

Objective 2 for FY 2025 – TAS will continue to advocate for improvements in IRS employee hiring, recruitment, retention, and training processes.

- Activity 1: Review and analyze the IRS FY 2025 hiring and recruitment strategies and propose suggestions on improving recruitment efforts and speeding up the pace of hiring.
- Activity 2: Collaborate with hiring and training subject matter experts within each of the IRS's Business Operating Divisions in FY 2025 to gain direct insight from HCO customers to identify current hurdles and inefficiencies in IRS hiring, recruitment, and training processes.
- Activity 3: Work with IRS HCO to develop potential employee retention strategies and recommendations in FY 2025 to reduce the overall turnover rates of employees.

3. ENHANCE IRS TRANSPARENCY BY IMPROVING APPLICABLE TECHNOLOGY, SUFFICIENTLY EXPLAINING MODERNIZATION PROGRESS, AND PROVIDING STRAIGHTFORWARD GUIDANCE ON TAX LAW

“Transparency” is the government’s obligation to share with citizens the information they need to make informed decisions and hold officials accountable for the conduct of the people’s business. For the IRS, this means providing taxpayers, tax professionals, industry, and other stakeholders with all the information to which they’re entitled, when they need it, in an accessible, clear, and sufficiently detailed way. It is imperative that the IRS be transparent, impartial, fair, and consistent to maintain its integrity. And to preserve the trust and confidence of taxpayers, it is imperative that tax administration remain independent and insulated from partisan influence, allowing it to operate in a manner that promotes the best interests of the taxpayers and the nation as a whole. The IRS has made progress recently in key areas relating to transparency, including phone service, clarification of certain notices and letters, and improvements to online accounts. Despite these advances, taxpayers and tax professionals still report difficulties communicating effectively with the IRS.²⁰

Many of the IRS’s plans to improve transparency rely on updating the agency’s technology.²¹ Technology modernization would provide “taxpayers with instant account updates, faster refund processing and payment posting, and near real-time status updates”²² as well as give IRS CSRs the streamlined access to taxpayer data they need to respond to taxpayer questions with specificity and detail.²³ However, GAO has reported that the IRS still needs to finish developing its plans on technology modernization and that the IRS may be at risk of “cost overruns, schedule delays, and overall project failure.”²⁴ Additionally, as the IRS’s modernization of technology involves the implementation of artificial intelligence (AI), such as in existing voicebots and chatbots, the IRS must remain transparent about its use of AI, particularly as those uses affect taxpayer rights and data privacy.²⁵

20 See, e.g., 2023 IRS Nationwide Tax Forums TAS Focus Groups, IRS Transparency (Oct. 2023).

21 See, e.g., IRS, Pub. 3744-A, 2024 IRA Strategic Operating Plan Annual Update Supplement 27 (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744a.pdf> (“Modernizing the IRS IT environment underpins all of the service and enforcement improvements described in this update.”).

22 IRS, Pub. 4450, IRS Fiscal Year 2025 Congressional Budget Justification & Annual Performance Report and Plan 5 (Feb. 2024), <https://home.treasury.gov/system/files/266/02.-IRS-FY2025-CJ.pdf>.

23 See IRS, Pub. 3744-A, 2024 IRA Strategic Operating Plan Annual Update Supplement 18 (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744a.pdf>.

24 GAO, GAO-24-106566, *Information Technology: IRS Needs to Complete Planning and Improve Reporting for Its Modernization Programs* 12-13 (2024), <https://www.gao.gov/products/gao-24-106566>.

25 See OMB, Memorandum No. M-24-10, *Advancing Governance, Innovation, and Risk Management for Agency Use of Artificial Intelligence* 24-25 (2024), <https://www.whitehouse.gov/wp-content/uploads/2024/03/M-24-10-Advancing-Governance-Innovation-and-Risk-Management-for-Agency-Use-of-Artificial-Intelligence.pdf>.

Technology is not the only area of concern for IRS transparency. The IRS must be proactive in issuing guidance on tax law that is clear and timely and that adequately reflects input from stakeholders while fully complying with the notice-and-comment requirements of the Administrative Procedure Act.²⁶ As the IRS continues to implement its Strategic Operating Plan (SOP), it needs to provide stakeholders with meaningful updates on its progress without overstating successes or minimizing setbacks. These updates must include performance metrics and specific deadlines that objectively report progress toward all initiatives in the SOP, not just modernization efforts the IRS currently prioritizes.²⁷

Objective 3 for FY 2025 – TAS will continue to advocate for the IRS to be fully transparent and provide specific details on its progress toward implementing the SOP, including its efforts to modernize technology and strategically implement AI, and to produce clear and timely guidance and information to taxpayers, tax professionals, industry, and other stakeholders.

- Activity 1: Make recommendations through TAS’s cross-functional working groups, the IRS Advisory Counsel, public speeches, blogs, Reports to Congress, and other avenues that the IRS be transparent when providing updates on its plans for modernization and its progress toward meeting modernization initiatives.
- Activity 2: Review IRS uses of AI to ensure that they comply with government-wide standards on taxpayer rights and data privacy through membership on the Data and Analytics Strategic Integration Board, the AI Assurance Team, or other cross-functional groups involved in AI oversight.
- Activity 3: Conduct listening sessions and other forms of outreach with external stakeholders to identify areas in which the IRS has not provided taxpayers with guidance and information that is timely and clear and that adequately incorporates stakeholder feedback. Use internal meetings, blogs, and Reports to Congress to advocate for the IRS to promptly address these issues.

4. IMPROVE TAXPAYER ACCESS TO TELEPHONE AND IN-PERSON ASSISTANCE

When taxpayers need IRS assistance filing and paying their federal taxes, two of the primary service channels they use are calling telephone lines and seeking in-person assistance at Taxpayer Assistance Centers (TACs).²⁸ The IRS reports its performance assisting callers on the telephone lines using a metric called Level of Service (LOS), which fails to measure several industry standard factors such as:

- Satisfaction (whether the customer is satisfied with service received);
- Confidence/trust (whether the interaction increased confidence in the federal program/service or the ability to serve its relevant population);
- Effectiveness/quality (whether the customer’s need was addressed or issue was resolved);
- Ease/simplicity (whether it was easy to complete what needed to be done);
- Efficiency/speed (whether it took a reasonable amount of time to complete what needed to be done);

26 5 U.S.C. §§ 551-559. See National Taxpayer Advocate 2023 Annual Report to Congress 176-177 (Most Litigated Issues: *Litigation Trend: Challenges Concerning the Administrative Procedure Act*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/02/ARC23_MostLitigatedIssues.pdf.

27 The IRS’s 2024 SOP update and update supplement both present arguments for why the IRS has been successful so far in its modernization efforts, but neither attempts to comprehensively describe IRS progress toward all initiatives in the SOP. See IRS, Pub. 3744-A, 2024 IRA Strategic Operating Plan Annual Update Supplement (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744a.pdf>; IRS, Pub. 3744-B, 2024 IRA Strategic Operating Plan Annual Update (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744b.pdf>.

28 See IRS, Service to Taxpayers (Mar. 13, 2023), <https://www.irs.gov/statistics/service-to-taxpayers>.