparers, National Treasury Employees Union, and Tax Preparers Institute. The goal is to raise awareness of the TAP and its mission, and potentially increase the number and types of issues from taxpayers.
- Update of the Outreach Tool Kit
- Update of the Member's Handbook
- Administration of the annual Member Surveys
- Continued development of the TAP Strategic Planning Initiative
- Participation in a review of the Systemic Advocacy & W&I Compliance Customer Satisfaction Survey

Earned Income Tax Credit (EITC) Committee

Each year about 20 percent of individuals who appear to be eligible for EITC do not claim the credit. Due to job losses and wage reductions in 2009, the IRS estimates that up to 25 percent of eligible persons may miss billions in dollars of benefits to which they are entitled.

The EITC program works mainly through partners (paid preparers, VITA, and other non-profits) to increase participation in the program. Our committee worked with EITC staff throughout the year to address two particular concerns:

- How to improve the effectiveness of the partner tool kit at: <http://www.eitc.irs.gov/ptoolkit/main/>
- How to work more effectively with partners to increase EITC awareness

Members

Charles Armstrong (LA)
Eileen Birge (WA) - Chair
Haidee Cabusora (NY)
Dale Cooper (GA)
Robert Markman (NY)
Robert Patterson (PA)
John Rodgers (AK)
Gerald Stepner (MA)
Stephen Vanderver (IN)
Josefina Villarreal (TX) – Vice Chair
Erica Webber (VA)

Designated Federal Official

Louis Morizio, TAP Program Manager, (NY)

IRS Program Owners

Verlinda Paul, Director, EITC Office and Barbara Foley, Analyst EITC Office

Staff

Audrey Jenkins, Program Analyst (NY); Rose Babb, Management Assistant (NY); and Meredith Odom, Management Assistant/Analyst (NY).

Committee Work Scope (Deliverable)

Responsible for improved cooperation between Volunteer Income Tax Assistance (VITA) centers, EITC, and the Low Income Tax Clinics (LITC); improvements in the website established for tax preparers, <http://www.eitc.irs.gov/rptoolkit/main>; improvements in training and education modules; increased participation in EITC benefits; and modification of Publication 3524, *EITC Eligibility Checklist for Tax Year 2009*.

Completed Project Details

The EITC Committee completed proposals on enhancing communication with partner organizations (including preparers, VITA, TCE, community and national organizations) and suggestions for marketing strategies that will heighten awareness of available tools for partner's use.

EITC surveys revealed that the majority of the partners were not aware of resources, such as web tools and products available. The Committee also made suggestions that were immediately incorporated by the EITC Program Office to maintain and improve the <http://www.eitc.irs.gov/rptoolkit/main> website.

Partner Tool Kit

The objective of the partner tool kit is to provide one-stop shopping for partners for EITC marketing materials, eligibility check lists, and relevant web links.

The recommendations focused on two areas: improvements to the partner tool kit and more effective marketing to the target audience. Through 2009 the team advocated 15 items for the toolkit, including:

- Repairing the search engine on the site;
- Reordering the quick link tabs on Tax Preparer's Toolkit in an easier to use sequence; and
- Validating links from the site each quarter.

We interviewed 19 partners (ranging from CPA's in public practice, VITA coordinators, and community social service organizations) for their comments on the toolkit. Not a single partner had heard of the website before our contact! Several partners who reviewed the site because of our call agreed that it would be very helpful to them in their EITC awareness efforts. We made several recommendations regarding development of a marketing program to increase visibility of the partner toolkit.

Partner Relationship Effectiveness

We interviewed 19 partners in the areas of improving the relationship and identifying best practices in raising EITC awareness.

We developed more than 13 specific recommendations and our IRS Program Manager has adopted some of these including:

- Develop a Stakeholder Partnerships, Education, and Communication (SPEC) checklist of items to discuss with each volunteer tax preparation site every year: including information on EITC websites and non-profit partner sites for sharing EITC related materials;
- Develop a greater variety of EITC marketing tools and materials, including items such as letters to employers, year-end paycheck stuffers, and packages for students to take home from schools; and
- Conduct more EITC awareness activities earlier in January and include more consumer training on refund anticipation loans (RALs) - as we found that 70 percent of returns claiming EITC filed in January involved RALs!

Multi-Lingual Initiatives Committee (MLI)



TAP Members and IRS Staff members at work at MLI meeting, from left:
Lou Kapugi, Rose Babb, Anne Rasmussen, and Howard Levine

Members

Melissa Bensen (OR)
Kimberly Brown (PA)
Benson Chapman (NJ)
Rafael Colon-Sacarello (TX)
Joan Gustafson (AZ)
Louis Kapugi (GA)
Howard Levine (CA)
Wayne Mackie (MI)
Anne Rasmussen (MN)
Alberto Rodriguez, (FL) - Chair
Karla Toomer (WY)

Designated Federal Official

Louis Morizio, TAP Program Manager, (NY)

IRS Program Owners

Cynthia Lee; Maria Cheeks

Staff

Marisa Knispel, TAP Analyst (NY); Rose Babb, Management Assistant (NY); and Meredith Odom, Management Assistant/Analyst (NY)

Committee Work Scope (Deliverable)

The Multilingual (MLI) Issue Committee assisted the MLI Office in distributing their Stakeholder Survey to organizations in the TAP member's local area. The Survey collected statistics on the number of Limited-English Proficient (LEP) clients these organizations serve, information on the use of the services IRS provides to the LEP communities, and ideas on how to improve service for these communities.

They also evaluated MLI's DVD titled *Basic Tax Responsibility* as well as providing ideas on how to market the DVD and the names of organizations and contacts interested in receiving a copy of the DVD.

The MLI Committee also worked the Virtual Translation Office (VTO) of the IRS in reviewing the translation of Publications 17, 596, and 850 into the Spanish language.

Notices Improvement Committee

Members

Carolyn Adams-Dodds (MI)
Lee Battershell (CA)
Raymond Boyle (DE)
Ken Donnelly (MO)
Nancy Eik (MT)
Andrew Feng (VA)
Steve Fulkrod (MD)
Randee Head (GA)
Frances Johnson (DC)
David Kahn (CA)
Susan Lynn (FL)
Robert McQuiston (PA)
Ernest Miller (NC) – Vice Chair
Alan Murray (NY)
Chuck Tice (AR) - Chair
Harris Widmer (ND)
Norma Woodard (OK)

Designated Federal Official

Nancy Ferree, TAP Program Manager (FL)

IRS Program Owners

Sydney Gardner, Wage and Investment (W & I) Program Owner; Jim Cesarano; and Ann Gelineau.

Staff

Sallie Chavez, Program Analyst (FL); Donna Powers, Program Analyst (FL); and Anita Fields, Management Assistant (FL)

The year 2009 may prove to be the milestone year that the TAP Notices Improvement Committee realized a significant achievement in that the IRS has taken steps to drastically cut, if not eliminate stuffers in most mailing of notices. Because of the initial work TAP has done, the IRS is now realizing it can save many millions of dollars annually

in printing and postage costs. This year's committee and chair cannot take full credit, as this work has been ongoing for the past several years. The success in 2009 is due in large part to the efforts of the extraordinary, smart, and hard working folks on the team.

Committee Work Scope (Deliverable)

The Notices Improvement Committee members scored numerous letters using the Data Assessment Tool (DAT). Members recommended removal of unnecessary inserts from letter mailings, which reduced expenses for the government and burden for taxpayers. Members reviewed and revised Document 9183 Desk Guide for Employees. Focus groups reviewed many other letters and notices for clarity and redesign.

The Notices Committee is responsible for collaboration with the IRS Wage and Investment Division to provide taxpayer comments on notices.

Projects Completed

DAT Scoring – The Committee used the DAT scores to assess the written quality of the correspondence of the following notices in 2009:

- ALP Notices
- Installment Agreement Letters –
- Letter 2257C, Letter 2271C, Letter 2318C, Letter 2357C, Letter 2603C
- CP 39
- CP 77
- CP 78
- CP 90
- CP 91
- CP 92
- CP 297
- CP 297A
- CP 298

- Notice 441

DAT scoring for Correspondex letters – Began work on developing a procedure to guide the scoring of Correspondex letters..

Document 9183, *Desk Guide for Employees Review* – Reviewed a proposed version of the Document 9183 for possible usage as a desk guide by IRS employees. The committee used DAT to score the document and to provide comments.

Notice Insert Project - Worked with the insert team to review the stuffers used in the CP 11, *Changes to Tax Return - Balance Due*, and the CP23, *Estimated Tax Discrepancy - Balance Due*. The Committee recommended eliminating inserts that provide little value to the taxpayer. As part of its work with the insert team, the committee served as a focus group on the usefulness of the Form 2210, *Underpayment of the Estimated Tax by Individuals, Estates, and Trusts*, and Form 2200 and the inserts.

Private Collection Agency Recall Letters – Reviewed the recall letters for CBE and PCR within a short timeframe. The Committee reviewed the Private Debt Collector letters and reported results to the Program owner within seven days.

Notice Review – The Notices Committee assisted in a SPOC review of the CP 2100A by DAT scoring and by providing guidance to the SPOC reviewer.

Questionnaire on Federal/State Notices – Provided comments for the National Taxpayer Advocate on a recent Federal/State notice using a questionnaire.

An article was written for the IRS newsletter, Issue 9 April 2009 acknowledging the hard work delivered by the TAP in accomplishing positive results that support the Commissioner's goal to improve taxpayer correspondence.

Major Accomplishment

CP 161, *Underpaid Tax Due*. IRS requested the Notices Committee to review this Notice and provide comments on the feasibility of eliminating some of the stuffers. This project began in 2006 and after a tour of the Ogden, UT printing plant and seeing firsthand where hundreds of thousands of notices were printed and mailed out, we made a recommendation to do away with most of the stuffers. Significant savings in printing and postage costs are expected. IRS acknowledged this work with notification of adoption of the recommendation.

Small Business/Self Employed Burden Reduction Committee (SB/SE)

Members

Kirsten Ball (UT)
Harlan Barnett (WA)
James Brock (VA)
Richard Coonradt (NV)
Christopher Freeman (MN)
Jo Ann Gibbons (VT)
Richard Grzebinski (NC)
Merijane (MJ) Lee (CA) - Chair
Jose Martinez (NJ)
Thomas Walker (TX) – Vice Chair
Clifford Young (CA)

Designated Federal Official

Judi Nicholas, TAP Program Manager (WA)

IRS Program Owners

Phyllis Grimes, Program Manager and Tonjua Menefee, Senior Tax Analyst

Staff

Janice Spinks, Program Analyst (WA); Nina Pang, Program Analyst (WA); David Coffman, Program Analyst (WA); and Marla Ofilas, Management Assistant (WA).

Committee Work Scope (Deliverable)

Responsible for identification and reduction of the burden of the self-employed and small businesses in relation to Schedule C, *Profit or Loss from Business*, and the reduction of the burden faced by aging Americans in meeting their federal tax requirements and obligations.

Projects Completed

The IRS Program Owner asked the SB/SE Committee to look at two distinct issues during 2009:

- How to address tax issues related to cancellation of debt related to principle residences; and
- How to increase the e-file rate of federal payroll tax returns.

SB/SE Project Details

Cancellation of Debt Subcommittee

The IRS Program Office asked the Cancellation of Debt (COD) Subcommittee to identify how and where to communicate with taxpayers facing foreclosure or other debt forgiveness related to principle residences in order to educate these taxpayers of potential tax implications of the debt forgiveness.

Shortly after this project was initiated, the Internal Revenue Service issued Publication 4705, *Overview: Mortgage Debt Forgiveness*, (Pub 4705) to address this particular issue. As such, the focus of the subcommittee became reviewing the Pub 4705, and making suggestions for improvement/enhancement.

The subcommittee met with housing counselors, mortgage advisors, real estate agents and various other groups of “common” taxpayers. The goal of these meetings was to review the value of Publication 4705 to the intended audience and identify the key information that taxpayers in this situation need to know. In an innovative approach, during their mid-year face-to-face meeting, the subcommittee organized a focus group with a Denver housing group. The information gathered during this meeting encouraged the COD team to better focus on Pub 4705 simplification and verbiage.

The subcommittee recommended the following solutions:

- Clarify some of the verbiage in Pub 4705 to be used by advisors who work with struggling homeowners

- Create a scaled down version of Pub 4705 better understood by taxpayers facing this situation.

The subcommittee delivered the final report to the IRS on September 24, 2009. At a subsequent meeting with representatives of SB/SE, it was relayed that Commissioner Chris Wagner was pleased with the report and believed all recommendations were worthy of implementation.

940/941 E-File Subcommittee

The 940/941 E-File Subcommittee worked to increase the e-file rate on federal payroll tax returns from a current rate of 20 percent to the Congressional mandate of 80 percent.

The project included:

- Identify barriers to e-filing;
- Make recommendations to improve e-filing rates;
- Study the feasibility of employers e-filing directly with the IRS; and
- Study the feasibility of free e-filing via a public/private partnership like the Free File Alliance.

The subcommittee met with several IRS representatives to understand historical activities in the e-filing area. In addition, they met with numerous business groups, e.g. rural dairy farmers, to discuss the e-file process and conducted a survey to gather responses from employers with both above and below 100 employees. The subcommittee members also spoke with several representatives of state agencies already successful in electronic payroll tax administration.

The subcommittee's ultimate recommendation offered three alternatives:

- Re-implementation of the TeleFile system discontinued in 2005;

- Web based direct filing similar to that currently in place in California and Wisconsin; and
- Authorized free file access for Enrolled Agents similar to that available for Forms 1040, 1065 and 1120.

The subcommittee delivered the final report to IRS on November 3, 2009. The SB/SE Program Manager subsequently expressed gratitude and was very pleased with the recommendations. The Program Manager further indicated that work with IRS Submission Processing to review and implement the recommendations was forthcoming.



TAP Member Harlan Barnett at annual meeting

Taxpayer Assistance Center (TAC) Committee

Members

Herbert Bohrer (ID)
Dean Conder (CO)
Dan Fretheim (IA)
John Leggett (NH)
Louise McAulay (SC)
Dave Monnier (IN)
Patricia O'Neill (CA)
Ann Spiotto (IL) – Vice Chair
Tommy Thompson (MS) - Chair
Mary Jo Werner (WI)

Designated Federal Official

Roy Block, TAP Program Manager (WI)

IRS Program Owners

Leslye Baronich, Director, W&I CARE, Field Assistance; Jane Brough, Chief, Policy, Technology & Measures; and Beth Braddock, Policy Analyst

Staff

Ellen Smiley, Program Analyst (WI); Patti Robb, Program Analyst (WI); and Lisa Gabriel, Management Assistant (WI)

Committee Work Scope (Deliverable)

The TAC Issue Committee of TAP was tasked with recommending improvements to the payment process in the 401 TACs throughout the country.



TAP Members and IRS Staff working on TAC issues; from left: Daniel Fretheim, Lisa Gabriel, Ellen Smiley, Tommy Thompson, and John Leggett

Projects Completed

From January, 2009, through May, 2009, the Committee members visited 16 offices and interviewed fourteen managers from New Hampshire to California, from Wisconsin to Mississippi. The committee discussed payment processing with the managers who remotely managed an additional seven TAC offices. All ten of the Committee members were involved in the visits and observations.

The purpose of these visits was to gain a better understanding of the TAC payment process, receive insight from employees and managers, and identify ways to improve the payment process, customer service, and satisfaction in the TACs. Following the visits to the TACs, each member of the Committee prepared a report documenting his/her observations. The Committee discussed these reports during the monthly TAC Committee teleconferences.

At the June 2009 face-to-face meeting in Denver, the Committee discussed the observations and written reports to identify ways to improve the payment process and customer service. Adopted Recommendations include:

- Form 2290, *Heavy Highway Vehicle Use Tax*. This recommendation asks Field Assistance to reduce or eliminate the number of taxpayers visiting TAC offices to pay their highway use tax by encouraging the use of alternative payment methods that may be more convenient and faster for taxpayers than traveling to a TAC.
- Payment drop boxes in TACs (for payment by checks or money orders). This recommendation asks Field Assistance to install payment drop boxes nationwide in all TACs to receive payments made by checks or money orders. This is an accepted business practice in many industries.
- Payment using Form 8109, *Federal Tax Deposit Coupon*, process for all taxpayers. This recommendation asks Field Assistance to address the ability of taxpayers to make tax payments by offering a simplified system. Currently, the IRS allows business customers to deposit certain taxes using existing Financial Institutions. The IRS should expand the opportunity to collect a variety of taxes using the Form 8109 process.
- Forms Used in the Payment Process at the TACs. This recommendation asks Field Assistance to conduct an analysis of the posting and processing of payments at the TACs with the objective of reducing the number of forms required. Additionally, the IRS should continue to develop and implement an automated process for payment processing in the TACs. This would include the capability of providing a receipt for every cash payment as well as for payments made by check, if requested.
- Q-Matic System and Wait Time. This recommendation asks Field Assistance to: (1) refine its use of the Q-Matic system, (2) educate customers in Q-Matic use, and (3) develop performance information utilizing Q-Matic data.

Five subcommittees were appointed to develop the recommendations contained in the 2009 Taxpayer Assistance Committee Report on Improving the Payment Process in the TACs. These

recommendations are designed to improve the payment process in the TACs.

The consensus of the TAC Committee is that the IRS should modify some payment process functions to achieve the objectives of reducing repeat traffic, wait time, staff time, and the handling of cash in the TACs. In order to bring about needed changes, the Committee believes that more alternatives would encourage taxpayers to utilize mechanisms for payment (particularly cash payments) other than in-person delivery to the TACs. In addition, an important consideration in reducing in-person delivery of payments to the TACs is the continuing education of taxpayers by IRS staff concerning alternatives available to them.

The recommendations of the TAC Issue Committee address all of these concerns. The TAC Committee submitted the report to Field Assistance Director Leslye Baronich in November, 2009, with the belief they will improve the payment process in the TACs and improve customer service and satisfaction.

Tax Forms & Publications Committee (TFP)

Members

Craig Capehart (TX)
Sandra Finestone (CA)
Felicia Garant (ME)
Joseph Holley (WV)
Robert Jackson
Sabby Jonathan (CA)
Jeff Kennedy (KY)
Anne Khan (IL)
Regan Lynch (TX)
Lev Martyniuk (OH)
Robert Mull (MI)
Rita Taylor (OH)
Donald Thomas (VA)
Richard Waterman (CA) – Chair
Kelly Wingard (IL) – Vice Chair
Kenneth Wright (MO)

Designated Federal Official

Nancy Ferree, TAP Program Manager (FL)

IRS Program Owners

Robert Erickson, Tax Law Specialist and Patty Wagner, Senior Tax Analyst, IRS Program Owners, Tax Forms and Publications Division

Staff

Marianne Ayala, Program Analyst (FL); Sallie Chavez, Program Analyst (FL); Donna Powers, Program Analyst (FL); and Anita Fields, Management Assistant (FL).

Committee Work Scope (Deliverable)

The Tax Forms and Publications Committee members evaluate IRS forms and publications and collaborate with the relevant IRS program owner. Tax Forms and Publications Committee members served as a

test panel for new forms the IRS is developing. The IRS provided different versions of a given form, asked us to fill it out by hand and critiqued the new forms. This included the newly released Schedule L, *Standard Deduction for Certain Filers*, and Schedule M, *Making Work Pay and Government Retiree Credit*.

Projects Completed

4356 – Form 56, Notices Concerning Fiduciary Relationship;
4417 - Form 8824, Like-Kind Exchanges;
4683 – Campus Addresses for PDS;
4993 – Documentation – Record Retention Methods;
5001 – Pub 550, Investment Income & Expenses;
5002 – Pub 946, How to Depreciate Property;
5070 – Form 1040 EZ Instructions;
5174 – Form 5405, First-Time Homebuyer Credit;
5312 – New Schedule M (Focus Group);
5334 – Form 5405, First-Time Homebuyer Credit and Repayment of the Credit;
5562 – MFJ vs. MFS – Comprehensive List of Items Affected;
5664 – Form 8863, Education Credits and Instructions;
5665 – Pub 535, Business Expense; and
5666 – Pub 525, Taxable and Nontaxable Income.

Grassroots issues ref to TFP Committee:

Issue 5109, Power of Attorney – Bulk Termination by Practitioner;
Issue 5418, Single Filer Standard Deduction;
Issue 5443, Release date for Form 5227, *Split-Interest Trust Information*;
Issue 5563, Simplified Method Worksheet;
Issue 5568, Brochure for Tax Situations Involving the Elderly;
Issue 5872, Form 1099-C;
Issue 5874, Form 8582, Passive Activity Loss Limitation;
Issue 5875, Form 4720, Return Certain Excise Taxes Under Chapters 41/42; and
Issue 5901, Tiebreaker Rules for a Qualifying Child.

Completed assignment/project

Issue 4356 Form 56, Notice Concerning Fiduciary Relationship.

Tax Forms and Publication held their face-to-face meeting in St. Louis, Mo. The IRS program owners attended and discussed the roles and responsibilities of panel members. Local Taxpayer Advocate Peggy Guinn made a TAS presentation to the panel members.



Joint Committee members at meeting in Atlanta.
From Left: TAP members Ken Wright, MJ Lee, Kimberly Brown,
Mark Paris; IRS staff member Shelby McKenzie

Volunteer Income Tax Assistance Committee (VITA)

The TAP comprises several issue committees, but the VITA team represents the heart of the volunteer spirit that IRS values to meet the needs of all taxpayers, not just the affluent. The VITA Committee contributes to IRS efforts to ensure that the low- and moderate-income taxpayers who receive tax assistance from the volunteers in the free tax assistance programs receive quality service. These programs include VITA, AARP Tax-Aide, and Tax Counseling for the Elderly (TCE).

Members:

- Justin Axelrod (FL)
- Gregory Blanchard (TN)
- Patricia Bryant (TN)
- Raymond Buschmann (IL)
- Laura Criel (NM) - Chair
- George Deller (NY)
- Jasponia Florence (AL)
- Linda Gambardella (NY)
- Carolyn Hutchinson (NC)
- Edward Johnson (NJ)
- John Kim (HI) – Vice Chair
- John Verwiel (WI)
- Stanley Wernz, (OH)

Designated Federal Official

Louis Morizio, TAP Program Manager (NY)

IRS Program Owners

Fred McElligott , Area 1 SPEC Director; Roger Burton, SPEC Territory Manager; and Deborah LaPierre;

Staff

Marisa Knispel, Program Analyst (NY); Meredith Odom, Management Assistant/Analyst (NY); and Rose Babb, Management Assistant (NY).



IRS Program Owner discussing
2009 Project Requirements at VITA meeting

Committee Work Scope (Deliverable)

The VITA Committee is responsible for improvement of services provided in the VITA/TCE Program, and for support of the Taxpayer Assistance Blueprint to expand the services provided by the VITA/TCE Program and strengthen its partnerships with the community.

Project Details

The IRS asked the Committee to work on two specific issues this year. The first was to improve the current methodology for determining VITA/TCE accuracy. A subcommittee reviewed the current methodology and provided several suggestions to improve the criteria and tools used. The suggestions included increasing the communications between the IRS and its partners to enhance

understanding of accuracy expectations and to be able to identify and correct errors in a timely manner. The group suggested some revisions to the Form 6729C, *Accuracy Return Review Sheet*.

A second subcommittee assisted Stakeholder Partnerships, Education, and Communication (SPEC) in identifying and quantifying types of assistance that SPEC provides to its partners. The subcommittee suggested the need to gather information from SPEC's partners in order to identify the positive impact on the community of the various forms of assistance provided at the volunteer sites. The Committee sought to identify SPEC's role in initiating and supporting those benefits. The group proposed the use of a form, "Volunteer Income Tax Assistance Annual Reporting Form," designed to elicit this data.

The Committee established a third subcommittee to support training of volunteers but ultimately decided that the full Committee would ensure SPEC received adequate support from the TAP. The Committee helped write training and testing materials, and reviewed and tested the products. Members coordinated the review of several of the proposed publications and formatted the responses to facilitate the proposed changes for use by SPEC.

SPEC provided an update on some of the proposals from the 2008 TAP VITA committee:

- They are encouraging recipients of VITA grants to identify ways to reimburse volunteers for travel expenses;
- They have added Forms K-1 (with limited types of income) to the scope of VITA-prepared returns;
- Schedule C will not be added to the scope of VITA-prepared returns; however, SPEC will continue to explore means of assisting low-income taxpayers who need this type of assistance; and
- There will be additional emphasis on promoting the VITA programs, help in recruiting, and recognizing VITA volunteers.

Additional VITA Activities

The VITA Issue Committee participated with SPEC teams to review and revise the materials used in the 2010 VITA/TCE Program. These materials included Publications 4491, 4555, 4012, 3189, and the test given to volunteers. Members proposed methods for SPEC to use in identifying and quantifying types of assistance provided to its partners. The Committee also reviewed SPEC's current methodologies for determining VITA/TCE return accuracy and provided suggestions to improve and/or change the criteria/methodology currently used. For the latter, the Committee proposed some modifications to SPEC's Form 6729 and Form 6729C, most of which will be implemented by SPEC for future use.

Appendix A: Taxpayer Advocacy Panel Members – 2009

Panel Member	City	State	Area	Issue Committee
Rodgers, John	Anchorage	AK	7	EITC
Florence, Jasponia	Phenix City	AL	3	VITA
Tice, Charles	Blytheville	AR	3	Notice Improvement
Gustafson, Joan	Prescott	AZ	6	Multi-Lingual Initiatives
Battershell, A. Lee	Carmichael	CA	7	Notice Improvement
Davidson, Charles	Redding	CA	7	Communication
Finestone, Sandra	Irvine	CA	7	Tax Forms and Publications
Jonathan, Sabby	Palm Desert	CA	7	Tax Forms and Publications
Kahn, David	Los Angles	CA	7	Notice Improvement
Lee, Merijane	Portola Valley	CA	7	SBSE
Levine, Howard	Van Nuys	CA	7	Multi-Lingual Initiatives
O'Neill, Patricia	San Jose	CA	7	TAC
Waterman, Richard	Campbell	CA	7	Tax Forms and Publications

Panel Member	City	State	Area	Issue Committee
Young, Clifford	Newbury Park	CA	7	SBSE
Conder, Dean	Lakewood	CO	6	TAC
Jason, Julie	Greenwich	CT	1	Communication
Johnson, Frances	Washington	DC	2	Notice Improvement
Boyle, Raymond	Wilmington	DE	2	Notice Improvement
Axelrod, Justin	Gainesville	FL	3	VITA
DaCorte, Susan	N Palm Beach	FL	3	Communication
Lynn, Susan	Orlando	FL	3	Notice Improvement
Paris, Mark	Panama City	FL	3	Communication
Rodriguez, Alberto	Miami	FL	3	Multi-Lingual Initiatives
Cooper III, Reuben	Atlanta	GA	3	EITC
Head, Randee	Warner Robins	GA	3	Notice Improvement
Kapugi, Louis	Sharpsburg	GA	3	Tax Forms and Publications
Sewell III, Homer	Jasper	GA	3	SBSE
Kim, John	Honolulu	HI	7	VITA
Fretheim, Daniel	Decorah	IA	5	TAC

Panel Member	City	State	Area	Issue Committee
Bohrer, Herbert	Springfield	ID	6	TAC
Buschmann, Raymond	Lake Forest	IL	4	VITA
Khan, Anne	Chicago	IL	4	Tax Forms and Publications
Spiotto, Ann	Lincolnwood	IL	4	TAC
Wingard, Kelly	Decatur	IL	4	Tax Forms and Publications
Monnier, David	Indianapolis	IN	4	TAC
Vanderver, Stephen	Evansville	IN	4	EITC
Manuszak, J.T.	Wichita	KS	5	Communication
Kennedy, Jeff	Louisville	KY	4	Tax Forms and Publications
Armstrong, Charles	Prairieville	LA	3	EITC
Shillow, Moses	Opelousas	LA	3	VITA
Morse, Cheryl	North Easton	MA	1	Communication
Stepner, Gerald	Peabody	MA	1	EITC
Fulkrod, Steve	Bel Air	MD	2	Notice Improvement
Sharpe, Connie	Riva	MD	2	Communication
Garant, Felicia	Falmouth	ME	1	Tax Forms and Publications

Panel Member	City	State	Area	Issue Committee
Adams-Dodds, Carolyn	Detroit	MI	4	Notice Improvement
Mackie, Wayne	Frankenmuth	MI	4	Multi-Lingual Initiatives
Mull, Robert	Ann Arbor	MI	4	Tax Forms and Publications
Freeman, Christopher	Chaska	MN	5	SBSE
Rasmussen, Anne	Apple Valley	MN	5	Multi-Lingual Initiatives
Donnelly, Ken	Lees Summit	MO	5	Notice Improvement
Shah, Rajiv	Columbia	MO	5	Notice Improvement
Wright, Kenneth	Chesterfield	MO	5	Tax Forms and Publications
Thompson, Tommy	Southaven	MS	3	TAC
Eik, Nancy	Missoula	MT	6	Notice Improvement
Grzebinski, Richard	Raleigh	NC	2	SBSE
Hutchinson, Carolyn	Fletcher	NC	2	VITA
Miller, Ernest	Raleigh	NC	2	Notice Improvement

Panel Member	City	State	Area	Issue Committee
Widmer, Harris	Fargo	ND	6	Notice Improvement
Shoemaker, Paul	Lincoln	NE	5	Communication
Leggett, John	Canterbury	NH	1	TAC
Chapman, Benson	Wayne	NJ	2	Multi-Lingual Initiatives
Johnson, Edward	Florence	NJ	2	VITA
Martinez, Jose	Hoboken	NJ	2	SBSE
Criel, Laura	Albuquerque	NM	6	VITA
Coonradt, Richard	Reno	NV	7	SBSE
Cabusora, Haidee	New York	NY	1	EITC
Deller, George	Old Bethpage	NY	1	VITA
Gambardella, Linda	Suffern	NY	1	VITA
Markman, Robert	Westbury	NY	1	EITC
Murray, Alan	Larchmont	NY	1	Notice Improvement
Martyniuk, Lev	Cincinnati	OH	4	Tax Forms and Publications
Rhyan, Joyce	Cleveland	OH	4	Communication
Taylor, Rita	Cincinnati	OH	4	Tax Forms and Publications
Wernz, Stanley	Cincinnati	OH	4	VITA

Panel Member	City	State	Area	Issue Committee
Woodard, Norma	Choctaw	OK	5	Notice Improvement
Bensen, Milissa	Hermiston	OR	6	Multi-Lingual Initiatives
Brown, Kimberly	Blakeslee	PA	2	Multi-Lingual Initiatives
McQuiston, Robert	Bryn Mawr	PA	2	Notice Improvement
Patterson, Robert	York	PA	2	EITC
Fuentes, Luis	Boqueron	PR	3	Communication
Jackson, Robert	Middletown	RI	1	Tax Forms and Publications
McAulay, Louise	Florence	SC	2	TAC
Paustian, Chris	Mitchell	SD	6	Communication
Blanchard, Gregory	Cordova	TN	4	VITA
Bryant, Patricia	Millington	TN	4	VITA
Bell, Kay	Austin	TX	5	Communication
Capehart, Craig	Dallas	TX	5	Tax Forms and Publications
Colon-Sacarello, Ralph	Pilot Point	TX	5	Multi-Lingual Initiatives
Lynch, Reagan	Midland	TX	5	Tax Forms and Publications

Panel Member	City	State	Area	Issue Committee
Villarreal, Josefina	Corpus Christi	TX	5	EITC
Walker, Thomas	Dallas	TX	5	SBSE
Ball, Kirsten	Sandy	UT	6	SBSE
Brock, James	Williamsburg	VA	2	SBSE
Feng, Andrew	Arlington	VA	2	Notice Improvement
Thomas, Donald	Richmond	VA	2	Tax Forms and Publications
Webber, Erica	Alexandria	VA	2	EITC
Gibbons, Jo Ann	Montpelier	VT	1	SBSE
Barnett, Harlan	Olympia	WA	6	SBSE
Birge, Eileen	Seattle	WA	6	EITC
Werner, Mary Jo	La Crosse	WI	4	TAC
Verwiell, John	Cottage Grove	WI	4	VITA
Holley, Joseph T	Barboursville	WV	2	Tax Forms and Publications
Toomer, Karla	Cokeville	WY	6	Multi-Lingual Initiatives

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Appendix B: 2009 Taxpayer Advocacy Panel IRS Staff

Name	Position Title	Location
Shawn Collins	Acting TAP Director	Washington, DC
Shelby Jenkins	TAP Director Secretary	Washington, DC
Steve Berkey	Senior Program Analyst	Plantation, FL
Susan Gilbert	Senior Program Analyst	Atlanta, GA
Otis Simpson	Senior Program Analyst	Washington, DC
Mary Ann Delzer	Database Analyst	Milwaukee, WI
Louis Morizio	TAP Program Manager	Brooklyn, NY
Rose Babb	Management Assistant	Brooklyn, NY
Audrey Jenkins	Program Analyst	Brooklyn, NY
Marisa Knispel	Program Analyst	Brooklyn, NY
Meredith Odom	Program Analyst	Brooklyn, NY
Roy Block	TAP Program Manager	Milwaukee, WI
Lisa Gabriel	Management Assistant	Milwaukee, WI
Patti Robb	Program Analyst	Milwaukee, WI
Ellen Smiley,	Program Analyst	Milwaukee, WI
Judi Nicholas	TAP Program Manager	Seattle, WA
Marla Ofilas	Management Assistant	Seattle, WA
David Coffman	Program Analyst	Seattle, WA
Janice Spinks	Program Analyst	Seattle, WA

Name	Position Title	Location
Nina Pang	Program Analyst	Seattle, WA
Nancy Ferree	TAP Program Manager	Plantation, FL
Anita Fields	Management Assistant	Plantation, FL
Marianne Ayala	Program Analyst	Plantation, FL
Sallie Chavez	Program Analyst	Plantation, FL
Donna Powers	Program Analyst	Plantation, FL

Appendix C: 2009 TAP Area Committee IRS Designated Federal Officials

Name	Position Title	Location
Betsy Fallacaro	Local Taxpayer Advocate	Boston, MA
Lois Lombardo	Local Taxpayer Advocate	Philadelphia, PA
Rose Browne	Local Taxpayer Advocate	Atlanta, GA
Betty Martin	Local Taxpayer Advocate	Nashville, TN
Marian Adams	Local Taxpayer Advocate	Wichita, KS
Teresa Thompson	Local Taxpayer Advocate	Helena, MT
John Tam (January-September)	Local Taxpayer Advocate	Oakland, CA
Dorothea Curran (October-December)	Local Taxpayer Advocate	Los Angeles, CA

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Appendix D: 2009 TAP Issue Committee IRS Program Owners

Communication	
Shawn Collins	Program Owner
Earned Income Tax Credit (EITC)	
Verlinda Paul	Program Owner
Patricia Lee	Liaison
Multi Lingual Initiatives (MLI)	
Maria Cheeks	Program Owner
Cynthia Lee	Program Owner
Notices Improvement	
Ann Gelineau	Program Owner
Sidney Gardner	Program Owner
James Cesarano	Liaison
Small Business/Self Employed (SB/SE)	
Phyllis Grimes	Program Owner
Tonjua Menefee	Liaison
Taxpayer Assistance Centers (TAC)	
Leslye Baronich	Program Owner
Jane Brough	Program Owner
Beth Braddock	Liaison
Tax Forms & Publications (TFP)	
Sue Sottile	Program Owner
Robert Erickson	Liaison

Patty Wagner	Liaison
Volunteer Income Tax Assistance (VITA)	
Peggy Gavaghan	Program Owner
Fred McElligott	Program Owner
Roger Burton	Liaison
Beverly Thomas	Liaison

Appendix E: 2009 TAP Recommendation Status Definitions

Area Committees:

Elevated Issue, Awaiting IRS Reply:	A taxpayer issue forwarded from the TAP Joint Committee to the IRS and TAP is waiting for an IRS response.
Pending Review by TAP:	A taxpayer issue forwarded from the TAP Joint Committee to the IRS and TAP is considering the IRS response. TAP may be waiting IRS response to a subsequent TAP resubmission.
Closed, Proposal Accepted by IRS:	A taxpayer issue accepted by the IRS. The proposal may or may not be implemented, but the IRS has agreed to the recommendation.
Closed, Partially Accepted by IRS:	A taxpayer issue partially accepted by the IRS. The proposal may or may not be implemented but the IRS has agreed to part of the recommendation.
Closed, Proposal Rejected by IRS:	A taxpayer issue or recommendation rejected by the IRS for various reasons as indicated in the IRS response.
Referred to F&P-Accepted:	A taxpayer issue or recommendation forwarded directly to Tax Forms and Publications program owners and the IRS has agreed to the recommendation.
Referred to F&P-Partially Accepted:	A taxpayer issue or recommendation forwarded directly to Tax Forms and Publications program owners and the IRS has partially agreed to the recommendation.
Referred to SAMS, Accepted:	A taxpayer issue which requires immediate intervention by the IRS. TAP forwards the

recommendation directly to the Office of Systemic Advocacy using the TAS Systemic Advocacy Management System (SAMS) database. Immediate action is taken by the IRS to resolve the issue or an advocacy project is initiated.

Referred to SAMS, Rejected: A taxpayer issue which requires immediate intervention by the IRS. TAP forwards the recommendation directly to the Office of Systemic Advocacy using the SAMS database. Immediate action is not taken by the IRS to either resolve the issue or to begin an advocacy project.

Referred to SAMS, Legislative: When a taxpayer issue relates to legislation, TAP forwards the recommendation directly to the Office of Systemic Advocacy using the SAMS database for future consideration as a recommendation for legislative change by the National Taxpayer Advocate.

Closed, Under IRS Consideration: A taxpayer issue forwarded from the TAP Joint Committee to the IRS, on which IRS commits further consideration. This may occur if IRS is currently evaluating a program or system and will consider TAP's recommendation during the process.

Issue Committees:

Closed, Project/Assignment Completed: A project or task completed by an Issue Committee with the results and recommendations documented and forwarded to the IRS Program Owner.

APPENDIX F: 2009 TAP ELEVATED ISSUES REPORT

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
109-5134	12/1/2009		Lack of Availability of Deposit Coupons for Payroll Taxes	Pending Review by TAP
109-5189	9/30/2009	4/7/2010	Amended Returns & E-Filing	Closed, Proposal Partially Accepted
109-5508	6/29/2009	12/4/2009	Standard Deduction Worksheet - Incorrect Instructions	Referred to F&P- Accepted
109-5529	9/1/2009	3/10/2010	Toll free Line Vocal Response Option	Closed, Proposal Rejected
109-5942	7/31/2009	8/3/2009	Gift Tax Sent In Error	Referred to SAMS - Rejected
109-5943	9/8/2009	9/11/2009	Free File Software Needs Better Review	Referred to SAMS - Rejected
109-5944	12/31/2009	12/31/2009	Free Fillable irs.gov Form 8582 Data Incorrect	Referred to SAMS - Accepted
109-5945	12/31/2009	12/31/2009	Free File Schedule E Computation Error	Referred to SAMS - Accepted
209-4729	9/8/2009	12/2/2009	Online Tax Help for Caregivers	Closed, Proposal Accepted
209-4806	9/8/2009		Expatriate Issue-IRS Website User Friendly	Elevated, Awaiting Response
209-5080	6/1/2009	10/16/2009	Access to IRS Payment Transcript	Closed, Proposal Partially Accepted
209-5359	9/8/2009	4/21/2010	IRS Correspondence Reply Envelopes	Closed, Under IRS Consideration
209-5506	9/30/2009	2/1/2010	Extended filing date of Form 1041 by Trusts	Closed, Under IRS Consideration
209-5551	12/16/2009	2/19/2010	Tax Reporting of Short Sales	Referred to F&P- Accepted
309-4930	4/7/2009	7/14/2009	Taxpayer Phone Contact Tracking and Follow-up	Closed, Proposal Accepted
309-4977	11/4/2009	2/16/2010	ITIN Deactivation Procedures	Closed, Proposal Partially Accepted
309-5340	6/15/2009	12/4/2009	Form 8889 (Health Savings Account)	Referred to F&P- Accepted

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
309-5498	11/4/2009	4/12/2010	Phone Prompt Doesn't Have Proper Options	Closed, Proposal Rejected
309-5831	11/30/2009	4/28/2010	IRS Name Mismatch with Verified SSA Information	Closed, Proposal Rejected
309-5946	3/2/2009	3/2/2009	Form 1099 Instructions for Death Benefits	Referred to SAMS - Rejected
409-4210	4/23/2009	10/14/2009	Identity Theft Suspension of Return Processing	Closed, Proposal Accepted
409-4771	9/6/2009	12/4/2009	Form SS-4 Improvement	Referred to F&P- Accepted
409-4945	11/3/2009	3/19/2010	Tax Law Access	Closed, Proposal Rejected
409-4946	4/28/2009	4/28/2009	Form 1098-T, Tuition Statement	Referred to SAMS-Legislative
409-5286	11/30/2009	1/25/2010	CP 210 Clarification	Closed, Proposal Accepted
409-5366	7/23/2009	10/21/2009	Bankrupt Taxpayer Refund Notification	Closed, Proposal Partially Accepted
409-5434	11/3/2009	2/1/2010	Check Box Form 1065 to Indicate Partners Timely Filed	Closed, Under IRS Consideration
409-5452	4/15/2009	4/15/2009	EITC Calculation Incorrect for Disaster Areas	Referred to SAMS - Rejected
409-5471	11/30/2009		IRS Identity Theft Advice Clarification	Pending Review by TAP
409-5493	7/23/2009	10/21/2009	Tax Law Updates on IRS Website	Closed, Proposal Rejected
409-5561	7/27/2009	2/19/2010	Income Classification	Referred to F&P- Partially Accepted
409-5562	11/25/2009	5/13/2010	MFJ vs. MFS - Comprehensive List	Referred to F&P- Accepted
409-5563	10/20/2009	2/3/2010	Simplified Method Worksheet	Referred to F&P- Accepted
409-5637	9/3/2009	9/3/2009	Foreign Tax Credit (FTC)	Referred to SAMS-Legislative

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
409-5791	9/3/2009	9/3/2009	Incorrect Processing of Recovery Rebate Credit (RRC)	Referred to SAMS - Accepted
509-4480	4/3/2009	8/21/2009	Name Control and SSN/ITIN Mismatch on E-filed Returns	Closed, Proposal Partially Accepted
509-4640	9/30/2009	4/27/2010	Use of Online Form 8109-B	Closed, Proposal Rejected
509-4651	9/2/2009	2/1/2010	Disregarded Entity Information Reporting	Closed, Under IRS Consideration
509-4653	9/2/2009	2/1/2010	LLC and Rental Income	Closed, Under IRS Consideration
509-5250	1/28/2009	1/28/2009	"Where is my Refund"	Referred to SAMS - Accepted
509-5333	3/6/2009	3/6/2009	Incorrect Telephone Number Listed on Correspondence Audits	Referred to SAMS - Accepted
509-5368	11/3/2009	1/20/2010	Security of Taxpayer Information on Form 8879	Closed, Proposal Accepted
509-5418	11/10/2009	3/26/2010	Single Filer Standard Deduction	Referred to F&P- Accepted
509-5487	12/1/2009		CPE Credit for TAP Members Who Are Enrolled Agents	Elevated, Awaiting Response
509-5512	5/28/2009	7/1/2009	Incorrect Calculation for Standard Deduction	Referred to SAMS - Accepted
509-5709	9/30/2009	3/1/2010	Automatic Six Month Extension Exempt Organizations	Closed, Proposal Rejected
509-5790	5/28/2009	7/1/2009	Incorrect Process of the Recovery Rebate Credit	Referred to SAMS - Accepted
509-5799	12/1/2009		Permit User Font Size Selection for IRS.gov	Pending Review by TAP
509-5800	9/13/2009	12/4/2009	Form 1041 Instructions	Referred to F&P- Partially Accepted

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
509-5801	11/30/2009		Change of Incorporation State of Exempt Organizations	Elevated, Awaiting Response
509-5803	9/30/2009	2/1/2010	Covered Employment of Children and Spouses	Closed, Under IRS Consideration
509-5811	10/13/2009	12/4/2009	Fonts in Form 1040 Publications are Hard to Read	Referred to F&P-Accepted
509-5832	12/1/2009	5/11/2010	Farm Crop Share Rental Passive Activities	Closed, Proposal Rejected
509-5873	12/1/2009	2/1/2010	Form 4029 Exemption for Disregarded Entities	Closed, Proposal Partially Accepted
509-5888	12/1/2009	4/14/2010	Erroneous EITC/Additional Child Tax Credits Form 4029	Closed, Proposal Rejected
509-5889	11/30/2009	1/20/2010	Online Employer Identification Number for Grantor Trusts	Closed, Proposal Partially Accepted
609-4358	3/10/2009	4/27/2009	Form 3949-A, Information Referral – Tax Return Preparers Reporting Fraud	Closed, Proposal Accepted
609-4395	9/1/2009	4/6/2010	Expanding Definition of Immediate Family	Closed, Proposal Accepted
609-5280	9/30/2009	2/3/2010	Wording of Letter 525	Closed, Proposal Partially Accepted
609-5320	11/3/2009	4/14/2010	SSN on IRS Correspondence	Closed, Proposal Accepted
609-5939	4/10/2009	4/9/2009	Hope or Life Time Learning Credits	Referred to SAMS-Legislative
709-4545	4/23/2009	3/3/2010	Customer Service Complaints	Closed, Proposal Accepted
709-4639	11/3/2009	2/18/2010	Downloading Forms 1099 and 1096	Closed, Proposal Accepted

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
709-4661	9/30/2009	10/13/2009	IRS Website Feedback	Closed, Proposal Accepted
709-4680	9/1/2009	4/14/2010	1099-MISC Procedures	Closed, Proposal Accepted
709-5225	11/3/2009	2/18/2010	Reporting 1099-G Information on 1040	Closed, Proposal Accepted
709-5601	12/16/2009	4/1/2010	Social Security Benefits for a Minor—Taxable?	Referred to F&P-Accepted

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APPENDIX G: 2009 TAP PROJECTS COMPLETED REPORT

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
C09-5435	4/22/2009	4/22/2009	Generic Business Card	Closed, Project/Assignment Completed
C09-5438	11/4/2009	11/4/2009	Returning Member Survey	Closed, Project/Assignment Completed
C09-5439	11/4/2009	11/4/2009	Exiting Member Survey	Closed, Project/Assignment Completed
C09-5550	11/4/2009	11/4/2009	New Member Survey	Closed, Project/Assignment Completed
C09-5668	11/4/2009	11/4/2009	Develop Template to Track TAP Meetings	Closed, Project/Assignment Completed
C09-5669	7/29/2009	7/29/2009	Identify Handouts for Outreach Events	Closed, Project/Assignment Completed
C09-5850	10/20/2009	10/20/2009	Reporting Compliance Customer Satisfaction	Closed, Project/Assignment Completed
C09-5894	11/13/2009	11/13/2009	Include TAP Information in the 1040 Series	Closed, Project/Assignment Completed
E09-5083	11/13/2009	11/13/2009	EITC - Awareness	Closed, Project/Assignment Completed
E09-5184	11/4/2009	11/4/2009	EITC - Websites	Closed, Project/Assignment Completed
F09-4356	10/5/2009	10/5/2009	Form 56 -- Notice Concerning Fiduciary Relationship	Closed, Project/Assignment Completed
F09-4417	10/2/2009	10/2/2009	Form 8824, Like-Kind Exchanges	Closed, Project/Assignment Completed

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
F09-4683	10/6/2009	10/6/2009	Campus addresses for PDS	Closed, Project/Assignment Completed
F09-4993	8/7/2009	8/7/2009	Documentation - Record Retention Methods	Closed, Project/Assignment Completed
F09-5001	1/15/2009	1/15/2009	Pub. 550 - Investment Income & Expenses	Closed, Project/Assignment Completed
F09-5002	7/21/2009	7/21/2009	Pub. 946 - How to Depreciate Property	Closed, Project/Assignment Completed
F09-5070	4/28/2009	4/28/2009	Form 1040EZ Instructions	Closed, Project/Assignment Completed
F09-5174	3/12/2009	3/12/2009	Form 5405 - First Time Home Buyer's Credit	Closed, Project/Assignment Completed
F09-5312	3/5/2009	5/26/2009	New Schedule M (Focus Group)	Closed, Project/Assignment Completed
F09-5334	10/9/2009	10/9/2009	The New Form 5405, First Time Homebuyers Credit	Closed, Project/Assignment Completed
F09-5665	8/5/2009	8/5/2009	Pub 535 – Business Expense	Closed, Project/Assignment Completed
F09-5666	9/29/2009	9/29/2009	Pub 525 – Taxable and Nontaxable Income	Closed, Project/Assignment Completed
M09-5297	2/20/2009	10/14/2009	MLI- Review of Publication 17 SP	Closed, Project/Assignment Completed
M09-5298	3/12/2009	3/12/2009	Disseminate Tax Information to the LEP taxpayers	Closed, Project/Assignment Completed
M09-5580	6/23/2009	10/14/2009	Publication 850- Adding Terms to this Glossary	Closed, Project/Assignment Completed

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
M09-5581	11/30/2009	11/30/2009	Stakeholder Survey	Closed, Project/Assignment Completed
M09-5704	8/28/2009	8/28/2009	Surevey -Review of MLI's DVD	Closed, Project/Assignment Completed
N09-4951	2/20/2009	2/20/2009	Insert Project - CP 14	Closed, Project/Assignment Completed
N09-5178	1/6/2009	1/6/2009	Generic Scorecard vs Document Assessment Tool Scoring	Closed, Project/Assignment Completed
N09-5179	1/9/2009	1/9/2009	State EITC Letter Reviewed/Feedback Given	Closed, Project/Assignment Completed
N09-5197	1/26/2009	1/26/2009	DAT Score - CP90	Closed, Project/Assignment Completed
N09-5198	1/26/2009	1/26/2009	DAT Score - CP91	Closed, Project/Assignment Completed
N09-5199	1/30/2009	1/30/2009	DAT Score - CP297A	Closed, Project/Assignment Completed
N09-5200	1/28/2009	1/28/2009	DAT Score - CP92	Closed, Project/Assignment Completed
N09-5201	1/22/2009	1/22/2009	DAT Score - CP77	Closed, Project/Assignment Completed
N09-5202	1/22/2009	1/22/2009	DAT Score - CP78	Closed, Project/Assignment Completed
N09-5203	1/23/2009	1/23/2009	DAT Score - CP297	Closed, Project/Assignment Completed
N09-5204	1/23/2009	1/23/2009	DAT Score - CP298	Closed, Project/Assignment Completed

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
N09-5238	2/17/2009	2/17/2009	DAT Score for Notice 441	Closed, Project/Assignment Completed
N09-5328	7/13/2009	7/13/2009	Insert Project - CP11	Closed, Project/Assignment Completed
N09-5329	7/13/2009	7/13/2009	Insert Project - CP23	Closed, Project/Assignment Completed
N09-5330	5/22/2009	5/22/2009	Document 9183 - Desk Guide for Employees	Closed, Project/Assignment Completed
N09-5360	4/29/2009	4/29/2009	Installment Agreement Letters - DAT Score - Letter 2257C	Closed, Project/Assignment Completed
N09-5361	7/14/2009	7/14/2009	Installment Agreement Letters - DAT Score - Letter 2271C	Closed, Project/Assignment Completed
N09-5362	7/14/2009	7/14/2009	Installment Agreement Letters - DAT Score - Letter 2318C	Closed, Project/Assignment Completed
N09-5363	4/27/2009	4/27/2009	Installment Agreement Letters - Letter 2357C	Closed, Project/Assignment Completed
N09-5373	3/27/2009	3/27/2009	Private Debt Collection Letters	Closed, Project/Assignment Completed
N09-5406	4/17/2009	4/17/2009	Review L1058	Closed, Project/Assignment Completed
N09-5407	4/17/2009	4/17/2009	Review CP22a	Closed, Project/Assignment Completed
N09-5408	4/17/2009	4/17/2009	Review CP21b	Closed, Project/Assignment Completed
N09-5409	4/17/2009	4/17/2009	Review CP521	Closed, Project/Assignment Completed

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
N09-5410	4/17/2009	4/17/2009	Review CP503	Closed, Project/Assignment Completed
N09-5470	6/3/2009	6/3/2009	DAT Score - CP39	Closed, Project/Assignment Completed
N09-5494	6/16/2009	6/16/2009	DAT Score - Notice 441	Closed, Project/Assignment Completed
N09-5495	5/27/2009	5/27/2009	Notice Review - CP2100A	Closed, Project/Assignment Completed
N09-5597	7/14/2009	7/14/2009	Installment Agreement Letters - DAT Score - Letter 2571C	Closed, Project/Assignment Completed
N09-5598	7/14/2009	7/14/2009	Installment Agreement Letters - DAT Score - Letter 2603C	Closed, Project/Assignment Completed
N09-5599	7/13/2009	7/13/2009	Focus Group - Usefulness of F 2210 and I 2210 as inserts	Closed, Project/Assignment Completed
N09-5600	7/13/2009	7/13/2009	Focus Group - Usefulness of F 2220 and I 2220 as inserts	Closed, Project/Assignment Completed
S09-5257	9/24/2009	9/24/2009	IRS Publication 4705 Update and Simplification	Closed, Project/Assignment Completed
S09-5292	10/22/2009	10/22/2009	Increase E-filing of Forms 940 and 941	Closed, Project/Assignment Completed
T09-5444	11/9/2009	11/9/2009	Improve the Payment Process in TAC Offices	Closed, Project/Assignment Completed
V09-5219	7/14/2009	1/25/2010	Measuring Tax Return Accuracy in the VITA/TCE	Closed, Project/Assignment Completed
V09-5294	8/11/2009	8/11/2009	Method to Measure and Quantify Coalitions' Efforts	Closed, Project/Assignment Completed

Elevated Issue #	Date Elevated	Date Closed	Short Description:	Status
V09-5589	6/25/2009	6/25/2009	Testing Materials - Project	Closed, Project/Assignment Completed
V09-5590	6/25/2009	6/25/2009	Publication 4491-W-Project	Closed, Project/Assignment Completed
V09-5592	6/25/2009	6/25/2009	Pubs 4491/4555/4012, Link-n-Learn- Project	Closed, Project/Assignment Completed
V09-5746	9/1/2009	9/1/2009	VITA- Publications 3189 and 4012	Closed, Project/Assignment Completed
V09-5913	10/21/2009	10/21/2009	Beta Testing of Tax Wise Software	Closed, Project/Assignment Completed
Z09-5049	11/17/2009	11/17/2009	Examinations Video Project	Closed, Project/Assignment Completed

