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infrastructure the IRS uses is necessary to provide effective and responsible service.

May. 17, 2016

The National Society of Accountants (NSA) has called on the Internal Revenue Service (IRS) to make sweeping improvements to its outdated technology and use this new technology to facilitate more efficient and productive personal contact with taxpayers.

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

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

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

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

- Some IRS forms cannot currently be submitted online, which requires that the entire return must be submitted via the regular mail system.
- Computer-generated IRS form letters often include a date by which a taxpayer response must be received to forestall the placement of IRS liens. Since the IRS cannot currently receive an email with the information, this means the taxpayer

must respond by mail. However, the IRS does not have the capability to quickly

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

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

- Submit a Form 2868 Power of Attorney and have immediate access to a client's information.
- Submit an inquiry on any IRS Correspondence similar to what was capable on the EAR system.
- Submit form 1040X as an e-filed form.
- Have a chat capability like so many customer service companies to answer procedural questions.
- Have a secure email system for tax professionals in good standing to communicate with the IRS so that responses to any IRS correspondence can both be submitted and be logged as being timely received.

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

Ams also stated that achieving these goals "depends on an adequate IRS budget. NSA is disappointed in the decrease in IRS funding levels since 2010. Although the impact

of these budget cuts on the IRS is and has been severe, it has been just as painful for

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does not include such tasks as collecting revenue or responding to taxpayer requests, including answering the telephone when taxpayers call seeking help.”

IRS • Technology

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