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ACCESS TO THE IRS: Require the IRS to Publish a Public Phone Directory and Report on Implementing an Operator System Similar to “311” Lines

PROBLEM

The IRS Restructuring and Reform Act of 1998 (RRA 98) required the IRS to publish the phone number and address for each local office in local phone books across the country.¹ Since this provision was enacted in 1998, much has changed about the way the IRS is organized and about how people find other people and businesses. RRA 98 called for the IRS to reorganize by moving away from a structure based on regions and districts to one organized around the types of taxpayers,² and so when the law was passed, it was foreseeable that local offices would handle fewer issues for taxpayers after the reorganization. However, Congress may not have anticipated how few services local offices would come to provide for taxpayers³ and to the great extent taxpayers would rely on written or phone communication with offices scattered around the country.⁴ Furthermore, there has been a movement away from using physical phone books in recent years.⁵

Even if the IRS meets the requirement of RRA 98 by effectively publishing the numbers for local offices in phone books, the IRS is not achieving the purpose of the provision—to make itself accessible to taxpayers. Taxpayers do not know how to reach a specific department within the IRS, if they are even able to identify the department with which they need to talk. When taxpayers call the IRS, they often must navigate an extended phone tree before being transferred, and at times, they are transferred to a recorded message without the ability to speak to a live person. Taxpayers have the *right to quality service*—to receive prompt, courteous, and professional assistance, and to speak to a supervisor about inadequate service. When taxpayers cannot find the right employee or manager to speak to about their issues, or cannot speak to an employee at all, their *right to quality service* is compromised.

1 IRS Restructuring and Reform Act of 1998 (RRA 98), Pub. L. No. 105-206, § 3709, 112 Stat. 685, 779 (1998) provides: “The Secretary of the Treasury or the Secretary’s delegate shall, as soon as practicable, provide that the local telephone numbers and addresses of Internal Revenue Service offices located in any particular area be listed in a telephone book for that area.” For a detailed discussion of the IRS’s implementation of this provision and the problems taxpayers have trying to reach the IRS, see Most Serious Problem: *ACCESS TO THE IRS: Taxpayers Are Unable to Navigate the IRS and Reach the Right Person to Resolve Their Tax Issues*, *supra*.

2 Pub. L. No. 105-206, § 1001(a), 112 Stat. 685, 689 (1998).

3 During the 2014 filing season, local walk-in sites known as Taxpayer Assistance Centers (TACs) stopped offering any kind of return preparation for taxpayers and the IRS stopped answering complex tax law questions, and stopped answering any tax law questions at all after the filing season. See IRS, *Some IRS Assistance and Taxpayer Services Shift to Automated Resources* (last updated Feb. 3, 2014), available at <http://www.irs.gov/uac/Some-IRS-Assistance-and-Taxpayer-Services-Shift-to-Automated-Resources>.

4 See Most Serious Problem: *IRS LOCAL PRESENCE: The Lack of Cross-functional Geographic Footprint Impedes the IRS’s Ability to Improve Voluntary Compliance and Effectively Address Noncompliance*, *supra*.

5 A recent survey found that almost seven out of 10 people rarely use a paper phone book and 60 percent of those surveyed had looked online for contact information. See MSN Money, *Phone books are nearly obsolete* (Feb. 19, 2013), available at <http://money.msn.com/saving-money-tips/post.aspx?post=39cb1c6f-a937-4d5f-852b-0326187c72c9> (citing a survey conducted by White Pages).

EXAMPLE

The IRS levies the wages of a taxpayer with a balance due. The taxpayer submits a request for an offer in compromise (OIC)⁶, which would allow him to settle his liability for less than the full amount due and pay it in installments. When he does not hear anything in response to his offer, he calls the main IRS toll-free line.⁷ The taxpayer spends six minutes answering questions⁸ through an interactive voice response system. Instead of speaking to an employee in the OIC unit, the phone prompts transfer the taxpayer to a Customer Service Representative (CSR) trained to use an application that is used for not only OICs, but also 22 other types of calls according to the Telephone Transfer Guide. The CSR tells the taxpayer that his offer was rejected.

The taxpayer tries to explain that he has unique monthly expenses due to medical problems, and using the standard guidelines for basic costs of living will leave him without enough money to pay his basic expenses.⁹ However, the phone assistor, who handles a wide range of issues, incorrectly tells the taxpayer that the IRS is required to use the standard amounts for all taxpayers. The taxpayer asks to speak to a manager. The taxpayer never receives a call back from a manager. In the meantime, the IRS continues to levy the taxpayer's wages.

RECOMMENDATION

To address the problem of taxpayers not being able to reach the right person at the IRS, the National Taxpayer Advocate recommends that Congress enact legislation to require the IRS, within 180 days, to:

1. Publish, on IRS.gov, its current Practitioner Directory¹⁰ or a similar directory that provides the same detailed information regarding the names and contact information for managers of local IRS groups or territories for different functions of the IRS, as well as managers of service and compliance functions located in IRS campuses. Require the IRS to provide an electronic or paper copy of the directory for a particular state or geographic area, if requested by a taxpayer.
2. Develop a report detailing the administrative steps necessary to implement an operator system for its main toll-free phone line, similar to a 311 telephone line.¹¹ Under such a system, all taxpayers would call a single nationwide toll-free phone number and answer a limited number of questions through an interactive voice response system before being transferred to an operator. If the taxpayer were requesting a specific piece of information such as an account balance or transcript, the operator would provide the information to the taxpayer. For calls regarding other IRS functions and offices, the operator would transfer the taxpayer to the specific office handling the taxpayer's individual issue or case. Such report should be provided to the Senate Committee on Finance and the House Committee on Ways and Means.

6 See IRC § 7122.

7 1-800-829-1040 (TTY/TDD 1-800-829-4059).

8 For a detailed description of the phone prompts for a taxpayer to speak with someone about a payment plan, see Most Serious Problem: ACCESS TO THE IRS: *Taxpayers Are Unable to Navigate the IRS and Reach the Right Person to Resolve Their Tax Issues*, *supra*.

9 Generally, when determining how much a taxpayer can pay, the IRS uses guidelines for standard allowances for cost of living expenses. However if using the guidelines would result in a taxpayer not being able to pay his or her basic living expenses, then the IRS must consider that taxpayer's actual expenses. See IRC § 7122(d)(2).

10 The Practitioner Directory is a directory of commonly used local phone numbers and websites that IRS employees can distribute to practitioners. See IRM 11.53.5.3.1 (June 24, 2013).

11 A 311 telephone line is a special phone number supported in many communities to provide access to non-emergency municipal services.

PRESENT LAW

Section 3709 of RRA 98 requires the IRS to “provide that the local telephone numbers and addresses of Internal Revenue Service offices located in any particular area be listed in a telephone book for that area.”¹² The RRA 98 Senate Finance Committee Report reflects the intent that “every taxpayer should have convenient access to the IRS.”¹³ Section 3705(d) of RRA 98 requires the IRS to “provide, in appropriate circumstances, on telephone helplines of the Internal Revenue Service an option for any taxpayer to talk to an Internal Revenue Service employee during normal business hours.”¹⁴ It further specifies: “The person shall direct phone questions of the taxpayer to other Internal Revenue Service personnel who can provide assistance to the taxpayer.”¹⁵

REASONS FOR CHANGE

Changes in technology and the way the IRS is organized have made the RRA 98 requirement for publication in phone books outdated. Publishing the number for local offices is of little help to taxpayers because the IRS does not answer the phone calls to local offices and does not allow taxpayers to leave a message.¹⁶ Furthermore, taxpayers often need to reach a specific department within a local office, such as the local examination or appeals office, and these numbers are not published. Although the IRS does not need statutory authority in order to publish its Practitioner Directory for public use, a directive from Congress is necessary to push the IRS to make this resource available to all taxpayers and ensure it does so in a timely manner.

Although section 3705(d) of RRA 98 requires the IRS to provide the option to speak to a live person on helplines, taxpayers are not given this option when they call the main toll-free line.¹⁷ Even if the taxpayer is able to reach a live person, the taxpayer may not be able to talk to an employee working in the unit that handles the taxpayer’s issue, or be transferred to that unit.¹⁸ The IRS’s procedure for answering, screening, and working phone calls needs to be updated to provide the taxpayer with the opportunity to speak to an employee within the office handling the taxpayer’s issue. The IRS does not need any legislative authority at this time to transition to a 311 system, but a congressional directive to prepare a report would prod the IRS to begin looking into what kinds of preparations it must undertake to implement such a system. Furthermore, congressional oversight would ensure that the system operates as intended and meets the current requirements of RRA 98.¹⁹ For example, congressional oversight might encourage the IRS to define what a helpline is for the purpose of RRA 98 § 3705(d) and ensure that all such phone lines on the 311 system advertise to the taxpayer the option to speak to a live person.

12 Pub. L. No. 105-206, § 3709, 112 Stat. 685, 779 (1998). For more a more detailed discussion regarding the legislative history of this provision, see Most Serious Problem: ACCESS TO THE IRS: *Taxpayers Are Unable to Navigate the IRS and Reach the Right Person to Resolve Their Tax Issues*, *supra*.

13 S. REP. No. 105-174, at 106 (1998).

14 Pub. L. No. 105-206, § 3705(d), 112 Stat. 685, 777 (1998).

15 *Id.*

16 See Most Serious Problem: ACCESS TO THE IRS: *Taxpayers Are Unable to Navigate the IRS and Reach the Right Person to Resolve Their Tax Issues*, *supra*.

17 *Id.*

18 *Id.*

19 For example, RRA 98 also established the specific goal that, by 2007, 80 percent of tax and information returns would be electronically filed. Pub. L. No. 105-206, § 2001(a)(2), 112 Stat. 685, 723 (1998). As part of this legislation, Congress required the IRS Oversight Board, as well as the Electronic Tax Administration Advisory Committee, to report to Congress annually on the progress toward the goal. *Id.* at § 2001(d), 112 Stat. 685, 723 (1998). The IRS did not meet the target in 2007, but the 80 percent electronic filing goal was extended to 2012, at which point it was reached. IRS Oversight Board, *Electronic Filing 2012 Annual Report to Congress*, 5 (2012).

EXPLANATION OF RECOMMENDATIONS

The National Taxpayer Advocate recommends the IRS provide a directory of key contacts to the public. The IRS currently publishes a “Practitioner Directory” for each state, which includes key contact information for specific offices, such as the local area directors and territory managers for different departments, such as the offer in compromise unit, as well as some national numbers, such as the number for lien releases. An expanded version of this directory, including numbers and contacts for service and compliance functions within each IRS campus, could be published on IRS.gov and provided to any taxpayer who requests a copy for his or her state or geographic area.

The National Taxpayer Advocate also recommends that Congress require the IRS to prepare a report outlining the administrative steps necessary to implement a 311 telephone system, including a draft timeline for operation. Under such a system, all taxpayers would call a single nationwide toll-free phone number when calling the IRS. Callers would answer a limited number of questions through an interactive voice response system before being transferred to an operator. A 311 system has three options to handle the call: provide the information requested, process the service request, or transfer the caller to the appropriate department or function. If the taxpayer were requesting a specific piece of information such as an account balance or transcript, the operator would provide the information to the taxpayer. For calls regarding other IRS functions and offices, the operator would transfer the taxpayer to the specific office handling the taxpayer’s issue or handling the taxpayer’s individual case.

Currently, the IRS’s phone system requires callers to navigate an extended interactive voice response system. Current procedures also provide that calls are transferred to employees who are trained to use a broad application handling a number of issues, instead of to an employee in the department handling the issue. When a referral to a specific department is necessary, the employee may have to send a written referral to the department and tell the taxpayer he or she will receive a return call days later. The report would detail how these procedures would be replaced with a streamlined system to transfer calls to the appropriate department and how the IRS would track and measure response rates, effectiveness, and taxpayer satisfaction.