

Taxpayer Rights and Service Assessment: IRS Performance Measures and Data Relating to Taxpayer Rights and Service

INTRODUCTION

The Taxpayer Rights and Service Assessment provides the IRS, Congress, and other stakeholders with a “report card” to measure how the agency protects and advances taxpayer rights and service while driving tax compliance. This report card frames the discussion within the context of the Taxpayer Bill of Rights (TBOR) and may indicate where shifting resources impact the IRS’s ability to robustly adhere to the TBOR in practice and provide a high level of taxpayer service.¹

The Taxpayer Bill of Rights Celebrates Ten Years Since IRS Adoption – But There’s More Work to Do

On June 10, 2014, in response to concerns raised by the National Taxpayer Advocate, the IRS formally adopted the TBOR as “a cornerstone document to provide the nation’s taxpayers with a better understanding of their rights.”² The IRS updated its Publication 1, *Your Rights as a Taxpayer*, a document routinely included in IRS correspondence and issued to millions of taxpayers each year, to prominently showcase the TBOR.³ In 2015, again in response to urging from the National Taxpayer Advocate, Congress acted to further recognize the fundamental import of these rights by codifying the TBOR into IRC § 7803(a)(3).⁴

FIGURE 1.2.1

Publication 1

Your Rights as a Taxpayer

This publication explains your rights as a taxpayer and the processes for examination, appeal, collection, and refunds. Also available in Spanish.

The Taxpayer Bill of Rights

- 1. The Right to Be Informed**
Taxpayers have the right to know what they need to do to comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. They have the right to be informed of IRS decisions about their tax accounts and to receive clear explanations of the outcomes.
- 2. The Right to Quality Service**
Taxpayers have the right to receive prompt, courteous, and professional assistance in their dealings with the IRS, to be spoken to in a way they can easily understand, to receive clear and easily understandable communications from the IRS, and to speak to a supervisor about inadequate service.
- 3. The Right to Pay No More than the Correct Amount of Tax**
Taxpayers have the right to pay only the amount of tax legally due, including interest and penalties, and to have the IRS apply all tax payments properly.
- 4. The Right to Challenge the IRS's Position and Be Heard**
Taxpayers have the right to raise objections and provide additional documentation in response to formal IRS actions or proposed actions, to expect that the IRS will consider their timely objections and documentation promptly and fairly, and to receive a response if the IRS does not agree with their position.
- 5. The Right to Appeal an IRS Decision in an Independent Forum**
Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including many penalties, and have the right to receive a written response regarding the Office of Appeals' decision. Taxpayers generally have the right to take their cases to court.
- 6. The Right to Finality**
Taxpayers have the right to know the maximum amount of time they have to challenge the IRS's position as well as the maximum amount of time the IRS has to audit a particular tax year or collect a tax debt. Taxpayers have the right to know when the IRS has finished an audit.
- 7. The Right to Privacy**
Taxpayers have the right to expect that any IRS inquiry, examination, or enforcement action will comply with the law and be no more intrusive than necessary, and will respect all due process rights, including search and seizure protections, and will provide, where applicable, a collection due process hearing.
- 8. The Right to Confidentiality**
Taxpayers have the right to expect that any information they provide to the IRS will not be disclosed unless authorized by the taxpayer or by law. Taxpayers have the right to expect appropriate action will be taken against employees, return preparers, and others who wrongfully use or disclose taxpayer return information.
- 9. The Right to Retain Representation**
Taxpayers have the right to retain an authorized representative of their choice to represent them in their dealings with the IRS. Taxpayers have the right to seek assistance from a Low Income Taxpayer Clinic if they cannot afford representation.
- 10. The Right to a Fair and Just Tax System**
Taxpayers have the right to expect the tax system to consider facts and circumstances that might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from the Taxpayer Advocate Service if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through its normal channels.

The IRS Mission | Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

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IRS adoption of the TBOR represents an important step for the IRS and taxpayers, as it communicates the IRS's commitment to keeping taxpayer rights – and by extension taxpayer service – as a driving principle of tax administration. Since TBOR adoption, the IRS has incorporated TBOR guidance and references within nearly every chapter of the Internal Revenue Manual, established an IRS.gov TBOR page, and provided IRS employees with annual training regarding taxpayer rights and the role of the Office of the Taxpayer Advocate as required by statute.⁵

TAS welcomes the IRS's ongoing promotion of the TBOR and its application to daily IRS work, but we can do more. The IRS is currently advancing an ambitious range of initiatives to “better serve taxpayers and tax professionals.”⁶ During this potentially transformative moment in taxpayer service, the IRS must continue to position the TBOR at the forefront of its efforts and embrace this opportunity to incorporate it into its decision-making process.

With Additional Funding Comes Additional Responsibility

Diminished funding was a recurrent obstacle to the IRS incorporating the TBOR into its service delivery. With its inflation-adjusted budget appropriation declining by about 20 percent between fiscal years (FYs) 2010-2021, the agency struggled to meaningfully put the TBOR into effect without the necessary funding to deliver on that commitment.⁷ The IRS strained to maintain and improve the *right to quality service*.

In August 2022, however, Congress provided multiyear funding, appropriating billions of dollars in additional IRS support.⁸ This funding allows the IRS to implement much-needed service improvements, and in April 2023, the IRS presented its Strategic Operating Plan (SOP) that communicates how it intends to use the multiyear funds to deliver notable improvements to tax administration with a strong emphasis on the taxpayer service experience.⁹ In April 2024, the IRS presented the first annual update to its SOP, reporting on key improvements made during its first year of the multiyear funding, such as improvements to live assistance for taxpayers, reduced call wait times, expanded online services, and simplified taxpayer notice initiatives.¹⁰

The National Taxpayer Advocate recognizes, supports, and applauds the IRS embracing this moment to improve taxpayer service, but taxpayer service and taxpayer rights are two sides of the same coin, and the opportunity afforded by the multiyear funding comes with a responsibility to ensure that it protects taxpayer rights. Yet, sadly, neither the IRS SOP nor the 2024 update report mention or cite to the TBOR.

The IRS is unquestionably working hard to improve service for taxpayers, but now is a critical moment to reflect and refocus attention on the TBOR. It must consider these questions as it implements improvements:

1. How might new initiatives and technological applications, for instance, affect taxpayer rights?
2. Will these new initiatives and applications raise new risks to the taxpayer *rights to privacy or confidentiality*?
3. Will adjustments to the IRS's enforcement approach protect the taxpayer *right to a fair and just tax system*?
4. Are there processes that look appealing from an administrative perspective but might come at a cost to taxpayer rights?¹¹
5. Is the IRS considering new metrics to more meaningfully measure the quality of service taxpayers receive?

The initiatives put forth in the SOP are expansive and welcome, but employing the TBOR as a core tenet of its decision-making process would focus this ambitious multi-part plan by grounding it around a vitally important and fundamental premise – taxpayer rights.

TAXPAYER SERVICE: TAX RETURN PROCESSING

The TBOR comes into play every time a taxpayer interacts with the IRS, and nearly every taxpayer interaction is either directly or indirectly linked to the filing of a tax return. Tax return processing is a fundamental IRS service, and return filing metrics are an important measure of IRS workload and taxpayer service. For many taxpayers, preparing and timely filing a tax return comes with some level of cost and effort. Once they have filed, however, taxpayers expect the IRS to follow through on its end of the bargain – by timely processing the return. When taxpayers experience processing delays, their confidence in the tax system may waver, their frustration may grow, and their likelihood of future compliance may lessen. For taxpayers who are in critical need of their refunds to cover rent, food, or other essential living costs, this core function is more than an abstract process discussed in government reports. The IRS can analyze processing metrics, but taxpayers *feel* processing delays and experience the profound impact on their *rights to quality service* and *to a fair and just tax system*.

The IRS’s projected number of tax returns filed in FY 2024 is tapering slightly after a rise to over 271 million tax returns (including supplemental documents such as extensions to file federal income tax returns) received in FY 2023, but receipts are still high, and taxpayers filed over ten million of the projected FY 2024 individual returns on paper. Paper return processing is challenging for the IRS and sometimes leads to long delays and frustrating backlogs.¹² In 2023, the IRS announced a paperless processing initiative, indicating that by the 2025 filing season it would digitally process all paper-filed tax returns, a laudable – if too ambitious – goal.¹³ As the IRS continues to explore new remedies and processing options, it must thoughtfully balance its resources between implementing strategies to mitigate backlogs and assisting taxpayers and tax professionals with filing season issues and questions when they encounter delays. Importantly, it should utilize the TBOR to guide that development and its efforts to balance the workload.

FIGURE 1.2.2, Income Tax Returns and Information and Reporting Documents Filed, FYs 2022-2024

Measure/Indicator	FY 2022	FY 2023	FY 2024
Returns Filed (Primary Types) ¹⁴	262,830,692	271,462,415	266,597,200
Total Individual Income Tax Returns ¹⁵	160,577,401	163,124,867	162,315,300
Total Individual Income Tax Returns Filed on Paper ¹⁶	12,152,399	15,159,438	10,637,900
Total Individual Income Tax Returns Filed Electronically ¹⁷	148,425,002	147,965,429	151,677,400
Free File Consortium (Tax Year) ¹⁸	2,449,458	2,437,000	2,569,472
Fillable Forms (Tax Year) ¹⁹	645,049	449,653	399,181
Total Corporation Income Tax Returns ²⁰	7,783,235	8,269,075	8,398,800
Total Corporation Income Tax Returns Filed on Paper ²¹	1,155,810	1,356,072	1,144,900
Total Corporation Income Tax Returns Filed Electronically ²²	6,627,425	6,913,003	7,253,900
Total Forms W-2 ²³	270,096,597	278,908,239	283,865,800
Total Forms 1099 ²⁴	4,729,269,709	4,669,826,769	5,431,361,600

Observation: The total number of individual and corporation income tax returns filed electronically remains high. The number of projected FY 2024 paper filed individual returns fell by nearly a third from the number filed in FY 2023. Electronically filed returns now account for over 93 percent of individual filings and approximately 86 percent of corporation filings in FY 2024 (note that FY 2024 return counts are projected numbers). The increase in electronic filings is a positive development for tax administration. The sheer number of Forms W-2 and 1099 submitted is astronomically high, and information forms are anticipated to substantially increase in the future with the additional reporting requirements on Forms 1099-K and 1099-DA.

TAXPAYER SERVICE: EXAMINATION AND COLLECTION

IRS examination and collection action can inherently lead to taxpayer anxiety, which may increase if taxpayers perceive the process as prolonged or biased. The perception of equitable IRS treatment across all taxpayer populations is important; it promotes tax compliance and supports the *right to a fair and just tax system*. The IRS has been vocal about its use of multiyear funding to address perceived imbalances in audit selection, and this is good for promoting a sense of tax parity.²⁵ New approaches, however, can bear inadvertent results, and shifts in process require regular assessment to identify impacts to taxpayer rights. The IRS, for example, is piloting the use of artificial intelligence (AI) to select large partnerships for audit.²⁶ AI may be a useful tool in accurately targeting for audit selection, but without careful and transparent review, automated systems could operate with unintended biases.²⁷ Stanford University’s 2023 report identifying racial disparities linked to aspects of the IRS’s examination selection algorithm is one example of unintended bias, and it highlights the necessity for transparent program reviews to mitigate threats to taxpayer rights and foster confidence that the IRS is applying tax laws fairly.²⁸ AI will provide efficiencies, but the IRS must be cautious how it uses it.

AI and improved technology will not preclude the need for the IRS to hire, train, and retain employees with the necessary skills to implement its new examination initiatives. As the IRS hires new employees to support proposed enforcement initiatives, it must adequately train them to perform their duties, upgrade its training for existing employees, and ensure that training includes guidance on recognizing, understanding, and integrating a respect for taxpayer rights into the essential work they perform.²⁹ Training will be key in the IRS’s ability to be transformational for future examination and collection activities. Developing these skills and experience will not occur overnight. The IRS needs to invest long term in its employees to improve the taxpayer experience. Implicit in the taxpayer *right to quality service* is that examination and collection activities respect all provisions of TBOR.³⁰

Attention to closed case resolutions can indicate whether the IRS is applying resources appropriately and/or promoting a sense of parity. A drop in FY 2024 no-change audit closures for taxpayers with total positive income under \$50,000, for instance, suggests a potential improvement in audit selection for this income group.³¹ A nearly 54 percent failure-to-respond rate, however, suggests the need for an adjustment in approach or outreach.³²

FIGURE 1.2.3, Type of Audit, Outcomes, and Time to Complete by Income, FYs 2022-2024

Measure/Indicator	FY 2022	FY 2023	FY 2024
Examination			
Total Open Audits Pending in Exam ³³	425,704	323,401	335,157
Total Closed Audits – Individual Tax Returns ³⁴	625,947	518,811	444,258
Total Positive Income (Under \$50,000)			
No-Change Rate	12.8%	11.6%	5.6%
Agreed Rate ³⁵	17.1%	16.2%	12.9%
Taxpayer Failed to Respond Rate ³⁶	44.2%	47.2%	53.7%
Average Days to Audit Completion	269.6	259.9	249.9
Average Total Exam Time (Hours) Correspondence Audits	1.4	1.5	1.5
Average Total Exam Time (Hours) Field Exams	28.8	31.3	30.0
Percent of Correspondence Audits ³⁷	91.3%	91.6%	92.4%

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Total Positive Income (Greater Than or Equal to \$50,000 and Under \$10,000,000)			
No-Change Rate	13.1%	13.1%	13.2%
Agreed Rate	40.3%	41.0%	38.3%
Taxpayer Failed to Respond Rate	21.3%	18.7%	21.9%
Average Days to Audit Completion	317.6	295.2	304.7
Average Total Exam Time (Hours) Correspondence Audits	2.3	2.7	2.8
Average Total Exam Time (Hours) Field Exams	38.2	37.4	41.1
Percent of Correspondence Audits ³⁸	72.2%	68.0%	75.1%
Total Positive Income (Greater Than or Equal to \$10,000,000)			
No-Change Rate	31.1%	36.3%	37.9%
Agreed Rate	51.5%	46.0%	44.4%
Taxpayer Failed to Respond Rate	0.2%	0.7%	0.2%
Average Days to Audit Completion	982.0	679.3	635.4
Average Total Exam Time (Hours) Correspondence Audits	7.7	8.6	7.4
Average Total Exam Time (Hours) Field Exams	110.6	115.4	116.2
Percent of Correspondence Audits ³⁹	32.2%	18.3%	15.4%

Observation: The total number of FY 2024 open audits pending in exam is tipping upward after a sharp drop in FY 2023. Closed audit numbers in FY 2024 continue to drop. Taxpayers with incomes below \$50,000 had about 92 percent of their audits conducted by correspondence, 53 percent or more failed to respond to the IRS, and roughly 13 percent agreed to the proposed adjustments. As income levels increase, the relative number of correspondence audits and failure-to-respond rates decrease, whereas the agreed rates rise.

FIGURE 1.2.4, Offers in Compromise (OICs), Installment Agreements (IAs), and the Queue, FYs 2022-2024

Measure/Indicator	FY 2022	FY 2023	FY 2024
Collection			
OICs Submitted ⁴⁰	36,022	30,163	33,591
OICs Accepted ⁴¹	28.7%	28.5%	21.3%
Individual and Business IAs ⁴²	2,383,849	2,696,963	3,403,214
IAs With Bots ⁴³	8,505	16,379	23,662
Rejected Taxpayer Requests for IAs ⁴⁴	8,800	8,625	8,155
Cases Pending Assignment (in the Queue) (Taxpayers) ⁴⁵	17.5%	22.6%	19.3%
Cases Pending Assignment (in the Queue) (Modules) ⁴⁶	24.0%	29.5%	25.9%
Age of Individual Delinquencies Pending Assignment (in the Queue) ⁴⁷	4.9 years	4.9 years	4.9 years

Observation: The percentage of accepted OICs has dropped about seven percent from FY 2023 to FY 2024 while IA submissions have increased by roughly 26 percent during the same period. The number of taxpayers in the collection queue dropped slightly in FY 2024 while the number of IAs with bots rose by about 44 percent.

TAXPAYER SERVICE: TAXPAYER-FACING COMMUNICATION CHANNELS

As the IRS continues its efforts to translate the additional funding into palpable taxpayer service improvements, it is making progress. The number of face-to-face Taxpayer Assistance Center (TAC) contacts rose to nearly two million in FY 2024. The average cycle time to work individual taxpayer correspondence between FY 2023 to FY 2024 fell by nearly 30 days. The IRS updated its Where’s My Refund? tool to provide more detailed refund status information, and the tool showed a significant increase in usage compared to FY 2023.⁴⁸ The IRS also received and answered more phone calls on its Accounts Management (AM) lines in FY 2024, and wait times went down. Improved phone service is good news for taxpayers, though the fiscal year numbers are far less dramatic than the numbers generally shared by the IRS based upon filing season data, when it reassigns more customer service representatives to handle the high volume of calls.⁴⁹ Additionally, the IRS continues to use a Level of Service (LOS) phone metric that does not account for service on all IRS phone lines and that the National Taxpayer Advocate feels does not meaningfully measure taxpayers’ phone experience.⁵⁰ Gauging taxpayer experience when advancing service initiatives is vital to determining a program’s success. The IRS should develop and transparently report on a broad range of metrics, including metrics that measure the quality of taxpayer services provided, taxpayer experience, equity, and TBOR impact. Putting TBOR at the core of this development is important as these rights are essential to the standard of service a taxpayer receives when working with the IRS, no matter the service area or communication channel.

FIGURE 1.2.5, In-Person Service, Correspondence, Telephone Service, and Online Service, FYs 2022-2024

Measure/Indicator	FY 2022	FY 2023	FY 2024
In-Person Service			
TAC Offices ⁵¹	360	363	363
Number of Face-to-Face TAC Contacts ⁵²	1.3 million	1.6 million	1.9 million
Calls to the TAC Appointment Line That Did Not Result in a Scheduled Appointment ⁵³	501,000	913,000	1,300,000
Correspondence⁵⁴			
Individual Correspondence ⁵⁵	6,950,094	6,690,427	5,639,271
Average Cycle Time to Work Individual Correspondence ⁵⁶ (Individual Master File)	207 days	139 days	110 days
Inventory Overage ⁵⁷	43.4%	63.2%	56.6%
Business Correspondence ⁵⁸	4,599,806	5,750,123	3,594,311
Average Cycle Time to Work Business Correspondence ⁵⁹ (Business Master File)	163 days	148 days	147 days
Inventory Overage ⁶⁰	57.0%	74.5%	85.1%
Telephone Service			
Total Calls to IRS ⁶¹	173,265,572	92,875,396	98,927,201
Calls Answered by IRS Employees ⁶²	21,740,474	27,257,751	30,491,251
Percentage of Calls Answered by IRS Employees ⁶³	12.5%	29.3%	30.8%
IRS LOS ⁶⁴	21.3%	51.3%	55.6%
IRS Average Speed of Answer ⁶⁵	28.6 minutes	13.3 minutes	11.7 minutes

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Practitioner Priority: Percentage of Calls Answered (LOS) ⁶⁶	16.9%	34.0%	60.1%
Practitioner Priority: Average Speed of Answer ⁶⁷	25.4 minutes	16.2 minutes	11.9 minutes
Online Service			
Visits to IRS.gov ⁶⁸	1,087,210,500	880,940,703	689,965,251
Page Views ⁶⁹	5,310,673,611	3,761,006,353	1,745,005,359
Online IAs ⁷⁰	1,858,004	2,020,102	1,150,919
Where's My Refund? Inquiries ⁷¹	447,729,355	303,133,000	382,815,000

Observation: In-person TAC visits have steadily increased between FYs 2022-2024, and individual and business correspondence inventories have fallen between FY 2023 and FY 2024. While the average individual correspondence inventory has dropped, the average business correspondence inventory continues to increase. The IRS received and answered more calls in FY 2024 than in FY 2023. The number of FY 2024 online IAs dropped by nearly 43 percent since FY 2023, and Where's My Refund? inquiries have risen about 26 percent.

TAXPAYER SERVICE: INFORMATION TECHNOLOGY

An important aspect of transforming and modernizing the IRS requires revamping its information technology. The IRS is using the multiyear funding to enhance its digital service options and IT systems. Notably, it expanded the functionality of its online platforms such as the Individual Online Account, the Business Tax Account, and the Tax Pro Account.⁷² These are welcome improvements, and the IRS should be recognized for these efforts. But to truly make these robust service options for taxpayers and tax professionals, the IRS needs to make further advancements.⁷³ The IRS also introduced online voicebot assistance and expanded use of the Document Upload Tool, both of which are positive additions to IRS digital service.⁷⁴ Importantly, the IRS is making progress on upgrading its core tax processing system.⁷⁵ Improving technology options and modernizing its core IT infrastructure is imperative, remains a central aspect of the SOP, and is key to the success of many of the IRS's planned service initiatives.

The IRS's modernization efforts face challenges when a large portion of available funding goes toward just maintaining current operations and legacy systems. While the multiyear funding budgeted the IRS \$4.8 billion in funding for business systems modernization, IRS budgeting remains a current source of much debate.⁷⁶ TAS continues to maintain that without sustained, consistent, and dedicated funding, the IRS will remain challenged to develop and maintain the workforce and administrative tools necessary to deliver a high quality of service that all taxpayers are entitled to and should reasonably expect from their federal tax administrator. The modernization of aging IRS information systems, the need for increased online tools and functionality, and the requisite application of trained and experienced staff to maintain that effort is integral to improving IRS taxpayer service and respecting the taxpayer *right to quality service*.

Endnotes

- 1 The TBOR is a list of ten rights organized to help taxpayers and IRS employees alike gain a better understanding of the dozens of discrete taxpayer rights scattered throughout the multi-million word IRC. See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited Nov. 20, 2024). The rights contained in the TBOR are also codified in IRC § 7803(a)(3). These measures are presented as a sample of indicators and are not intended to be read as a comprehensive listing of performance benchmarks.
- 2 IRS News Release, IR-2014-72, IRS Adopts "Taxpayer Bill of Rights," 10 Provisions to be Highlighted on IRS.gov, in Publication 1 (June 10, 2014), <https://www.irs.gov/newsroom/irs-adopts-taxpayer-bill-of-rights-10-provisions-to-be-highlighted-on-irs-gov-in-publication-1>. See also National Taxpayer Advocate 2013 Annual Report to Congress (Special Report: *Toward a More Perfect Tax System: A Taxpayer Bill of Rights As a Framework For Effective Tax Administration*), <https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/TOWARD-A-MORE-PERFECT-TAX-SYSTEM.pdf>.
- 3 IRS Notice Delivery System – CP 504 notices issued in fiscal year (FY) 2024; IRS, Pub. 1, Your Rights As a Taxpayer (June 2014); see also IRC § 7803(a)(3).

- 4 Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Div. Q, § 401, 129 Stat. 2241, 3043 (2015) (Division Q is called the Protecting Americans From Tax Hikes Act of 2015). See also National Taxpayer Advocate 2014 Annual Report to Congress 275 (Legislative Recommendation: *Codify the Taxpayer Bill of Rights and Enact Legislation that Provides Specific Taxpayer Protections*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/2014-ARC_VOL-1_S2_LR-1-508.pdf. The National Taxpayer Advocate continues to push for further elevation of the TBOR within the IRC; see National Taxpayer Advocate 2025 Purple Book, *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration (Elevate the Importance of the Taxpayer Bill of Rights by Redesignating It as Section 1 of the Internal Revenue Code)*.
- 5 See TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited Nov. 20, 2024); Taxpayer First Act, Pub. L. No. 116-25, § 2402(2), 133 Stat. 981, 1014 (2019).
- 6 IRS, Pub. 3744, IRS Inflation Reduction Act Strategic Operating Plan (Apr. 2023), <https://www.irs.gov/pub/irs-pdf/p3744.pdf>.
- 7 IRS response to TAS fact check (Dec. 14, 2020); U.S. Dep't of the Treasury FY 2022 Budget in Brief (2021), <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports/budget-in-brief/fy-2022-budget-in-brief>.
- 8 An Act to Provide for Reconciliation Pursuant to Title II of S. Con. Res. 14, Pub. L. No. 117-169, 136 Stat. 1818 (2022) [hereinafter referred to as the "Inflation Reduction Act"]; Further Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, 138 Stat. 460; Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10 (2023).
- 9 IRS, Pub. 3744, IRS Inflation Reduction Act Strategic Operating Plan (Apr. 2023), <https://www.irs.gov/pub/irs-pdf/p3744.pdf>.
- 10 IRS, Pub. 3744-B, IRA Strategic Operating Plan: Annual Update (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744b.pdf>.
- 11 For example, see Erin M. Collins, IRS Proposed Regulations on Third Party Contacts Unfairly Erode Taxpayer Notice Requirements, NATIONAL TAXPAYER ADVOCATE BLOG (Nov. 7, 2024), <https://www.taxpayeradvocate.irs.gov/news/nta-blog/irs-proposed-regulations-on-third-party-contacts-unfairly-erode-taxpayer-notice-requirements/2024/11/>.
- 12 For further discussion of processing delays, see Most Serious Problem: *Return Processing: Continuing Delays in IRS Return Processing Are Frustrating Taxpayers and Causing Refund Delays*, *infra*. See also National Taxpayer Advocate 2023 Annual Report to Congress 5 (Most Serious Problem: *Processing: Ongoing Processing Delays Burden and Frustrate Taxpayers Awaiting Refunds and Other Account Actions*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/02/ARC23_MSP_01_Processing-Delays_FINAL_01292024.pdf; National Taxpayer Advocate 2022 Annual Report to Congress 34 (Most Serious Problem: *Processing Delays: Paper Backlogs Caused Refund Delays for Millions of Taxpayers*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_MSP_01_Processing-Delays.pdf; National Taxpayer Advocate 2021 Annual Report to Congress 37 (Most Serious Problem: *Processing and Refund Delays: Excessive Processing and Refund Delays Harm Taxpayers*), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2022/01/ARC21_MSP_01_Processing-Delays.pdf.
- 13 IRS Fact Sheet, FS-2023-18, IRS Launches Paperless Processing Initiative (Aug. 2023), <https://www.irs.gov/newsroom/irs-launches-paperless-processing-initiative>.
- 14 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023), <https://www.irs.gov/pub/irs-prior/p6292--2023.pdf>. The FY 2022 figure has been updated from what was reported in the 2023 Annual Report to Congress. IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024), <https://www.irs.gov/pub/irs-pdf/p6292.pdf>. The FY 2023 figure has been updated from what was reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number. Data for FY 2022 and FY 2023 for each table was accurate as of the close of each fiscal year; however, the IRS often refines the data as additional information becomes available. Therefore, this data may differ slightly from other data sources with a later publication date. Primary types of returns include, but are not limited to, individual and business income, estate, gift, employment, fiduciary, excise, and several other types of tax returns. See Publication 6292 for a complete listing. The number of returns and related metrics are proxies for IRS workload and provide context for the environment in which taxpayers seek quality service and other rights from the TBOR.
- 15 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023). IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number.
- 16 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023). The FY 2022 figure has been updated from what TAS reported in the 2023 Annual Report to Congress. IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number.
- 17 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023). The FY 2022 figure has been updated from what TAS reported in the 2023 Annual Report to Congress. IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number.
- 18 The FY 2022 number is from IRS, Compliance Data Warehouse (CDW), Electronic Tax Administration Research and Analysis System (ETARAS) Modernized e-File for Individuals and excludes about 8.5 million returns filed for the purpose of claiming Economic Impact Payments in FY 2020. The FY 2022 figures represent tax year (TY) 2021 tax returns. The FY 2023 figures represent TY 2022 tax returns. The FY 2024 figures represent TY 2023 tax returns through September 30, 2024. FY 2023 data has been updated in accordance with revised data provided by the IRS during its November 2024 fact check response.
- 19 Numbers for FYs 2022-2023 are from IRS, CDW, ETARAS Modernized e-File for Individuals, and exclude returns filed for the purpose of claiming Economic Impact Payments. The FY 2022 figures represent TY 2021 tax returns. The FY 2023 figures represent TY 2022 tax returns. The FY 2024 figures represent TY 2023 tax returns through September 30, 2024.
- 20 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023). IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number.
- 21 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023). IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number.

- 22 IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2023-2030, at 4 (Sept. 2023). IRS, Pub. 6292, Fiscal Year Return Projections for the United States: 2024-2031, at 4 (June 2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress to report actual return counts. The FY 2024 figure is a projected number.
- 23 IRS, Pub. 6961, Calendar Year Projections of Information and Reporting Documents for the United States and IRS Campuses: 2023 Update, at 6 (Aug. 2023), <https://www.irs.gov/pub/irs-prior/p6961--2023.pdf>. Pub. 6961, Calendar Year Projections of Information and Reporting Documents for the United States and IRS Campuses: 2024 Update, at 6 (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6961.pdf>. The FY 2024 figure is a projected number. The IRS only publishes information and withholding document volumes on a calendar year basis; however, these documents are generally due to the IRS no later than March 31 of each calendar year (depending on document type and filing method).
- 24 IRS, Pub. 6961, Calendar Year Projections of Information and Reporting Documents for the United States and IRS Campuses: 2023 Update, at 6 (Aug. 2023), <https://www.irs.gov/pub/irs-prior/p6961--2023.pdf>. Pub. 6961, Calendar Year Projections of Information and Reporting Documents for the United States and IRS Campuses: 2024 Update, at 6 (Sept. 2024), <https://www.irs.gov/pub/irs-pdf/p6961.pdf>. The FY 2024 figure is a projected number. The IRS only publishes information and withholding document volumes on a calendar year basis; however, these documents are generally due to the IRS no later than March 31 of each calendar year (depending on document type and filing method).
- 25 IRS News Release, IR-2024-233, U.S. Dep't of the Treasury, IRS Announce \$1.3 Billion Recovered From High-Income, High-Wealth Individuals Under Inflation Reduction Act Initiatives (Sept. 6, 2024), <https://www.irs.gov/newsroom/us-department-of-the-treasury-irs-announce-1-point-3-billion-recovered-from-high-income-high-wealth-individuals-under-inflation-reduction-act-initiatives>; Janet L. Yellen, Sec'y of the Treasury, Remarks in Austin, TX (Sept. 6, 2024), <https://home.treasury.gov/news/press-releases/jy2564>.
- 26 IRS News Release, IR-2023-166, IRS Announces Sweeping Effort to Restore Fairness to Tax System With Inflation Reduction Act Funding; New Compliance Efforts Focused on Increasing High-Income, Partnerships, Corporations and Promoters Abusing Tax Rules on the Books (Sept. 6, 2023), <https://www.irs.gov/newsroom/irs-announces-sweeping-effort-to-restore-fairness-to-tax-system-with-inflation-reduction-act-funding-new-compliance-efforts>.
- 27 See Lauren Loricchio & Chandra Wallace, *Transparency, Oversight Urged for IRS Artificial Intelligence*, TAX NOTES, Oct. 22, 2024, <https://www.taxnotes.com/featured-news/transparency-oversight-urged-irs-artificial-intelligence/2024/10/21/7m6nv>.
- 28 Hadi Elzayn et al., *Measuring and Mitigating Racial Disparities in Tax Audits* (Stanford Inst. For Econ. Pol'y Rsch., Working Paper, 2023), <https://siepr.stanford.edu/publications/working-paper/measuring-and-mitigating-racial-disparities-tax-audits>.
- 29 For a further discussion of IRS hiring challenges, see Most Serious Problem: *Hiring: The IRS's Continuing Challenges in Employee Recruitment, Hiring, Training, and Retention Are Hindering Its Ability to Achieve Transformational Change in Taxpayer Service and Tax Administration*, *infra*.
- 30 See IRC § 7803(a)(3). See also TBOR, <https://www.taxpayeradvocate.irs.gov/taxpayer-rights> (last visited Nov. 20, 2024).
- 31 A no-change audit occurs when a taxpayer substantiates all items the audit is reviewing, resulting in no change to the reported tax.
- 32 A no-response audit occurs when a taxpayer under examination does not respond to IRS communication attempts, and the IRS subsequently inputs proposed tax adjustments as if the taxpayer had agreed to the examination determination. This metric includes cases where the IRS deemed the audit notice undeliverable (e.g., a taxpayer may have moved without giving an updated address, and the notice was returned), and there was no response from the taxpayer.
- 33 IRS response to TAS fact check (Dec. 9, 2022); IRS responses to TAS information requests (Oct. 16, 2023; Oct. 29, 2024).
- 34 IRS response to TAS fact check (Dec. 9, 2022); IRS responses to TAS information requests (Oct. 16, 2023; Oct. 29, 2024). These numbers reflect examination cases closed by the IRS and do not account for subsequent appeals or litigation.
- 35 An audit is closed as agreed when the IRS proposes changes, and the taxpayer understands and agrees with the changes.
- 36 The non-response rate includes taxpayers with undelivered IRS audit notices or statutory notices of deficiencies and taxpayers who did not respond to the IRS audit notices.
- 37 This represents the percentage of correspondence audits for taxpayers with total positive income under \$50,000.
- 38 This represents the percentage of correspondence audits for taxpayers with total positive income greater than or equal to \$50,000 and under \$10,000,000.
- 39 This represents the percentage of correspondence audits for taxpayers with total positive income greater than or equal to \$10,000,000.
- 40 IRS, Small Business/Self-Employed (SB/SE), Collection Activity Report (CAR) No. 5000-108, Monthly Report of Offer in Compromise Activity, cumulative through September, FY 2022 (Oct. 3, 2022); FY 2023 (Oct. 2, 2023); FY 2024 (Sept. 29, 2024).
- 41 IRS, SB/SE, CAR No. 5000-108, Monthly Report of Offer in Compromise Activity, cumulative through September, FY 2022 (Oct. 3, 2022); FY 2023 (Oct. 2, 2023); FY 2024 (Sept. 29, 2024). The figure calculations include all dispositions, including not-processable dispositions.
- 42 IRS, SB/SE, CAR No. 5000-6, FY 2022 (Oct. 2, 2022); FY 2023 (Oct. 1, 2023); FY 2024 (Sept. 28, 2024). This number includes short-term payment agreements and continuous wage levies.
- 43 Weekly Automated Collection System Conversational Interactive Voice Response (ACI) and Voice Bot Reports (week ending Sept. 30, 2022) (Cumulative); Weekly ACI and Voice Bot Reports (week ending Sept. 30, 2023) (Cumulative); IRS response to TAS information request (Oct. 29, 2024). This service was not offered until July 2022.
- 44 IRS, CDW, FY 2022 (Oct. 2022); FY 2023 (Oct. 2023); FY 2024 (Sept. 26, 2024). The IRS accepts about 99 percent of requests for IAS that meet the processable criteria.
- 45 IRS, SB/SE, CAR No. 5000-2, Taxpayer Delinquent Account Cumulative Report, FY 2022 (Oct. 2, 2022); FY 2023 (Oct. 1, 2023); FY 2024 (Sept. 28, 2024). When taxpayers incur delinquent tax liabilities, the IRS sends them a series of notices during an approximately six-month period in which the taxpayers are in "notice status." If the taxpayer does not resolve their liability during the notice status, the account enters into taxpayer delinquent account status. The IRS then determines whether it will refer the case to the Automated Collection System (ACS), assign it directly for in-person contact by a revenue officer, assign it to the collection queue to await assignment to a revenue officer or other collection status, or shelve it. ACS may also assign cases to the collection queue. The IRS shelves cases prior to assigning the case to a private collection agency.
- 46 IRS, SB/SE, CAR No. 5000-2, Taxpayer Delinquent Account Cumulative Report, FY 2022 (Oct. 2, 2022); FY 2023 (Oct. 1, 2023); FY 2024 (Sept. 28, 2024). Modules are the number of accounts attributable to a taxpayer. For example, if an individual taxpayer owes unpaid taxes on the 2017 and 2018 Forms 1040, they represent one taxpayer with two modules.

- 47 Query by TAS Research of tax delinquent accounts with queue status in IRS, CDW, Accounts Receivable Dollar Inventory, Individual Master File, Modules. Age of balance due cases in the collection queue as of cycle 37 of FY 2022, cycle 37 of FY 2023, and cycle 37 of FY 2024. We did not consider the age of Taxpayer Delinquency Investigations.
- 48 IRS News Release, IR-2024-563 Tax Time Guide: IRS Enhances Where's My Refund? Tool for 2024 (Feb. 28, 2024), <https://www.irs.gov/newsroom/tax-time-guide-irs-enhances-wheres-my-refund-tool-for-2024-filing-season>.
- 49 IRS News Release, IR-2024-109 IRS Delivers Strong 2024 Tax Filing Season; Expands Services for Millions of People on Phones, In-Person and Online With Expanded Funding (Apr. 15, 2024), <https://www.irs.gov/newsroom/irs-delivers-strong-2024-tax-filing-season-expands-services-for-millions-of-people-on-phones-in-person-and-online-with-expanded-funding>.
- 50 See Most Serious Problem: *IRS Service: Taxpayer Service Is Often Not Timely or Adequate, infra*. See also TAS Research Report: *Improving IRS Telephone Service: A Review of Best Practice Processes and Measures Used by Large Government and Private Sector Call Centers, infra*.
- 51 FY 2022 figure from IRS response to TAS fact check (Dec. 12, 2022). As of August 1, 2022, 317 of the 358 TACs were open, and 41 were closed or unstaffed. As of September 2023, 266 of the 363 TACS (73 percent) were less than fully staffed, limiting service appointments available to taxpayers. IRS responses to TAS information requests (Dec. 4, 2023; Oct. 28, 2024).
- 52 IRS response to TAS fact checks (Dec. 12, 2022; Dec. 4, 2023); IRS response to TAS information request (Oct. 28, 2024).
- 53 IRS response to TAS fact check (Dec. 12, 2022). Note these numbers include both calls resolved by CSRs (thus negating the need for a TAC appointment) and calls where the taxpayer could not schedule an appointment at the available times. IRS response to TAS fact check (Dec. 4, 2023); IRS response to TAS information request (Oct. 28, 2024).
- 54 Correspondence represents AM inquiries and responses received from taxpayers who do not belong specifically to another area.
- 55 IRS, Joint Operations Center (JOC), Adjustments Inventory Reports: July-September FY Comparison (FYs 2023-2024). These are Individual Master File cumulative fiscal year receipts for Correspondence, Amended, Carryback, Injured Spouse, and Individual Taxpayer Identification Number. These metrics measure taxpayer correspondence requesting account adjustment.
- 56 IRS, Research Analysis and Data (RAD), AM Reports: Correspondence Imaging System (CIS) Closed Case Cycle Time (FYs 2023-2024). The FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress.
- 57 IRS, Weekly Enterprise Adjustments Inventory Report (weeks ending Sept. 24, 2022; Sept. 30, 2023; Sept. 28, 2024). The IRS must work certain inventories within a specific timeframe to be considered timely. If not closed in that timeframe, the inventory item will be classified as "overaged." FY 2022 data has been updated in accordance with revised data provided by the IRS during its November 2024 fact check response.
- 58 IRS, JOC, Adjustments Inventory Reports: July-September Fiscal Year Comparison (FYs 2023-2024). These metrics measure taxpayer correspondence requesting account adjustment.
- 59 IRS, RAD, AM Reports: CIS Closed Case Cycle Time (FYs 2023-2024).
- 60 IRS, Weekly Enterprise Adjustments Inventory Report (weeks ending Sept. 24, 2022; Sept. 30, 2023; Sept. 28, 2024). FY 2022 data has been updated in accordance with revised data provided by the IRS during its November 2024 fact check response.
- 61 IRS, JOC, Snapshot Reports: Enterprise Snapshot (weeks ending Sept. 30, 2023; Sept. 30, 2024).
- 62 IRS, JOC, Snapshot Reports: Enterprise Snapshot (weeks ending Sept. 30, 2023; Sept. 30, 2024). The IRS answered approximately 30 million, 17 million, and 18 million additional calls, respectively, by automation or information messaging for the indicated fiscal years.
- 63 *Id.*
- 64 *Id.* The IRS generally defines its LOS measure as Numerator = Assistor Calls Answered + Info Messages and Denominator = Assistor Calls Answered + Info Messages + Emergency Closed + Secondary Abandons + (Add either Calculated Busy Signals OR Network Incompletes) + (Add either Calculated Network Disconnects OR Total Disconnects).
- 65 IRS, JOC, Snapshot Reports: Product Line Detail (weeks ending Sept. 30, 2023; Sept. 30, 2024).
- 66 *Id.*
- 67 *Id.*
- 68 IRS.gov Site Traffic Calculator (FYs 2022-2023); IRS response to TAS information request (Oct. 28, 2024).
- 69 *Id.*
- 70 IRS, SB/SE, CAR No. 5000-6, Installment Agreement Cumulative Report, FY 2022 (Oct. 2, 2022); FY 2023 (Oct. 1, 2023); FY 2024 (Sept. 28, 2024). This number includes short-term payment plans. IRS response to TAS fact check (Dec. 4, 2023).
- 71 IRS Databook for FY 2022, Table 10, Selected Online Taxpayer Assistance, by Type of Assistance, Fiscal Year 2022, <https://www.irs.gov/pub/irs-soi/22dbs02t10ap.xlsx>; the FY 2022 figure has been updated from what TAS reported in the 2022 Annual Report to Congress; IRS response to TAS information request (Oct. 29, 2024); the FY 2023 figure has been updated from what TAS reported in the 2023 Annual Report to Congress.
- 72 IRS News Release, IR-2024-196, IRS Continues to Expand Taxpayer Services and Online Tools, Key Milestones Reached With Inflation Reduction Act Funding (July 25, 2024), <https://www.irs.gov/newsroom/irs-continues-to-expand-taxpayer-services-and-online-tools-key-milestones-reached-with-inflation-reduction-act-funding>.
- 73 See Most Serious Problem: *IRS Service: Taxpayer Service Is Often Not Timely or Adequate, infra*.
- 74 IRS, Pub. 3744-B, IRA Strategic Operating Plan: Annual Update (Apr. 2024), <https://www.irs.gov/pub/irs-pdf/p3744b.pdf>. IRS News Release, IR-2024-155, Document Upload Tool Reaches Key Milestone; 1 Million Submissions Received (June 5, 2024), <https://www.irs.gov/newsroom/document-upload-tool-reaches-key-milestone-1-million-submissions-received>.
- 75 IRS News Release, IR-2024-233, U.S. Dep't of the Treasury, IRS Announce \$1.3 Billion Recovered From High-Income, High-Wealth Individuals Under Inflation Reduction Act Initiatives (Sept. 6, 2024), <https://www.irs.gov/newsroom/us-department-of-the-treasury-irs-announce-1-point-3-billion-recovered-from-high-income-high-wealth-individuals-under-inflation-reduction-act-initiatives>.
- 76 IRA, Pub. L. No. 117-169, 136 Stat. 1818 (2022).