



YOUR VOICE AT THE IRS

Taxpayer Advocate Service Changes Case Acceptance Criteria

The Taxpayer Advocate Service (TAS) is temporarily limiting its acceptance of cases when the taxpayer's problem involves an IRS delay in processing certain tax documents. If the taxpayer is not currently facing an imminent threat of enforcement action or otherwise experiencing situations that meet the definition of an economic burden,¹ TAS will refer the taxpayer to the appropriate IRS function specializing in return processing issues, rather than accepting the problem as a TAS case.

Effective October 1, 2011, TAS will generally no longer accept cases that only involve processing delays for the following issues:

- Original Returns;
- Unpostable/Reject Returns;
- Amended Returns; and
- Injured Spouse Claims.

As outlined in the National Taxpayer Advocate's [Fiscal Year 2011 Objectives Report](#)² and [Fiscal Year 2012 Objectives Report](#),³ TAS previously accepted cases before the IRS had the opportunity to work directly with the taxpayer to resolve the issue. In the current federal budget environment, it has become clear that TAS will not have the resources to continue to handle its current inventory levels without adverse impact on its ability to provide effective and timely service. For that reason, we have been considering how to prioritize cases to ensure we can provide effective service to taxpayers who most need our assistance or whom TAS is best suited to assist.

Most TAS cases fall into one of two general categories: (1) Economic Burden cases (TAS Criteria 1-4) and (2) Systemic Burden cases (TAS Criteria 5-7).⁴

¹ Criteria 1 – The taxpayer is experiencing economic harm or is about to suffer economic harm; Criteria 2 – The taxpayer is facing an immediate threat of adverse action; Criteria 3 – The taxpayer will incur significant costs if relief is not granted (including fees for professional representation); Criteria 4 – The taxpayer will suffer irreparable injury or long-term adverse impact if relief is not granted.

² National Taxpayer Advocate FY 2011 Objectives Report to Congress 75-76.

³ National Taxpayer Advocate FY 2012 Objectives Report to Congress V-1.

⁴ Criteria 5 – The taxpayer has experienced a delay of more than 30 days to resolve a tax account problem; Criteria 6 – The taxpayer has not received a response or resolution to the

TAS will continue to accept all Economic Burden cases. Effective October 1, 2011, however, TAS generally will not accept the following types of inquiries that fall within Systemic Burden Criteria 5-7:

- Processing of Original Returns;
- Unpostable/Rejected Returns;
- Processing of Amended Returns; and
- Injured Spouse Claims.

In these four categories of cases, processing delays typically arise either because the affected functions are overloaded with work or because of systemic processing glitches. Assuming these processing delays do not create an economic burden, TAS's role is typically limited to contacting the appropriate IRS function to advocate for resolution of the taxpayer's problem, providing updates to taxpayers, and looking for patterns of delay to identify systemic problems. TAS will no longer accept these four categories of cases, at least temporarily, so we can focus our limited resources on Economic Burden cases and on Systemic Burden cases where we play a more direct role in affecting the outcome.

The following examples illustrate these guidelines:

Example 1, Single-Issue Systemic Burden Inquiry:

Facts: The normal processing time for Form 1040X, *Amended U.S. Individual Income Tax Return*, is approximately eight to 12 weeks. The taxpayer filed 2010 Form 1040X more than four months ago expecting a refund and has no other outstanding issues with examination or collection. Because of the IRS delay in processing the amended return, the taxpayer's circumstances meet TAS Criteria 5. Under the new guidelines, TAS will refer the taxpayer to the appropriate IRS function for resolution and will not create a TAS case.

Example 2, Systemic Burden Inquiry Referred by Congressional Office:

Assume the same facts as in Example 1, except that the case has been referred by a congressional office. TAS will accept the inquiry as a TAS case.

Example 3, Systemic Burden Inquiry Affecting Other Tax Issues:

Assume the same facts as in Example 1, except that the taxpayer has an outstanding balance for tax year 2009 and has been receiving IRS collection notices. The taxpayer's expected refund would fully pay the balance due and leave the taxpayer with a small refund. TAS will accept the taxpayer's inquiry and establish a TAS case because facilitating the processing of the amended return will resolve an open collection issue.

problem or inquiry by the date promised; and Criteria 7 – A system or procedure has either failed to operate as intended, or failed to resolve the taxpayer's problem or dispute within the IRS.