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NATIONAL TAXPAYER ADVOCATE

PUBLIC FORUM

Hosted by NINA E. OLSON, NATIONAL TAXPAYER

ADVOCATE

AND

THE HONORABLE JOSE E. SERRANO, MEMBER OF
CONGRESS, NEW YORK 15TH CONGRESSIONAL DISTRICT

HOSTOS COMMUNITY COLLEGE

BRONX, NEW YORK

MARCH 18TH 2016

3:00 P.M.

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1 Nina E. Olson, National Taxpayer Advocate,
2 Taxpayer Advocate Service, Washington, DC

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4 Jose E. Serrano, U.S. Member of Congress, 15th
5 Congressional District of New York

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7 Elliot Quinones, Tax Accountant, Elliot Quinones &
8 Associates, Bronx, NY

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10 Erik Schryver, Esq., Bronx Low Income Taxpayer
11 Clinic, Legal Services NYC, Bronx, NY

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13 German Tejeda, Senior Director, Income Policy Food
14 Bank for New York City, New York, NY

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16 James Hurst, Legal Ombudsman, New York City
17 Department of Consumer Affairs, New York, NY

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1 P R O C E E D I N G S

2 MS. OLSON: Hello everyone. My name is
3 Nina Olson and I'm the National Taxpayer Advocate
4 at the Internal Revenue Service and I'm here to
5 welcome you to another one of our public forums on
6 taxpayer needs dealing with the IRS, what
7 taxpayers need in order to comply with the tax
8 laws of this country and I'm going to introduce
9 right now the host of this event, along with me,
10 Congressman José Serrano who as you all know
11 represents the 15th Congressional District of New
12 York in the Bronx.

13 He serves as the Ranking Member of the
14 Subcommittee on Financial Services and General
15 Government and that subcommittee oversees the IRS
16 Budget. So, that is very, very important and he
17 has a lot of knowledge about the IRS. He is also
18 the Senior Whip for the Minority Whip operation
19 and he is an active member of the Congressional
20 Hispanic Caucus and served as the Chair of that
21 Caucus from 1993-1994 and he is now the most
22 senior Member of Congress of Puerto Rican descent.

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1 So, that is quite an accomplishment.

2 CONGRESSMAN SERRANO: Thank you so much,
3 Nina. It's nice to see you in this setting. We,
4 usually, are in a setting where I'm on a panel and
5 she's in front telling us what she needs, what's
6 going wrong, what's going right and we are trying
7 to work together all the time.

8 Now, just for the record, in case
9 someone asks you, I already paid my taxes, I owe
10 to the Feds and I'm getting a little back from the
11 state. Everything is done and it's getting so
12 modern and that's part of why we are here today.
13 It's getting so modern that I have no paper to
14 prove I paid my taxes.

15 MS. OLSON: Oh, my goodness, alright.

16 CONGRESSMAN SERRANO: It's called
17 something or other, you know, and that's the world
18 we are living in. But, Nina's job, Ms. Olson's
19 job is really, to make life easier for the
20 taxpayers, to advocate for the taxpayers and to
21 make sure that the IRS moves forward in a way
22 where the taxpayers can, in fact, be able to deal

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1 with the maze that is the IRS.

2 It scares people, you know. There's two
3 things you don't want knocking at your door,
4 especially if you are a politician, that's 60
5 Minutes camera crew or the IRS. It used to be
6 immigration and the IRS camera crew. She does a
7 great job. The IRS is a very complex operation.
8 It has a bad reputation, it has a bad name and lot
9 of people, believe it or not would like it to
10 disappear, the same people who want roads built,
11 the same people who want hospitals, the same
12 people who want school buildings built,
13 universities and colleges. The same folks who want
14 the government to continue to function in some
15 way, but they don't want to pay taxes and they
16 don't want the IRS to exist. That's the role I
17 deal with. So, I think I should take a few seconds
18 to tell you that my role has been to try to
19 protect the IRS budget to make sure that they have
20 enough money. I think somebody much smarter than
21 I said, for every dollar the IRS spends in going
22 after people who didn't pay their taxes or who are

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1 not paying what they should be paying, I think
2 it's either \$6.00 or \$7.00, right, back that they
3 get. So, it's a great investment. But it seems by
4 many people that it's something that should go
5 away and heaven forbid the IRS makes a mistake,
6 you know, we have a party and I'll try to be as
7 non-partisan as possible but we have a party that
8 believes that we don't need a Federal Government,
9 we don't need an IRS, we don't need an FDC, we
10 don't need anything, just a computer will run it,
11 and eventually a computer may run and I may be
12 gone. You know, we'll do away with Congress,
13 let's just have a computer. Look, some people are
14 actually ready to applaud at that in the audience.

15 First of all, let me say this, it is
16 wonderful to be here. For those of you who may
17 not know Hostos Community College, it is a symbol
18 of what the Bronx community is. It is a school
19 that survived very difficult times. It's a school
20 that had many attempts made on its life, on its
21 professional life to do away with it and it
22 survived and it is now one of the more important

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1 schools in our community and throughout New York
2 City and New York State. So, for you to be here
3 today, you honor us. As I was saying part of my
4 role in Congress is to make sure that the IRS is
5 treated with respect, the IRS is treated with
6 dignity and it gets the proper budget. Last year
7 through some of my efforts we were able to get
8 about 290 million more dollars for the IRS. But
9 that doesn't mean that we forget that if I want
10 the IRS to be treated a certain way, then the IRS
11 should treat the taxpayers in a proper way also
12 and that's where she comes in. She makes sure
13 that the taxpayer is treated with respect.

14 What we have is every time we have a
15 budget cut we have less services to give the
16 taxpayers. Taxpayers should be able to make a
17 phone call and get somebody on the line right
18 away. The taxpayers should be able to say, "Okay,
19 I need an extension. Is there such a thing that I
20 can get?" In other words, it seems that at times
21 it is too big and too cumbersome and too scary for
22 the average citizen to deal with. Her role is to

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1 make that easier while protecting the fact that
2 the IRS is still the number one provider of
3 dollars for our Treasury. Without the IRS we
4 would have nothing to spend. We would just have a
5 lot people complaining throughout the country.

6 So, it is an honor for me that you are
7 here today. It is an honor for me that you always
8 come to our committee and treat us with the
9 straight forwardness that you are known for. She's
10 tough but she is fair and, as you know, what
11 happens is that I am the ranking member, for those
12 of you who don't watch Cspan everyday, a ranking
13 member is a senior minority party, in this case
14 the Democrats are the minority.

15 VOICE FROM THE AUDIENCE: Not for long.

16 CONGRESSMAN SERRANO: So, I am the
17 ranking member of financial services and general
18 government who oversees the Federal Trade
19 Commission, the Small Business Administration, the
20 Federal Communications Commission, the Federal
21 Elections Commission, the IRS, the Treasury
22 Department and, you are going to laugh at this in

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1 a sad way, we oversee the District of Columbia
2 because the only part of our country that is under
3 direct supervision, if you will, of the Congress
4 is the District of Columbia. When I became
5 chairman of that committee, and I was for a few
6 years chairman, when we were the majority, I made
7 a statement that has never been made in the
8 history of Congress before I made it. I said,
9 "When it comes to one part of my budget I want
10 less power." They said, "What do you mean?" I
11 said, "I want to give D.C. as much freedom to deal
12 with its own issues as we can do under the
13 Constitution" cause it's ironic that I was born in
14 an American Colony and I was being asked to be the
15 governor of the other colony. I'm not going to do
16 that. So, under our leadership we have been able
17 to open up a lot for D.C. But that's the
18 committee we had. That's why Ms. Olson reached
19 out to us. We thank you for that.

20 Welcome to the South Bronx. The Bronx
21 is unique. It is the Capital of the Dominican
22 Republic. It is the Capital of Puerto Rico. It's

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1 the Capital of Ireland. It's the Capital of
2 Italy. Don't let anybody tell you otherwise. This
3 is the Capital neighborhood and we've got the
4 Yankees. The Yankees in your department is a very
5 important group of people because they pay a lot
6 of taxes, but, if we had 27 members of Congress
7 having such a bad year as they had last year, we
8 would be in deep trouble.

9 Ladies and Gentlemen, it is an honor for
10 me today to have Ms. Olson with us. It is an
11 honor that she has chosen to come to Hostos
12 Community College and honor us with her knowledge
13 and take what you hear today back to the
14 community. Spread it around. We will continue to
15 do it ourselves so that the taxpayers can get the
16 fair shake they deserve.

17 MS. OLSON: Well, I just want to say as
18 a resident of the District of Columbia, I thank
19 you for that position and I do have a license
20 plate that says, "Taxation without
21 Representation." That is what the District of
22 Columbia license plates say and I wear it, not so

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1 proudly, but probably, yeah.

2 So, our first panelist is German Tejeda
3 and Mr. Tejeda has over 30 years of experience
4 working in the social service field.

5 His first years were with a Legal Aid Society
6 assisting families fight for denied benefits and
7 eviction prevention grants. The last 23 years
8 have been with a Food Bank for New York City at
9 first administering its homeless prevention and
10 public benefits program and the last 13 leading
11 its VITA free tax program. He has been
12 responsible for setting up and implementing Food
13 Bank's Free Tax Assistance and Financial
14 Empowerment Services programs, which has led to
15 preparation of over 80,000 returns annually free.
16 Last year they were able to obtain over \$141
17 million in refunds. That's amazing, \$141 million
18 in refunds. They operate 24 VITA sites citywide
19 and they have created a Virtual VITA filing
20 platform that has over 80 intake locations
21 throughout the City assisting filers submitting
22 over 5000 returns. He is also responsible for

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1 benefit integration of SNAP and Health Insurance
2 enrollment at the Food Bank VITA sites.

3 Mr. Tejeda is a Dominican immigrant and
4 he is living in this Capital as I understand it
5 and is a lifelong Bronx resident.

6 MR. TEJEDA: Thank you, Ms. Olson, and
7 thank you for inviting me, and Congressman
8 Serrano. As a person who lives in your district I
9 want to thank you for your representation all
10 these years. In fact, I grew up a couple of
11 blocks away from here, right across the street
12 from that stadium. Actually, this is a welcome
13 home because as a young child I came here when my
14 mother was 17 years old, I learned to speak
15 English and was educated at this very school. So,
16 we started out here.

17 So, the Food Bank and taxes, wow, that
18 that's an odd combination for most folks to
19 understand, to understand why we are part of the
20 VITA program, to understand that New York City has
21 241 million missing meals. We assist. The average
22 income is about \$17,000 of the families we assist.

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1 What does that mean? That means mothers/home
2 attendants, right, mothers with two kids choosing
3 between rent, and if you live in New York you know
4 what that is, right, Con Edison, transportation
5 and food and which one of those can you cut? They
6 usually cut the food and that's why the Food Bank
7 is involved. When you think of the Earned Income
8 Credit and tax refund, it's about a third of what
9 families get in income in the course of a year.
10 So, in 2002 we got involved in the VITA Program
11 and used it as a linchpin to connect people to
12 benefits and to assist them in financial
13 counseling and how to stabilize their income over
14 the course of a year and use that money that they
15 get on time so that it can last to pay for those
16 bills that they have because they come in
17 desperately needing for that money.

18 I came here also to talk about one of
19 the things that we are seeing on a year-to-year
20 basis with our families and the truth is we are
21 seeing more and more notices and about half of the
22 population we serve are Latino and good number of

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1 them don't speak English. So, when they get
2 notices from the IRS or the state or anyone like
3 that there are really desperate and they are
4 coming to us and more. I was on a phone call
5 today on the way here with our counterparts in
6 another part of the country organized by
7 Corporation For Enterprise Development (CFED) and
8 I found that other parts of the country are seeing
9 this very same year-round need of VITA. Usually
10 we think of VITA services of just simply being
11 January through April but we are seeing many more
12 people coming back to us. Not only people we
13 serve but people that go to other places that
14 closed during the course of a year and we just
15 started two years -- two or three years ago having
16 a year round service and we're seeing -- last
17 year, 4,000 of our filers came to us in the post
18 season and they are coming to us with more
19 troubles in the post season and we are filling a
20 larger role than just simply tax filing. We are
21 actually trouble shooting for a certain part of
22 the population doing the paper audits that they

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1 have, just telling them, informing them, giving
2 them notice and organizing -- especially, we have
3 immigrants and they are cash earners. That is
4 really high up there on the needs for them. They
5 come in. They are working. They are getting cash
6 and we have to tell them how to pay quarterly.
7 What this notice means. How to open up a bank
8 account so they have a cash flow. There are things
9 the IRS for the VITA Grant. In a certain way,
10 couple of years ago when the department started
11 funding we did finally get that amount of money
12 that we can now use to extend that service but it
13 has some limits on it. It doesn't allow us to pay
14 for a quality reviewer which is critical, even as
15 we use our volunteers we have to have quality
16 reviewers who make sure that every tax return is
17 seen by two people before it walks out the door,
18 and we really want to have the ability to use that
19 money to pay to strengthen that service and it
20 doesn't allow us to use that same money to pay for
21 the post season work. So, as you may think about
22 reducing some of the calling centers realize that

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1 is just going to shift to the VITA sites.

2 One of the things that we see also is
3 the need to strengthen the CAA program. So much
4 of our CAA folks that are using ITINs and applying
5 for an ITIN have to go to the site because we
6 don't really advise them to mail to the documents.
7 We don't want them to because it's usually the
8 only identification that they have. So, imagine if
9 I take your wallet and I put it in the postal box
10 and say, "Hey, wait, it's going to come back to
11 you." It's the same when the IRS tells them, "I'm
12 sending it back to you," but you're going to put
13 that in a box and not have anything to say who you
14 are. It's not an easy thing to do. So, I really
15 wanted to say that's a necessary need at the walk-
16 in centers and one of the things that you can do
17 to strengthen, we have a pilot program that allows
18 us to take that same certification for the spouse
19 and the children but right now that doesn't extend
20 unless it's coming through that one pilot program.
21 We should be empowering the CAA program to assist
22 those families.

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1 So, in the interest of time, I'll stop
2 now and I thank you for your time and for
3 welcoming me.

4 MS. OLSON: Very good suggestions.

5 So, our next speaker is Elliot Quinones.
6 He has over 45 years of experience working in the
7 accounting field. He first served as a Controller
8 for Tremont Community Corp. He served as Budget
9 Officer for the Lincoln Medical Center in the
10 Bronx and became the Assistant Controller -
11 Internal Audit of the Bronx Municipal Hospital
12 Center. In 1989 he founded Elliot Quinones and
13 Associates and has worked as a tax practitioner
14 for the last 27 years. His business serves both
15 individuals and corporations. He has an Advanced
16 Certification in Taxation and a Bachelors in
17 Professional Studies Accounting and Taxation from
18 Pace University of New York City and I'm delighted
19 that you are here. Thank you.

20 MR. QUINONES: I'd like to thank
21 Congressman Serrano, his office and his staff and
22 the office of the Taxpayer Advocate and Bronx

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1 Community College for inviting me here. It is an
2 honor for me to be here.

3 I am a product of this community and I
4 see every day the situation that our taxpayers in
5 the community goes to to initially get the client
6 or the friends or neighbors after they file the
7 returns. After they get the refund, that's when
8 the problem starts and by emphasis usually on the
9 environment that we have in our community, we get
10 bombarded constantly by advertising within the
11 areas of nutrition and food and services and you
12 see it, "Come get your money. This is your money.
13 There is no need for a credit check, you don't
14 need your W2 Form" and that is the beginning of
15 the problems that most of our community has. When
16 people rush to complete or to submit an incomplete
17 return, that's when the IRS immediately will know
18 that your return is not up-to-par. Our community
19 needs that kind of protection. We need
20 certification as to what the responsibilities are
21 for the taxpayer community. Especially we are
22 very diverse. We have a lot of people from

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1 different countries which have different tax
2 requirements and probably no other nation in the
3 world has the requirements that the United States
4 has. It's not a piece of cake. It's not a walk
5 in the park. I spent seven years at Pace
6 University as you have read, I would never ever
7 prepare a tax return, never. You know why?
8 Because we were told that you do not learn
9 taxation by filling forms, you need to know what
10 goes behind that return, you need to know the
11 substantiation required so your tax position it
12 will be the one that the laws require.

13 The tax laws of the United States are
14 very massive and very complex and the councilman
15 said the initial, I would say, publication is
16 about 15,000 pages without the portion that the
17 congress has on privacy. So, you can imagine
18 someone with limited education or limited
19 resources would be able to understand when they
20 receive a note from the Internal Revenue Service,
21 CP, whatever, 2000, they have no idea what they
22 are going to find in that envelope. We need a

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1 massive program of education coming from the IRS,
2 especially if the IRS is going to be facing a
3 budget constraint, to prevent most of those
4 situations in which our community is faced every
5 single day.

6 Another thing that I would like to
7 mention based on the experience in my limited
8 practice is the proliferation of unprepared and
9 unqualified people preparing taxes. You will
10 never -- I mean, I'm sure that the United States
11 will never allow a mechanic to perform an open
12 heart surgery or to have a surgeon prepare oil
13 transmissions and cleaning. That is exactly what
14 is happening right now. The bus driver prepares
15 or anyone else, can prepare taxes. Sometimes a
16 police officer comes to me and tells me there is a
17 policeman in the precinct who does everybody's
18 taxes. I think it's about time that the
19 Department of the Treasury, the Internal Revenue
20 Service, the United States Congress puts
21 sufficient pressure to have qualified people
22 preparing taxes and we have to educate our

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1 population to don't allow anyone to prepare your
2 taxes unless you know that that person is
3 qualified, that their name is on your return and
4 that person is going to be there when you need
5 their services again. That is the biggest problem
6 that I have encountered.

7 Most of about 65 or 70 percent of the
8 cases I have seen are related to the so-called
9 Earned Income Credit. The Earned Income Credit
10 maybe a good answer but it is also in the opinion
11 of many practitioners an invitation for fraud. So,
12 it is something that I think should be revisited
13 because the rules are very complex. It is very
14 easy to say "I have a child who lives with me and
15 therefore that child is my dependent." It's not
16 that easy. There might be ten different
17 circumstances in which that child, even if they
18 live with you, is not your dependent, that's just
19 say, one example. Especially if someone is in the
20 process of being separated or divorced they feel
21 the rush to get to the tax office even before the
22 other one files the return and be able to be the

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1 one claiming an exemption. That is a big, big,
2 big mistake and we will make a massive complaint
3 from the Internal Revenue Services because of
4 those cases will wind up on the office of the
5 Taxpayer Advocate, "Oh, she claimed my child and
6 I'm the one who is providing." Those are very,
7 very difficult issues to resolve. You cannot
8 resolve them online. You might not be able to
9 resolve them over the telephone call. You need a
10 real face-to-face interchange with the tax
11 professional, someone who knows the tax
12 regulations in order to solve -- in order to
13 protect our community from the predators, the big
14 tax outlets, who start advertising way before
15 December 1st, we need a massive campaign educating
16 our public so they can understand what their
17 requirements are. Also, people who are not
18 citizens of the United States. The tax laws of
19 United States only have two classifications,
20 either you are a resident or a non-resident
21 regardless of your legal status and many people do
22 not know that, do not understand it and they fall

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1 prey to the person out there who will take
2 advantage of any situation.

3 Education is the key to have a better
4 communication between the taxpayers and the IRS
5 and also to avoid all the unnecessary cases that
6 might wind up in the office of the taxpayer
7 advocate. Most people like to be fair and be
8 loyal and be right about filing their returns but
9 most of them get confused because of the massive
10 number of regulations and laws and different
11 situations that might arise from the filing of a
12 paper return.

13 Thank you very much.

14 MS. OLSON: Thank you.

15 Next we are going to hear from Erik
16 Schryver, Erik is the Senior Staff Attorney at the
17 Bronx office of Legal Services, New York City and
18 is a Qualifying Tax Expert at the Bronx Low Income
19 Taxpayer Clinic which Congress has provided
20 funding for and my organization oversees. So, we
21 are very grateful for that funding. That is my
22 little pitch, LITC Funding.

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1 Erik is assigned to the Economic Justice
2 Unit where, in addition to his work with LITC he
3 practices in the areas of Elder, Consumer, and
4 Employment Law. He also has extensive experience
5 in landlord-tenant, Social Security disability,
6 and Medicaid practice. During his years at Legal
7 Services NYC-Bronx, he has regularly visited
8 senior and mobility-impaired clients at senior
9 centers, hospitals, institutions and their homes
10 all over the Bronx. So, now we will hear from
11 Erik. Thank you so much.

12 MR. SCHRYVER: Thank you.

13 So, my name is Erik Schryver. I'm an
14 attorney with legal services, our Low Income
15 Taxpayer Clinic. I want to say thank you for
16 being here, the reality is we are already here.
17 Our office is only a few blocks away at 149th
18 Street. We serve low income individuals from all
19 over the Bronx including some from Westchester and
20 the Lower Hudson Valley and represent them in
21 their tax controversies with the IRS and the
22 gentleman called that post-season, this is the

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1 post-season, this is the post-season you don't
2 want to make but people do and we are here to
3 serve them. So, we have to serve low income
4 individuals but other than that our clients are
5 really a diverse bunch. If you see the IRS's
6 Vignette Sheet. This is Jane, a middle school math
7 teacher. Some of our clients are like Jane but
8 more often our clients have very specific
9 vulnerabilities. A lot of them are single
10 parents. We have a lot of immigrants. We have a
11 lot of people with limited proficiency in English.
12 We have a lot of elderly and disabled people, some
13 of whom rely on a friend or people to come with
14 them and handle basically every aspect of their
15 lives.

16 A lot of our clients are in, not just
17 tax problems, but various kinds of financial
18 distress including unemployment, a history of
19 evictions or foreclosure, bad credit, debts in
20 general, gone through Bankruptcy Court, something
21 like that. We got a lot of our clients referred
22 from the IRS's local office which is called the

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1 Taxpayer Assistance Center or the TAC. That is
2 over in what used to be the Bronx Psychiatric
3 Campus on Hutchinson Parkway. It's not close to
4 here or easy to get to but nevertheless people
5 make their way over there because they want to see
6 somebody in person from the IRS. A lot of times
7 they have given up on trying to get through to the
8 IRS representatives on the phone. A lot of times
9 they just want to hand in documents in person and
10 get a stamp saying "Received" by the IRS. The
11 staff over there are helpful but lately the IRS
12 has switched to an appointment only system. So,
13 you have to call first. You just can't walk in
14 the door anymore and some people I am sure will
15 persevere and deal with that but others I fear are
16 going give up and, you know, they are going to
17 have their issue delayed. They may miss important
18 deadlines and that way a small problem becomes a
19 big problem before they can even see us here at
20 the clinic.

21 You're going to hear a little bit about
22 the IRS's vision in the Future State and this is,

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1 I think of our middle school maths teacher here
2 (indicating), but it's designed to work. It's sort
3 of an on-line system. That could have some
4 benefits for us. Right now we use an IRS system
5 called e-services. I have to have my clients sign
6 a power of attorney on a piece of paper. I have
7 to fax it to an office in Connecticut somewhere. I
8 have to wait a couple of weeks for the IRS to
9 process it to make sure they know I'm supposed to
10 represent the taxpayer and then I can go into the
11 IRS system and get some limited information.
12 Sometimes it's useful, some of it is not so
13 useful, some of it is even confusing even for a
14 professional.

15 It would be great if we could have a way
16 for people to come in and get onto their records
17 online and appoint us their representative on the
18 spot and they can see that I am a licensed
19 attorney, other people are enrolled agents with
20 the IRS and are already subject to the IRS's
21 authority, we are known to them. If we do
22 something wrong the IRS can take steps to

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1 discipline us. So, those types of representatives
2 would be able to get access to a lot more things a
3 lot more quicker.

4 But, I think there are a lot of problems
5 with this Future State as well. The number one
6 and the most obvious is there is just unequal
7 access to online services in the community. A lot
8 of people don't have experience with computers.
9 They may not own a computer or a tablet or a smart
10 phone. If they have a phone they might have
11 limited data or minutes to use on it. Again, I
12 think, people who are faced with this sort of
13 system and not much other choice will probably
14 just give up and end up with worse problems.

15 The other problem is the potential for
16 fraud and abuse and I'm sure we are going to hear
17 a lot more about that. We get identity theft
18 victims coming into our office all the time. Once
19 you have been a victim of identity theft it makes
20 you suspicious and it makes you paranoid and
21 people don't want to put their information on the
22 computer. Sometimes they don't even want to give

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1 us their Social Security Number even though we
2 have to explain that we need it. The IRS has been
3 hinting about the kind of security checks they are
4 going develop to make sure that only the right
5 people get into their records and those can be
6 difficult to get through for them. They have what
7 we call a two factor authentication. You have to
8 get a code sent to your cell phone. Well, what if
9 you don't have a cell phone or an e-mail how are
10 you going to go through that? They have sort of
11 security questions like "What was your dream car
12 in high school?" These are not relevant for many
13 people in our community. Other times they are
14 going to ask questions that come up on credit
15 reports. Credit reports can be full of mistakes
16 and confusing information.

17 Lastly, we have seen these purported
18 unenrolled preparers and some of them are good and
19 others are not and you don't want to trust them
20 with your personal information. And the idea that
21 those would have equal access to people's online
22 records as to licensed preparers is a scary

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1 thought. So, the IRS's concept, I think, is that
2 they are trying to move toward a model like we use
3 for online banking and I'm going to tell a
4 personal story. I have a checking account at a
5 major bank we have all heard of. A little while
6 back I was at the office and I had just enrolled
7 in their mobile banking system and I got a little
8 pop-up message on my phone saying I had changed my
9 password. Well, I hadn't done that. What I was
10 able to do was run literally across the street to
11 their branch. I waved my arms frantically to
12 their customer service people and within a couple
13 of minutes I had my account locked down and
14 luckily I didn't lose any money but that could
15 have easily happened. Some unknown people tried
16 again a few times to get to into my account,
17 change my password, whatever, but I was able to
18 resolve it with the branch people who got to know
19 me pretty well over the next week or two and what
20 I ended up doing was having them close my account
21 and open up a new account number and, to be
22 honest, if they hadn't responded I could have gone

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1 to a different bank. Unfortunately, it's not so
2 easy to change your Social Security Number and
3 it's not so easy to change the tax agency that you
4 have to deal with. We don't have a choice about
5 filing our tax returns. So, that's a note of
6 caution to the idea of using something like the
7 mobile services that we are using already.

8 MS. OLSON: Thank you.

9 So, our last panelist is James Hurst and
10 he is an attorney and Legal Ombudsman at the New
11 York City Department of Consumer Affairs. DCA
12 created the Legal Ombudsman position in 2014 to
13 increase transparency and fairness and educate
14 businesses. He provides industry-specific
15 compliance training throughout New York City and
16 answers inquiries from businesses on how to comply
17 with licensing, consumer protection, and other
18 regulations enforced by the Department of Consumer
19 Affairs. Prior to 2014, he worked as a Staff
20 Attorney in the agency's Legal Division. One of
21 his primary responsibilities was representing DCA
22 in its enforcement of New York City's Income Tax

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1 Preparer Laws and rules. He has trained
2 inspectors, helped direct the agency's enforcement
3 efforts, and represented the Department before its
4 adjudication tribunal. He studied law and public
5 policy at Hastings College of Law in San Francisco
6 and the Goldman School of Public Policy in
7 Berkeley, California. He has worked in a variety
8 of government offices and legal service non-
9 profits in both London and San Francisco Bay area.
10 But now as we know he is here at the Capital of
11 many countries.

12 MR. HURST: Thank you for that
13 introduction. I just want to point out that the
14 legal ombudsman position was created a couple of
15 years because New York City was going in the
16 opposite direction. We were looking at trying to
17 provide more direct resources, face-to-face
18 contact with businesses and consumers. It is one
19 of a number services that I will be discussing
20 during my presentation, that's what it's really
21 focused on.

22 So, I hold office hours twice a week and

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1 I talk to businesses in person and over the
2 telephone. It is one of the focuses of this
3 administration. I want to thank Nina Olson the
4 National Taxpayer Advocate as well as Congressman
5 Serrano for putting this event together and for
6 listening to the feedback and input of the
7 community and its representative it's really
8 exciting for me to think that this feedback will
9 actually potentially impact the policy and
10 operational decisions of the IRS. I'm very
11 hopeful about that.

12 So, the Department of Consumer Affairs
13 is deeply committed to protecting and empowering
14 New York City's consumers and businesses alike. We
15 are the largest municipal consumer protection
16 agency in the country. We license 80,000
17 different businesses and 55 different, industries.
18 Our Office of Financial Empowerment is the first
19 local government initiative in the country
20 dedicated to the mission of educating, empowering,
21 and protecting low-income consumers and
22 communities. It assists City residents by

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1 offering innovative programs and services to
2 facilitate access to high-quality, low cost
3 financial education and counseling, safe and
4 affordable banking and access to tax credits,
5 savings and services.

6 In 2015, Mayor De Blasio announced a
7 multi-year municipal investment in taxpayer public
8 education increasing funding by about 20 times
9 what we have had for funding in past years. Our
10 agency currently runs the New York City Free Tax
11 Prep campaign and has dedicated tremendous
12 resources to build our capacity to reform and
13 serve larger members of New York City taxpayers.

14 This funding has allowed the City to,
15 for the first time, fund free tax preparation
16 partners and expand the City's network of tax
17 sites to more than 200 locations citywide, as well
18 as provide further staffing support to our tax our
19 partners.

20 MR. TEJEDA: Including Food Bank.

21 MR. HURST: Depending on the site there
22 is a variety of different service options

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1 available, there's a drop-off service, in-person
2 tax preparation, or assisted self preparation.
3 Just here in the community, Board One of the
4 Bronx, we have 11 distinct free tax preparer sites
5 offering a variety of services.

6 To give you a sense of the scope of our
7 outreach and advertising campaign, in 2015, the
8 City conducted a five-borough trilingual phone-a-
9 thon and robocalls to 270,000 separate low income
10 households. We have made available an online
11 interactive map where individual taxpayers can go
12 online and search, by their language, on service,
13 hours of operation and location to find a free tax
14 preparation site that best fits their needs. So,
15 the DeBlasio administration's decision to invest
16 boils down to two basic tenets. One, there is a
17 concern that many existing credits like the Earned
18 Income Tax Credit, the New York City Child Care
19 Tax Credit go unclaimed by many qualified
20 residents. We want to push the availability of
21 the services as much as possible. We
22 are also concerned that many residents who qualify

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1 for free tax preparation services will go and pay
2 for a preparer and potentially put themselves at
3 risk of being taken advantage of by an
4 unscrupulous preparer who will charge them
5 hundreds and hundreds of dollars for a service
6 that could have been free for that individual.

7 Now, this investment has paid off. By
8 April of 2015 the City helped to file more 150,000
9 returns for low-income New Yorkers, helping them
10 to claim important tax credits like EITC and CCTC.
11 This marked a 50 percent increase compare to the
12 years prior. The City estimates that 250 million
13 dollars in tax credits and tax preparer fee
14 savings went into the pockets of its residents.

15 We are currently advertising. I don't
16 know if you have seen them on the subway and the
17 bus shelters, probably very familiar signs at
18 work. We have made these advertisements available
19 in multiple languages as well as in print and on
20 the radio. We did a targeted mailing campaign to
21 over 330,000 EITC-eligible New Yorkers. Our
22 partners are distributing approximately 595,000

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1 informational brochures in multiple languages.

2 An exciting new program we have made
3 available is Free Tax Prep at Work program. This
4 is an employer-based VITA program. This is the
5 first such program in the country that allows
6 employees at partner businesses who earned \$54,000
7 or less to file for free at work, at no cost to
8 the employer, by using a convenient, drop-off
9 service that takes just 20 minutes. Currently,
10 there are eight businesses that are participating
11 in this program and we think it makes life much
12 easier for the taxpayers.

13 Another aspect of what we do is the
14 department enforces a number of rules that apply
15 to tax preparers in the City of New York. We also
16 take complaints from consumers, people who have
17 been taken advantage of by unscrupulous preparers
18 and we mediate those complaints, we use
19 enforcement against tax preparers who have
20 violated our policy rules. We try to educate
21 consumers, let them know about their rights, we
22 distribute campaign literature. We make sure they

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1 are familiar with their rights and we let them
2 know that they are eligible for free tax
3 preparation services. Last tax season we received
4 143 complaints through April and we have received
5 93 complaints to date or as of March 7th,
6 regarding surcharges and overcharges,
7 misrepresentations about commercial tax preparers,
8 misleading or false advertising, or issues about
9 receiving taxpayer refunds. Some of the most
10 egregious complaints regard \$900.00 fees on
11 prepared Income Tax Credits and other tax refunds
12 for commercial tax preparation and a lot of times
13 these fees are not disclosed by the tax preparer
14 initially. We have also had an increased number of
15 complaints and this is a great concern to us.
16 Individuals have gone to get a tax estimate, just
17 to ask some questions to get information from the
18 tax preparer and then they file the taxes, collect
19 their fee and then through an account, it looks
20 like a Refund Anticipation Checking Account, they
21 automatically take it out of the refund and they
22 never authorized that transaction, they never

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1 authorized that tax preparer to file the taxes on
2 their behalf. So, this is of great concern to us
3 in light of some of the reforms that are being
4 discussed here and in light of some of the policy
5 decisions that might be taken.

6 So, in addition to mediating these
7 complaints we have also inspected hundreds of
8 inspected tax preparation offices in New York
9 City. We did a targeted inspection of businesses
10 that were subject to a complaint or had a prior
11 violation of our laws and rules. We inspected 350
12 locations this past year, two out of five were
13 found to be in violation of our laws and rules.
14 The most common one: failing to disclose their
15 price information, failing to disclose their fees,
16 failing to provide their statement of charges so
17 the consumer never receives a receipt or any
18 explanation for what they are paying for and there
19 has been a number of other disclosure violations
20 as well.

21 I'm using way too much time.

22 MS. OLSON: Yes, you're close.

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1 MR. HURST: So, we are keenly aware of
2 the budgetary challenges the IRS continues to face
3 and the budget cuts that have been involved with
4 some of these decisions. But we firmly believe
5 that those resources that it does have should not
6 be taken from the taxpayer engagement, outreach or
7 VITA services. We think these are critical
8 services being provided to New York City
9 taxpayers. We share the NTA's concerns that the
10 IRS' deliberations to reduce telephone and face-
11 to-face interactions will leave low-income and
12 middle-class taxpayers, who may not have the
13 resources to pay for individualized attention,
14 without guidance or confidence to navigate the tax
15 code. This may put further strains on localities,
16 like New York City, to help facilitate preparer
17 access and will undoubtedly open the door to
18 further predatory behavior by some commercial tax
19 preparers.

20 As Legal Ombudsman, I can speak to the
21 importance of maintaining individualized services.
22 Even though we may have a number of resources

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1 available online people, many New Yorkers need to
2 speak to someone directly. They want to talk to
3 someone on the phone who will explain it to them
4 and I see this with business owners all the time.
5 Further, DCA would caution that the IRS not assume
6 the technological improvements such as a self-
7 service e-portal, will reduce taxpayers' need for
8 personal service when, in fact, experience shows
9 otherwise. New York City SPEC data shows that 76
10 percent of the EITC recipients in New York City
11 used pay preparer services and this compares to 56
12 percent of EITC recipients nationally and we
13 believe that this indicates that many low and
14 middle income taxpayers want personal, one-on-one
15 support in tax matters.

16 Finally, I'm going to skip some of my
17 presentation here, and just tell you that our work
18 with IRS certified VITA volunteer preparers cannot
19 be understated. We work with more than a dozen
20 community organizations who deliver free tax
21 preparation services in all five boroughs. These
22 volunteer preparers are serving New Yorkers almost

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1 daily throughout tax season and beyond, and they
2 provide services in English, Spanish, Haitian,
3 Creole, Korean, Russian, Bengali, Mandarin and
4 Cantonese. We think it is very important that
5 their funding continues. That they be able to
6 continue to provide this direct person-to-person
7 service and we think it is critical that the IRS
8 continues to provide similar person-to-person
9 services and that they continue to fund that
10 fully.

11 Finally, I would be remiss not to raise
12 a concern regarding a proposal to provide tax
13 preparers with greater access to taxpayer online
14 accounts. In light of the complaints we have
15 received regarding preparers filing taxes without
16 an authorization, we are concerned that
17 unscrupulous preparers may use this additional
18 access to engage in further misconduct. Without
19 strict security measures, there is an increased
20 risk of identity theft and greater opportunities
21 for unauthorized tax filing.

22 I hope that our experience here in New

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1 York City demonstrates that increased personal
2 outreach, education and access to VITA services
3 fosters tangible results. Again, thank you for
4 allowing me to testify today.

5 CONGRESSMAN SERRANO: Let me first thank
6 you all for your presentations today. They have
7 all been very, very interesting. Let me just back
8 up a second in order to ask you about my concern.
9 Some years ago, and there are some people in the
10 audience who'll remember this, we had, I think, it
11 was an asbestos scare in schools during election
12 time or around election time and somebody
13 suggested, I don't know who that brilliant person
14 was, that we set up tents in the school yards and
15 bring out the National Guard to guard the voting
16 machines. And, I said, "Don't you realize that so
17 many of these voters come from places where the
18 military stand next to the voting machine telling
19 you who to vote for." It was the worst thing you
20 could do.

21 So, with that in mind, do you find that
22 the federal agency known as the IRS scares,

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1 upsets, taxpayers with some experiences from back
2 home, from another country, new-comers, to the
3 point where they may not file or file

4 properly or whatever just because they
5 are in awe or afraid of this agency they don't
6 really understand?

7 MR. TEJEDA: We have to convince many of
8 our ITIN filers of that very fact. With all the
9 scares on deportation, to make a lose end, there
10 is a wall between IRS and that's the first thing
11 and the fact that we need the services so that
12 they don't have to mail their documents so they
13 can go in there and we only have -- this is the
14 one of the things about our limited staff, that
15 with the CAA program you would have to be a full-
16 time staff. So, we have one CAA in the City. I
17 would love to have one in Queens because you know
18 where that is and, there's one in the City where
19 everybody can go to, then they'll come to me, if
20 not, they have to go to the IRS office to certify
21 their documents. So, that is really limiting. So,
22 an expansion of that program makes it easier to

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1 communicate, having us as an interpreter really
2 helps them alleviate some of those fears.

3 MR. SCHRYVER: I think people who deal
4 with IRS staff usually don't feel
5 threatened or scared. I think the staff that they
6 have are generally pretty good. I think, for
7 instance, there is a lot of misinformation out
8 there. I don't think it is coming from the IRS.
9 It's just that the whole system is confusing and
10 the IRS paper notices and that sort of thing.

11 CONGRESSMAN SERRANO: That's a good
12 point. On the things, a misinformation point, I'll
13 get people on the street. I like to walk a lot,
14 so, I see lot of folk. I'm not just saying that
15 to say, you know, what a great congressman I am, I
16 walk my district but I do walk a lot and people
17 will come to me and say, "I know someone," they
18 don't tell me who because they think I know who
19 that person is. "I know someone who is here
20 undocumented. Will we ever get immigration
21 reform?" And I said, "I think we will." He said,
22 "How should they be preparing for immigration

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1 reform?" I always say, "Pay your taxes. Make
2 sure your taxes are paid up." Because I suspect
3 that whatever Immigration Bill comes there won't
4 be a wall built, that won't be part of the bill
5 but it will be, "Are you up-to-date on your taxes?
6 Are you up-to-date on child support?" Those kinds
7 of things people may not be paying attention to.
8 People think it's the one who did the six months
9 in jail, or a year a jail who may not get to stay
10 in the country and put on a path to citizenship.
11 Many, from what you hear in Congress, many of it
12 will be "What kind of a record did you have when
13 you were here? Was the only law you really broke
14 being here undocumented?" We don't say "Illegal"
15 because no human being is illegal but
16 undocumented. I always say, pay your taxes. Just
17 find a way to pay your taxes and if anybody comes
18 to you and says, "I can you give you a job where
19 you don't have to pay your taxes." That person
20 doesn't want you to be a citizen in the future,
21 so, stay away.

22 MR. TEJEDA: I would like to say one

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1 thing, if possible. On our intake we do ask,
2 "What language would you prefer us to communicate
3 with you in?" I don't know if it's possible,
4 maybe you do, but if someone says to us, "I'd love
5 to get a notice, if there isn't a problem, in
6 Chinese" or "I'd love to get a notice in Spanish."
7 That's a big barrier. You know, "Can you talk to
8 me like I can understand you?"

9 I was born outside of the country in the
10 Dominican Republic but I came when I was two. I
11 had to learn to speak a certain type of Spanish
12 that was beyond my grandmother to understand to
13 speak to somebody about taxes. It's a different
14 Spanish (Spanish words). It's different. It's a
15 professional Spanish but you would understand it
16 if it came to you in that language. So, we need
17 to be a little more international because we are
18 the International country. We are not just
19 English.

20 MS. OLSON: My office had made a
21 recommendation that the IRS put next to the
22 signature line box where you could identify what

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1 language you wanted to receive notices in because
2 as you said, the post season is so important,
3 that's where your rights come in, where they are
4 giving you a legal notice of something and you
5 have a certain amount of time within which to act.
6 So, you have to understand what that notice is.

7 MR. HURST: I just want to speak to that
8 point very quickly. The Department of Consumer
9 Affairs has actually recently placed a notice on
10 its licenses asking "What language would you like
11 your inspections conducted in?" And we will send
12 an inspector who speaks their language to conduct
13 their inspections and it has been received very,
14 very positively. It has been very successful.
15 Now, New York City is a unique place, but we are
16 really proud of the fact that we have done that.

17 MS. OLSON: Interesting.

18 MR. QUINONES: I do most of my tax work
19 after April 15th and I think there is a lack of
20 basic information out there that the people are
21 not getting. I think the government could make an
22 extra effort. If you walk in a building that you

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1 are not supposed to be you will see a sign that
2 says, "No trespassing." Simple language, simple
3 information that I don't see out there related to
4 the tax obligations of the citizens. Let people
5 know that you don't walk into an office on
6 December 10th to prepare your taxes. That tax
7 season doesn't start in December. The tax season
8 starts after January 1st and even the IRS doesn't
9 accept tax returns till the end of January. But
10 the big outfits out there are begging people at
11 the beginning of December, "Bring you W2 form.
12 Bring your last paystub and we will do your taxes
13 and we will give you a \$700 refund." That
14 information should not be out there. There should
15 be a penalty for any firm doing that kind of trap
16 to a citizen.

17 Basic things that the City says, so they
18 can understand, not to fall into those situations.

19 MR. TEJEDA: Thank you, Mr. Quinones.
20 It's really preying upon the desperation of that
21 \$17,000 person. If you just do the math, Rent
22 \$1,100 conservatively, how much is that for a mom

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1 making \$17,000? That Earned Income Credit is not
2 about a windfall, that's life. That's stopping the
3 eviction, that's paying the Con Ed that got laid
4 back. Whatever else she needs to buy for her
5 kids. It's desperate money that they need and
6 they are feeding off of that. They are feeding
7 off of that need and so they dangle that carrot
8 out there and it starts this way. So, if there is
9 a way of stopping it, I would really, really
10 endorse that.

11 CONGRESSMAN SERRANO: One year I found
12 out, through our committee, and this is not about
13 you because you are on the side of the taxpayer.
14 If I recall correctly, 44 percent, I hope I'm not
15 misquoting, 44 percent of all tax audits in one
16 year or a two year period were done on the EITC.
17 When we know, without attacking Wall Street or
18 anything, there are a lot of other folks that make
19 much, much more and yet 44 percent of the audits
20 were conducted on people who had filed for the
21 EITC and people at speeches made it sound like the
22 EITC was going to break the economy, you know,

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1 when we know better.

2 Incidentally, just as a side note, as
3 many of you are interested in this subject, part
4 of the approach to dealing with Puerto Rico's
5 economic crisis right now is to make Puerto Ricans
6 in Puerto Rico eligible for the EITC which they
7 are not eligible right now because they are a
8 territory --

9 MS. OLSON: Interesting.

10 CONGRESSMAN SERRANO: -- as you said,
11 that would make a big difference in their economy
12 there.

13 MR. TEJEDA: The truth is about their
14 Earned Income Credit economically is that our
15 folks don't get into an SUV and go somewhere else
16 and spend their money. They don't put it off
17 shore or send it somewhere else. They spend it at
18 that hub, at Doctor Jays, buy something for their
19 kids. They spend it right here. The
20 infrastructure of the economy right here really is
21 bolstered by their Earned Income Credit.

22 CONGRESSMAN SERRANO: How -- and this is

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1 easiest question to ask, it's also the one that is
2 expected at every meeting that we attend in our
3 community but how serious, for the work that all
4 of you do, is the language issue? There was a
5 point when I was growing up when there were no
6 language services. There was English or you were
7 sunk. Life has changed dramatically but is it
8 still a problem? Are we still not supplying --
9 providing enough services in other languages?

10 That maybe a loaded question but it is
11 not a lawyer's question. I'm not a lawyer. A
12 lawyer never asks a question that he doesn't know
13 the answer to.

14 MR. QUINONES: If I can say, I don't
15 think that's such a big problem right now. We are
16 a very-

17 CONGRESSMAN SERRANO: That's because you
18 speak Spanish?

19 MR. QUINONES: No, but I also serve
20 people from different -- We are a very multi-
21 lingual community and usually people when it comes
22 to money they find a way to understand it, what

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1 they want to understand. We may have some short
2 comings but I don't see it as a really big
3 significant portion in my view.

4 CONGRESSMAN SERRANO: Anyone else?

5 MR. TEJEDA: The bigger problem comes
6 with the filing of their notices. We also need to
7 address as much as possible to make sure we have
8 enough language preparers, Chinese not just
9 Spanish, or African, the French, they are in
10 Harlem, they are moving in. We know communities
11 try to address that and move forward and be
12 sensitive to the communities that are out there.
13 But when they get notices -- at one time, one
14 agency, literally someone said, "Oh, yes, we sent
15 this out." 50 percent of them don't even respond
16 because they didn't understand what you sent them.
17 That's the problem and they count on the fact that
18 50 percent of the folks will simply not respond
19 because they are just scared, or they didn't read
20 it, or understand it. If it is in their language
21 they will read it, they will respond, and people
22 will get the benefit that they deserve. So, I

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1 think it is the notices that are the problem.

2 CONGRESSMAN SERRANO: I have a question
3 for you.

4 MS. OLSON: Okay.

5 CONGRESSMAN SERRANO: My question is:
6 The IRS was recently required to start hiring
7 private debt collectors despite significant
8 evidence that they cost more than they bring in
9 and by the way I spent a couple of years fighting
10 that notion because not only -- If you have one of
11 your agents going out, we decided before, it has
12 been decided, that for every dollar you spend you
13 get back \$6.00 from people who haven't paid. So,
14 if that dollar you're spending is pending on a
15 current government employee you will have to go
16 hire maybe one outside when you don't get the six
17 back.

18 But also one of the fears I have, and my
19 question is, what do you have in place or what do
20 we have in place to monitor this? One of the
21 fears I have is that when you have a government
22 employee going out to do his or her job, it is up

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1 to the supervisor to find out if that person is
2 doing a good job, or a low fee, or whatever;
3 right? But when you have somebody who, basically,
4 is going to make money based on how many people
5 they get, I wonder what style they are going use
6 when they knock on the door and a fear factor
7 involved in, you know, "If you don't talk to me
8 now, you are going to go to jail" and so on. There
9 are so many people in our community that think
10 they are a step away from jail by just talking to
11 a government person. So, how would you monitor
12 this in the future?

13 MS. OLSON: Well, we are working on this
14 right now and, you know, this is the third time
15 that the IRS has been told or tried private debt
16 collectors and the first two times, in my opinion,
17 were dismal failures just from a business case,
18 that it didn't bring in the money that we wanted
19 it to and it turned out they weren't any better
20 and, in fact, the IRS was better at collecting the
21 money from the taxpayers and was, in fact, able to
22 talk with the taxpayers about issues other than

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1 just how much money can you pay. I mean that's
2 sort of the point about having the tax agency and
3 what all this is about, is that really the job of
4 the tax agency is to increase voluntary
5 compliance, that we want people to comply with the
6 law voluntarily. So, as you are trying to collect
7 the back taxes that are owed, the primary worry
8 should be, is the person paying their current
9 taxes. You know, what are they doing to be in
10 compliance going forward so we can stop the
11 hemorrhaging and then we will figure out the
12 problem behind it. The private debt collectors
13 aren't interested in any of that. They have no
14 authority about that. So, they are not going to
15 educate taxpayers about the tax laws, about what
16 they made as a mistake, what they can do going
17 forward. They are not going to be able to help
18 taxpayers get offers in compromise or, you know,
19 more complicated, more favorable terms of
20 installment agreements. And, so, there is just
21 pressure to get, you know, as much money up front
22 from the taxpayer.

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1 Private debt collectors have the highest
2 number of complaints to the Federal Trade
3 Commission in the industry whatsoever.

4 CONGRESSMAN SERRANO: Really?

5 MS. OLSON: Yes. And they have for over
6 a decade and they have one of the highest turn-
7 over rates, the employees in that industry, of any
8 industry operating in the United States. So, you
9 know, people are just constantly in and out as
10 opposed to IRS employees who have years of working
11 with tax payers and understanding their life
12 circumstances. And, I'm very critical of the
13 IRS collection function. I have real
14 concerns about maybe they are not doing it as well
15 as I want them to but they are light years ahead
16 of the private debt collectors. So, we are
17 looking at it and the IRS is trying to, you know,
18 build up some rules but I will say this, however,
19 the way the legislation is written , the IRS
20 doesn't have a lot of discretion of the cases that
21 are going out. So, many cases are going to be
22 assigned to the private debt collectors this time.

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1 I'll tell you one little story. When we
2 did it the second time around a few years ago we
3 sent out -- the IRS sent out a letter and it said
4 "In ten days, taxpayer, we are going to turn your
5 case over to a private debt collector." We got so
6 much money in that ten day period from taxpayers.
7 They called us up. So, they basically let us do
8 anything but "Don't send us to a private debt
9 collector." I told the IRS they should just send a
10 letter out routinely. That would be a really good
11 tool, don't do it but just threaten and that
12 would, you know, get peoples' attention but, you
13 know.

14 MR. SCHRYVER: Also, we already have
15 this wave of crooks impersonating IRS collectors
16 and collecting fake or non-existent debts.

17 MS. OLSON: Right.

18 MR. SCHRYVER: I don't know how anyone
19 could tell the difference between these guys and a
20 private debt collector.

21 MS. OLSON: Well, that's the other
22 thing, people may refuse. You will either get

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1 people agreeing to pay more than they can afford
2 just like they do with the scammers. You know,
3 they just give in or you will have people not
4 talking to the private debt collectors because
5 they have been told, you know, the IRS doesn't
6 call out, these are scammers. So, when the
7 private debt collector calls out the taxpayers are
8 just not going to pick up the phone.

9 MR. QUINONES: I think it's an abusive
10 practice because a private debt collector has no
11 incentive to help you. That's basic. His only
12 concern is to generate revenue for his firm or for
13 himself.

14 CONGRESSMAN SERRANO: Which is my fear
15 from the beginning.

16 MS. OLSON: Well, I have a few questions
17 and one is really, I guess, I'm following up on
18 James' opening statement about the agency making a
19 conscious decision to meet face-to-face with small
20 business owners and I'd really like to hear a
21 little more from you about that. What was the
22 thinking behind that? What are you hoping to

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1 achieve from that?

2 MR. HURST: Well, what we are achieving
3 is increased compliance with our laws and rules
4 because there is more clarity. What we are
5 talking about is not businesses who are looking to
6 get around avoiding compliance, but businesses who
7 in advance, before they were issued a violation,
8 contacted us saying "What do I do to avoid getting
9 a violation?" Or, they received a violation and
10 they are saying, "I need to make corrections to
11 the way I do business. What do I need to do to
12 make those corrections?" So we provide them with
13 assistance and help them and direct them to the
14 resources online and then give them personal
15 assistance on the amount of compliance. Sometimes
16 it's simply, "I'm confused. I received a
17 violation. I don't know how your tribunal
18 operates. I don't know what my choices are? Can
19 I settle?" It can be very confusing dealing with
20 these documents. So, they will be connected with
21 me and I'll walk them through the process or I'll
22 put them in touch with a settlement officer who

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1 they can talk with one-on-one. People are very
2 positive and appreciative of being able to speak
3 with someone.

4 MS. OLSON: So, the City has budget
5 constraints just like the IRS does. So, you have
6 obviously decided this isn't a waste of money?

7 MR. HURST: Yes, that is definitely the
8 case. We are doing the measuring and the metrics
9 on the additional service that we are providing
10 but I think the main thing is we are getting a lot
11 of positive feedback from the business owners
12 about being able to communicate with an inspector
13 in their own language, being able to be in touch
14 with a translator when they call us who is going
15 to be able to communicate with them more
16 effectively than they have in the past, having
17 someone who can answers their questions quickly if
18 they come to the office.

19 So, based on that feedback we believe we
20 are making the right choices but doing the cost
21 benefit analysis that's going to be down road.

22 MS. OLSON: So, I want to ask the three

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1 of you all, how do you communicate with your
2 clients or your customers? Do you send texts, do
3 you send e-mails, do people come in and see you?
4 And, I ask that in the context of our Future State
5 and for our small businesses and our individuals,
6 you know, the idea behind the Future State is that
7 the IRS, while the Commissioner says that they are
8 not going to get out of the business of providing
9 face-to-face or phone service, the idea is to get
10 budget savings by moving people online even in the
11 tax disputes area, in the post-season area as we
12 are now calling it from now on.

13 So, I'm really interested in how you
14 communicate with people. Do you want to start?

15 MR. QUINONES: Yes.

16 My case is like a marriage, it's usually
17 in person and by telephone, I think it's the most
18 effective way of communicating. Don't forget,
19 like I said at the beginning, our community is not
20 that large as we think. There are a lot of people
21 who are still feel afraid of computers. Even
22 myself, I have an 11 year old, and when I look and

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1 try to do something she said, "Poppa, you don't
2 know that?" You know and that happens a lot. It
3 happens a lot, so, the personal communication is
4 very effective. You can get the right answer at
5 the right moment.

6 MR. SCHRYVER: Generally, our clients
7 have to meet with us in person for their initial
8 visit. We have to verify they are eligible for
9 our services. After that most people call. There
10 are some who e-mail but they are in the minority.
11 I have to remind people not to send copies, you
12 know, images of your documents by e-mail to me,
13 please, don't do that. But the phone or in-person
14 is the way people want to be serviced, I think.

15 MR. TEJEDA: As a large VITA provider we
16 have to really know what we do and of the
17 different methods of communication texting has
18 been a way that we communicate to folks about
19 different things, including we look at our
20 database and see how many are self employed. We
21 know that if you are self employed, a cash earner,
22 right, that you are going to get notices from the

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1 state automatically denying you your Earned Income
2 Credit, automatically. No stop, no go. IRS ain't
3 far behind. They challenge you, cause they say,
4 "Where did you get this money?" We'll say, "Just
5 walk in." Boom, gave the address because we are
6 close and we have Full Vita sites throughout the
7 City and our Network sites the food pantries and
8 soup kitchens but we keep one site and now we're
9 going to have two, one in Brooklyn. Brooklyn is
10 so large. We are doing it for the Bronx, as soon
11 as possible we'll get some funding, but the idea
12 is they all know this is the address I can go to
13 for help because everywhere else is closed at that
14 time and we are open and they will keep it right
15 on their phone, they will keep that text message
16 on their phone and in our introduction we
17 developed a virtual system cause we know we can't
18 in the City of New York, and this may happy in
19 other places across country, you can't have a VITA
20 site in every neighborhood. We just got one open
21 in Parkchester because there was nothing in the
22 eastern part of the Bronx and we're so happy that

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1 people who were driving all the way over this side
2 could say, "Oh, finally, something in my
3 neighborhood. And while we could have virtual
4 sites and intake sites we had something that was
5 secure on our system and the gentleman that was
6 saying, our employer base partner with the city on
7 that, and we are at employer offices now and
8 they'll take the information, cause you can't put
9 a mobile unit every time you go, but we'll have
10 the same virtual system and we'll upload that into
11 our system. So, we are using technology and
12 trying to make it as safe as possible but we can't
13 get to everywhere without the use of this
14 technology. That is something for the future.

15 MS. OLSON: So, looking with the online
16 accounts, the IRS is obviously very concerned
17 about security. Erik, you referenced the two
18 factors, certifications, some of the questions and
19 I'm concerned that some people will not be able to
20 establish that online account because they don't
21 have, for example, an auto loan, you know, they
22 don't own a home. How many people in New York

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1 City own a home? And they may have a cell phone
2 and it may be text enabled but it's pay- as-you-go
3 minutes, it's not a contract which is something
4 that is a key factor for security. And I'm
5 wondering about, you know, what your experiencing
6 are regarding that.

7 MR. TEJEDA: We have a system. We
8 actually modeled it directly after the bank style,
9 know your customer. So, you have to come into a
10 virtual site so that they can know you, identify
11 you, get your I.D., know that you are Erik, and
12 then we can operate with you virtually and then
13 I'll send you a document, just like the bank
14 because I know who you are. We already had that
15 initial contact to establish that account with
16 you. Not you go online because I can open
17 something and nobody knows who I am.

18 MS. OLSON: I actually wanted to look a
19 minute at the small business vignette and really,
20 Elliot, this is for you in a way. This is where
21 the small business person, Bennett, gets something
22 called a digital notification that tells him that

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1 he has a higher likelihood of being audited and
2 then he gets another digital notification a little
3 later as do you his accountant that he is going to
4 in fact be audited and then he undergoes this
5 virtual audit, which I'm not sure what that is,
6 from across the country.

7 I guess when you look through all the
8 steps here I'm wondering at what point does
9 Bennett pick up the phone and talk to you? Do you
10 have any thoughts about this virtual audit from
11 across the country? Have you had experiences with
12 correspondence exams with auditors from across the
13 country, has that been the experience for some of
14 your clients?

15 MR. QUINONES: Well, I have warned my
16 clients not to answer any tax questions on the
17 phone, none whatsoever, and usually to refer those
18 issues to me. I deal with whoever calls and I
19 know how the CD agencies or IRS might operate and
20 I know they usually generate the inquiries on
21 paper. I have never seen any inquiry online. So,
22 for me that is not a problem. All my clients know

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1 that. Do not answer questions on the phone and do
2 not answer questions online.

3 MS. OLSON: So, when you are dealing
4 with the IRS and in what they would call a
5 "Correspondence Audit," you know, where it is all
6 done by mail, have you been successful with that
7 or do you pick up the phone and try to talk to
8 them or what?

9 MR. QUINONES: I do both. I have a very
10 good experience with the IRS. My problem is with
11 the State of New York and the City. I'd rather
12 deal with the IRS any day --

13 MS. OLSON: Thank you.

14 MR. QUINONES: -- that's my experience
15 in my limited practice. Especially the State of
16 New York. That's a disaster.

17 MS. OLSON: Erik, do you have anything
18 to say?

19 MR. SCHRYVER: I just don't have much
20 experience with small business people.

21 MS. OLSON: You can talk about Jane.
22 Jane's Vignette, she is going online. She is

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1 solving all the problems herself.

2 MR. SCHRYVER: Yes, I don't see a
3 representative getting involved. She is a middle
4 school math teacher. It says she receives
5 personalized tax assistance from third-parties.

6 MS. OLSON: Well, what are your
7 experiences now with correspondence exams?

8 MR. SCHRYVER: Well, usually, people
9 bring in the exam notification. They say, "What
10 is this? I don't know what this is." They ask
11 for documents and it just has a list of every
12 possible thing. It's not particularized for the
13 personal situations and we have to do that for
14 them and say, you know, in the worst case it's a
15 shopping bag full of documents and I have to tell
16 them what's useful and what's not useful and I
17 don't know how someone would do this on their own
18 that's not doing it on their own already. You
19 know, making copies and mailing something into the
20 IRS is relatively straight forward. They are
21 probably hoping the IRS sits on it for a long
22 time. If this would really work (indicating), and

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1 I think it would properly work for some people, it
2 could speed things up but I have no way of
3 knowing. I would agree that the IRS are teddy
4 bears compared to New York State.

5 MR. TEJEDA: I agree with Mr. Quinones
6 that the state is a bigger headache than the IRS
7 because I think that once you organize or you
8 teach someone this is what you do, you are in this
9 situation, you are a cash earner which is one of
10 my bigger concerns with the immigrant community,
11 they are great entrepreneurs. It's a blessing but
12 they need to understand this is what you are going
13 to get at the end of the year. This you're going
14 to pay every quarter. Organize this. Deposit
15 stubs. You organize and there is a certain
16 standard IRS will stick to and the state sometimes
17 is a little problematic. I move that ten year
18 line every so often. But I think that someone
19 walking in like this (indicating), from our
20 community, is it not going to happen. It is not
21 just going happen that way. They are not used to
22 that interaction and you need the person - I mean

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1 can you get someone there? Yes, but not at
2 first and everyone -- and we do self-
3 prep also. There was a point when we were trying
4 to educate folks, it was a problem. That last
5 button you press when you send, that's the nervous
6 one, that's the one where they think the machine
7 is going to blow up. So, it really is an
8 education that's with a coach there to guide them
9 and to explain all this. Now, once you have
10 taught them then they don't come back usually to
11 our site, they do that from home now.

12 MS. OLSON: That's good.

13 MR. TEJEDA: It's a good thing but it
14 took that first organization and someone to walk
15 in like this (indicating) -- You know, I'm not
16 saying no one can but we are talking about the
17 community we serve, it's a little more difficult
18 and in some cases impossible with seniors.

19 MR. HURST: I just want to point out
20 that it's my experience working with businesses,
21 it's a very diverse set of opinions about
22 technology and the ways they interact with

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1 technology. We have a number of businesses who
2 want us to be more technologically adept with the
3 Department of Consumer Affairs and have more
4 electronic communication with us and that's great
5 and others once we started doing it they wanted to
6 know what's happening and they wanted to speak to
7 someone on the phone. So, I think providing
8 services that are flexible to those diverse needs
9 of different members of the community, is great,
10 this is fantastic and this can be very helpful for
11 some people but we have to recognize that others
12 are going to interact with this and need to speak
13 to someone about it.

14 MS. OLSON: This will be my closing
15 comment and then we will open it up to the floor
16 for the public but at our First Public Forum which
17 we held in Washington D.C. we had a representative
18 from the Federal Reserve and the IRS always says
19 it wants to be more like the financial sector and
20 provide services we are all used to with the
21 banks. What the Federal Reserve has done for the
22 last five years is survey on-line banking users,

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1 people who are already on-line in their banking
2 activities and they asked them, in the month
3 before the survey, "Have you visited a branch bank
4 and how many times have you done so?" I don't have
5 the exact numbers. It's in the study. It's on
6 our website but it was somewhere in the high
7 sixties. Sixty percent had visited a branch bank
8 in the month before the survey and on average they
9 had visited it twice. And, then the next question
10 was how often have you used the phone banking
11 services, you know, in the month before the survey
12 and it was much higher, it was in the high
13 seventies, you know, using the phone and the
14 average again was twice. And, what the Federal
15 Reserve has concluded is that on-line is used but
16 it's a supplement. There are many people using
17 many different services and they made their
18 decisions based on what the issue is rather than,
19 you know, what somebody wants them to do. It's
20 their comfort level and they seek out the
21 assistance that fits what they need at that time
22 for the thing that they are trying to do.

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1 MR. TEJEDA: That's so true cause I
2 think that we have a certain number of our
3 population being in the school that, "Oh, I lost
4 my copy," right, "Any my FASFA form." And, to go
5 get online to get a transcript I can see that
6 being a very convenient way of avoiding going to
7 the office and that's something that I see could
8 help and make the lines shorter over there because
9 if I'm not there, I'm getting my transcript it's a
10 lot easier and we are doing that. I love the fact
11 that unemployment at one point, if people didn't
12 have their unemployment document they didn't get
13 and now at our VITA sites we all know how to log
14 in, "Don't worry about. You didn't bring it with
15 you. We'll go get it for you. You don't have to
16 go back home or go to the unemployment office.
17 We'll just print it right here for you." I
18 remember before it wasn't like that. I had to
19 send people away cause we didn't get it there.
20 People would say, "Oh, can I file for this?" I
21 said, "No." So, I can see that, definitely,
22 depending on the choices that you make.

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1 MS. OLSON: Okay, well I'd like to turn
2 this open to the floor for any comments. Now, we
3 are holding the forum to talk about, you know,
4 what taxpayers need from the IRS in order to
5 comply with the laws and, certainly, I'd like to
6 hear about your current experiences but this is
7 just to sort of gather ideas and thoughts about,
8 you know, both electronic or face-to-face. What
9 do you want from the IRS, other than for it to go
10 away?

11 MR. ROSENBERG: Good afternoon, I'm
12 Donald Rosenberg, enrolled agent and a member of
13 the faculty here at Hostos Community College and a
14 member of the Board of Directors of the National
15 Association of Enrolled Agents. I have a little
16 bit of experience doing this. First of all, I want
17 to thank you, Nina Olson, the taxpayer advocate
18 because your going to have a speaking public
19 hearing in D.C. in April. So, on behalf of the
20 board I thank you for that.

21 I have several concerns. This country
22 was founded on taxation without representation

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1 and, unfortunately, representation has become more
2 and more difficult. I specialize in
3 representation and when I finally do get through
4 to the IRS, I do get a lot of great service. I
5 look at this model that the commissioner is
6 proposing as perhaps a great boon to my practice
7 because so many people would be so confused then
8 and I have a lot correspondence orders and I'd
9 probably love digital ones but we do have some
10 concerns. Number One, practitioners wait at least
11 five to seven business days to get their Powers of
12 Attorneys processed. I loved the days when I
13 could go on-line, legitimately, and file a Power
14 of Attorney, having the taxpayer right there
15 solving their problems immediately. Getting their
16 transcript and seeing what the problem was. So,
17 that really has to be addressed.

18 Secondly, the IRS is proposing to make
19 it more and more difficult for people to enroll
20 and become enrolled agents because the special
21 examination is going up, I believe, to \$99 a part
22 which is a huge increase which may in fact block

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1 their feasibility to become enrolled agents and
2 reach out to the community. We are the only
3 federally licensed professional out there, not
4 saying anything against State Licenses like
5 attorneys and CPAs, they are wonderful
6 practitioners also, which brings me to another
7 concern. This is a congressional concern. So, I
8 will speak to the Taxpayer Advocate and to
9 Representative Serrano. We have to have some sort
10 of regulation of the tax preparation industry. I
11 can't tell you the number of people who come into
12 my office who have self-prepared returns, not
13 prepared by self, but prepared by unscrupulous
14 professionals or scrupulous professionals who make
15 mistakes because they don't have up-to-date
16 training and they are not required to. What still
17 blows my mind is the court case that said the IRS
18 is not allowed to regulate the industry and not to
19 belittle the fact that if I want to get a manicure
20 I need a license but the most important
21 professional developed, professional financial
22 statement to most people, is your 1040 Return,

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1 alright.

2 I know many of you encourage them to
3 come and take advantage of free filing. There's
4 nothing wrong, I have been a preparer for many,
5 many years. I think that we, who are scrupulous,
6 and perform a vital service by sitting there and
7 looking at some of their finances, but that is a
8 really big concern. We need to do some of that
9 but if we don't help the representatives,
10 taxpayers are not served properly. I think we
11 really need to keep the taxpayer in mind and many
12 of us are scrupulous. I mean there are the BOS
13 (sic) emails. We know who they are.

14 So, I want to thank you for the
15 opportunity to speak. Thank you for coming to my
16 favorite place, Hostos Community College. I
17 remember the college when it started. I have been
18 here since 1979 when it wasn't Congressman
19 Serrano, it was Assemblyman Serrano. We
20 celebrated many, many happy years in support of
21 the college. So, again, thank you.

22 MR. ALVEREZ: Hi, my name is Pedro

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1 Alverez, Vice-President of LATAX. I'm a Latino
2 tax preparer and also a practitioner for many
3 years and I would like to address two issues.
4 Number one, how come the IRS is downsizing in our
5 community? There have been two offices that have
6 been shut down, the one on 55 at 135th Street and
7 110 at 44th Street. Now, we used to have a 3000
8 White Plains Road. That used to be a big office
9 and always they accommodate the population. Now,
10 we have the one at 1200 Water Place that is kind
11 of like play number to see someone to get an
12 appointment, to have an opportunity to enter into
13 the space.

14 Now that we have increasing issues with
15 the IRS, people have to go in person. They need
16 to go. There is no other way around it. They need
17 to go in person and now that we have downsizing
18 offices in our area it's kind of an inconvenience
19 for everybody. Tell them they doing an ugly job
20 for our community, downsizing the IRS.

21 The other issue: Now that we going to
22 have the Obamacare, ACA, that's going to be

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1 correcting and fixing in the near future all the
2 issues that we have here with the Earned Income
3 Credit. It's good for you to know that now we
4 have additional information for who is the person
5 that is taking care of a child. So, we don't have
6 to worry about who is claiming this on the taxes.
7 So, therefore in the near future we see the Earned
8 Income Credit issues being phased out. However,
9 we need to have more people from the Internal
10 Revenue Service to have access so our people could
11 be served. So that is my question and I'm just
12 relaying the message. I know that you guys don't
13 have anything besides this. Congressman Serrano,
14 let the people know, whoever they may be that is
15 downsizing the IRS in our community, that they are
16 doing an ugly job for us.

17 Thank you.

18 MS. OLSON: Well, I just wanted to say
19 that I'm very much concerned about the downsizing
20 of the IRS in the communities. I really believe
21 it is very important for the IRS to have a
22 physical presence in communities for two reasons.

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1 One, to provide the services to the taxpayers
2 where they are but also to understand what the
3 demographics, what the geographic situation is,
4 what the economy is, what kind of natural disaster
5 you are going through at a particular time and
6 when you here are dealing with Hurricane Sandy but
7 the employee is in Fresno, California, they have
8 no idea of the impact of that. They can maybe see
9 it on the news at night. But, if you have
10 employees here they will understand what it means
11 to people in the community. And, I also think
12 it's important that it helps people in the
13 community understand the IRS isn't a demon. That
14 the person who is working in that local IRS office
15 also is the coach of your child's soccer team and
16 so you are able to see them as human beings
17 instead of thinking of them as bad people. So, it
18 works both ways.

19 I just want you to know that in my
20 organization we are actually going in the opposite
21 direction as the IRS. We are actually opening
22 offices in communities in the United States that

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1 we have determined have an underserved population.
2 And, you know, that is we are trying to grab
3 whatever real estate we can as the IRS is shutting
4 down other places to say, "We want to stake
5 ourselves out here." We don't have more
6 employees, we're just going to, as people retire,
7 move them to other locations where we think people
8 need to be.
9 I think it is very interesting what you said about
10 the Earned Income Tax Credit and the Affordable
11 Care Act. I will tell you I am working on a
12 legislative proposal right now, that you will get
13 in my Annual Report this year in December, about
14 considering partnering with Health and Human
15 Services through the Exchanges and having people
16 qualify for the EIC through the use of the
17 Exchanges since there are those employees who have
18 more of a social work background and you've got
19 assistors in the communities and things like that.
20 Just to see whether we can get the IRS to use the
21 part of the EITC that it does so well -- which is
22 paying the money out, you know, having the returns

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1 filed -- but have another kind of employee
2 associated with the Exchanges actually do the
3 eligibility determination. Some countries around
4 the world like Australia and the United Kingdom
5 actually do that. They separate it out using the
6 data that they get from these other agencies. So,
7 it is a very interesting idea and we're just
8 trying to do some background work and see whether
9 it is feasible here and what it would take.

10 CONGRESSMAN SERRANO: You have touched,
11 Pedro, on a question that is very difficult to
12 answer only because whenever I come to these
13 events or when I help co-sponsor an event like
14 this one I try, honestly, to be as non-partisan as
15 possible. But this is a question that can't be
16 answered unless you mention parties. There is one
17 party in Washington, especially a segment of that
18 party known as the Tea Party, they call themselves
19 now the Freedom Caucus that leads, in general,
20 that the budget has to go down to zero for them to
21 be successful legislators. You know, if the
22 country had been built on believing -- they call

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1 it spending, I call it investing. We became the
2 greatest country on earth for many reasons but it
3 wasn't just our Democratic System. It was the
4 fact that we built roads, we built schools, and we
5 built hospitals, and we gave people the
6 opportunity to build.

7 These folks, ladies and gentlemen, would
8 rather go home and say, "I cut the budget to
9 zero," and they would think that is a great thing
10 and then they yelled at. So, what's happening
11 right now, is what's happened for a while. I wish
12 I as your congressman or a congressman could tell
13 you that I know the reason why but one of the most
14 hated agencies in the Federal Government, if not
15 the most hated by that other party, is the IRS. If
16 they could bring it to its knees and give it
17 nothing, they would be happy. The closest I can
18 get to why is they feel that the IRS is an
19 intrusion on your life but the IRS is also the one
20 that makes it possible for us to collect dollars
21 in our society so can do what we do and keep this
22 country be the great country that it is. They

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1 don't seem to see a tie in between that -- just
2 like they don't see a tie in with telling people
3 we are the greatest country on earth which we are,
4 telling people we have the greatest economy which
5 even with some slumps we do have, telling people
6 we have the greatest democracy which we do have
7 and then when people show up here we get upset and
8 say, "Why are they coming with such large
9 numbers?"

10 I once wrote an essay and it never got
11 published and it was "Stop Advertising." If you
12 say we are the greatest and we are, I wouldn't
13 want to live anywhere else in the world this is
14 it, but then why are you upset when people come
15 across and say, "I want to live there too." There
16 is a correlation. So, Mr. Alvarez, they hate the
17 IRS, the next thing they hate, almost as much, is
18 Obamacare and I'm one of the few people that from
19 day 1 has been calling it Obamacare, although they
20 called it Obamacare as an insult if you recall. I
21 call it Obamacare because 25 years from now we're
22 going to have Social Security, Medicare and

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1 Obamacare. That will be his legacy, the fact that
2 this country will have that plan.

3 MS. OLSON: That's correct.

4 CONGRESSMAN SERRANO: And even there
5 what happens with the IRS, there are some things
6 they like about the IRS but they'd rather destroy
7 the whole agency. Just like they hate the
8 Obamacare but they like the fact that their kids
9 can stay on the plan until they're 26 years old.
10 They like the fact that you can't be turned down
11 for a pre-existing condition but they still want
12 to get rid of Obamacare. What I say is, I wasn't
13 around in 1935 but the Social Security we have now
14 has been tweaked many times. I was around in 1965
15 and the Medicare we have now has been tweaked many
16 times. So, let's keep tweaking Obamacare and make
17 it what it is. This country should be able to
18 cover everyone. When you have other countries
19 that we criticize, especially little islands in
20 the Caribbean that we criticize who cover
21 everybody for medical expenses, and we can't.

22 But, again, in answer to your question

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1 it is something I face every day. Every day my
2 opening statement is, "You guys are cutting too
3 much," and their statement is "You guys are
4 spending too much." And, as long as they are
5 around, the budget is going to go down and down
6 and then folks like Ms. Olson will have to make do
7 with whatever they have.

8 So, just in closing let me tell you,
9 it's not just downsizing in our communities, it's
10 downsizing in the whole nation and the territories
11 and there lies another issue altogether. The
12 territories are always the last thought. I'm on
13 the Appropriations Committee. I'm the only New
14 York City member of the Appropriations Committee
15 and I'm just one with a couple of Latinos on the
16 Appropriations Committee and minorities and the
17 fact of life is that, whatever is left over, if we
18 have anything left over, then the territories can
19 be considered when, in fact, they are all American
20 citizens. The only time the territories are
21 treated equally, you know when that is? When
22 there is a war. They take from the territories as

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1 much as they take from the states.

2 I know I didn't answer the question the
3 way you wanted to hear it. It's a battle we keep
4 fighting.

5 MS. OLSON: Anybody else who has a
6 question here?

7 MR. WHITE: I'm not sure I have a
8 question. Actually, I was appointed a little over
9 a month ago to be on the Taxpayer Advocacy Panel
10 (TAP) Committee. I'm a Taxpayer Advocacy volunteer
11 charged with helping to improve IRS Forms and
12 publications in New York State and to outreach to
13 people in New York State, to help find answers to
14 your questions, your complaints about forms and
15 publications other than the fact that I can't
16 understand them either. Having only been on the
17 panel for maybe a month now, I'll just tell you
18 somethings that I have noticed about them.

19 One, in terms of what you discussed
20 about digital versus non-digital. I find they are
21 written for both and those are two very different
22 ways of drafting and I'm not sure if it's a

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1 resource problem or not but you can do a lot more
2 things digitally than you can do in writing and,
3 of course, I'm not sure that many people can read
4 them when they are in paper.

5 In terms of access, you know, I've heard
6 it from the month I've been involved as I had to
7 contact local taxpayer advocates in different
8 parts of the states. And, in Buffalo and Albany I
9 hear having no paper is a real problem for them in
10 rural areas as it is with seniors and for people
11 who don't have computers or phones. So, it is
12 just limited to here it is throughout. And one
13 thing I was really surprised about in terms of
14 having less community offices. In Buffalo, a
15 local taxpayer advocate, I asked what area she
16 covers and figured Buffalo and it's surrounding
17 areas. Well, actually it's everything but the
18 capital district around Albany is her area. That's
19 a lot of space.

20 So, it is a real problem from a
21 budgetary standpoint that I'm sure Ms. Olson lives
22 with it every day. But, anyway, I'd love to have

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1 any questions about publications, forms, or if you
2 want to improve them, you can write me, e-mail me
3 at tapnybw@gmail.com and I'll be happy to review
4 them, pass them along and get back to you.

5 Thank you.

6 MS. OLSON: So, just to clarify, the IRS
7 and actually the Taxpayer Advocate Service has
8 what's called a Federal Advisory Committee, formed
9 under the Federal Advisory Committee Act, which is
10 the Taxpayer Advocacy Panel and it's composed of
11 one member from each state and an international
12 member and I believe we have somebody from Puerto
13 Rico.

14 CONGRESSMAN SERRANO: We do.

15 MS. OLSON: We do, there you go, see,
16 see.

17 CONGRESSMAN SERRANO: It's your taxes.

18 MS. OLSON: But they are charged to
19 advise the National Taxpayer Advocate and the
20 Commissioner and the Secretary on matters of
21 taxpayer service dealing with individual and small
22 business taxpayers and this is your representative

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1 from New York State and I would say, once a year
2 we go out for applicants. So, keep your eyes
3 open, check the Taxpayer Advocate Service website
4 if you are interested in serving. It is a
5 volunteer position but we would love people from
6 this community.

7 MR. QUINONES: I want to say something
8 in defense of the IRS publications. They are an
9 excellent sleeping aid.

10 MR. TEJEDA: I have one other question
11 about providing the free services to -- I think we
12 went up to three percent of the Earned Income
13 Credit filers in New York City. We would like to
14 see if the IRS -- Does the IRS send notices out
15 about -- to Earned Income Credit Recipients in New
16 York about the fact that we have in New York City
17 free tax prep?

18 MS. OLSON: To my knowledge, no. What
19 they have for their VITA Programs is a phone line
20 that you can call in and we called and had a very
21 hard time finding sites and hours and I don't even
22 think there is an online look up, is there?

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1 MS. SEPTIMO: There is.

2 MS. OLSON: There is an online lookup.

3 CONGRESSMAN SERRANO: Is there something
4 to a suggestion that they communicate -- they'd be
5 proactive.

6 MS. OLSON: I'm writing it down.

7 CONGRESSMAN SERRANO: Thank you.

8 MR. TEJEDA: That, frankly, they'd reach
9 out to the recipients from this year for next year
10 sending out that they have this service in your
11 community.

12 MS. OLSON: Great.

13 CONGRESSMAN SERRANO: You know, not all
14 regions present a problem. I'll tell you very
15 quick. I'm the King of, some people know this, of
16 this, unimportant information, but somewhat
17 fun, I think. In the early days the Latino
18 Community was concentrated heavily on the West and
19 South Coast, in the northeast was Puerto Ricans
20 and then Cubans in Miami but small amounts. So,
21 when they came to create regions for this or that
22 they created a region always that was New York,

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1 Puerto Rico, of course, and the Virgin Islands.
2 So, that was like the greatest shock in the world.
3 "Oh, I'm going to the other part of my region,
4 Puerto Rico, for a week. See you guys when I come
5 back in December, you know, whatever and that
6 happened.

7 The other thing I learned too, recently,
8 and maybe you can tell me if this is true, just as
9 a tidbit of unimportant information. I found out
10 and I hope this wasn't somebody playing with my
11 feelings for baseball, that baseball players have
12 to file taxes, file forms in every state that they
13 play in during the season. Is that correct, Ms.
14 Olson?

15 MS. OLSON: Yes, that's state law.

16 CONGRESSMAN SERRANO: So that file must
17 look this big (indicated). Of course, when you
18 are making fifty million a year, I'll file for
19 you.

20 MS. OLSON: I want to thank you all for
21 coming. Thank you very much. This has been
22 recorded and we are going to be posting the

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1 transcript online. It takes a while to go through
2 everything. But thank you very much for coming.
3 I've got lots of notes and I really want to thank
4 all of the panelists and particularly Congress
5 Serrano. Thank you much.

6 CONGRESSMAN SERRANO: You're welcome.

7 MS. OLSON: And your fabulous staff.

8 CONGRESSMAN SERRANO: I want to thank
9 your fabulous staff for being fabulous. I want to
10 thank my District Director, Amanda Septimo, who is
11 in the back and my longtime friend and associate
12 Anthony Jordan who is with us.

13 And I tell you, let's be honest, you
14 don't have a job that has something other than
15 what a lot of people consider a dry subject.
16 That's a fact of life but, somehow, we made this
17 today and you helped make this today interesting
18 and I want the folks who came here to take this
19 information and share it. It's a fact of life,
20 taxes are just a fact of life. We know those
21 two things you are supposed to do before you leave
22 this earth, right, or at the time you leave this

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1 earth. We have to do a couple of things, first of
2 all, we at the committee level, are trying very
3 hard to get the IRS the resources necessary to go
4 after the people who are abusing people. People
5 who don't care the way you do and who attack, in
6 many cases, either folks who don't speak English
7 or folks who come from societies where you are
8 supposed to be afraid of the (Spanish) federal
9 government and we all know about that.

10 So, we will continue to fight this
11 issue. This is the kind of information that I wish
12 other agencies were willing to give us all the
13 time and, you know, I will make sure that the
14 committee knows that you are doing this and you
15 did it in our community. Thank you so much.

16 (Time noted 4:50 p.m.)

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1 C E R T I F I C A T E

2 STATE OF NEW YORK)

3)

4 ss: COUNTY OF NEW YORK)

5 I, MARIAN PENDER O'NEILL, a Notary
6 Public for and within the State of New York, do
7 hereby certify that the within is a true and
8 accurate transcript of the proceedings taken on
9 March 18, 2016.

10 I further certify that I am not related
11 to any of the parties to this action by blood or
12 by marriage, and that I am in no way interested in
13 the outcome of this matter.

14 IN WITNESS WHEREOF, I have hereunto set
15 my hand this day of April, 2016.

16

17

18

19 <%Signature%>

20 MARIAN PENDER O'NEILL

21

22