

WRITTEN STATEMENT FOR IRS PUBLIC TAX FORUM- LOS ANGELES  
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The California Franchise Tax Board (FTB) recently implemented MyFTB, a web-based portal for taxpayers, businesses, and tax professionals, allowing them to access their account information and complete many transactions online. Our goal was to enable customers to self serve instead of contacting one of our call centers. Taxpayers and representatives can "live chat" with an FTB agent about accounts, determine whether a power of attorney (POA) exists, and view tax returns, notices, payments and correspondence. For tax professionals with a valid POA, they can also receive email alerts on client activity, submit online protests, or update client information.

Since MyFTB was implemented, we have discovered many benefits and challenges the IRS would be interested in if they are considering implementing a similar online service for taxpayers. Some of the features practitioners provided positive feedback about include:

- Ability to verify estimated payments without having to call.
- Ability to upload documents/correspondence and see in real-time that it has been received. In addition, if subsequently having to call us, any customer service representative can easily view and discuss the correspondence with them.
- The online system enables taxpayers and representatives to securely chat with FTB representatives.
- Taxpayers can opt in to receive notifications by email and text.
- Real-time electronic notification to taxpayers and representatives of notices being sent from FTB.
- Ability to see the return filed online whether e-filed or paper.
- View a list of activities that occurred in an account, including the last time the account was accessed by the taxpayer or authorized representative.

It is important to note however that while taxpayers and practitioners have reported many things that they like about the new MyFTB, there have also been significant challenges; some of these were anticipated, while others were not.

The most difficult challenge has been finding an acceptable balance between quick and easy access for MyFTB's users and providing security for taxpayer data. As a result, we have had to make modifications such as incorporating delays in both the registration process for all users and in allowing representatives to view clients' information. The registration delay is necessary to verify the user's identity by sending a PIN number to the address of record, which must be used to complete the registration process. The delay in allowing tax professionals access to client information is necessary to allow the taxpayer time to acknowledge the client/representative relationship. This has resulted

in tax professionals commenting that it makes MyFTB less useable in their business if they need information in real-time or they have a short deadline to respond to a notice.

It is not only the issue of unauthorized access that concerns us but also avoiding inadvertent disclosures of confidential information by FTB. There is also the possibility for accidental disclosure if a tax professional uploads one taxpayer's information to another taxpayer's account. Finally, even the most secure system still has the potential for unauthorized accesses that can result in identity theft. For this reason, I recommend that taxpayers be given the opportunity to affirmatively elect out of having their personal and tax information accessible online.

Another hurdle the IRS should consider is how best to provide education to users on how the new online service works. A critical factor for success is carefully considering the customer experience and providing usability and access for a very diverse group of taxpayers. It is difficult to reach diverse populations of taxpayers with the education and training necessary for them to understand what services are available and how they can be accessed. Tax professionals are somewhat easier to reach out to, but a "one size fits all" approach to training doesn't work as they have varying comfort levels in adopting new technology. As part of our rollout of MyFTB, we had a major marketing campaign across many channels to reach end users. Our outreach efforts included: webinars with tax professional groups, YouTube videos, articles in news publications, live presentations and training, and information on our website. We developed logos, printed informational handouts and brochures, and partnered closely with trade media. Even with all of our outreach efforts, we found there is still a need for additional education and training at various levels, from beginning to advanced users.

While it may seem counter intuitive, with the roll out of MyFTB, we saw an increase in call volumes during this filing season. Some of these calls were from MyFTB users who were experiencing difficulties. Other callers couldn't resolve their tax issues by using MyFTB. Additionally, less than 5% of all taxpayers signed up for a MyFTB account in the first year. While we were not expecting call volumes to decrease in the early years of MyFTB; the hope was that some callers who currently were not receiving service would now be able to get through on the phone, if other callers were able to self serve, freeing up call center resources.

As the Advocate, I understand that tax issues can be complicated and the need to speak to a live person can be essential in getting the issue resolved. This is especially true for unrepresented taxpayers who may not understand why they received a notice from us and how best to resolve it. Additionally, where involuntary collection has begun, for example a lien or levy has been issued; the taxpayer or representative may need to have immediate interaction with a customer service representative to avoid placing undue hardship on the taxpayer. Many situations cannot be easily handled in an online environment and for this reason an acceptable level of access to live customer service must be maintained.