GEOGRAPHIC FOCUS: The IRS Lacks an Adequate Local Presence in Communities, Thereby Limiting Its Ability to Meet the Needs of Specific Taxpayer Populations and Improve Voluntary Compliance

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TAXPAYER RIGHTS IMPACTED
- The Right to Be Informed
- The Right to Quality Service
- The Right to a Fair and Just Tax System

DEFINITION OF PROBLEM
The Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98) required the IRS to replace its geographic-based structure with organizational units serving specific groups of taxpayers. In doing so, the importance of having a local, engaged presence in taxpaying communities was minimized. Instead of communicating with IRS employees who understand the needs and conditions of a specific geographic economy or community, taxpayers often interact with IRS employees who lack this knowledge.

The National Taxpayer Advocate has long emphasized the importance of the IRS maintaining a local presence in both service and compliance operations. Voluntary tax compliance relies heavily on taxpayer...
discretion, integrity, and honesty. A local presence in the community better equips the IRS to improve tax morale by encouraging voluntary compliance, creating a culture of compliance, and influencing prevailing social views in a geographic region.

The National Taxpayer Advocate is concerned that:

- A lack of geographic presence can have a negative effect on taxpayer morale, which in turn may decrease voluntary compliance and increase taxpayer burden;
- The absence of a geographic footprint deprives the IRS and taxpayers of local knowledge which may result in missed opportunities to meet taxpayers' unique needs, and to identify and address noncompliance specific to a geographic region; and
- The IRS is slow to find innovative ways to maintain and create local presence in communities.

The overriding purpose of tax administration is to enable voluntary compliance which can be significantly furthered by providing service, creating a culture of trust, and promoting an understanding of the role taxes play “in a civilized society.” Failing to maintain a robust geographic presence hinders the IRS’s ability to achieve its mission.

**ANALYSIS OF PROBLEM**

**Background**

Prior to 1998, the IRS served every taxpayer at one of ten centralized IRS service centers and 33 local district offices. Each district director assigned taxpayer education programs to the examination or collection functions within their districts. RRA 98 required the IRS to give organizational units end-to-end responsibility for providing service to specific taxpayer population segments. After RRA 98, the IRS created national operating divisions (ODs) named after four taxpayer segments: Wage and Investment (W&I), Small Business/Self-Employed (SB/SE), Tax Exempt and Government Entities (TE/GE), and Large and Mid-Sized Business (LMSB), later renamed Large Business and International (LB&I).

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5 For a detailed discussion on behavioral research, see Most Serious Problem: Voluntary Compliance: The IRS Is Overly Focused on So-Called “Enforcement” Revenue and Productivity, and Does Not Make Sufficient Use of Behavioral Research Insights to Increase Voluntary Tax Compliance, supra and Literature Review: Behavioral Science Lessons for Taxpayer Compliance, infra. See also Maria Sigala, Carole B. Burgoyne & Paul Webley, Tax Communication and Social Influence: Evidence from a British Sample, 9 J. of Cmty. & applied SoC. PSYCHOL. 237, no. 3 (1999). See National Taxpayer Advocate 2013 Annual Report to Congress vol. 2, 33-55 (Research Study: Small Business Compliance: Further Analysis of Influential Factors). A recent TAS Research study on compliance factors identified a link between salient relationships, i.e., one’s membership in a group, and one’s own attitudes and behaviors towards tax and compliance.

6 Volume 3 of the 2016 Annual Report to Congress contains an extended literature review related to this topic. Literature Review: Geographic Considerations for Tax Administration, vol. 3, infra.

7 Compania General De Tabacos De Filipinas v. Collector of Internal Revenue, 275 U.S. 87, 100 (1927) (Holmes, J., dissenting).

8 See, e.g., IRS Pub. 3349, Modernizing America’s Tax Agency (Feb. 1999).


10 Internal Revenue Manual (IRM) 22.30.1.1.2 (Jan. 1, 2002).


12 For a more detailed discussion of the lack of IRS cross-functional cooperation and end-to-end service, see Most Serious Problem: IRS Structure: The IRS’s Functional Structure Is Not Well-Suited for Identifying and Addressing What Different Types of Taxpayers Need to Comply, supra.
Legislators believed that increasing the IRS’s focus on customer service would improve voluntary compliance by promoting public confidence in the IRS.13 However, the IRS has interpreted congressional directives narrowly by shifting more work from highly-trained field employees to lower-graded campus employees who have less authority and are assigned narrower issues and mechanical tasks.14

FIGURE 1.4.1, Locations With Specified Employees in the Last Pay Period of the Fiscal Year15

<table>
<thead>
<tr>
<th>Number of Locations, Employees, or Visitors</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRS Offices (Cities)</td>
<td>541</td>
<td>523</td>
<td>510</td>
<td>499</td>
<td>479</td>
<td>470</td>
</tr>
<tr>
<td>Appeals Officers (AOs)</td>
<td>1,129</td>
<td>1,058</td>
<td>958</td>
<td>881</td>
<td>795</td>
<td>739</td>
</tr>
<tr>
<td>Revenue Officers (ROs)</td>
<td>4,402</td>
<td>4,035</td>
<td>3,703</td>
<td>3,441</td>
<td>3,191</td>
<td>3,072</td>
</tr>
<tr>
<td>Revenue Agents (RAs)</td>
<td>11,959</td>
<td>11,258</td>
<td>10,502</td>
<td>9,776</td>
<td>9,090</td>
<td>8,871</td>
</tr>
<tr>
<td>Stakeholder Liaison Outreach Employees</td>
<td>137</td>
<td>123</td>
<td>119</td>
<td>110</td>
<td>105</td>
<td>98</td>
</tr>
<tr>
<td>Stakeholder Partnerships, Education and Communication Outreach Employees</td>
<td>522</td>
<td>475</td>
<td>444</td>
<td>405</td>
<td>386</td>
<td>365</td>
</tr>
<tr>
<td>Taxpayer Assistance Centers (TACs)</td>
<td>401</td>
<td>401</td>
<td>398</td>
<td>382</td>
<td>378</td>
<td>376</td>
</tr>
<tr>
<td>TAC Service Reps</td>
<td>1,639</td>
<td>1,515</td>
<td>1,484</td>
<td>1,520</td>
<td>1,423</td>
<td>1,267</td>
</tr>
</tbody>
</table>

At the same time, taxpayer returns filed increased between tax year (TY) 2011 and TY 2015. Overall, filings grew nearly four percent from nearly 235 million in TY 2011 to over 243 million in TY 2015.16

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13 See, e.g., JCT, JCS-6-98, General Explanation of Tax Legislation Enacted in 1998, 19 (1998) (“the Congress believed that most Americans are willing to pay their fair share of taxes, and that public confidence in the IRS is key to maintaining that willingness.”).


15 Figures for Appeals Officers, Revenue Officers, Revenue Agents, Stakeholder Liaison Outreach, Stakeholder Partnerships, Education and Communication Outreach, and Taxpayer Assistance Center (TAC) Service Representatives are from the IRS response to TAS Fact Check (Dec. 16, 2016). TAC customer service representative figures are from the IRS Human Resources Reporting Center Position Report by Employee Listing for the ending pay period for FY 2011 to 2016, https://persinfo.web.irs.gov/. The IRS response to TAS Fact Check (Dec. 16, 2016) showed the following counts for TAC customer service representative: Fiscal Year (FY) 2011 – 1,977, FY 2012 – 1,839, FY 2013 – 1,775, FY 2014 – 1,803, FY 2015 – 1,678, and FY 2016 – 1,477. TAS was unable to replicate the IRS TAC employee figures, and information was not provided by TAC employee location (city) to update the Figure 1.4.3, Assistance Centers With Employees in 2011 But Without Employees by 2016. TAC Office figures for FYs 2011-2014 from IRS response to TAS Fact Check (Dec. 23, 2014). TAC Office figures for FY 2015 from W&I analyst (Dec. 13, 2016). TAC Office figures for FY 2016 from the IRS response to TAS Fact Check (Dec. 20, 2016).

16 IRS, Databook Returns Filed Tax Year (Tys) 2011-2015, Nov. 30, 2016.
Not only has the IRS moved employees from local offices to campuses, it has also decreased the number of Taxpayer Assistance Centers (TACs) (also known as walk in sites) from 401 to 376 (six percent) since 2011. Additionally, 22 TACs have no staff and 95 have only one employee. TAS review of IRS human resources reports found that at least 40 TAC locations that had customer service representatives in 2011 did not have these employees by 2016, as illustrated in Figure 1.4.3.

17 IRS, Databook Returns Filed Tax Year (TYs) 2011-2015, Nov. 30, 2016.
18 In 2011, the IRS operated 401 TACs. IRS response to TAS information request (Dec. 23, 2014). Today the IRS operates 376 TACs, a reduction of six percent. IRS response to TAS Fact Check (Dec. 20, 2016).
19 IRS response to TAS Fact Check (Dec. 20, 2016).
20 IRS Human Resources Reporting Center, Nov. 29, 2016.
A Lack of Geographic Presence Can Have a Chilling Effect on Taxpayer Morale, Which Decreases Voluntary Compliance and Increases Taxpayer Burden

A growing body of research on the concept of “tax morale” and an individual’s inherent motivation to pay taxes continues to focus on the psychological factors that drive compliance. Research shows that tax compliance is affected by social and personal norms such as those regarding procedural justice, trust, belief in the legitimacy of the government, reciprocity, altruism, and identification within the group. Each of these factors interacts with and is influenced by the others.

In 2012 and 2013, TAS developed and administered a survey to a national sample of sole proprietors to determine the factors that influence compliance behavior in this population. TAS also identified geographic communities where a disproportionate number of taxpayers were deemed to be either high or low compliant taxpayers. The studies found that respondents from low-compliance communities were suspicious of the tax system and its fairness. Those in the low-compliance group were clustered in geographic communities while those in the high-compliance group were more dispersed. The low-compliance group also reported more participation in local institutions. The research identified a link between the salient relationships, i.e., one’s membership in a group, and one’s own attitudes and behaviors towards tax and compliance. Local norms were the most influential factors of tax compliance. The research suggests the IRS should retain a local presence and conduct targeted outreach and education events, particularly in low-compliance communities.

A lack of geographic presence may have a chilling effect on taxpayer morale, which in turn may decrease voluntary compliance contributing to the growth of the “shadow economy.” Without access to local IRS employees, taxpayers may turn to both legitimate and illegitimate internet resources for tax information, where anonymity provides cover for behavior people might not normally consider. Psychological research has shown that “anonymity increases unethical behavior” and that “in the online world, which can offer total anonymity, the effect is even more pronounced” with “[p]eople — even ordinary, good people

21 Eva Hofmann, Erik Hoelzl, & Erich Kirchler, Preconditions of Voluntary Tax Compliance: Knowledge and Evaluation of Taxation, Norms, Fairness, and Motivation to Cooperate, 216 Z PSYCHOL. No. 4, 209–17, (2008). For a detailed discussion on behavioral research, see Most Serious Problem: Voluntary Compliance: The IRS Is Overly Focused on So-Called “Enforcement” Revenue and Productivity, and Does Not Make Sufficient Use of Behavioral Research Insights to Increase Voluntary Tax Compliance, supra and Literature Review: The IRS Is Missing Opportunities to Leverage Behavioral Science Insights and Measure Service Revenues, infra. See The Netherlands Tax and Custom Administration, Horizontal Monitoring Within the Medium to Very Large Business Segment, (Nov. 30, 2010) for an example of a tax agency incorporating the concepts of mutual trust and transparency to build rapport with the taxpayers it serves.


23 See, e.g., National Taxpayer Advocate 2013 Annual Report to Congress vol. 2, 1-14 (Do Accuracy-Related Penalties Improve Future Reporting Compliance by Schedule C Filers?) (finding small businesses subject to an accuracy-related penalty had lower subsequent compliance if the penalty was assessed by default, was abated, or was appealed, potentially suggesting that penalties perceived as unfair reduce future compliance); Norman Gemmell and Marisa Ratto, Behavioral Responses to Taxpayer Audits: Evidence From Random Taxpayer Inquiries, 65 Nat. Tax J. No. 1, 33–58, (Mar. 2012) (suggesting that audits of compliant taxpayers may reduce voluntary compliance); National Taxpayer Advocate 2015 Annual Report to Congress vol. 2, 67-100 (Audit Impact Study) (finding taxpayers who were audited but did not receive an additional assessment reduced their reported income following an audit).


26 Also called the underground, informal or parallel economy, the shadow economy includes not only illegal activities but also unreported income from the production of legal goods and services, either from monetary or barter transactions. See Friedrich Schneider with Dominik Enste, Hiding in the Shadows: The Growth of the Underground Economy, Economic Issues No. 30 (Int’l Monetary Fund, Mar. 2002), http://www.imf.org/external/pubs/ft/issues/issues30/.
— often chang[ing] their behavior in radical ways.” Taxpayers may become convinced that avoiding taxes is the social norm and may act accordingly in regards to their obligations.

**The Absence of a Proper Geographic Footprint Deprives the IRS and Taxpayers of Local Knowledge Which May Result in Missed Opportunities to Meet Taxpayer Service Needs and to Identify and Address Noncompliance Specific to a Geographic Region**

Post-RRA 98, the IRS shifted its community based resources to campuses relying on national “one-size-fits-all” service and compliance policies for each category of taxpayer. This centralization has resulted in the IRS not addressing the particular attributes of local taxpayer populations and disregarding their rights to quality service and to a fair and just tax system. Additionally, service and compliance initiatives designed at the national level may vary in effectiveness across geographic lines.

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Reductions in IRS geographic presence permeate the entire organization. Twelve states and the territory of Puerto Rico lack a permanent Appeals presence, leaving taxpayers in these states to either wait for a circuit riding employee to visit their area or to travel to the nearest state with an Appeals presence to obtain an in-person hearing. Additionally, 16 states and Puerto Rico lack a Settlement Officer, who hears collection appeals. The IRS consolidated 33 geographically dispersed lien units into a single centralized unit in 2005, virtually eliminating taxpayers’ ability to walk in and obtain an immediate release of a lien. Localized outreach and education have all but disappeared. For example, SB/SE, which serves approximately 62 million taxpayers, has no outreach and education employees in 14 states, plus the District of Columbia.

**The Uniqueness and Complexity of a Tax Experience Suggests a Continuing Need for Face-to-Face Interaction**

The National Taxpayer Advocate has long advocated that the IRS should provide service that meets taxpayer needs and provide

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28 Appeals response to TAS information request (June 6, 2016). The states that lack a permanent Appeals Office are Alaska, Arkansas, Delaware, Idaho, Kansas, Montana, North Dakota, New Mexico, Rhode Island, South Dakota, Vermont, and Wyoming. There is no permanent Appeals office in the territory of Puerto Rico. For a detailed discussion of the Appeals Future State plans, see Most Serious Problem: Appeals: The Office of Appeals’ Approach to Case Resolution Is Neither Collaborative Nor Taxpayer Friendly and Its “Future Vision” Should Incorporate Those Values, infra. IRS did not provide information to confirm or disprove the figures during the TAS Fact Check process.

29 Appeals response to TAS information request (June 6, 2016). IRS did not provide information to confirm or disprove the figures during the TAS Fact Check process.


taxpayers with the necessary tools to comply with their tax obligations. A taxpayer's willingness and ability to use a certain service, such as the internet, mobile applications, phone, or face-to-face services will influence the service a taxpayer actually uses. When it is clear a taxpayer cannot use a particular service, the IRS must ensure the taxpayer is provided alternative channels. In particular, it must continue to provide service to taxpayers who do not use the internet. The IRS cannot ignore the 13 percent of the population that does not use the internet while it moves forward with offering more services online and fewer face-to-face services. Service delivery — the provision of assistance to taxpayers in the manner they require in order for them to comply with their tax obligations — should be the primary tenet of tax administration around which all functions are organized.

The IRS Can Look to the Financial Industry for Models of Presence in Local Communities and Should Seek Local Community Partners

Individuals “feel more at ease when speaking with local representatives who fully understand their language and idiomatic expressions.” Local management provides “leaders who are completely familiar with the local business environment, culture, and legal climate.” As “one of the world’s largest financial institutions” that touches the lives of millions every year, the IRS should study and learn from literature on effects of geographic expansion on bank efficiency. For example, “making relationship loans to borrowers that do not qualify for credit scoring because of a relatively weak financial statements and collateral of questionable value requires local knowledge that is difficult to quantify and transmit to a distant headquarter,” and this “local knowledge” does not only include financial information, but information about “managers, its local environment, and its relationship with customers, suppliers, and local competition.”

One good example of community involvement is the Department of Justice (DOJ) community policing program that involves public-private partnerships between law enforcement and the communities it serves to collaboratively resolve problems and build community trust. The IRS can and should be able to build partnerships with local organizations. It already has a network of Volunteer Income Tax

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33 See National Taxpayer Advocate 2007 Annual Report to Congress 162-82 (Most Serious Problem: Service At Taxpayer Assistance Centers).


37 Id. For an extended literature review related to this topic see Literature Review: Geographic Considerations for Tax Administration, vol. 3, infra.


41 See, e.g., U.S. Department of Justice (DOJ), FY 2017 Performance Budget, Office of Community Oriented Policing Services (COPS Office), Congressional Justification (Feb. 9, 2016) (discussing the concept of community policing or building partnerships between law enforcement and local communities).
Assistance (VITA) sites, Tax Counseling for the Elderly sites, and Low Income Taxpayer Clinic sites with relationships with local communities. The IRS could expand these partnerships to increase its grassroots outreach and education as well as its involvement in local communities.

**The IRS Is Slow in Finding Innovative Ways to Foster Local Presence in Communities**

*The IRS Should Consider Partnering With Private and Non-Profit Service Organizations to Increase Its Grassroots Presence and Improve Service to Remote Populations*

It is not always physically or financially feasible to permanently assign employees to the most remote parts of the United States. In these instances, the IRS can partner with private and non-profit organizations to visit these most remote regions and provide tax education and preparation to its taxpayers, many of whom are small businesses or self-employed, or are individuals who rely on tax refunds to provide for their families by claiming credits such as the Earned Income Tax Credit, Child Tax Credit, and other refundable credits.\(^42\)

One example of a successful IRS non-profit partnership is The Alaska Business Development Center, Inc. (ABDC)\(^43\) Volunteer Tax and Loan Program (VTLP). In Alaska, there are more than 100 small remote villages each with fewer than 1,000 residents.\(^44\) There are no TACs or VITA programs in these areas and the geographic location and financial wherewithal of these resident taxpayers make it virtually impossible to visit the closest location for assistance. The ABDC’s volunteers travel directly to rural Alaskan communities to provide hands on assistance to those in need.\(^45\) All volunteers complete IRS VITA training “as well as additional ABDC designed training, which details program and Alaska-specific issues.”\(^46\) Services are brought to the villages during the tax season to provide free one-on-one assistance and education on taxpayer rights and responsibilities.\(^47\) The IRS should expand this type of partnership to more remote communities throughout the country.

**TACs and VITA Programs Provide a Human Element and Help Evoke a Cooperative Relationship Between Taxpayers and the IRS**

TACs provide more than just information to taxpayers. For many taxpayers, the filing of a tax return is the largest monetary transaction they complete each year. It is a complex transaction where mistakes can be financially disastrous for taxpayers. If a taxpayer does not have the proper tools or wherewithal to file a return, that could be the difference between filing (and filing correctly with assistance), or not filing and triggering IRS assessment and collection proceedings.

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43 Alaska Business Development Center (ABDC) is a 501(c)(3) nonprofit corporation that provides business consulting and tax-related services to rural Alaskan residents. Founded in 1978, ABDC provides assistance to individuals who do not have access to professional services due to their income, language barriers or isolated geographic location.


47 *Id.* In TY 2014, VTLP teams traveled to 80 rural villages and assisted an additional 49 more through the Anchorage Mall-in Site; assisted over 9,100 taxpayers to include more than 1,000 elders aged 60 years or older and over 1,000 commercial fishing captains, crew members, and industry workers; prepared in excess of 4,800 tax returns and delivered nearly 1,400 education presentations; generated over $6.9 million in tax refunds for rural Alaskan residents; and captured nearly $2.7 million in the EITC.
TACs play an important role in meeting the needs of underserved taxpayers, including rural, elderly, disabled, English as a second language, American Indian, and low income taxpayers. The National Taxpayer Advocate is concerned that the IRS's focus on online services will leave these vulnerable populations behind.48

As part of its service changes for fiscal year (FY) 2014, the IRS eliminated return preparation at all TACs and redirected taxpayers to volunteer sites and Free File.49 Despite unprecedented service reductions, taxpayer demand for face-to-face service at the IRS’s walk-in sites has remained high — above 2.5 million visits by June 2016.50 That same period, 95 TACs were staffed by only one employee.51 The IRS has now converted all TACs to appointment only services.52 The IRS justifies the closure of TACs and reduction in other services by the lack of need, as based on taxpayer responses to surveys, some of which are conducted entirely online, which may exclude those taxpayers most in need of the services due to lack of internet access.53 Failing to accurately survey the taxpayers who actually use the TACs, and are in greatest need of these services, creates a self-fulfilling justification that taxpayers do not need or want TACs and therefore the IRS can close them due to decreased demand. Shifting to “by appointment only,” the IRS ignores the way many taxpayers take care of their tax responsibilities.

TAS and W&I have collaborated on the development of a ranking methodology, the Service Priorities Project (SPP), for the major taxpayer service activities offered by W&I. The methodology will take taxpayer needs and preferences into account while balancing them against the IRS’s need to conserve limited resources. TAS has been conducting a phone survey on taxpayer needs and preferences to fill in the available data to make the tool as effective as possible in representing the varying needs of taxpayer populations while addressing the gaps created by data collected only online.54

The National Taxpayer Advocate is pleased with the IRS’s initiative to co-locate IRS offices with Social Security Administration offices.55 Continued expansion of this program, coupled with the creation of virtual service terminals hosted by community partners, will help the IRS reach taxpayers in remote and other underserved communities in a cost-effective manner. The National Taxpayer Advocate encourages

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48 See, e.g., National Taxpayer Advocate 2015 Annual Report to Congress 56-63.
49 National Taxpayer Advocate 2014 Annual Report to Congress 11.
50 IRS response to TAS Fact Check (Dec. 20, 2016).
51 Id.
53 See IRS, Taxpayer Assistance Center Customer Expectations Survey (2013). The survey is carried out every three years; the survey for 2016 has been completed and the results are being compiled. See also IRS, Web-First Conjoint Study Survey Instrument. For a discussion of these surveys see Most Serious Problem: Worldwide Taxpayer Service: The IRS Has Not Adopted “Best-in-Class” Taxpayer Service Despite Facing Many of the Same Challenges as Other Tax Administrations, supra.
54 For a discussion of understanding taxpayer needs and preferences, see Special Focus: IRS Future State: The National Taxpayer Advocate’s Vision for a Taxpayer-Centric 21st Century Tax Administration, supra; for a discussion of the TAS Service Priorities Survey and a report of initial findings, see Research Study: Taxpayers’ Varying Abilities and Attitudes Toward IRS Taxpayer Service: The Effect of IRS Service Delivery Choices on Different Demographic Groups, vol. 2, infra.
55 As part of “Customer Assistance, Relationships and Education (CARE) FS 2017 Priorities,” the IRS is “continu[ing] to develop and implement plans that will ensure face-to-face service is available to those taxpayers whose tax compliance issues cannot be resolved through alternative methods.”
the IRS to partner with local government organizations such as departments of motor vehicles and Native American governments to bring service to additional communities.

*Other Tax Administrations’ Experiences Suggest That Using Mobile Advisors or Mobile Stations and Vans May Improve IRS Connection With the Communities It Serves*

Tax agencies around the world are researching the ways to improve tax morale and inner motivation to improve compliance and perceptions of the agency.56 For example, Her Majesty’s Revenue and Customs (HMRC) in the United Kingdom has taken an approach to taxpayer service and enforcement that combines the expertise of centralization with the ability to reach taxpayers on a local level.57 The HMRC approach provides mobile advisors for taxpayers who need face-to-face help. The mobile advisors meet with taxpayers by appointment at a variety of venues, from government and community buildings to a taxpayer’s home or business.58 Chile also uses mobile taxpayer assistance stations to deliver services to remote communities, especially those where taxpayers have no or limited internet access.59 The National Taxpayer Advocate has recommended on numerous occasions that IRS use mobile vans to reach underserved taxpayer populations.60

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60 See National Taxpayer Advocate 2014 Annual Report to Congress 31-45. See also National Taxpayer Advocate 2010 Annual Report to Congress 267-77. In this Most Serious Problem, that IRS reported that it had tested a mobile van program in 2008, 2009, and 2010 despite previously responding to research requests that it did not have mobile vans. Additionally, the IRS never shared the parameters of this program with the National Taxpayer Advocate so TAS was unable to evaluate the efficacy of the program design. See also National Taxpayer Advocate 2008 Annual Report to Congress 95-113. In this Most Serious Problem, the IRS did not respond at all to the National Taxpayer Advocate’s recommendation that the IRS begin a mobile van program.
FIGURE 1.4.4, Chilean Servicio de Impuestos Internos (Chilean Tax Agency) Mobile Van

CONCLUSION

A primary way to build taxpayer trust and confidence, provide taxpayer specific service, and to promote understanding of the tax system is to be a part of the community and to display a desire to work with and educate local taxpayers. Local presence entails developing partnerships between the IRS and the communities it serves to collaboratively resolve problems and build community trust. By maintaining and increasing its community presence, the IRS will be better able to:

■ Serve taxpayers on a local level through outreach and education;
■ Address compliance problems tied to a specific region or group by developing partnerships with the communities and working collaboratively to resolve problems and build community trust;
■ Provide local managers and higher level employees with additional exposure to specific trends that drive compliance in a positive or negative way and enable them to relay those trends to executives for consideration on a national level; and
■ Alleviate taxpayer mistrust by providing a human aspect to the agency as a whole where employees either live amongst or interact with taxpayers in their communities on a regular basis.

62 See, e.g., U.S. DOJ, FY 2017 Performance Budget, COPS Office, Congressional Justification (Feb. 9, 2016) (discussing the concept of community policing or building partnerships between law enforcement and local communities).
63 DOJ has developed a “community policing” program since 1994, which provides promising results in reducing crime rates and building trust between the police and local communities. See U.S. DOJ, FY 2017 Performance Budget, COPS Office, Congressional Justification (Feb. 9, 2016) (citing a study that showed that the crime problems targeted by COPS Office grantees “led to a statistically precise drop in crime in subsequent years for four of the seven index crimes.”).
RECOMMENDATIONS

The National Taxpayer Advocate recommends that the IRS:

1. Expand partnerships with private and non-profit organizations, similar to the Alaska Volunteer Tax and Loan Program, to visit most remote and underserved regions and provide tax education and preparation to taxpayers within their communities.

2. Use the SPP model to make decisions on taxpayer services, including the location of TACs.

3. Work with community partners to host virtual service delivery terminals for taxpayers located in remote and otherwise underserved communities.

4. Re-staff Appeals Officers and Settlement Officers locally so that one of each employee is located and regularly available in every state, the District of Columbia, and Puerto Rico.

5. Re-staff local outreach and education positions to bring an actual presence to every state.

6. Provide face-to-face service through the use of mobile taxpayer assistance stations (vans) in each state.