



**Report On**

**The Internal Revenue Service**

**National Taxpayer Advocate's**

**FY 2001 Objectives**

**June 30, 2000**

*Internal Revenue Service*



*Working To Put Service First*



## **Mission Statement**

*We help taxpayers resolve problems with the IRS and recommend changes to prevent the problems.*

## **Vision Statement**

*We encourage resolution of all taxpayer issues at the point of first contact. While providing excellent service to each taxpayer is paramount, we are committed to encouraging overall service improvement at the IRS which will reduce the demand for our service.*

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## **I. BACKGROUND**

This report is submitted in accordance with the provisions of Public Law 105-206, *Internal Revenue Service Restructuring and Reform Act of 1998 (RRA '98)*, Title 1, Section 1102(a) enacted on July 22, 1998. It requires the National Taxpayer Advocate to submit semiannual reports to the House Ways and Means Committee and the Senate Finance Committee. The reports must be submitted directly to the Committees without any prior comment from the Internal Revenue Commissioner, the Treasury Secretary or any other Treasury officer, or the Office of Management and Budget. The first report, to be submitted by June 30 of each year, must identify the objectives of the Taxpayer Advocate Service for the fiscal year beginning in that calendar year. This report details the activities planned by the Office of the National Taxpayer Advocate for Fiscal Year (FY) 2001.

## **II. INTRODUCTION**

My role as the National Taxpayer Advocate is to serve as an advocate for taxpayers within the Internal Revenue Service. To accomplish this mission, I have identified six major objectives for the Taxpayer Advocate Service:

1. Assist taxpayers in resolving problems with the IRS.
2. Identify and address systemic and procedural problems through analysis of the underlying cause of the problem in order to take corrective action.
3. Identify and address operational issues that affect taxpayers.
4. Represent taxpayers' interests in the formulation of policies and procedures.
5. Identify and develop legislative proposals to simplify the tax code and reduce taxpayer burden.
6. Expand Taxpayer Advocate Services' outreach opportunities to assist and educate external customers.

As in prior years, our organization's primary goal in FY 2001 will be to assist taxpayers whose problems are not resolved through normal channels or who are suffering significant hardships. We have developed a greater awareness of the need to focus on the root cause of those problems. The Taxpayer Advocate Service continues to work diligently to pinpoint and correct systemic deficiencies that may be contributing to taxpayer problems. In FY 2001, we will work with IRS Operating Divisions and functional units to determine and identify the primary sources or underlying causes of major problem areas, to improve the performance of IRS systems, and to prevent the occurrence of similar problems.

### **III. FY 2001 STRATEGIC PLAN**

In FY 2001, our Strategic Plan is to stabilize the new Taxpayer Advocate Service organization by putting additional support structure in place while continuing to focus on solving taxpayer problems. Our strategic plan includes recommending ideas that will reduce tax law complexities that burden taxpayers and/or reduce IRS effectiveness, identifying significant sources of casework and improving our ability to record and track advocacy projects and casework.

#### **A. Strategic Planning and Budget Process**

The Service-wide Strategic Planning Process aligns budgeted resources with the strategic direction of the Service. As an active participant with other Senior Executives in this process, I am involved in making proposals and reviewing the annual strategic assessments for each of the new Operating Divisions. Our plans are to partner with the Operating Divisions on common issues that concern the respective organizations. Proposed operational priorities and improvement projects that have the potential to cause unintended problems for taxpayers will be reviewed and modified before implementation.

#### **B. Case Processing**

The highest priority of our organization continues to be working with taxpayers who are suffering hardships. Our goal is to ensure that employees are working together to resolve problems in a timely, effective manner. This effort will eventually reduce the number of taxpayers who need to call on our organization for special assistance.

In FY 2001, we will:

- Train and encourage the Operating Divisions to identify and refer appropriate cases to the Taxpayer Advocate Service
- Better publicize and market the availability of Taxpayer Advocate Service assistance to taxpayers most likely to need our services
- Ensure case work is of the highest quality by implementing new quality review standards
- Review Delegations of Authority and seek additional delegated authorities, if appropriate, to ensure we have the tools to resolve routine cases in the most expeditious manner
- Improve analyses of Taxpayer Advocate Service casework to identify appropriate case solutions for each taxpayer and to better identify problems and trends, thereby reducing the reoccurrence of problems for taxpayers
- Participate on Operating Division task forces and initiate our own efforts to ensure that taxpayers' needs and rights are being considered

### **C. *Balanced Performance Measures***

In FY 2001, we will fully implement new organizational performance measures that embrace the Balanced Measures approach, i.e., Employee Satisfaction, Customer Satisfaction, and Business Results. These measures are intended to evaluate Program effectiveness and serve as a key source of feedback to determine the success of improvement initiatives. We will be gathering baseline data using our ten measures (Attachment 1, *Balanced Performance Measures*) during this time period.

In FY 2001, our organization will adopt the President's Quality Award Criteria for Excellence as the model for organizational improvement. Based on feedback from the Taxpayer Advocate Service-wide self-assessment, opportunities for improvement will be highlighted and action plans will be developed and communicated to all employees.

### **D. *Advocacy Program***

The Advocacy Program structure is aligned with the modernized IRS organizational structure to foster cooperation and facilitate change. For FY 2001, the Operating Division Taxpayer Advocates will work with the personnel from the four Operating Divisions to identify systemic and administrative problems, analyze root causes, and recommend solutions. A tracking system for identifying, prioritizing, selecting, and managing improvement efforts is under development and will be implemented.

To address taxpayer problems, both administrative and legislative solutions are required. In FY 2001, legislative proposals from both internal and external sources will be reviewed, evaluated and developed by my staff, and summarized in the NTA's Annual Report to Congress.

### **E. *FY 2000 Annual Report to Congress***

The FY 2000 Annual Report to Congress, which is due the first quarter of FY 2001, will include a summary of the twenty most serious problems facing taxpayers. The report will also include recommendations for administrative and legislative solutions to those problems, the IRS response to the recommendations, and other IRS efforts undertaken to address systemic deficiencies. In FY 2001, we will continue to monitor the progress of the IRS's improvement actions.

### **F. *Taxpayer Equity Committee***

The Taxpayer Equity Committee is a standing committee reporting to the National Taxpayer Advocate. The committee is composed of IRS executives and managers representing a broad spectrum of organizational components and technical knowledge. The committee serves as an advisory panel to the National Taxpayer Advocate and recommends and provides support for changes to tax administration that promote equity and reduce taxpayer burden.

We are working with the Operating Divisions to broaden committee membership that will reflect changes in the IRS organizational structure. The committee will be an important link between the Taxpayer Advocate Service and the Operating Divisions, facilitating the improvement of tax administration. In FY 2001, the committee will continue to identify equity issues and recommend solutions for identified administrative and legislative barriers.

#### **G. Citizen Advocacy Panels**

There are currently four IRS Citizen Advocacy Panels operating in four IRS districts. These panels were initiated in an announcement by President Clinton in October, 1997, and chartered by the Secretary of Treasury during 1998 as part of the overall IRS reinvention effort. The panels provide a public forum for independent citizen input to enhance IRS customer service. The panels gather input, through taxpayer contacts and public hearings, identify problems, and make recommendations for improvement of IRS systems and procedures. The problems are elevated to appropriate IRS officials, often with recommended solutions. The panels also refer individuals with specific problems to the appropriate IRS office for assistance. The Taxpayer Advocate Service provides staff and research support to the panels, sponsors their recommendations within the IRS, and guides the recommendations through the appropriate channels.

Treasury is in the process of exploring options to continue and/or expand the program. The four panels are scheduled to complete their initial two-year terms in February and March of 2001. Attachment 2 contains the objectives of each of the four panels.

#### **IV. TAXPAYER ADVOCATE SERVICE WORKFORCE**

On March 12, 2000, Taxpayer Advocate Service was established as a new organization (Attachment 3, *Taxpayer Advocate Service Organizational Chart*). The new organizational components split into two parts with one segment dedicated to casework and the other dedicated to advocacy. It is structured to ensure that there is at least one Local Taxpayer Advocate in each state. Our organizational success in representing taxpayers and resolving their problems depends upon a fully staffed and fully trained workforce. During FY 2001, we will perform skills assessments and develop and deliver appropriate basic and advanced technical training to employees. The assumptions that were used in the initial staffing of our organization will be examined to ensure that staffing matches workload.

A highly skilled, well-trained workforce is key to the accomplishment of our organization's mission. While FY 2000 training efforts have focused on acclimating employees to the new organization, FY 2001 training efforts will focus on providing employees with the critical knowledge and skills needed to strengthen their performance.

## **V. WORKING WITH OUR EXTERNAL CUSTOMERS**

In FY 2001, we will expand the process of informing and educating the public about Taxpayer Advocate Service and their right to seek our assistance. We will continue to seek customer and stakeholder input through two-way communications. For example, a new Customer Satisfaction Survey will be conducted beginning in the summer of 2000. We will also seek feedback from groups such as the Citizen Advocacy Panels, practitioner associations, and the Taxpayer Equity Committee regarding customer issues and concerns. For example, we will be consulting with tax practitioner groups, the Citizen Advocacy Panels and other organizations to seek a better understanding of ways to reduce tax law complexity. Additionally, we will continue to listen and learn from our customers during Problem Solving Days (PSD). We will continue to foster communications that enable us to reach out to our potential customer base.

### **A. Communications**

We are embarking on a significant communication campaign to increase public awareness of the Taxpayer Advocate Service organization. In an effort to address concerns that the Taxpayer Advocate may be IRS' best-kept secret, we have adopted a branding strategy, which includes a new name and logo. Marketing products have been developed and will be used extensively during FY 2001 in outreach initiatives, one-on-one contacts, and other public forums. Key messages with a consistent theme are used throughout the products and the presentations to ensure that taxpayers understand the role of our organization and the many ways in which we can be contacted. Radio and print advertisements will be used to further communicate the presence and availability of our organization

We are also taking steps to improve and enhance our Internet site. The goal of this effort is to make the site more readily accessible to the public and to make it more easily navigated. We are exploring the possibility of a unique identifying address (*URL*) which would be easy to remember and would provide direct access to the site.

We will undertake a coordinated internal communication effort to ensure that all IRS employees are aware of our organization and that they are appropriately referring taxpayers for assistance.

### **B. National Taxpayer Advocate Toll-Free Telephone Program**

In FY 2001, the objective of our toll-free line is to provide customer service seven days a week, 24 hours a day (except major holidays). We are partnering with the Customer Service organization and they are providing the staffing that allows us to achieve our goal of answering Taxpayer Advocate Service calls within 120 seconds. We will continue to market the availability of our toll-free services.

Currently, taxpayers use the Customer Service toll-free line to establish initial contact with us. The telephones used by caseworkers do not currently include a toll-free service. We will explore the feasibility of expanding access so taxpayers may reach Taxpayer Advocate Service caseworkers without toll charges.

**C. *Problem Solving Days***

Administration of the PSD program has been transferred to the Operating Divisions. In FY 2001, the TAS will continue to support the program through local participation in scheduled PSD events. We are also advocating the incorporation of the major features of Problem Solving Days into the regular work schedule and processes of the Operating Divisions.

**VI. SUMMARY**

Our organization is committed to fostering significant, long-term improvements to customer service that will serve not only individuals with specific problems but the entire taxpaying public. The FY 2001 organizational objectives presented in this report are designed to support and embrace these commitments. As I stated in my *FY 1999 Annual Report to Congress*, "Helping taxpayers resolve problems with IRS is what we are about. There is nothing more satisfying than helping resolve longstanding tax issues for people who have not been able to get the help they needed through the normal processes."



W. Val Oveson, National Taxpayer Advocate

## **Taxpayer Advocate Service Balanced Performance Measures**

### **Employee Satisfaction**

- Employee Satisfaction Score

### **Customer Satisfaction**

- Customer Satisfaction Survey
- Internal Customer Satisfaction

### **Business Results (Quantity)**

- Closed Cases
- Outreach Hours Spent versus Plan
- Outreach Effectiveness/Results
- Immediate Advocacy Interventions

### **Business Results (Quality)**

- Case Cycle Time
- Casework Quality Index
- Long-term Advocacy Proposals

## Citizen Advocacy Panel FY 2001 Objectives

### South Florida – “We will:

- *Continue to expand the CAP outreach effort through panel member participation with various market segments; and*
- *Continue to develop recommendations for the improvement of customer service within the IRS.”*

### Brooklyn – “We will:

- *Follow through on problems identified while searching for solutions; and*
- *Reach out to more taxpayers for their input.”*

### Pacific Northwest – “We will:

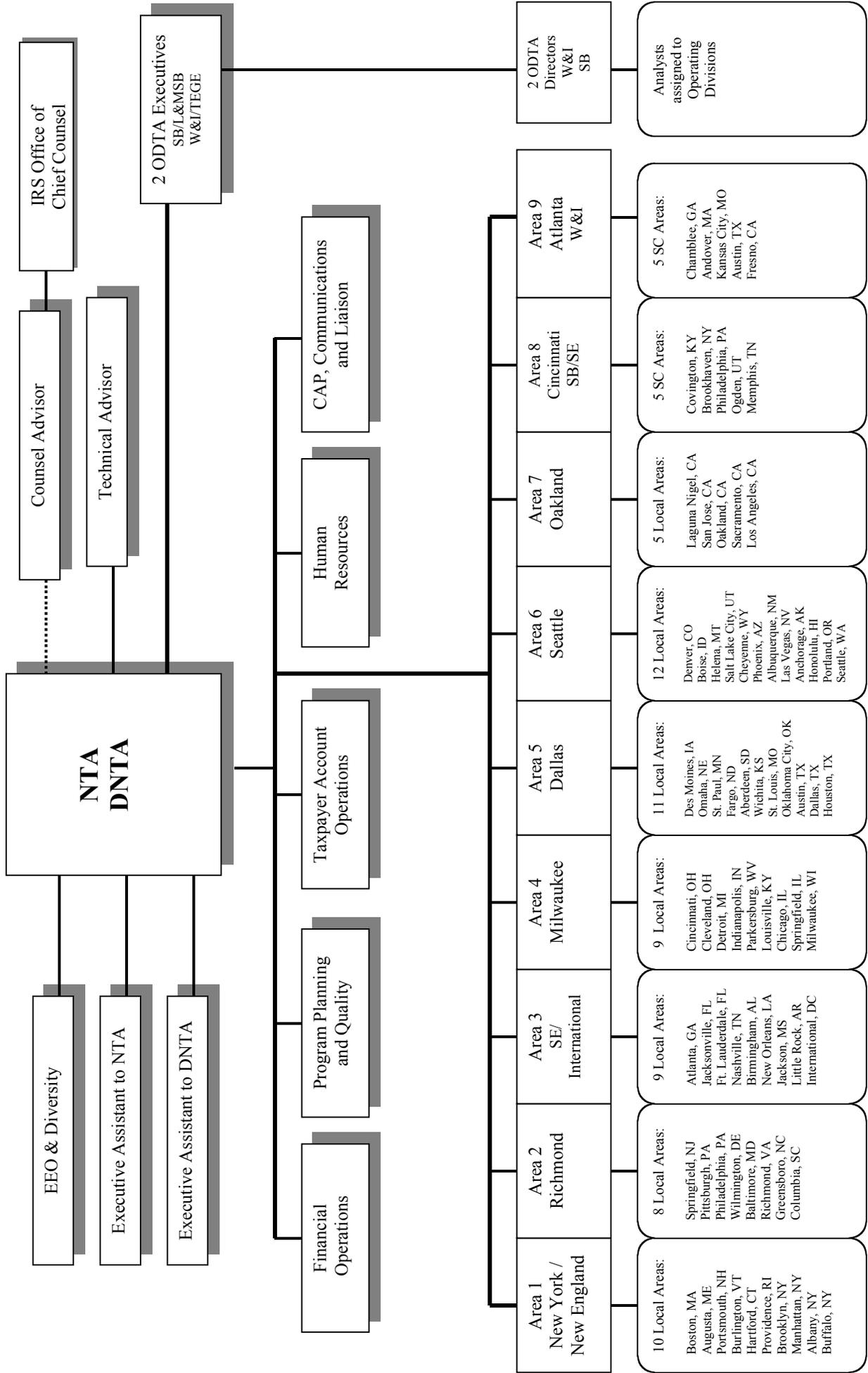
- *Identify systemic issues;*
- *Elevate problems and recommendations to national level for resolution through Congress or Treasury;*
- *Improve customer services and responsiveness to taxpayers; and*
- *Support National Taxpayer Advocate in elevating his recommendations.”*

### Midwest – “We will:

- *Elevate more issues to the National Office;*
- *Work with the local filing season pre-planning group with the objective of establishing additional sites as well as more convenient, walk-in offices to serve taxpayers, particularly in areas with inadequate or no such service; and*
- *Conduct at least one public meeting per state in areas other than the large population centers.”*

# Taxpayer Advocate Service Organization

Attachment 3





Department of the Treasury  
**Internal Revenue Service**

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**[www.irs.gov](http://www.irs.gov)**

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