

VI. SYSTEMIC ADVOCACY

A. Tracking Recommendations Made in the National Taxpayer Advocate's Annual Reports to Congress

Each year, the National Taxpayer Advocate puts forth numerous recommendations in the Annual Report to Congress to improve tax administration for taxpayers and the IRS. These recommendations play an important role in TAS's efforts to resolve systemic problems. Our work in these areas does not end when we publish the Annual Report. In addition to TAS's ongoing advocacy efforts, SA tracks TAS's recommendations and the IRS's subsequent actions, and for each Annual Report develops a "report card" of recommendations and responses. These report cards are an effective means of measuring and monitoring TAS's ability to effect change. Figure 1 details the status of the National Taxpayer Advocate's Annual Report recommendations over the past six years.

FIGURE 1, ANNUAL REPORT TO CONGRESS RECOMMENDATIONS AND ACCEPTANCE RATE

ARC Recommendations ¹	2007	2008	2009	2010	2011	2012 ²
Total Number of Recommendations Made to the IRS	205	67	92	92	120	134
Number of Recommendations Accepted or Acted Upon by IRS	123	36	56	47	60	TBD
Percentage of Recommendations Accepted or Acted Upon by IRS	60%	54%	61%	51%	50%	TBD

Because TAS's recommendations sometimes require the IRS to change its approach to issues, processes, or procedures, IRS acceptance may take time. Over time, the IRS may change its initial position or Congress may act to force the IRS to adopt a recommendation. For example, the IRS initiated changes to return preparer regulation, cancellation of debt, identity theft, and many other policies several years after TAS made recommendations specific to these areas.

After TAS publishes the Annual Report to Congress, the National Taxpayer Advocate submits a memorandum to the Commissioner of Internal Revenue, transmitting the formal recommendations. This memorandum triggers the statutory requirement that the Commissioner respond within 90 days.³ Systemic Advocacy develops and issues a quarterly open recommendations report that allows the National Taxpayer Advocate and Executive Director, SA to monitor outstanding Annual Report to Congress recommendations and seek resolution with IRS executives. The first such report was issued November 30, 2012 to TAS

1 Data reported on a calendar-year basis. 2007, 2008, and 2011 each have one congressional recommendation, 2010 has two, and 2012 has nine congressional recommendations that are not included in the total number of recommendations to the IRS.

2 The number of 2012 recommendations accepted or acted on by the IRS and the percentage of recommendations accepted are not yet available. The 2012 recommendations were formally transmitted to the IRS February 14, 2013. TAS is negotiating with IRS on which responses constitute acceptance.

3 IRC § 7803(c)(3).

leadership as well as the operating divisions' leadership. Since SA moved to SharePoint and began issuing this report, 32 recommendations have been closed or updated.

B. Systemic Advocacy Piloting New Measures

The National Taxpayer Advocate approved a new set of systemic measures for FY 2013, replacing older ones that focused more narrowly on the quality scores of Advocacy Projects. TAS uses a variety of approaches to address systemic issues, and these new measures and indicators more broadly reflect this range of advocacy activities.

These new measures include:

- *Annual Report to Congress Most Serious Problem (MSP) Recommendations Accepted by IRS* – This measure tracks the percentage of total Annual Report to Congress recommendations accepted by the IRS each year in the Annual Report to Congress.
- *Annual Report to Congress Legislative Recommendations acted on by Congress within a four-year period* – Here TAS measures the outcome of the National Taxpayer Advocate's Legislative Recommendations in the Annual Report to Congress. Significant Congressional action on the Legislative Recommendations may include enacting a law, introducing legislation, holding hearings or even sending correspondence to the Secretary of the Treasury or the Commissioner.
- *Internal Management Documents/Single Point of Contact (IMD/SPOC)⁴ Recommendations Accepted* – This measure tracks the acceptance by the IRS of TAS's recommendations to change procedural instructions to staff and TAS recommendations to improve products used by taxpayers (*e.g.*, tax forms, IRS publications, notices and so forth).
- *Accuracy of Closed Advocacy Projects* – This measure tells how well TAS is working its projects. It is a composite of many elements, including technical competence in identifying the systemic issue and the proposed remedy, timely actions, and taxpayer communications.
- *Satisfaction of Systemic Advocacy Management System (SAMS) Users* – This measure is based on a survey of people that have submitted a potential systemic issue using SAMS. The survey measures items the SAMS ease of use, easy to follow instructions and overall satisfaction.

Systemic Advocacy is tracking these new measures during FY 2013, and where needed, developing the reporting structure for capturing the data. TAS will assess whether the measures are meeting the goal of providing a view of the effectiveness of TAS's systemic

⁴ Internal Management Documents (IMDs) are "the official communications that designate authorities and disseminate [guidance] to officials and employees that constitute 'instructions to staff.'" See IRM 1.11.1.1, *Categories of Documents*, for specific types of IMD documents. The Tax Administration Council approved the creation of a Single Point of Contact (SPOC) in the Operating Divisions (ODs) and TAS. The SPOC works internally with TAS.

advocacy efforts, and will modify them if needed. FY 2013 will serve as a baseline year for the new measures, and TAS will set targets for improvement in FY 2014.

C. TAS Provides Oversight and Support for the Taxpayer Advocacy Panel Program

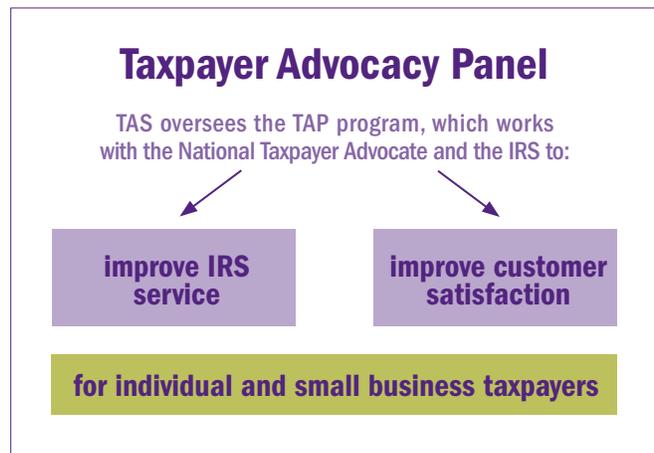
The Taxpayer Advocacy Panel (TAP) is a Federal Advisory Committee established by the Department of the Treasury to provide a taxpayer perspective on improving the IRS.⁵ The TAP focuses primarily on issues that fall within the jurisdiction of the Wage and Investment and Small Business/Self Employed operating divisions. TAS supports the TAP program, which works with the National Taxpayer Advocate and the IRS to improve IRS service and customer satisfaction for individual and small business taxpayers.

The TAP organization, which previously reported directly to the National Taxpayer Advocate, began reporting to the TAS Executive Director of Systemic Advocacy in FY 2012. This realignment and additional refinements of procedures in FY 2013 resulted in better support of the TAP program by creating more opportunities for Systemic Advocacy's involvement in addressing issues identified

and elevated by TAP members. Each TAP project committee benefits from the additional support available from Systemic Advocacy analysts serving as subject matter experts and assisting with research and data builds. The TAP staff also collaborates with Systemic Advocacy to evaluate issues better, perform detailed research and data building, and work on "hot" issues as they arise.

The TAP and Systemic Advocacy staff identified several activities to complete in the coming year to solidify the TAP restructuring and to support the TAP program, TAS Strategic Goals and Operational Priorities. These include TAP staff:

- Working with TAP leadership, TAS, and the IRS Office of Chief Counsel to create bylaws for administration of the TAP program;
- Preparing an Internal Revenue Manual section describing the various operating procedures of the TAP;



⁵ The Federal Advisory Committee Act (FACA) (5 U.S.C. Appendix) prescribes standards for establishing advisory committees when those committees will furnish advice, ideas, and opinions to the federal government. See also 41 C.F.R. Part 102-3.

- Revising the TAP charter, up for renewal in March 2014, to address the changes and refocus in the TAP program; and
- Establishing performance measures for the TAP program based on its charter and mission.

Through these actions, the TAP staff will support the TAP in its objective to provide a taxpayer's perspective to improving IRS customer service and satisfaction.

In response to requests from U.S. citizens living abroad, and to gain a better understanding of the issues facing international taxpayers, TAS is recruiting at least one member to represent international taxpayers. For these purposes, "international taxpayers" are broadly defined to include U.S. citizens working, living, or doing business abroad or in a U.S. territory. The new international member will not be required to attend any face-to-face meetings and will not be reimbursed for such expenditures if he or she chooses to attend. The international member will join the panel in December 2013, along with approximately 25 other new TAP members selected to replace approximately one-third of the members retiring after completing their three-year terms.