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This past summer, President Donald Trump signed into law the Taxpayer First Act following largely bipartisan support for the bill from both the House and Senate. The new tax bill, as the name suggests, looks to reform the IRS in favor of taxpayer experience and outlines a robust list of systemic changes to the U.S. tax organization.

Some notable changes include the creation of a new appeals process, an overhaul of customer service offerings, and more. Let's take a closer look at five key provisions to the new tax bill.

Establishment of new appeals process

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process, not how the IRS should organize itself internally.

Now, under the new law, the IRS will be required to hold independent administrative appeals processes under the newly-designated IRS Independent Office of Appeals. The provision “seeks to ensure that generally all taxpayers are able to access the administrative review process, allowing for their cases to be heard by an independent decision maker.” Furthermore, the law pushes for more transparency within the IRS through the availability of administrative case files for certain individual and business taxpayers.

Sensible enforcement

This section of the TFA seeks to further define just practices for tax law enforcement, notably through the refinement of seizures practices and joint tax liability laws.

The existing Bank Secrecy Act (BSA) mandates reporting and recordkeeping requirements in order to aid Federal law enforcement and regulatory agencies in the detection of nefarious transactions. In order to stay below the reporting threshold, some individuals may conceal transactions, known as structuring, in an attempt to shroud illegal dealings. These kind of actions obviously implicate civil and criminal penalties if discovered. If an individual is suspected of structuring, the IRS is entitled to pursue seizure or forfeiture of assets.

The TFA now amends the BSA to clarify that the IRS may only pursue seizures or forfeitures if the assets in question are deemed to be structured to conceal illegal procurement or to be used in legal violation. The law also establishes a process for post-seizure notice and the individual's right to review procedures.

Another clarification made by the act is in the case of joint liability in tax filing. Existing law states that married couples who file taxes together are jointly

responsible for any ramifications incurred from the return. The TFA now provides

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organization has one year to develop and submit the plan to Congress and two years to put the plan into action.

According to the TFA, the plan is to focus largely on the modernization of customer touchpoints such as online portals and telephone services. This is to be coupled with an overhaul of customer-facing employee training to satisfy modern customer service demands.

Reformation of whistleblower policies

Whistleblower protections are an integral part of the IRS's ability to discover and monitor unscrupulous activity by taxpayers, and the TFA looks to strengthen the relationship between those whistleblowers and the IRS. Under the new law, the IRS is "allowed to exchange information with whistleblowers where doing so would be helpful to an investigation."

The provision also mandates that the IRS to notify whistleblowers of the status of their claims during the review process and authorizes the IRS to provide updates to whistleblowers at other junctures at the request of the whistleblower. However, this section of the TFA also explicitly prohibits whistleblowers from publicly disclosing any of this information to preserve taxpayer privacy.

Increased focus on identity protection

In an increasingly digital world, concerns have arisen around institutional ability to safeguard consumer information, and the IRS is no exception. This section of the TFA addresses multiple facets surrounding the issue of identity protection and lays out several guidelines to ensure focus on combating consumer identity fraud.

The first specification made is a continued effort to foster partnership between public and private stakeholders in order to counter identity theft tax refund fraud (IDTTRF). The next section tasks the existing Electronic Tax Administration

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already affected by identity fraud.

Overall, the Taxpayer First Act is a substantial win for the common taxpayer, seeing a huge emphasis placed on the accountability of the IRS and other government entities and considerable changes made to the taxpayer experience with the IRS. For a more detailed look, the full bill can be read on the [Senate website here](#).

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Advisory

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