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DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
  
THE INTERNAL REVENUE SERVICE  
ADVISORY COUNCIL PUBLIC MEETING

9:00 a.m.

Wednesday, November 16, 2022

Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, D.C.



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## 1 P R O C E E D I N G S

2 (9:03 a.m.)

3 MR. HARDY: Good morning and welcome to the  
4 2022 IRSAC Public Meeting.

5 MS. LEW: I'm Carol Lew, and I represent  
6 IRSAC as Chair. It's been an honor to work with the  
7 entire IRSAC this last year. I'm very proud and we  
8 all should be proud of the report that has been put  
9 together.

10 I'm very proud to have supported - to have  
11 had the support of my Co-Chair Martin Armstrong, and  
12 I'd like to thank all the employees and all the people  
13 that have helped us, including the Communications  
14 staff, with respect to putting together this report.

15 One of the real things that we addressed in  
16 the report is how the IRS responds to our challenging  
17 complex digital environment of providing effective  
18 taxpayer service. You can see that in our report in  
19 different contexts.

20 My esteemed past Chair Ben Deneka, I believe  
21 at the last in-person public meeting, began his speech  
22 with a cheeseburger. I'm going to end mine with

1 dessert - ice cream, and I do that because the IRS  
2 deserves a round of applause. The IRS received  
3 additional multiyear funding to help achieve their  
4 goals and so they all deserve our thanks.

5 (Applause.)

6 MR. HARDY: Now, ladies and gentlemen,  
7 without further ado, I give you Commissioner of the  
8 Internal Revenue Service Doug O'Donnell.

9 (Applause.)

10 MR. O'DONNELL: All right. Good morning.  
11 I'm very happy to be here in person with you for the  
12 meeting of the IRSAC and a special thanks to all of  
13 you who wrote the report, especially to Carol and to  
14 Martin for your work leading this effort. They are  
15 very good ideas.

16 I'm looking forward to having a discussion  
17 today and then getting some additional feedback from  
18 our teams that have been working with all of you.

19 Over the years, the first time I said it, we  
20 appreciate the work that you've done here and the  
21 focus that you bring. This report does represent the  
22 work of the external groups that help us understand

1 what the challenges are ahead and how we can do things  
2 differently.

3           The perspective you bring is super important  
4 because it helps us understand taxpayers and tax  
5 representatives, what it is that we're doing, what  
6 we're not doing, and how we can do better and  
7 differently.

8           We don't get that insight without your help  
9 and the scope and breadth of the input that we get  
10 from all of you as taxpayers, representatives in  
11 academia, it really opens our eyes to what's going on  
12 in our world and we need that help.

13           The discussions that I had with you this  
14 summer, it was this summer, helped us to understand  
15 very well what it was that we could think about moving  
16 forward. R22 has opened our eyes. We have a new  
17 opportunity with the report for the things that we can  
18 do. We need to be very diligent in this space because  
19 there's a lot of good work that can be done with your  
20 ideas moving forward.

21           The 10 years that are coming up represent an  
22 opportunity for us to completely transform the way

1 that we operate. The services that we provide, the  
2 fairness in our compliance, that is what we are  
3 focused on right now working on our report with  
4 Treasury and with our entire Relationship Team.

5           Your input going forward will be helpful.  
6 It may not influence the report now, but that will be  
7 helpful over the next 10 years, and we will need your  
8 insight, your ideas on this thing that you said you  
9 will want to do in our initiatives is not delivering  
10 the way you thought. Here's how you can think about  
11 adjusting it. Your expertise in helping us understand  
12 that will be very important going forward.

13           So we look forward to that very important  
14 ongoing coordination with all of you as we work into  
15 the future on these efforts and so it really is a  
16 fantastic opportunity for us.

17           So as I look at this report, in your  
18 defense, there are elements that are obvious and our  
19 teams are encouraged by some of your input. Sometimes  
20 we're like this is bad and this is good, but I do  
21 think that having the focus especially on what  
22 taxpayers need, what taxpayers need to be able to



1 interact with us effectively is going to be really  
2 important.

3           46 billion of the 80 billion that we got in  
4 the IRA is focused on enforcement. We know that we  
5 need to do better in the service space and that's  
6 where we're going to need ongoing help to think about  
7 how we can not just use the budget that is  
8 specifically for services for that but also how can we  
9 think about what we do in the enforcement arena such  
10 that it could be more service-oriented.

11           We have our own ideas about how we can do  
12 that. We are challenged in a number of different  
13 areas in our programs about that and it's my sense  
14 that we can do more of that. A lot of our focus in  
15 the past has been on the large, the bigs, the  
16 sophisticateds. It's my belief that we should be able  
17 to do more of that for a much larger contingent of the  
18 community we serve.

19           Those services are provided by Enforcement  
20 personnel. So there's no reason why if we get  
21 Enforcement personnel under that budget category that  
22 we can't repurpose them to do things that actually

1 help taxpayers get it right the first time they're  
2 coming in and that's really what we're going to be  
3 focusing on is how we can use that component of the  
4 funding for services while we use the service money.  
5 The service money will probably be spent the first  
6 year or two. It will go pretty quickly, but there's  
7 (technical issue) around infrastructure and systems to  
8 enable secure authenticated access so that people can  
9 get what they need to file returns, understand where  
10 their return is on the system, to have less need to  
11 actually call us, right, to be able to take care of  
12 issues on their own.

13           That will help us in monitoring and reducing  
14 demand and it will allow us to provide higher-end  
15 services to the taxpayers when they need and where  
16 they need.

17           So I'm really looking forward to again the  
18 thoughts in the report and that just really encouraged  
19 by your support, your ideas.

20           I do want to say thank you again for your  
21 sustained advocacy. It definitely helps in getting  
22 the 10-year budget. So thank you all very much for

1 that.

2 I will sit down now and listen to the  
3 comments coming from the report. Thank you all very  
4 much.

5 (Applause.)

6 MS. LEW: Okay. This is the portion of our  
7 report in which we'll begin the report issues. I'd  
8 like to ask Joseph Novak and Phillip Poirier to come  
9 up to the podium, please.

10 MR. POIRIER: Thank you very much.

11 Good morning. My name is Phil Poirier. I'm  
12 part of the original Investments Subgroup and I'm  
13 joined by Joe Novak, who's part of the Large Business  
14 and International Subgroup.

15 We're going to review Issue 1 of the General  
16 Report and IT Business and IT Modernization -- excuse  
17 me -- IRS Business and IT Modernization. I'm going to  
18 cover some of the initial context and then Joe is  
19 going to pick up the recommendations.

20 We now have a coordinated system of  
21 government into the nation and in Fiscal Year '21 we  
22 collected in excess of \$4 trillion in gross taxes. At

1 the same time, it's been a bit difficult the past few  
2 years with COVID with paper filing and with  
3 correspondence as well as with returns and the IRS has  
4 continued their Taxpayer Experience and mobile  
5 services (technical issue.)

6 The IRS has recognized the need for  
7 modernization with its Modernization Business Plan it  
8 issued in 2019 and many have advocated for high-end  
9 and multiyear sustained funding.

10 The good news is that Congress has  
11 reactivated two important rules. One is that in the  
12 appropriations process for the past few years IRS has  
13 been funded largely as it has been in the past years  
14 and the second thing is that the Congress has  
15 implemented the multiyear funding through the  
16 Inflation Reduction Act.

17 The modernization efforts take some time and  
18 effort and the IRS has engaged congressional staff  
19 (technical issue) and there have been instances where  
20 the modernization has been spotty in terms of  
21 congressional understanding.

22 So with that, I'm going to hand it off to

1 Joe to talk about the recommendations that we have.

2 MR. NOVAK: Good morning. Once again, my  
3 name is Joe Novak.

4 Thank you for the opportunity for the IRS to  
5 continue to effectively engage with you around its  
6 funding and organizational needs, including continue  
7 to communicate from the taxpayer's perspective and the  
8 taxpayer experience, keeping it simple and building  
9 congressional trust and confidence and building on  
10 prior successes.

11 In 2022, Congress passed the IRA, which  
12 provides a once-in-a-generation opportunity to upgrade  
13 the IRS's service, enforcement, and IT capabilities.  
14 The IRSAC applauds the tireless and effective efforts  
15 of the Commissioner, the IRS Office of Legislative  
16 Affairs, and the IRS Commissioner's staff in  
17 supporting the budgetary and modernization needs of  
18 the IRS, though we would note that the IRA was largely  
19 partisan legislation and did not have bipartisan  
20 support necessary to sustain the IRS's policy  
21 objectives over the long term.

22 The IRSAC believes that future congressional

1 ways to fund the IRS is directly impacted by its views  
2 of the efficacy and efficiency of the agency so the  
3 stakes are high.

4           For that reason, the IRSAC supports the  
5 continued efforts of the IRS in building trust between  
6 the IRS and Congress is essential to the agency's  
7 sustainability to serve taxpayers by persevering in  
8 the use of a well-known path of frequent and effective  
9 communication, transparency, and ultimately  
10 accountability.

11           IRSAC supports the IRS Modernization Plan  
12 (technical issue) consistent and multiyear funding and  
13 has three specific recommendations.

14           The first, continue to have simplified  
15 taxpayer-centric high-level messaging when possible to  
16 support its advocacy for funding and modernization and  
17 to encourage and understand the focus and benefits of  
18 its initiatives.

19           Number 2, continue to increase successful  
20 IRS efforts to engage and collaborate with the  
21 Congress, including strengthening trust, in the IRS's  
22 efforts to continue transparency and accountability.

1           And third, eliminate paper where possible by  
2 increasing electronic filing and communication  
3 capabilities.

4           Thank you. With that, I'll invite Wendy.

5           MS. WALKER: Good morning. Thank you for  
6 having me.

7           My name is Wendy Walker. I am with the  
8 Information Reporting Subgroup and I am presenting the  
9 General Report issued (technical issue.)

10           Consider a proactive approach to granting  
11 approval to filers that submit the Form 8508 Request  
12 for a Waiver for the filer to submit returns  
13 electronically for the 2022 season.

14           We believe taking these proactive and  
15 cursory steps that the transition will be smoother  
16 both for the IRS and for business filers.

17           Thank you. Now at this time I would like to  
18 turn it over to Carol.

19           MS. LEW: We're now going to transition to  
20 each subgroup for the vast important issue that they  
21 are presenting to our Acting Commissioner. So I'd  
22 like to invite Paul Sterbenz to come forward, please,

1 at this time.

2 MR. STERBENZ: Good morning. My name is  
3 Paul Sterbenz. I'm a member of the Information  
4 Reporting Subgroup and I'll be presenting today on  
5 Issue 1 of our specific report section, Requesting  
6 Remand of the Requirements for Accepting Electronic  
7 Signatures on Withholding Certificates Forms W-9, W-4,  
8 W-4P, and W-4R.

9 There are a variety of forms that businesses  
10 are required to collect from payees to establish their  
11 tax status and to determine whether withholding taxes  
12 are due on payments being made to them.

13 The IRS guidelines for what constitutes a  
14 valid withholding certificate is inconsistent between  
15 these forms. For example, the IRS allows a payer to  
16 accept the paper Form W-8 with a digital or electronic  
17 signature affixed to it and this is specified in the  
18 statute and in publications.

19 However, Forms W-9, W-4P, and W-4R do not  
20 have this same allowance. The requested instructions  
21 for the Form W-9 indicate that payers can accept  
22 digital signature provided it's collected through a



1 withholding system that they've developed in-house.

2           There is virtually no guidance for Forms W-  
3 4. Therefore, we are asking IRS to align the  
4 electronic signature requirements for these forms to  
5 those of Forms W-8 so that businesses can reasonably  
6 accept a W-9 or a W-4 series form that have a valid  
7 electronic signature affixed to it.

8           Thank you. Next up will be Phil Poirier.

9           MR. POIRIER: So it's always important to  
10 have a Plan B. This particular topic was led by  
11 Catherine Tracy who is unable to join us today. I  
12 think she's on the phone but she was ill and she did a  
13 great job. So I'm going to backstop her.

14           Business Master File Transcripts is the  
15 first issue in the Wage and Investment Subgroup  
16 Section, and IRS requested IRSAC to provide feedback  
17 on the expansion of the BMF Transcripts through the  
18 Transcript Delivery System, TDS, and improvements to  
19 the associated data.

20           So transcripts for businesses are very  
21 important to help them stay compliant with their tax  
22 obligations. There's really two ways to obtain a

1 business transcript. One is to use the Transcript  
2 Delivery Service. This is an automated service for  
3 authorized professionals to access online and download  
4 transcript information.

5           The transcript information tends to be in  
6 the area of Forms 1165 and 1120. There's some  
7 modifications with the TDS systems. One is that you  
8 have to be an authorized professional with an e-  
9 services account. So that doesn't include businesses.  
10 That doesn't include other authorized companies.

11           The second thing is it doesn't have a lot of  
12 the data that could be helpful to those who would use  
13 the business transcript. So the backup is to use  
14 something called the Integrated Data Retrieval System  
15 or IDRS, which is a manual system, basically contact  
16 the IRS by phone. You request the information and a  
17 customer service representative downloads the  
18 information, generates a pdf document, masks the pdf  
19 document from information that may be sensitive or not  
20 transmittable, and then would mail or fax back the  
21 information.

22           Understandably, this requires a lot of time

1 and the other thing it requires is you have to get  
2 access to the IRS and some companies actually use robo  
3 companies to make those calls.

4           So the benefit to expanding the type of data  
5 and information available to the TDS system would be  
6 substantial if it could be done. We know that this  
7 would require new formatting, data mapping, and other  
8 maintenance of IRS data systems, but we think there is  
9 a high benefit there.

10           So IRSAC ended up with six recommendations  
11 in this area.

12           The first recommendation is the IRS should  
13 expand the MF transcript delivery through TDS to be  
14 more available to other authorized persons besides  
15 just authorized tax professionals.

16           Second, there needs to be a procedure in  
17 place where business can authenticate online to  
18 receive BMS transcripts through the TDS system,  
19 Transcript Delivery System.

20           The third recommendation is the BMF  
21 transcript availability should include a focus on  
22 other information forms of return and as well as Forms

1 94X, 90, and 2290. We tried to upload the focus on  
2 specific forms because we have the Inflation Reduction  
3 Act and its limitations.

4 Fourthly, we should have (technical issue)  
5 be on our transcripts. (Technical issue) and the  
6 address verification for returns. (Technical issue)  
7 and tax identification on the form, EINs assigned to  
8 disregarded entities.

9 Fifth, IRS should consider expansion of BMF  
10 transcripts as part of the IRS Modernization Plans and  
11 to expand its availability to funding through the  
12 Business Systems Modernization and not just the  
13 operations support, if that's possible.

14 And the final recommendation is the IRS  
15 should schedule market engagement of the industry  
16 members, including outreach via the IRS stakeholder  
17 liaison process.

18 So those were our recommendations on this  
19 particular item, and I'm going to hand it off to Ted  
20 Afield who's going to be up next.

21 MR. AFIELD: Thank you and good morning.

22 My name is Ted Afield and I'm with the Small

1 Business and Self-Employed Subgroup. I will be  
2 reporting today on recommendations related to the  
3 establishment of the Examination, Customer  
4 Coordination, and Innovation Office, known as the  
5 ECCIO.

6 Specifically, the SBSE has asked the IRSAC  
7 to do the following: to identify examination SBSE  
8 processes that can benefit from automation  
9 modernization, to provide insight into digitalization  
10 efforts that would be enhance the examination  
11 experience for taxpayers, to identify digitalization  
12 needs of taxpayers and practitioners, and to provide  
13 recommendations for the marketing approach to increase  
14 the use of the ECCIO.

15 Due to budgetary constraints, the ECCIO's  
16 mission is being carried out with current IRS  
17 technological capabilities. These constraints limit  
18 the potential for short-term implementation of certain  
19 types of initiatives, including the use of chat box to  
20 provide guidance to taxpayers during an examination,  
21 and the use of robotics or artificial intelligence to  
22 generate queries to taxpayers for additional

1 information related to an examination item based on  
2 information received during the course of an  
3 examination to review the terms to detect issues  
4 and/or to review and analyze documents received from  
5 taxpayers.

6           These types of initiatives, however, might  
7 offer numerous benefits, such as (1) allowing the IRS'  
8 online account, taxpayer account to serve as a one-  
9 stop shop for most taxpayers to obtain tailored  
10 automatic service for a tax issue, to provide online  
11 information delivery, improve the availability for  
12 taxpayers to satisfy their obligations online, to  
13 streamline the taxpayer's ability to assemble  
14 documents related to their tax return, and to  
15 interface with the IRS, and to resolve disputes more  
16 quickly using the technological interface, to allow  
17 artificial intelligence and robotic interfaces to  
18 provide tailored responses to direct taxpayer  
19 inquiries. Automatic systems could use information on  
20 taxpayer accounts to provide links to pieces of  
21 information with the taxpayer's tax history suggests  
22 are relevant to keeping the taxpayer in compliance.

1           Three, allow, though not requiring,  
2 taxpayers to keep critical documentation for an exam  
3 linked to their taxpayer account on the IRS site  
4 available if their return is selected for an exam.

5           And four, using an automated system can  
6 determine whether the taxpayer has submitted all the  
7 requested documentation in an exam and to request any  
8 missing items. Once the submission is complete, the  
9 system could verify to the IRS examining agent that  
10 the file was complete and ready to be reviewed. This  
11 would allow limited personnel hours to be better  
12 utilized to resolve more complex qualitative tasks  
13 while more mechanical document collection tasks are  
14 automated, allowing for quicker exam resolutions and  
15 making it possible for one exam agent to handle an  
16 exam from start to finish.

17           Such initiatives have to be undertaken with  
18 considerable care to guard against potential bias on  
19 account of the risks that with any technological  
20 system, any type of biases can be reflected in the  
21 decisions that automated systems make.

22           The IRSAC thus makes the following

1 recommendations to the IRS.

2           One, to improve the functionality of the  
3 IRS' online account, incorporate the ECCIO interface  
4 directly into this feature.

5           Two, ensure online information delivery with  
6 any active systems designed to adapt to specific  
7 taxpayer questions.

8           Three, allow taxpayers to satisfy their tax  
9 obligations online by expanding the taxpayer  
10 accountability to obtain transcripts through the  
11 taxpayer account.

12           Four, utilize adaptive forms to indicate the  
13 taxpayers in real time with information when missing  
14 and have something on the form that requires  
15 clarification or additional information with relevant  
16 forms that the taxpayer might need on the taxpayer's  
17 account home page.

18           Five, give taxpayers the option of being  
19 upload documentation to their IRS tax account  
20 throughout the tax year, such as business records,  
21 mileage forms, income receipts, etcetera, and secure  
22 rights to their taxpayer account.



1           Six, consider developing a pilot plan for  
2   dispute resolution platform that utilizes adaptive  
3   automated responses to communicate with the taxpayer  
4   and to request the taxpayer submit documentation  
5   online if necessary.

6           And finally, let the ECCIO increase its  
7   utilization of automated and robotics and design a  
8   platform for this to protect against the risk of  
9   increasingly automated systems that may inadvertently  
10  reflect the biases of their designers.

11           I will now be handing this off to Sharon  
12  Brown with the TEGE Subgroup.

13           MS. BROWN: Good morning. My name is Sharon  
14  Brown and I'm a member of the TEGE Subgroup, and our  
15  topic or issue is Series 8038 Form Redesign and  
16  Updates.

17           (Technical issue) Indian Tribal Governments,  
18  also known as issuers, are required to file returns to  
19  provide the IRS with information required by Section  
20  149 within the Code and to comply with Sections 141  
21  through 150 of the Code.

22           (Technical issue) on behalf of an (technical

1 issue) has to make a good faith effort to complete  
2 their information return and to follow the  
3 instructions to the form. The information return must  
4 be completed on the basis of available information and  
5 reasonable expectations as of the date of issuance of  
6 the tax-exempt bonds.

7           The failure to file an information return  
8 (technical issue) tax-exempt bonds may be excluded  
9 from gross income of the holders thereof.

10           The precedent for a (technical issue) in  
11 connection with the issuance of tax-exempt bonds or  
12 838 series forms (technical issue) information return  
13 for tax-exempt government bonds with an issue price of  
14 a 100,000 or over, (technical issue) information  
15 return for small tax-exempt governmental bond issues  
16 (technical issue) with an issue price under a  
17 \$100,000.

18           Issuers of tax-exempt bonds are payers and  
19 (technical issue) interpreted certain of the return  
20 instructions and effort to accurately report  
21 information in the returns in connection with the  
22 issuance of activity bonds and governmental bonds.

1           To ensure their good returns and  
2 clarification of (technical issue,) can result in  
3 different responses of information returns, we are  
4 asking for consideration in consultation with  
5 representatives from the IRS recommend that (technical  
6 issue) of the Form 8040 return and the Form 8030AG  
7 return into one information return.

8           (Technical issue) and eliminate confusion as  
9 to way the attachments are applicable.

10           (Technical issue) to complete. It's not  
11 totally completed by the preparer and doesn't require  
12 as much disclosure information as required in the form  
13 4038G return.

14           The relative ease and efficiency of  
15 completing the Form 8038GC return encourages  
16 compliance and timely reporting and allows the IRS to  
17 collect sufficient information for the administration  
18 of the tax laws.

19           The current requirement for the Form 8038GC  
20 is \$100,000. This has not increased since the  
21 enactment of the form in 1987 with no increases over  
22 time. (Technical issue.) If adjusted for inflation

1 over time, the projected threshold would be  
2 approximately \$257,000.

3           The IRSAC believes that the IRS needs to  
4 increase the threshold amount to at least 200,000 to  
5 (technical issue) with these adjustments tied to the  
6 CPI going forward.

7           The IRSAC knows that the threshold increase  
8 will adjust the issuer and paid preparer of completing  
9 the more complicated Form 8038G for these transactions  
10 that could be reported on the Form 8038GC with a  
11 threshold increase.

12           The IRSAC makes the following  
13 recommendations.

14           For Form 8048G, (1) consider that the Form  
15 8048 return and the Form 8038G return be consolidated  
16 into one information return, consider it be an  
17 information return.

18           Two, update the information return to  
19 (technical issue) collects information that (technical  
20 issue) that can be used for tax expenditure of  
21 different tax (technical issue,) provide robust  
22 statistical conclusions into a system assessment.

1           Three, convert information return to  
2 electronic form, consider also a structure where  
3 (technical issue) and give them to a particular client  
4 (technical issue.)

5           Four, Form 8040GC, our first recommendation,  
6 return Form 8040GC return as a standalone form, two,  
7 increase the reporting threshold for the Form 8040GC  
8 return from the current \$100,000 to approximate CPI  
9 adjusted threshold of \$300,000 and also allow future  
10 threshold adjustments at the discretion of the IRS  
11 Commissioner, and three, the Form 8040GC return to the  
12 IRS Commissioner for electronic filing.

13           Thank you. The next presenter is Katie  
14 Sunderland.

15           MS. SUNDERLAND: Hello. My name is Katie  
16 Sunderland and I'll be reporting on the first issue  
17 for the LB&I Subgroup.

18           The issue concerns issues for 6166, the  
19 Certification of Treaty Tax Residency. This is a form  
20 that's required by newer countries to prove that the  
21 applicant or the taxpayer is entitled to treaty  
22 benefits.

1           The application for this is entirely paper-  
2 based. This causes significant delays in accessing  
3 results in certificates that have typos or other  
4 significant errors. As simple as a misplaced comma  
5 can result in the denial of treaty benefits.

6           All right. (Technical issue) in certain  
7 countries that require all papers to be in hand before  
8 the payment. So, for example, (technical issue)  
9 during the first quarter and often certificates are  
10 not received until after that, so complete loss of  
11 treaty benefits.

12           All right. The cost of (technical issue)  
13 often is a direct hit to the U.S. Treasury and that's  
14 because the taxpayers are able to take full tax  
15 credits against the U.S. tax liability. To the extent  
16 that there's tax-exempt (technical issue,) for  
17 example, this is a direct hit to the returns.

18           To address this concern, IRSAC recommends a  
19 complete moratorium on the treaty platform to process  
20 these forms.

21           (Technical issue) we recommend changes to  
22 ensure that these funds are received on time. So, for

1 instance, to conduct the process before December 1st,  
2 which is the current date on which they can first be  
3 applied for.

4 We also recommend an extension of the  
5 taxable (technical issue) allowing taxpayers to  
6 (technical issue) tax return without attachments or  
7 schedules, and we think this is just too long a period  
8 and we recommend that that be allowed until electronic  
9 processing can be allowed.

10 And, finally, we recommend that the IRS  
11 continue to proactively engage and educate competent  
12 tax authorities so that they know the IRS timeline and  
13 abilities to complete these certificates.

14 I think that covers the subgroup issues.

15 MS. LEW: Thank you, Katie.

16 I would like to now invite Acting  
17 Commissioner Doug O'Donnell to make remarks.

18 MR. O'DONNELL: All right. Thank you.

19 Thank you very much for that.

20 I know that one of you came up here with an  
21 iPad and spoke from it and that's a risk I've not yet  
22 been able to take. Technology is just an island I'm

1 trying to follow. So thank you.

2 First off, thank you for the discussion. It  
3 was really helpful. I have not been able to read the  
4 report. We are in the process of -- again, I already  
5 said this but I'll just repeat it. We're working on  
6 the Strategic Operations Plan for the agency. The  
7 groups have this report and many of these issues are  
8 items that are being dealt with or will be dealt with  
9 in the report that we're preparing for the Secretary.

10 It might not come out specifically because  
11 we're still debating what level of detail we're going  
12 to have in the report, but a number of the items here  
13 I am assured will be those that we are going to focus  
14 on.

15 Taxpayer accounts, access to information, it  
16 is those that we're trying to get through, and that is  
17 fundamental to some of the comments that a number of  
18 you made. So thank you for that. You should see I  
19 have some of that in that Strategic Operations Plan.

20 Our challenge in that plan, briefly, I know  
21 I spoke on this yesterday when we were talking to you,  
22 we want to deliver it to the Secretary in mid-



1 February. It's not clear to us how that's going to be  
2 made public, but at some point it will be, and so to  
3 the extent we're able to get it to you quicker, we  
4 will. I don't know if we'll be able to. It's not  
5 clear that we will, but we are looking to publicize it  
6 or make it available to as many as soon as possible,  
7 if for no other reason than to demonstrate that we  
8 have a plan and we know what we want to do with the 80  
9 billion.

10           In the absence of that information, there  
11 will be a vacuum and people will create all sorts of  
12 narratives that may or may not reflect what we're  
13 actually doing. So we want to get in front of that as  
14 quickly as possible.

15           Ken, the top one, the robo calls item that  
16 one of you raised, that's something that we've heard  
17 about. I think we've dealt with it. I won't address  
18 each one of your ideas, but, Katie, Nicole has been  
19 working very hard to deal with that 6166 issue. I was  
20 dealing with it as a competent authority, as well. So  
21 it is definitely on our radar.

22           Again, thank you all very much for the work,

1 the effort, fantastic ideas. We're considering them  
2 for what we're doing going forward, and look forward  
3 to your ongoing advocacy on our part and helping us  
4 with our implementation in a post-IRA environment.  
5 There is just amazing opportunity.

6           Again, as I said yesterday, renewed sense of  
7 purpose, I am really excited by this. So thank you  
8 for your support in getting us to this point.

9           Now I have some certificates to hand out?

10           MR. HARDY: Yes, we have approximately nine  
11 members of the IRSAC that are rolling off. This is  
12 always a bittersweet time because that means we're  
13 losing some but we also are gaining some new members.

14           So when I call your name, if you would,  
15 please come up quickly. Doug, would you stand right  
16 here?

17           MR. O'DONNELL: Where do you need me to  
18 stand?

19           MR. HARDY: Right here, right here.

20           MR. O'DONNELL: You're going to do the  
21 names?

22           MR. HARDY: I'll do the names.

1                   MR. O'DONNELL: They gave me phonetic  
2 pronunciations.

3                   (Laughter.)

4                   MR. HARDY: When I call your name, if you'll  
5 stand to this side and Doug will hand your certificate  
6 to you and Brian on my staff will take a lovely  
7 picture for time immemorial. All right.

8                   MR. O'DONNELL: I'll leave that alone.

9                   MR. HARDY: Our first recognition is Ted  
10 Afield. Ted.

11                   (Applause.)

12                   MR. HARDY: All right. Next is Robert  
13 Howren.

14                   (Applause.)

15                   MR. HARDY: Denise Jackson.

16                   (Applause.)

17                   MR. HARDY: Kathleen Lach.

18                   (Applause.)

19                   MR. HARDY: Next our esteemed Chair Carol  
20 Lew.

21                   (Applause.)

22                   MR. HARDY: Kelly Myers.

1 (Applause.)

2 MR. HARDY: He's always known by his given  
3 name, so I won't say Joseph, Joe Novak.

4 (Applause.)

5 MR. HARDY: Kevin Valuet.

6 (Applause.)

7 MR. HARDY: And our final recognition is  
8 Katie Sunderland.

9 (Applause.)

10 MR. O'DONNELL: Does that conclude my  
11 responsibilities?

12 MR. HARDY: It does conclude. Before you  
13 leave, I was reminded by John, Bob Panoff, who could  
14 not be here, is also rolling off. So again for Bob.

15 (Applause.)

16 MR. O'DONNELL: Yeah. And thank you all  
17 very much. I really -- we really appreciate the  
18 effort, again your perspective, external, dealing with  
19 taxpayers in a way that we don't is extraordinarily  
20 useful and we appreciate your insight, a lot of  
21 lessons learned here, and a lot now I think we can do  
22 with the investment we have and your ideas will help

1 influence where we head.

2           So thank you all very much. Have a great  
3 day for those traveling. I know some are going very  
4 far. Smooth travels home and take care all. Best  
5 wishes for a fantastic Thanksgiving holiday. Thank  
6 you.

7           (Applause.)

8           MS. LEW: Thank you.

9           MR. HARDY: So we're going to take a short  
10 break. We're able to get Doug out of here on time.  
11 So we'll take a short break and reconvene at --

12           MS. LEW: 10:15.

13           MR. HARDY: -- 10:50.

14           MS. LEW: 10:50.

15           (Recess.)

16           MS. LEW: Welcome back, everybody, to the  
17 Public Meeting of the IRSAC.

18           At this point in the meeting we're going to  
19 have each subgroup lay out their portions of the  
20 report. We're going to begin with LB&I and so first  
21 issue will be presented by Robert Howren, please.

22           MR. HOWREN: Thank you.

1           I'm covering Issue 12, Retaining Different  
2   Addresses for Different Tax. When the taxpayer's  
3   files Form 8822B to update the corporate address, the  
4   IRS changes every address in the system as far as  
5   mailing notices. That includes for income, payroll,  
6   excise tax, etcetera.

7           So when the address gets changed, it changes  
8   the address for everything. So notices that taxpayers  
9   were previously receiving, they no longer receive it.  
10   It goes to a different address. It could be a  
11   payroll, a service provider, or something else, and so  
12   those notices they never get to the correct address to  
13   be handled.

14           Currently, there is only the ability to have  
15   two addresses linked to the taxpayer account, the  
16   mailing address and the location address. The mailing  
17   address is what is used to send out notices to. So if  
18   the mailing address gets changed, the ability to get  
19   those notices are also changed.

20           So we have three recommendations to fix this  
21   issue.

22           One is the IRS needs to reprogram their

1 system because right now their system, like I said,  
2 only has the ability to handle two addresses. So they  
3 would have to program it to be able to handle an  
4 address for each type of tax, income, payroll, excise,  
5 etcetera, so that the notices could get mailed, and  
6 they would have to also reprogram the subsystems so  
7 that it would recognize, okay, this is payroll, these  
8 go to the payroll address, this is, you know, income-  
9 related and these go to the income tax address.

10           So once that is done, then our second  
11 recommendation is to redesign Form 8822B to include  
12 address changes for mobile types of taxes, either a  
13 single type of tax or mobile type of tax, when the  
14 taxpayer or a payroll service provider is changing the  
15 address.

16           Finally, with the Taxpayer First Act, the  
17 Taxpayer Experience Strategy, which includes expanding  
18 the digital notices and letters to utilize that for  
19 the business account, as well, so that people can log  
20 in to see if they've got notices for the different  
21 types of taxes, as well.

22           Thank you. Dawn, you're up next.

1 MS. RHEA: Thank you, Robert.

2 Good morning. My name is Dawn Rhea and I'll  
3 be presenting on LB&I's next issue, which are late  
4 receipt K-1s by large corporate taxpayers.

5 Many times these large corporate taxpayers  
6 fail to timely receive their K-1s through no fault of  
7 their own to incorporate into their returns.  
8 Currently, there is no administrative relief beyond  
9 the filing of numerous amended federal and state  
10 returns, creating material administrative burdens for  
11 both the taxpayers and the IRS.

12 To that end, IRSAC recommends the adoption  
13 of procedures that would allow large corporate  
14 partners to utilize good faith estimates in subsequent  
15 year true-ups to reduce the burden on the IRS of  
16 processing these amended returns, which many times are  
17 for very insubstantial amounts while balancing any  
18 relief not to diminish the force of due dates overall.

19 Presently, these large corporate partners  
20 receiving late K-1s may resort to self-help  
21 methodologies or filing of these numerous amended  
22 returns. Such self-help methodologies, as one could



1 imagine, would not be consistently applied nor uniform  
2 across taxpayers.

3           Procedures could be adopted with the  
4 appropriate guardrails allowing large corporate  
5 taxpayers to use these good faith estimates and to  
6 true-up in the subsequent tax year.

7           Following these procedures may also reduce  
8 or eliminate the need to file the notices of  
9 inconsistent treatment as well as administrative  
10 adjustment requests and could be treated similar for  
11 these taxpayers to an elected method of accounting.  
12 This proposal is intended to be streamlined and less  
13 burdensome than what currently exists.

14           Therefore, IRSAC recommends the adoption of  
15 a procedure that would allow these large corporate  
16 taxpayers to use good faith estimates for late receipt  
17 K-1s, correct the estimates in the subsequent year tax  
18 return, which includes the payment of any interest, as  
19 well as the extension of statute of limitations with  
20 respect to such corrected items, include an  
21 attestation statement specific for the use of these  
22 good faith estimates, as well as not receiving the K-

1 is on or before September 15th, and also to seek  
2 public comment for these large corporate taxpayers  
3 that are directly affected by this issue.

4 Thank you for your time and the next issue  
5 will be presented by Carol Lew.

6 MS. LEW: Thank you, Dawn.

7 This is another Plan B. I'm Carol Lew,  
8 Chair of IRSAC, and the author of this report is Joe  
9 Novak. This is Issue 4 for LB&I, Improvements to the  
10 Bridge Phase of the CAP Program.

11 The IRS should consider adopting the current  
12 Compliance Assurance Process, CAP, Program to provide  
13 assurance to taxpayers in the so-called bridge phase.

14 IRSAC believes that this CAP enhancement  
15 will incentivize and faster taxpayer behaviors that  
16 are conducive to good tax administration. It will  
17 strengthen the CAP Program and further improve  
18 efficiency of IRS exam resources.

19 The CAP Program was created to identify and  
20 resolve tax issues for accepted taxpayers utilizing  
21 both cooperative and transparent interaction between  
22 LB&I and the taxpayer prior to the filing of the tax

1 return.

2           The program consists of three phases:  
3 compliance, maintenance, and bridge, a CAP, a  
4 compliance, maintenance, and bridge. In the CAP  
5 phase, a taxpayer is expected to make open,  
6 comprehensive, and contemporaneous disclosures of  
7 material issues in writing.

8           The IRS determines that if all material  
9 issues have been disclosed and resolved, the taxpayer  
10 will receive a full acceptance letter. The taxpayer  
11 may progress if approved to the compliance maintenance  
12 phase. At this point the IRS reduces the level of  
13 review.

14           A taxpayer with few found material issues  
15 that continues to satisfy CAP eligibility can move on  
16 to the bridge phase and in a bridge phase, the IRS  
17 will not accept any disclosures conducted in reviews  
18 or provide any assurance regarding the bridge return.

19           If a CAP taxpayer receives a full acceptance  
20 letter for filing period, it will likely be able to  
21 conclude that further examination by the IRS is  
22 remote, conclude that all tax matters are effectively

1 settled for the period and communicate that the year  
2 is closed to shareholders in its annual filings.

3           The IRSAC believes that progression to the  
4 bridge phase may actually represent a regression for  
5 both the taxpayer and the IRS because in the bridge  
6 phase the taxpayer receives no assurance from the IRS  
7 and accordingly cannot claim that the bridge year is  
8 closed.

9           IRSAC believes that none of those continued  
10 low-effort/high-value interactions that could be the  
11 issuance of a full acceptance letter in exchange for a  
12 representation that a bridge taxpayer that certain  
13 aspects of the taxpayer have not changed, such as no  
14 material changes to the taxpayer supply chains, no  
15 material changes to the method periods or tax  
16 positions of the taxpayer, no material changes to  
17 underlying business, and no one-time events that  
18 materially change the tax profile of the company.

19           We believe that there are several benefits  
20 to this option. It will allow entities to self-  
21 police. It will strengthen the desirability of the  
22 CAP Program to those taxpayers that are currently

1 debating the cost and benefits of applying for the  
2 program, and it will create efficiencies for the IRS  
3 workforce.

4 We therefore recommend that the IRS consider  
5 adapting the CAP Program to provide a full acceptance  
6 letter to bridge taxpayers based upon representations  
7 provided in an annual no-change representation.

8 Thank you. Okay. At this point, we're  
9 going to transition over to Information Reporting and  
10 I believe that was the last issue for LB&I.

11 Holly, would you like to make remarks  
12 regarding any of the reports?

13 MS. PAZ: Yes, I would. First, I want to  
14 thank our IRSAC subgroups for all of their work this  
15 year. They've taken on, as you've heard, a number of  
16 different very interesting topics and really do  
17 appreciate the recommendations and the engagement that  
18 we've had throughout the year.

19 I will touch very briefly on a few of them.  
20 On CAP, this is a very timely issue for us. You know,  
21 we have been considering how to proceed as far as  
22 bridge, so the comments are very helpful, and now, you

1 know, post-IRA with a shift in the funding landscape,  
2 our thinking very much about the future of CAP and  
3 what that looks like, so really do appreciate the  
4 recommendations and they're very helpful at this  
5 particular point in time.

6           On the late K-1 issue, this is something  
7 that we had asked the subgroup to take on because  
8 we've been hearing about it from external stakeholders  
9 that they're really finding it to be a challenging  
10 issue. I think the recommendation regarding seeking  
11 public comment is one that is very interesting. We  
12 are considering that and perhaps even, you know,  
13 soliciting comments, you know, more broadly as far as  
14 needed resolution strategies beyond just the late K-1  
15 issue.

16           So I appreciate the work on that, and then  
17 the residency certificate issue, just want to note  
18 that we certainly understand the frustration and  
19 challenges that taxpayers have experienced. You know,  
20 we have worked to try to alleviate that.

21           We do agree with the subgroup's  
22 recommendation regarding electronic filing. We do

1 strongly agree that that would, you know, be a key  
2 part of the solution, so appreciate IRSAC looking at  
3 that.

4           And as far as the corporate addresses, that  
5 is an issue that, you know, while it impacts LB&I  
6 taxpayers, we do not own it exclusively. So we will  
7 certainly be coordinating and discussing those  
8 recommendations with Wage and Investment and IT.

9           But again just want to thank the subgroup  
10 for all of their great work. We've enjoyed working  
11 with you.

12           (Applause.)

13           MS. LEW: Thank you very much, Holly, for  
14 all of your efforts with the group.

15           MR. HARDY: So is the representative for  
16 Chief Counsel here? All right.

17           Thank you again, Holly, for your time today.

18           MS. PAZ: Thank you.

19           MR. HARDY: And so then Subin Seth from  
20 Chief Counsel.

21           MS. LEW: Thank you so much for joining us  
22 today. So we are segueing now into the Information

1 Reporting Subgroup's reports and I'd like to ask Seth  
2 Poloner to go to the podium for the first issue.

3 MR. POLONER: Good morning and thank you for  
4 your time today. I am Seth Poloner, a member of the  
5 Information Reporting Subgroup, and I will be  
6 discussing issues around Section 1446(f) of the  
7 Internal Revenue Code.

8 Section 1446(f) was added to the Code by the  
9 Tax Cuts and Jobs Act in 2017 and provides rules for  
10 withholding on the transfer of certain partnership  
11 interests.

12 Federal regulations published in November  
13 2020 regarding the withholding on the transfers of  
14 interest in publicly-traded partnerships or PTPs are  
15 scheduled to go into effect with respect to transfers  
16 on or after January 1st, 2023, very soon.

17 It is crucial for the rules to be clear and  
18 administrable, provide (technical issue) Section  
19 1446(f) that (technical issue) implementation  
20 challenges.

21 The IRSAC has identified several issues  
22 requiring further guidance and has several



1 recommendations regarding Section 1446(f).

2           First, (technical issue) [items in the 2021]  
3 IRSAC Public Report have not yet been addressed by  
4 Treasury or IRS guidance. These items include PTP  
5 interest, short size of PTP interests, and the  
6 retroactive application of Forms W-8 and the reporting  
7 statements.

8           The IRSAC strongly encourages the IRS to  
9 publish guidance addressing these issues, taking into  
10 account the IRSAC's prior recommendations.

11           Next, the IRSAC believes that further  
12 guidance regarding several additional issues is  
13 crucial. As the 1446(f) regulations are drafted,  
14 (technical issue) the sales of securities issued by  
15 (technical issue) issuers. It is difficult, however,  
16 for withholding agents to reliably identify whether  
17 such non-U.S. issuers are PTPs because the U.S. tax  
18 classification of entities working outside of the  
19 United States is not widely and consistently available  
20 to withholding agents or their information vendors.

21           Entities working outside the United States  
22 generally may elect a tax status that is not known to

1 the withholding agent. The tax status of a tax entity  
2 generally depends a lot on the particular entity type  
3 in each jurisdiction. (Technical issue) entities  
4 within non-U.S. tax classification would place undue  
5 burdens on brokers trying to identify non-U.S. PTPs  
6 and would likely lead to over-withholding given that  
7 the majority of non-U.S. entities are likely not PTPs  
8 and the majority of non-U.S. entities that are PTPs  
9 likely do not generate (technical issue) that would be  
10 subject to withholding.

11 Therefore, the IRSAC believes that the IRS  
12 should publish guidance exempting a non-U.S.  
13 securities 1446(f) withholding and that if the IRS  
14 does not exempt non-U.S. securities from withholding,  
15 it should establish a presumption rule generally  
16 providing that absent actual (technical issue) revenue  
17 agents can assume a non-U.S. issuer is not a PTP and  
18 does not have [effectively connected income] ECI.

19 Next, in 2022, the IRS released Notice2022-  
20 23 which prescribes changes to the Qualified  
21 Intermediary or QI Agreement to address Section  
22 1446(f).

1           These proposed updates include requirements  
2 with respect to QIs collecting U.S. taxpayer  
3 identification numbers or TINs from (technical issue)  
4 that run and trade PTPs.

5           The IRSAC has several issues with regard to  
6 the new U.S. TIN requirements. The updated QI  
7 Agreement would require a QI entity to use best  
8 efforts to obtain a U.S. TIN from an account holder  
9 subject to 1446(a) or 1446(f). However, the  
10 consequences to a QI for not obtaining U.S. TINs from  
11 such account holders and the best efforts required by  
12 a QI to obtain U.S. TINs from account holders are not  
13 clear.

14           The IRSAC believes that the IRS should  
15 publish guidance providing explicitly that if the QI  
16 does not obtain a U.S. TIN from an account holder, it  
17 does not have a material effect or a default as long  
18 as the QI used best efforts to obtain the U.S. account  
19 holder's TIN, and (2) best efforts to obtain a U.S.  
20 TIN include solicitation for the U.S. TIN and  
21 solicitations.

22           (Technical issue) established as a standard

1 requirement for a filer to establish reasonable cause  
2 for a payee failure to provide a correct TIN.

3 (Technical issue) proceeding to the notice  
4 and the proposed changes to the QI Agreement, the QI  
5 is acting as a disclosing QI which is a new status  
6 must obtain the U.S. TIN of every account holder that  
7 says or receives a distribution from the PTP and that  
8 if such account holder does not provide a U.S. TIN  
9 then the QI may not act as a disclosing QI for  
10 accounts.

11 It is currently implemented that serving  
12 account holders who do not have U.S. TINs and are  
13 (technical issue) require a U.S. TIN from every  
14 account holder in order to act as a disclosing QI,  
15 essentially making disclosing QI status in the  
16 regulations moot.

17 (Technical issue) U.S. TIN for a particular  
18 account holder does not prevent the QI from being able  
19 to act as a disclosing QI with respect to other  
20 account holders that provide their U.S. TINs.

21 The proposed (technical issue) for QI that  
22 is not a disclosing QI to address Section 1.6031.1

1 reporting. All of the first option in that provides  
2 certain information regarding that account holder to  
3 the PTP or the PTP's agent. It does not require a QI  
4 have a U.S. TIN in Option 1 with respect to account  
5 holder if it does not obtain the U.S. TIN from that  
6 account holder.

7           Option 1, however, does not have (technical  
8 issue) by U.S. reporting agents currently if  
9 (technical issue) reporting requirements and receives  
10 more information under Option 1 than under the other  
11 option which is more burdensome.

12           The IRSAC (technical issue) explicitly that  
13 the QI can provide Option 1 reporting with respect to  
14 an account even if it has not obtained the information  
15 from the account holder.

16           Finally, the IRSAC believes that given that  
17 the new U.S. TIN requirements are scheduled to be put  
18 into effect within a very short time frame from the  
19 publication of the report that there many professional  
20 challenges for soliciting and obtaining U.S. TINs in  
21 such a short time period from non-U.S. persons that do  
22 not currently have U.S. TINs and that it is

1 challenging and will take significant time for those  
2 individuals to obtain U.S. TINs that the IRS should  
3 provide a transition and/or good faith period with  
4 respect to their time to collect U.S. TINs from  
5 holders of PTPs.

6 Thank you. The next issue will be presented  
7 by Wendy Walker.

8 MS. WALKER: Thank you.

9 I'm Wendy Walker and I'm with the  
10 Information Reporting Subgroup and I'm presenting  
11 Issue Number 3, (technical issue) Enabling Business  
12 Online Accounts and Electronic Communications and  
13 Transactions.

14 So prior to the (technical issue)  
15 experienced delays and penalty issues as a result of  
16 some of (technical issue.) Update systems and  
17 processes to administer tax credits to U.S. taxpayers  
18 as per the relief packages.

19 (Technical issue) the IRS had to pivot  
20 valuable taxpayer resources (technical issue) which  
21 has contributed significantly to unprecedented  
22 backlogs in basic return and (technical issue) for

1 businesses.

2 (Technical issue) the IRSAC seeks to  
3 highlight some of the more pressing business tax  
4 process issues for which the OAR should consider  
5 enhancement.

6 First, the IRS has time-sensitive  
7 correspondence that contains private taxpayer  
8 information to those taxpayers via the United States  
9 Postal Service, such the CP-2100 (technical issue)  
10 Notice of Proposed Penalties.

11 Those notices often get lost and causes the  
12 business to contact the IRS via telephone to request  
13 that they correct the notice and also the sensitive  
14 information through the USPS process.

15 Requests for a (technical issue) and  
16 supporting documentation for a variety of business  
17 penalties and other issues also has to be sent to the  
18 IRS via paper through the United States Postal Service  
19 in some cases.

20 So as discussed earlier, the IRS Business  
21 and IT Section in the IRSAC Report, it's important  
22 that the IRS take steps to allow paper correspondence

1 and communication capabilities. In this case, the  
2 IRSAC recommends that the IRS consider how to improve  
3 their response in (technical issue) and CP-2100  
4 processes to create efficiencies in the overall  
5 exchange of notices, responses, and supporting  
6 documentation.

7           It is considered to be the secure e-mail  
8 process for them to receive and send time-sensitive  
9 penalty correspondence or correspondence that contains  
10 for the taxpayer information.

11           There are are some secrets as the Acting  
12 Commissioner discussed earlier to address secure and  
13 identity concerns (technical issue) and business  
14 taxpayers because they are going to be exchanged in  
15 real time which would require additional paper notices  
16 to be generated out to the business.

17           Our recommendations are as follows. First,  
18 explore ways to tackle paper processing of employment  
19 tax returns, consider adding (technical issue) e-file  
20 system so that businesses can submit the information  
21 electronically, automate the transfer of data for the  
22 e-file system to the business master file to allow



1 (technical issue) to manually key those details from  
2 one system to another.

3           The second recommendation is to develop a  
4 secure e-mail process, as I said previously, for  
5 businesses and the IRS to receive time-sensitive  
6 penalty correspondence. Again, (technical issue) of  
7 these processes we believe can speed up time to  
8 resolution but can also (technical issue) of penalties  
9 due to information between businesses, taxpayer, and  
10 IRS being out of sync.

11           And with that, I am going to ask Kevin  
12 Valuet to come next.

13           MR. VALUET: Good morning, everyone, and  
14 thank you for allowing me to come up here and speak on  
15 this issue.

16           My name is Kevin Valuet. I'm an outgoing  
17 member of the Information Reporting Subgroup and I'm  
18 here to report out on the Wage Reporting to  
19 Individuals who are incarcerated.

20           First of all, I'd like to thank Nancy Ruoff,  
21 TEGE Subgroup Chair and our workpaper professional,  
22 for bringing forth this issue and providing amazing

1 background and additional input on recommendations on  
2 this issue.

3           21st Century technological advances, say  
4 that one four times, have seen an unbounding expansion  
5 of the talent pool. These talent pools have an  
6 expanding extent to incarcerated individuals and  
7 individuals that have once been seen as (technical  
8 issue) such as food service or groundskeeping.

9           This has led to increased questions related  
10 to the individuals themselves and the employee-  
11 employer relationship has been established and if it  
12 has been established what are the rules regarding  
13 that.

14           (Technical issue) employee=employer  
15 relationship and proper taxation. (Technical issue)  
16 to help organizations understand the employee-employer  
17 relationship as it relates to individuals who are  
18 incarcerated and more specifically their taxation.  
19 This information is not found directly in the IRS  
20 publications and Publication 15, Circular E, and Tax  
21 Guide, Instructions for Forms W-2, tax statements, and  
22 (technical issue,) and irs.gov itself.

1           This information is difficult to find and  
2 (technical issue) such as myself and payroll registry.  
3 As such, (technical issue.) First, unlike Publication  
4 15, Circular E, Tax Guide, and Instructions for Forms  
5 W-2, and (technical issue) to individuals who are  
6 incarcerated referencing the guidelines provided by  
7 the Office of Chief Counsel.

8           Number 2, provide information to the  
9 federal, state, and local government or (technical  
10 issue) on the IRS website providing guidance,  
11 compliance guidance on this topic.

12           Number 3, conduct sessions with the FSLG  
13 community to assist in establishing compliant  
14 practices before there's a potential compliance issue,  
15 and, fourth, include guidance information and income  
16 tax assistance and training (technical issue) to  
17 individuals who are incarcerated to ensure tax  
18 compliance.

19           I believe that's all the issues we have for  
20 the Information Reporting Subgroup. Thank you.

21           MS. LEW: Thank you, Kevin.

22           I'd like to ask Mr. Subin Seth, I'd like to

1 ask him if he has any comments.

2 MR. SETH: Yeah. I'd just like to thank the  
3 subgroup for putting those comments together.

4 1446, I think I'm much closer to, so I can  
5 say a little bit about that. We appreciate those  
6 comments and we have been studying those. We are  
7 actually working on some limited guidance that  
8 hopefully will address some of those. So we  
9 appreciate your feedback on those issues.

10 As people know, the QI Agreement is coming  
11 out later this year. So we will, of course, also take  
12 your comments into consideration when we come out with  
13 that.

14 On the more interesting issues here, online  
15 accounts and the wage reporting to incarcerated  
16 employees, I appreciate those comments and will also  
17 take those into account in the upcoming year.

18 So thank you.

19 MS. LEW: Thank you very much.

20 (Applause.)

21 MR. HARDY: All right. Thank you. Thank  
22 you, sir, for your comments, and, Carol, it looks like

1 we're going to transition into SBSE.

2 MS. LEW: Yes.

3 MR. HARDY: And I'm not sure if Lia Colbert  
4 is here.

5 MS. COLBERT: Hi, team. How are you? Thank  
6 you for being here. How is everybody? Had a great  
7 morning so far? Yeah, okay.

8 MS. LEW: We have two issues to present for  
9 you and I'd like to invite Ted to come up, please. He  
10 did it much smoother than I did.

11 MR. AFIELD: Thank you and good morning. My  
12 name is Ted Afield. I'm a member of the SBSE Subgroup  
13 and I'll be presenting on the first of our two issues,  
14 which is the issue regarding recommendations relating  
15 to the establishment of the Examination Customer  
16 Coordination and Innovation Office, also known as the  
17 ECCIO.

18 The ECCIO's purpose is to centralize  
19 utilization efforts within the business operations,  
20 including the promotion of existing digital projects,  
21 providing clear lines of communication, influencing  
22 existing technology, mitigating assistance with

1 homegrown systems, and leveraging legislation changes  
2 correlating to technology.

3           The ECCIO also serves as the liaison between  
4 internal SBSE Exam and external which are internal IRS  
5 offices that are external outside of SBSE Exam  
6 stakeholders to facilitate and monitor the development  
7 and maintenance of new and existing automations.

8           Specifically, the SBSE has asked the IRSAC  
9 to look into the following areas: to identify  
10 Examination SBSE processes that could benefit from  
11 automation modernization, to provide onsite as to  
12 digitalization efforts that would enhance the  
13 examination experience for taxpayers, to identify the  
14 digitalization needs of taxpayers and practitioners,  
15 and to provide a recommendation to the marketing  
16 approach to increase the use of the ECCIO.

17           Due to budgetary constraints, the ECCIO's  
18 mission is being carried out with current IRS  
19 technological capabilities. Those constraints limit  
20 the potential for short-term implementation of certain  
21 types of initiatives, including use of Chat Box to  
22 provide guidance to taxpayers during an examination,

1 and (2) the use of robotics or artificial intelligence  
2 to generate queries of taxpayers for additional  
3 information related to examination items based on  
4 information received during the course of an  
5 examination or the review of returns to detect issues  
6 and/or to review and/or ask for documents from  
7 taxpayers.

8           These types of initiatives, however, would  
9 offer numerous benefits if they could be implemented,  
10 such as (1)\_allowing the IRS's online account, the  
11 taxpayer account to serve as a one-stop shop for most  
12 taxpayers to obtain tailored online service for a tax  
13 issue, to obtain online information delivery, to allow  
14 taxpayers to satisfy their obligations online, to  
15 streamline taxpayer's ability to assemble relevant  
16 documents related to their tax return and to interface  
17 with the IRS, and to resolve disputes more quickly  
18 using a technological interface.

19           (2) Allow artificial intelligence or  
20 robotic interfaces to provide tailored responses to  
21 direct taxpayer inquiries. Automated systems could  
22 use information in the taxpayer account to provide

1 rights to pieces of information that the taxpayer's  
2 tax history suggests are relevant to keeping the  
3 taxpayer in compliance.

4           (3) Allow although not requiring taxpayers  
5 to keep critical documentation for an exam linked to  
6 their taxpayer account on the IRS site available if a  
7 return is selected for an exam, and (4) using an  
8 automated system to determine whether the taxpayer has  
9 submitted all the requested documentation in an exam  
10 and to request any missing items. Once the submission  
11 is complete, the system could notify IRS examining  
12 agent that the file is complete and ready to be  
13 reviewed. This would allow the online personnel hours  
14 to be better utilized to resolve more complex tasks  
15 rather than mechanical document collection tasks are  
16 automated which would allow for quicker exam  
17 resolutions and make it possible for the exam agent to  
18 handle a return from start to finish.

19           Such measures have to be undertaken with  
20 considerable care, however, to guard against the  
21 potential fallacies of accountable risks with  
22 technological systems.



1           Unintended fallacies can be reflected in  
2 decisions that the automated systems make. The IRSAC  
3 thus recommends the following to the IRS.

4           One, improve the functionality of the IRS's  
5 Your Online Account and incorporate the ECCIO  
6 interface directly into this feature.

7           Two, improve online information delivery  
8 with interactive systems designed to adapt to specific  
9 taxpayer questions.

10           Three, improve the availability of taxpayers  
11 to satisfy their tax obligations online by expanding  
12 on taxpayer's ability to obtain transcripts through  
13 the taxpayer account.

14           Four, utilize adaptive forms that indicate  
15 to taxpayers in real time if their information is  
16 missing or if there appears to be something on the  
17 form that requires clarification or additional  
18 information with links to forms that the taxpayer  
19 might need on the taxpayer's account's web page.

20           Five, give taxpayers the option of being  
21 able to upload in the documentation to the IRS tax  
22 account their tax years, things like business records,

1 mileage logs, income receipts, etcetera, and links to  
2 their taxpayer account.

3           Six, consider a pilot online dispute  
4 resolution platform that allows automated responses to  
5 be able to chat with the taxpayer and to request that  
6 the taxpayer submit documentation online if necessary.

7           And, finally, Seven, as the ECCIO increases  
8 its utilization of AI and robotics, employ more AI  
9 design first with an emphasis to protect against the  
10 increasingly automated systems to inadvertently  
11 reflect the fallacies of their designers.

12           With those recommendations on our first  
13 issue, I will now turn this over to Kelly Myers who  
14 will present our second issue.

15           MR. MYERS: Thank you, Ted.

16           My name's Kelly Myers. I'm on the sub-team  
17 for SBSE. I appreciate the opportunity to serve the  
18 IRSAC Team. It's a great opportunity and hopefully  
19 making an impact in the long run. Appreciate this  
20 group. Our issue deals with appeals and (technical  
21 issue,) as well.

22           So I think our title is probably the

1 longest. I say that for the stenographer, so he can  
2 get ready to type it all.

3 MS. LEW: I had fun putting it in the  
4 report.

5 MR. MYERS: So the name is Improving  
6 Taxpayer Experience in Docketing Cases within the  
7 Jurisdiction of the Independent Office of Appeals that  
8 Arise from Compliance Actions by the IRS's  
9 Correspondence Examination or Automated Underreporter  
10 Function as well as Feedback Regarding Examination's  
11 Efforts to Improve Taxpayer Examination Experience  
12 with Respect to those Functions. That's the title of  
13 it.

14 MR. HARDY: What was the title again?

15 (Laughter.)

16 MR. MYERS: So the crux of this is there's a  
17 lot of -- there are no reports that come out and make  
18 it to Appeals that come out of COR-AUR, Cor  
19 Examination, based out of Campus, as well as the  
20 Automated Underreporter for AUR.

21 So we end up going to Appeals, Special  
22 Target Notice of Deficiencies are issued, and many

1 times these are for lower-income/lower-dollar amounts  
2 and when these get processed through, they end up  
3 somewhere in that same pathway as regular tax cases  
4 and you have maybe less represented individuals.

5           So Appeals has dispute resolution and it  
6 develops facts. A lot of times these AUR COR cases  
7 have little factual development because they're non-  
8 respondents, right. So the IRS reaches out, you don't  
9 respond to me, I'm going to issue you a statutory  
10 notice. That's just the way the tax system works.

11           So instead of issuing a statutory notice of  
12 deficiency because the IRS has not received timely  
13 response, a lot of times these cases end up in Appeals  
14 or the Statutory Notice of Deficiency as a pro se,  
15 there's self-represented individuals.

16           In April of 2022, as a statistical  
17 datapoint, Appeals had an approximate inventory of  
18 7,500 cases that had been referred back of these  
19 docketed cases and again trying to resolve them at the  
20 appellate level before ending up on a judge's docket.

21           So again Appeals has tried to implement  
22 streamlined procedures. They've temporarily

1 prioritized docketed cases, over nine docketed cases.  
2 They applied additional resources to these trying to  
3 move them out, and emphasized to the appeals officers  
4 trying to reach out, contact these folks because they  
5 haven't been able to get reached before they end up on  
6 the case.

7 SBSE Exam, as well, most of these end up  
8 falling despite the efforts to improve taxpayer  
9 experience with COR and AUR. Okay. These include  
10 they QR Codes. We talk about this technology, a lot  
11 of the other reports, use the QR codes, somebody could  
12 scan and it really drives them to the information,  
13 right, and that's a great thing that IRS is continuing  
14 to use that technology and other coding to really  
15 expedite and really focus taxpayers as opposed to  
16 trying to leave them wandering around the website and  
17 trying to plant something.

18 Around these issues, all these cases are due  
19 to culture and what I call ESR, English as a Second  
20 Language. So a lot of these are cultural issues as  
21 well as language barriers and some of our  
22 recommendations are trying to address some of those

1 items.

2           Even as educated tax professionals, that  
3 letter shows up in the mail and says IRS and you go  
4 like, oh, what happened now, right? So you can  
5 imagine what happens when somebody that's not used to  
6 the culture of the IRS Tax Code or maybe even a first  
7 generation to the U.S. receives a letter and they  
8 stress about it.

9           (Technical issue) how the Exam can better  
10 maybe use the rescission process to say once a  
11 Statutory Notice of Deficiency is issued, this is the  
12 process and procedure that could be entered into to  
13 say let's rescind back, right. We understand we  
14 missed the boat. We never connected. How do we  
15 revoke this without overburdening the system, the IRS  
16 system, as well as not overburdening the taxpayer?

17           Okay. This is how do overcome some of the  
18 cultural issues, technology issues, language barriers,  
19 and how do we better serve this taxpayer group, this  
20 subgroup that gets these statutory notices, which  
21 maybe hasn't heard from an IRS person at this point  
22 for a variety of reasons.

1           So as you'll see now, we use certified mail  
2 return receipt request to send out the CP-2000 notice  
3 in AUR cases and the second letter, if no response  
4 received to the first letter, in COR cases, in  
5 correspondence audit cases.

6           Two, in the Forms 1040 and 1040-SR, asking  
7 taxpayers' telephone number for those that have some  
8 concern, adding a box on the form showing (technical  
9 issue.) Again, some of the language barrier if  
10 someone is predominantly speaking another language  
11 then they can reply better when somebody reaches out  
12 to them and they will know that upfront.

13           For the taxpayer, if there's no response  
14 within so many days to the item sent out by certified  
15 mail and the item is above one and two, (technical  
16 issue) again it's a little bit difficult when you have  
17 the return address that says IRS, I don't know how we  
18 can certify that but again trying to make that less  
19 threatening, expand all (technical issue) of Statutory  
20 Notices of Deficiency or the statute of limitations  
21 when assessment is not at issue.

22           Six, after the process is docketed and

1 docketed matters involves COR or AUR Special Notices  
2 of Deficiency, so the counsel remands such cases where  
3 the findings of facts has either not occurred or may  
4 not occur directly back to the Compliance function  
5 rather than remanding to Appeals. We can cycle back  
6 to the Exam and let them work it.

7           Seven, have counsel explore the U.S. Tax  
8 Code category of cases can be created for calendar  
9 purposes that allows the postponement of docketed  
10 numbers deemed to be in that group. So modify the Tax  
11 Court system docketing in those cases.

12           Again, we appreciate the Appeals and SBSE,  
13 you guys have been great throughout this process and  
14 throughout every year that I've served on this team,  
15 and again thank you, appreciate the interactions from  
16 IRS staff team here. You guys are great. All right.  
17 Thank you. I'll turn it back over to Carol for  
18 comments.

19           MS. LEW: Sure. I'd like to invite Lia to  
20 provide any comments that she has at this time.

21           MS. COLBERT: Yeah. I will. Thank you so  
22 much.



1           I'm going to go over a little bit the last  
2 one because I was on Appeals as the Deputy Chief when  
3 we desperately wanted to take a deeper look and I will  
4 say just kind of candidly we kind of thought we do a  
5 little bit something different and I wake up and I'm  
6 the Commissioner of Small Business a few weeks later  
7 So I kind of thought, well, there it goes, that -- so  
8 anyway, I actually wanted to make sure (technical  
9 issue.)

10           I'm deeply grateful for your deep look at  
11 the issues here. I had to be up in New England at a  
12 tax conference but because this did, you know,  
13 generate back in April, it's been an ongoing issue for  
14 us and you guys really did look thoroughly at the  
15 layers of things that we could do to solve this issue  
16 as well as the taxpayer experience in Appeals and  
17 really dig into it.

18           I think some of the things I saw in your  
19 report about the culture, the language, the layers of  
20 education, literacy, our focus on behavioral insights,  
21 too, and things we can do to really change that  
22 taxpayers' experience and our understanding of what

1 they should be doing with their tax implications.

2           So that was incredibly helpful for Appeals,  
3 deeply looking at some of the areas, and I know I can  
4 speak for SBSE Exam. We are certainly putting on  
5 endless process improvements in a couple areas and  
6 we'll be excited to kind of circle back with this  
7 group to kind of talk through some of those things but  
8 really appreciate the feedback there.

9           (Technical issue) those recommendations  
10 because it really did show us that if the -- you know,  
11 if we could get could it sketched more fully maybe we  
12 could do some of these things and we could have some  
13 in-field assessment of what would make a difference  
14 for taxpayers that really can build the report but  
15 really now we have this Inflation Reduction Act and  
16 how can we take what -- you know, you know, our  
17 taxpayer experience, our sub-office that we have and  
18 Ken Corbin is our Chief Taxpayer Experience Office for  
19 the agency, but as SBSE, we're specifically charged to  
20 really dig into the investments that will make the  
21 biggest difference for our taxpayers and so I think  
22 now that we have this Inflation Reduction Act, this

1 advisory group's recommendations really help us with  
2 the prioritization of things that will be a  
3 difference-maker for taxpayers.

4           So I did a couple things that helped assure  
5 us that we were on the right track-ish and also helped  
6 show us, you know, the things that would make a big  
7 difference, which I thought was really important and  
8 appreciated you bringing that full circle with the  
9 recommendation.

10           We deeply, deeply appreciate your candor and  
11 your partnership in working with us on your  
12 recommendations and really getting into the complexity  
13 of the issues. These things are hard. (Technical  
14 issue) of the issues, but I haven't found that to be  
15 the case. You really look at the issues and help us  
16 with complicated solutions. It's refreshing and now  
17 that we have the Inflation Reduction Act just expect  
18 the phone to ring even more. I appreciate the  
19 partnership.

20           MS. LEW: Thank you so much for being here.  
21 We appreciate your efforts.

22           MS. COLBERT: So do I pick up the clunk

1 computer without saying anything?

2 (Applause.)

3 MR. HARDY: All right. I want to recognize  
4 Ken Corbin.

5 (Applause.)

6 MR. CORBIN: Thank you, thank you.

7 Good morning, good morning. I'm loving it,  
8 I'm loving it.

9 Let's get to get to work because you know  
10 I'll just go off rails. You want me to go off rails?

11 MS. LEW: You can go off rails.

12 MR. CORBIN: I can go off rails, I can go  
13 off rails. Okay.

14 Well, first, I have to express my  
15 appreciation to everyone here and IRSAC for all the  
16 work that you all have done. I came in early. So,  
17 first, regardless of division, I read all of the  
18 recommendations that are in the report. I read them  
19 twofold.

20 One, because almost everything that my  
21 partners in TEGE, SBSE, Appeals, LB&I does, it touches  
22 the Wage and Investment workstreams. We do your

1 forms. We do your instructions. We do the  
2 processing. We are responsible for the online  
3 account.

4           So listening in and going through all of the  
5 recommendations was critical for us.

6           As your Taxpayer Experience Officer, there  
7 were some key messages that I pulled out of the report  
8 that align so well with the change we are trying to  
9 become and I think that is so important, that the  
10 change we are trying to become is tied to the words of  
11 wisdom that you all have put into this report.

12           And so what I saw in there was choice, was  
13 the Number 1 thing, providing tax professionals,  
14 taxpayers, stakeholders, IRS employees with choices  
15 around how to interact, with how to be able to get the  
16 information they need to be able to do what they need  
17 to do.

18           I also saw access. Access was very  
19 prominent. When you look at our abilities through  
20 online account or access to a phone assister who's  
21 empowered to do the number of transactions that are  
22 needed per phone call to make the phone call

1 productive for the tax professional, the taxpayer, and  
2 for our employee who wants to serve, and then  
3 convenience was the other theme that I got from the  
4 report. You know, just making sure that what we do is  
5 convenient and ready and available, you know, things  
6 around -- I know we're going to talk about it and I  
7 know you have to keep me on track, things like the  
8 information that's available on transcripts, right,  
9 particularly for our business taxpayers, and, you  
10 know, the work that Bill and the team have done for  
11 the Wage and Investment Subgroup speaks to all of  
12 those things that we need to work on, prioritizing  
13 what we need to do on online accounts. All of those  
14 things are things that we need to continue to work on,  
15 not stop.

16           The report is not the end. The report is  
17 not the end. It really is the beginning of what I  
18 would say is a continuous dialogue that we need to  
19 have as we build capabilities, as we make changes.  
20 Those are the things that we need to continue to talk  
21 about.

22           I know Commissioner O'Donnell, he hates it

1 when I call him that, by the way, Acting Commissioner  
2 O'Donnell, I can't call him by his first name, talked  
3 about, you know, the practitioner priority service  
4 slide and, you know, those who would charge a fee for  
5 our practitioners and others to have access, that they  
6 should have -- all taxpayers should have to our  
7 services.

8           We did implement a change in our environment  
9 that has been quite effective, by the way, to prevent  
10 those services from being able to do that, but we  
11 still have to increase the number of assisters  
12 available so that you can still get through. It is,  
13 you know, preventing that service but we have to be  
14 able to have folks available to be able to do that and  
15 that's really what the Taxpayer Experience Office is  
16 about.

17           It's not about that one service, right, of  
18 trying to discourage, you know, a paid-for service to  
19 get access that every taxpayer should have to our  
20 phone systems. It really is sitting back and looking  
21 at a holistic look at the entire environment which  
22 means putting more information online so you won't

1 have to call and that when you do call to make sure  
2 that you have the features like customer callback, so  
3 that you won't listen to our wonderful music and our  
4 mini messages telling you to go to irs.gov. You've  
5 already done that. There's information that you need  
6 that only a CSR can provide and we're making sure that  
7 our CSRs are trained, have the right kind of training,  
8 not transferring you because they're not trained on a  
9 skill but making sure that we have a workforce that is  
10 trained to be able to answer your question and then at  
11 the end of that interaction, at the end of that  
12 interaction, having a mechanism in place so that we  
13 can hear your feedback on did this journey work from  
14 the online account to information at irs.gov to how  
15 you came into the call environment to how that call  
16 progressed to how that call ended.

17           At the end of the day, did we get it right  
18 and did we answer the question that you needed? These  
19 are not all things that we can transform overnight,  
20 but I think we owe you, we owe the American public the  
21 opportunity to hear the plan which Doug talked about,  
22 that we are going to do to get there, and while we're



1 getting there making sure that we're explaining to you  
2 the steps that we are taking to do that, from  
3 implementing the technology to stop the robo calls, to  
4 hiring 4,000 additional CSRs, to getting healthy on  
5 our paper inventory, so we can answer the phone, to  
6 investing in the training that we need to invest in.

7 All these things are the journey and that  
8 journey is a journey that you all are on with us, that  
9 we need to make sure that as we walk the steps and  
10 take this journey that you are hand-in-hand with us  
11 and you know what we're doing and that you're  
12 informing us of don't turn right, turn left.

13 So I went off on a tangent. I also want to  
14 thank Carol. I know this is I think your last year on  
15 --

16 MS. LEW: It is.

17 MR. CORBIN: -- the committee as I  
18 understand it. I want to thank you for your service  
19 personally ==

20 MS. LEW: Oh, you are welcome.

21 MR. CORBIN: -- because over the years I've  
22 watched and listened and watched your participation

1 here and it's just been tremendous and so I want to  
2 thank you and the other members. I know there are  
3 other members not up here with me who are rolling off.  
4 Thank you all for your service, as well.

5           Okay. With that, let's get back to the  
6 normally scheduled program.

7           MS. LEW: Thank you, and that was very  
8 inspiring, and I'd like to ask Alison Flores to come  
9 forward with respect to the first issue. Thank you  
10 very much.

11           MR. CORBIN: Thank you.

12           MS. FLORES: Thank you.

13           I'm Alison Flores with the W&I Subgroup.  
14 I'll be reporting on artificial intelligence bots for  
15 customer service.

16           The IRS requested that the IRSAC provide its  
17 perspective on the implementation and usefulness of  
18 AI-powered informational voice and Chat Box to enable  
19 IRS customer service.

20           One of the IRS's new capabilities is AI-  
21 powered informational bots in both chat and voice  
22 service channels.

1           AI bots can provide either unauthenticated  
2 services which includes answering general questions  
3 that do not require taxpayer identity proofing or  
4 authentication or authenticated services by providing  
5 taxpayer-specific guidance related to balance due  
6 accounts, refund status, or other services.

7           The IRS believes that -- oh, sorry. The  
8 IRSAC believes that the IRS has taken a thoughtful  
9 approach in focusing on its initial bot implementation  
10 and AI-authenticated applications. However, given  
11 their relative value, the IRSAC encourages the IRS to  
12 continue its efforts to develop authenticated AI bot  
13 applications that can deliver more personalized  
14 digital services that taxpayers seem to value most.

15           The IRSAC understands that the IRS's live  
16 assistance program is currently funded through FY '23.  
17 The IRSAC supports W&I Division's implementation of  
18 the AI-powered bots and Chat Box. From the IRSAC's  
19 discussions with W&I, we have these observations.

20           It is essential that the IRS actively  
21 monitor the taxpayer experience to ensure the bot  
22 technology is working effectively and that it is not

1 encouraging bottlenecks or endpoints.

2           Additionally, it is important that it is  
3 relatively easy for a taxpayer to enter the bot  
4 experience and reach live assistance during normal  
5 hours of operation.

6           MR. CORBIN: That's what we say in church.  
7 Take your time, take your time.

8           MS. FLORES: Implementation requires  
9 effective metrics and the mechanisms to capture those  
10 metrics at the right point in time. The IRS has  
11 containment as the current key metric for AI bots.

12           In the area of qualitative measures, the IRS  
13 has today employed simple surveys and some  
14 implementations, such as the question asking was this  
15 information helpful.

16           The current sample is provided by the  
17 current version of the Chat Box software. IRS  
18 understands that this is insufficient to gather  
19 sufficient customer experience detail and it intends  
20 to improve that survey for future bots.

21           IRS and SBSE are both implementing AI bots.  
22 Given the opportunity to learn from each other, the

1 IRSAC was pleased to hear about the IRS's operating  
2 mechanism to connect the W&I and SBSE to consider  
3 short learning practices.

4           Understanding the customer and developing  
5 the right products to serve them are critical  
6 activities. The product management work typically  
7 deals with the product life cycle with the focus on  
8 delivering products that meet customer needs.

9           And, finally, stable funding is critical to  
10 the development, launch, and ongoing operation and  
11 improvements of the IRS's AI bot implementation which  
12 will require both initial modernization funding as  
13 well as sustained operation and maintenance funding.

14           So we're coming to the end here. We have  
15 six recommendations.

16           Prioritize the following topics for  
17 authenticated Chat Box support from its current list  
18 of AI and bot implementations. (Technical issue)  
19 balance due inquiries, and PRAs. Prioritize the  
20 implementation of authenticated voice and Chat Box  
21 services but also include appropriate authentication  
22 and identity protection for the individual and enable

1 taxpayers to receive taxpayer-specific information,  
2 such as return processing status, including returns,  
3 and prior year ATI.

4           Improve the effectiveness of its bots by  
5 implementing metrics and measuring points that enable  
6 continuous feedback and correction processes.  
7 Continue the ongoing engagement of cross-bot product  
8 teams with regular check-ins to capture and apply the  
9 best practices. Determine the benefits of creating a  
10 product management world to work with IT partners,  
11 product development teams if one does not currently  
12 exist.

13           And last, continue to work closely with  
14 appropriators to gain sufficient business systems  
15 modernization and operational maintenance funding to  
16 develop, launch, and maintain AI bot implementations.

17           Thank you.

18           MR. CORBIN: Thank you.

19           (Applause.)

20           MS. FLORES: And next I'll hand it off to  
21 Denise for the next issue.

22           MS. JACKSON: Good morning all. So I'm

1 Denise Jackson from the Wage & Investment Subgroup and  
2 I'm going to talk about the TaxPro Account Online  
3 Features.

4           So in July 2021, the IRS launched the TaxPro  
5 Account Online which is intended to enable all digital  
6 interaction between tax pros and taxpayers on  
7 authorizations and it also creates a platform for  
8 several feature advancements in secure information  
9 retrieval and communications between taxpayers, tax  
10 professionals, and the IRS.

11           The IRS wants to increase the efficiency and  
12 effectiveness of how it and taxpayers work with tax  
13 pros. The account will enable the tax pros to  
14 establish and manage their taxpayer relationships,  
15 gain authorized access to tax-related information, and  
16 enable them to represent their clients before the IRS.

17           The IRS wants to enable other key  
18 capabilities, such as secure messaging, chat, document  
19 uploading, and payments.

20           Currently, through the Online Account, tax  
21 professionals can create, view, or cancel power of  
22 attorney or tax information authorization for an

1 individual taxpayer. They can save session data.  
2 They can provide notifications to the taxpayer  
3 regarding action in their online account and to tax  
4 pros of their authorization status.

5 Taxpayers will soon have the ability to link  
6 their tax number to their taxpayer ID number.

7 The IRS requested that IRSAC provide its  
8 recommendations for the top five next features to  
9 implement in the account. Potential features were  
10 derived from a list of pay points that were identified  
11 through questionnaires and interviews with several  
12 hundred tax pros and they included secure messaging  
13 and chat integration, notifications that were expanded  
14 beyond simple e-mail notifications, including SMS,  
15 texts and e-mail, access to case status and contact  
16 history, automated issuance of CAF numbers, receipt of  
17 notices sent to clients, ability to view client tax  
18 records in app and transcript download, ability to  
19 update third party information, like client names and  
20 contact information, payment submissions on behalf of  
21 clients, retention of prior POAs, support for  
22 additional authorization types.



1           The IRSAC considered the impact of these  
2 potential features on both the IRS and the tax  
3 professional community. IRSAC first focused on the  
4 effects on IRS operations. Would the availability of  
5 the feature to the tax pro with reduced demands on the  
6 IRS or improve the IRS efficiency?

7           The IRSAC secondary focus is then on the  
8 attractiveness of this feature to the tax pro  
9 community. Specifically was this a feature that a  
10 large share of tax pros would use frequently or would  
11 it be a feature that only a few would use  
12 intermittently?

13           IRSAC believes that these five features  
14 would deliver the most benefit to the IRS, taxpayers,  
15 and tax pros: secure messaging integration, access to  
16 case status and contact history, receiving  
17 notifications sent to clients, view client tax records  
18 and in app transcript downloads, and updating third  
19 party information.

20           The IRS should continue developing  
21 strategies to market and promote the account to drive  
22 traffic to and encourage use of the account.

1   However, the IRS should also continue its current  
2   approach to carefully balancing promotion of the  
3   account based on its operational performance and the  
4   limited feature set.

5           If the IRS were to over-permit the online  
6   account, taxpayers could be disappointed, making it  
7   harder to convince them to come back to try a more  
8   robust online account features in the future.

9           The IRS must also be able to drive  
10   continuous improvement of the account using  
11   measureable performance metrics to ensure that the  
12   online account is delivering the desired level of  
13   performance.

14           The account must also be constantly  
15   monitored to identify potential issues, such as slow  
16   bottlenecks or user drop-offs with associated  
17   strategies that enable IRS to capture and apply their  
18   learning quickly.

19           Finally, there must be a closed loop  
20   feedback system to capture and respond to  
21   recommendations from tax pros concerning the most  
22   beneficial new account features.

1           One key barrier to the build-out of the  
2 account has been the lack of stable multiyear funding.  
3 It appears that this project must compete with other  
4 IRS needs.

5           Given the modernization aspect to this  
6 project and the absolute need for IRS to reduce and  
7 eliminate paper processing, IRSAC believes development  
8 and expansion of the account should be funded  
9 appropriately.

10           Another barrier on this topic is the loss of  
11 credibility that the IRS suffers when the delivery of  
12 relatively basic features are significantly delayed or  
13 if they add only minimal incremental functionality.

14           Unfortunately, resolution of the minimum  
15 viable product is now currently targeted for the third  
16 quarter of Fiscal Year 2024, so two years away.  
17 Whether modernization projects are funded through  
18 operations support or business system modernization,  
19 long delays in delivering basic functionality harm the  
20 IRS's credibility with potential users and  
21 stakeholders.

22           The absence of sufficient stable multiyear

1 funding contributes to this problem of which the IRS  
2 is well aware.

3           Recommendations from IRSAC on this topic  
4 include, Number 1, prioritizing the following five  
5 features for implementation, secure messaging  
6 integration, access to case status and contact  
7 history, receiving notices that are sent to clients,  
8 giving clients tax records and in app transcript  
9 downloads, and updating third party information.

10           Number 2, continuing to drive increased  
11 adoption and usage of the Taxpayer Account Online by  
12 proactively promoting, obtaining online feedback, and  
13 continuously improving the account feature set.

14           Number 3, consider the development and  
15 expansion of the Taxpayer Online Account as part of  
16 the IRS Business Modernization Plans.

17           And 4, schedule regular engagement with  
18 industry in order to understand the relative benefits  
19 and prioritization of potential new features in the  
20 Taxpayer Account.

21           Thank you for your time and consideration  
22 and I'll now turn it over to Katie for our next topic.

1 MS. SUNDERLAND: Hi. My name is Katie  
2 Sunderland. I'm with W&I. This issue falls under  
3 your umbrella, like so many do.

4 This is pretty short and straightforward.  
5 The issue is for Issue 4. This is the Employer  
6 Identification Number or EIN Application and  
7 Responsible Party.

8 So the EIN must complete Form SS4 and they  
9 are currently limited to getting one EIN per  
10 responsible party. The responsible party is an  
11 individual that has a specific level of control over  
12 an entity that is applying.

13 The current limitation causes significant  
14 delays in business transactions, especially for large  
15 businesses, but also just small businesses that may be  
16 expanding their operations into various states.

17 There are lots of reasons why you may want  
18 several EINs for simple business deals. You may need  
19 to have entities created in different states for  
20 various purposes. Taxpayers may want to have their  
21 business deals delayed in order to meet this one day  
22 for responsible party limitation.

1           (Technical issue) limited for very specified  
2 purposes for certain taxpayers. We also noted that  
3 there is some interest to increase the number of EINs  
4 that are issued. (Technical issue) is that taxpayers  
5 may be incentivized to designated either a durable  
6 loss control over an applicant entity to work around  
7 delay in the petition. So if you (technical issue.)

8           So we'd like to increase that number to 10  
9 per responsible party per day.

10           Thank you. That's it for Wage & Investment.

11           MS. LEW: I'd like to ask Mr. Corbin for any  
12 remarks with respect to what we've herd.

13           MR. CORBIN: So, first, leave it to me to  
14 get you all back on schedule --

15           (Laughter.)

16           MR. CORBIN: -- with all the comments.

17 Yeah. Apologies. I see you all in the back.

18           So a couple of things I'll add on top of  
19 what I've already said.

20           You know, you look at the totality of the  
21 report and the recommendations that you all have  
22 provided. Absolutely, you know, I think we agree with

1 those recommendations. I know we have to look at some  
2 of the push and pull with the EIN but that makes total  
3 -- I mean, it makes total sense to us, as well.

4 I also want to make sure that I take the  
5 time to thank Phil again for the work you've done with  
6 us here in Wage & Investment. I hope it was fun. I  
7 know it would have been a challenging thing. He has  
8 some other key messages that I think particularly come  
9 out of the Wage & Investment Subgroup, but I also  
10 think this holds true about the whole report.

11 I think the things, the recommendations, the  
12 things that you all looked at were three key areas  
13 that I think really help our agency.

14 Number 1, keep it simple. I think when we  
15 look at some of the recommendations, like increasing  
16 the number of EINs for the applications, that's  
17 something very simple, and not everything requires an  
18 IT bill, not everything that we do requires an IT  
19 intervention.

20 Some things are simple, policy calls, things  
21 that make sense. There's the right thing to do and we  
22 just need to find the ways to do it right.

1           The other thing that was reoccurring for me  
2 was to keep it safe. So part of what we have to do  
3 when we think about consolidating our forms to TEGE,  
4 one of the other recommendations, is we need to make  
5 sure that we are protecting the taxpayer, protecting  
6 the tax professional, protecting the information,  
7 because we all have the experience of knowing there  
8 are people out there that are not really thinking with  
9 the best interests because you have to balance that,  
10 right.

11           You have to balance that safety out with  
12 what I would call the third principle, make it  
13 satisfactory. At the end of the day, it really is  
14 about having satisfaction and making sure that  
15 customers are satisfied.

16           I was in a customer experience summit  
17 yesterday and here was a message that I left with.  
18 The room there and I will leave it with the continuing  
19 members of the IRSAC to think about as we go on to the  
20 next year and kind of think about where we want to go.

21           You know, moments matter and so when you  
22 think about your interaction with Federal Government,



1 one of the challenges that I left the summit with is  
2 think about your first interaction with Federal  
3 Government. Nine times out of 10, it was something  
4 related to Treasury and related to the IRS. I would  
5 daresay it was probably filling out your W-4 for your  
6 first job that you ever had and when you think about  
7 the W-4, that withholding certificate, it was very  
8 simple, it was quick because you handed it to your  
9 employer, which also meant that it was safe, and it  
10 was something that you really didn't have to give too  
11 much thought to after that interaction.

12           So when we think about the future of tax  
13 administration, we need to focus on those things.  
14 Keep it very simple, very upfront, keep it safe, and  
15 make sure that at the end you're satisfied with that  
16 interaction so that your future interactions with  
17 Federal Government, if that is your first, your  
18 second, your third or that annual interaction of  
19 filing your return, it will promote trust in other  
20 government services that you will need in the future.

21           I will just say to the IRSAC, you know, this  
22 is bigger than just tax administration. This is so

1 much broader than what we do here at the IRS. It  
2 really is about building up a fundamental trust in the  
3 services that Federal Government provides in the time  
4 and in the life experience in which you need it.

5           And so with us being that gateway to those  
6 first experiences, we have to build on that and we can  
7 do that together.

8           So I do thank you all for your service. I  
9 thank you all for everything that you've done. I want  
10 you to know we do pay attention. We are listening.  
11 This report will not just go on my shelf. It's  
12 something that I'll use with my Taxpayer Experience  
13 Team to go back to to say did we get it right and  
14 that's what you all provide for us.

15           So thank you. Thank you for the time. I'm  
16 sorry I got you off track here.

17           (Applause.)

18           MS. LEW: Thank you so much. Thank you so  
19 much.

20           MR. CORBIN: As I said, within three  
21 minutes, within three minutes.

22           MR. HARDY: Well, I can't top that

1 introduction, so coming to the stage is the  
2 Commissioner for TEGE and Associate Commissioner  
3 Edward Killen.

4 MS. LEW: Well, on that note, we're going to  
5 TEGE.

6 MR. HARDY: We have introductory music.

7 MS. LEW: Yes, and that's to introduce Nancy  
8 Ruoff who has come up here.

9 MS. RUOFF: I do not have a song and dance  
10 for you.

11 Good morning. I'm Nancy Ruoff with the TEGE  
12 Subgroup. I will be presenting on three topics from  
13 TEGE today and I'd like to acknowledge the work of Tre  
14 Cisco who developed our Topics 2 and 3 for us but was  
15 unable to be with us here in person this morning.

16 So jump back to 2022 EPA Examinations  
17 announced a 90-day Pre-Examination Compliance Pilot  
18 Program. It's referred to as the Pre-Audit Contact  
19 which gives plan sponsors 90 days to review the return  
20 and plan documents and operations to determine if they  
21 meet the current tax law requirement and to correct  
22 all mistakes under the U.S. Voluntary Compliance

1 Program, the Employee Compliance Resolution System or  
2 EPCLS, prior to the IRS opening an audit.

3           Depending on the plan sponsor's response,  
4 the IRS will issue a closing letter without any  
5 further audit investigation. They may conduct a scope  
6 audit or they may conduct a full scope audit.

7           The goal of the pre-audit contact program is  
8 to promote voluntary compliance while reducing the  
9 overall audit costs.

10           We applaud EPA's efforts in encouraging  
11 voluntary employer compliance, including through the  
12 pre-audit contact program.

13           IRSAC's specific recommendations for EP  
14 compliance approaches include the following: (1)  
15 adopt the pre-audit contact program as a regular web-  
16 based compliance tool utilized prior to the  
17 commencement of audits and to continue to refine the  
18 program over time as EP receives stakeholder feedback  
19 as plan sponsors questions and responses.

20           (2) modify the pre-audit contact program in  
21 the following ways: first, clarify the program contact  
22 letter to what extent EP expects the plan sponsor to

1 review the plan so that the compliance is specifically  
2 identified in the letter, (2) include more specificity  
3 in the pre-audit contact letter as to what should be  
4 included in the response to satisfy the IRS of general  
5 retirement plan compliance, (3) provide guidance  
6 factors that EP will consider in whether or not to  
7 conduct a limited scope or full scope audit, (4)  
8 replace sponsor's title in app and respond to the pre-  
9 audit contact letter per collection under VCP without  
10 automatically proceeding to a limited or full scope  
11 audit, and (4) provide guidance on how plan sponsors  
12 will be identified for inclusion in the pool for the  
13 pre-audit contact program.

14           Recommendation Number 3 is the pre-audit  
15 contact program to determine whether type of errors  
16 corrected through self-correction and VCP and  
17 publicize that information with specific steps as to  
18 how to identify and correct the errors.

19           4, consider expanding EP's compliance  
20 programs to provide tools that incentivize record-  
21 keepers and third party administrators to use the  
22 EPCRS to identify and correct errors on behalf of a

1 group of employer clients with similar compliance  
2 issues.

3           4, if the pre-audit contact program proves  
4 to be an effective tool in focusing all its resources  
5 and incentivizing plan sponsor compliance, consider  
6 expanding this type of program to other areas of TEGE,  
7 such as tax-exempt bonds, that have self-correction  
8 programs that are similar to the EPCRS.

9           And 6, continue to expand EPCRS to give  
10 employers additional guidance and assurance as to the  
11 appropriate plan corrections. In particular, consider  
12 expanding EPCRS to correct some of the most common  
13 failures under tax-exempt 457(b) plans in order to  
14 alleviate the significant uncertainty that results in  
15 employee hardship in this area, particularly for  
16 sponsors of broad-based church 457(b) plans.

17           Also, consider expanding EPCRS to permit  
18 transfers between different types of plans, for  
19 example, from a 401(a) plan to a 403(b) plan by the  
20 same employer when contributions have all been made to  
21 one plan when they should have been made to the other  
22 plan.

1            Issue Number 3 for the TEGE Subgroup goes to  
2 recommendations for changes to group trust rules.

3            Section 356(e) of the Protecting Americans  
4 from Tax Hikes Act mirrors the Path Act of 2015  
5 clarifies that assets of a church plan mirrors the  
6 principal purpose of an organization may be called if  
7 it invested in a group trust as described in Revenue  
8 Ruling 81-10 and modified by subsequent guidance,  
9 including Revenue Ruling 2011-1.

10           Section 336(e) further provides that assets  
11 that are otherwise permitted to be called out for  
12 investment purposes with (1) the assets of church  
13 plans or (2) church organization assets can also be  
14 invested in an 81-100 group trust. For example,  
15 assets that are exclusively devoted to church  
16 purposes.

17           (Technical issue) has not been updated to  
18 reflect the changes made by the PATH Act and to make  
19 clear that assets that can be permissible for church  
20 plans are not subject to the exclusive benefit  
21 equivalent that is applicable to group trusts under  
22 Revenue Ruling 2011-1.

1           Such churches that have wanted to make an  
2 investment in the group trust that is specifically  
3 permitted under the Path Act have faced challenges in  
4 doing so due solely to the fact that Revenue Ruling  
5 2011-1 has not been updated.

6           Additionally, it is made clear under the  
7 assets of 457(b) plans sponsored by tax-exempt non-  
8 governmental employees in a (technical issue) group  
9 trust due to the exclusive benefit requirement  
10 articulated in Revenue Ruling 2011-1.

11           This is because while 457(b) plan assets can  
12 be in trusts for the exclusive benefit of  
13 participants, the trust assets must be subject to  
14 creditors in the event of the employer's bankruptcy,  
15 referred to as a loan by trust.

16           This is a particular concern for 457(b)  
17 plans sponsored by non-qualified church-controlled  
18 organizations, non-QCCOs. The trustee plans are  
19 frequently-made broadly available to employees and  
20 participants would significantly benefit from the co-  
21 mingling of assets for investment purposes on the same  
22 basis as other broad-based retirement plans.



1           The IRSAC's recommendations include (1) to  
2   update Revenue Ruling 2011-1 to refer the changes  
3   under Section 336(e) of the Path Act and (2) to modify  
4   Revenue Ruling 2011-1 to clarify that the assets of a  
5   457(b) plan sponsored by non-QCCOs that are held in a  
6   trust can be co-mingled in a group trust.

7           Issue Number 4 for the TEGE Subgroup relates  
8   to recommendations for the IRS federal, state, and  
9   local government or FSLG employee tax group to more  
10   effectively engage with states to increase employment  
11   tax compliance.

12           There are state committees that will ask for  
13   the multiple FSLG communication chambers that are  
14   currently in place to meet the unique needs of public  
15   sector employers. IRSAC recommends expanding and  
16   improving the engagement and education of state  
17   government employers to encourage compliance and  
18   reporting accuracy and to reduce risk and enforcement  
19   findings.

20           The IRSAC specific recommendations for  
21   effective state engagement to promote employment tax  
22   compliance include the following.

1           One, partner with national organizations  
2 that are serving state as well as county and local  
3 government entities to communicate and to highlight  
4 available IRS FSLG resources with the inclusion of  
5 information in such organizations already-developed  
6 communication channels. Specific organizations  
7 suggested are included in the 2022 IRSAC Report.

8           Two, develop and make available a state map  
9 to the updated federal, state, and local government  
10 website on irs.gov to assist individuals in ease of  
11 locating information required to ensure compliance.

12           Three, develop an FSLG user community  
13 educational dialogue group and establish a monthly  
14 virtual FSLG compliance education series that is open  
15 to all FSLG entities and have a different topic each  
16 month using already-developed tools, for example,  
17 videos and education, and is hosted live by an IRS  
18 FSLG representative who's capable of leading the group  
19 in discussion and answering questions on the topic.

20           Four, market existing resources through  
21 development of a short-term marketing campaign to  
22 highlight compliance resources for a top five-focused

1 and increasing compliance in the top areas of audit  
2 findings in employment tax as applied to state and  
3 local government workers.

4           Five, complete outreach to existing state  
5 government contacts to identify opportunities for the  
6 IRS to partner with states that have common service  
7 areas and enable them to include information regarding  
8 IRS resources and presentations and communications  
9 that exist already for county and local governments.

10           Six, continue the proactive outreach that  
11 the IRS does through direct mailers to identified  
12 underserved communities and continue presentations at  
13 conferences and other speaking engagements to inform  
14 and connect entities with FSLG resources.

15           And seven, evaluate the FSLG and the Indian  
16 tribal government websites to identify opportunities  
17 for improvements through the consistency and types of  
18 information made available to those governmental  
19 entities.

20           At this time I'd like Jodi Kessler to report  
21 on the final TEGE issue.

22           MS. KESSLER: Good morning. I'm Jodi

1 Kessler from the TEGE Subgroup. I'll be presenting on  
2 Issue 4, Recommendations for TOS Improvements.

3           The TEGE Division has requested IRSAC to  
4 give feedback on the tax-exempt organization research  
5 tool, TOS, which is available on irs.gov. TOC offers  
6 both a tax-exempt organization search tool as well as  
7 bulk data downloads for those entities.

8           Code Section 6104 requires the IRS to  
9 provide publicly-available information on annual  
10 returns and applications of certain tax-exempt  
11 organizations. The IRSAC reviewed the information  
12 available on TOS and also talked with tax-exempt tax  
13 practitioners to get feedback.

14           We commend the TEGE on the information that  
15 is currently available. It is a nice product and it  
16 offers clear and concise information.

17           Our feedback involves, first, that tax  
18 practitioners were largely unaware of the tool  
19 available, so more outreach on making that publicly  
20 available information on where to find it.

21           Additionally, in reviewing some of the  
22 information on TOS and comparing to third party

1 websites with similar information, it was noted that  
2 certain annual returns were posted on third party  
3 websites that were not available on the IRS website as  
4 quickly.

5           So the IRSAC recommendations are to update  
6 documents on TOS with a full and complete posting of  
7 all documents on a timely basis, to the extent  
8 possible, to send out communications to the TEGE  
9 community to bring more awareness to the community of  
10 the web page and to let the community know that TOS  
11 has been updated, and, finally, to investigate and  
12 identify operational improvements to ensure all  
13 available data is uploaded and available on the  
14 website in a timely and consistent manner and the  
15 information posted is a complete representation of all  
16 of the IRS documents.

17           Thank you.

18           MS. LEW: Thank you, Jodi.

19           At this time I'd like to invite Mr. Killen  
20 and Mr. Choi if they have any remarks that they'd like  
21 to make with respect to the reports that were  
22 presented.

1           MR. KILLEN: Well, good morning and thank  
2 you, Carol. It's just Edward, Edward is fine.

3           So good morning, everyone. I hope everybody  
4 is doing well.

5           So just by way of introduction because I  
6 don't want to presume that folks know who I am, so I'm  
7 Edward Killen, Commissioner of TEGE, as of the  
8 beginning of the fiscal year, as of October 1st, but  
9 I've been in the role of Deputy Commissioner of TEGE  
10 since the fall of 2019.

11           Here to my left is Rob Choi, TEGE Deputy  
12 Commissioner, and so I'll let Rob introduce himself  
13 rather than introduce him.

14           MR. CHOI: Thank you, Edward.

15           As Edward indicated, I am Rob Choi. I'm  
16 Deputy Commissioner for TEGE. Similar to Edward, I  
17 started in this role in October of this year, coming  
18 over from the Privacy organization where I've been  
19 since October of 2019, but for me, it's sort of coming  
20 home.

21           I grew up in TEGE. I've worked in exempt  
22 organizations, tax-exempt bonds, and employee plans.

1 So I have some degree of familiarity with the TEGE  
2 Programs and it's great to be back to be able to work  
3 with the exempt sector community, the practitioner  
4 community, and to work alongside with Edward in  
5 providing service that all of you expect from us here  
6 at the IRS. So thank you.

7 MR. KILLEN: Thanks, Rob.

8 So I do want to just start with  
9 acknowledging the great service that has been  
10 exhibited by the TEGE Subgroup. Thank you so much for  
11 all of your efforts and I love the word that Jodi used  
12 because she said the TEGE community and that's very  
13 important because that is exactly what we are in TEGE.  
14 We are a community of very diverse taxpayer groups and  
15 that community is something that's essential to us and  
16 so, you know, in the spirit of community, you know, we  
17 feel like it's very important for us to harness the  
18 intellect and expertise and experiences of the best of  
19 that community and I think that's what the subgroup  
20 represents.

21 So, we are absolutely privileged to be able  
22 to count you all as partners and, Carol, for you, I

1 understand that you will be rolling off and so I do  
2 want to pay particular homage to your exemplary  
3 service over the past many years and thank you so much  
4 for what you have done.

5 MS. LEW: Oh, you are absolutely welcome and  
6 I really greatly appreciated the collaboration that  
7 TEGE has made in this area with the subgroup  
8 throughout my years. You've done a great job.

9 MR. KILLEN: So with respect to the  
10 recommendations and to the work that's been done, I  
11 really appreciate the thoughtful consideration on the  
12 variety of recommendations that you have.

13 You know, we talked about, you know, the  
14 diversity of the TEGE community and the  
15 recommendations do represent the breadth of that  
16 community in many respects because, you know, the  
17 recommendations centered around EO, employee plans,  
18 tax-exempt bonds, federal, state, and local  
19 governments, ITG, Indian Tribal Governments.

20 Those represent sort of the breadth of our  
21 taxpayer base and our stakeholder groups and all of  
22 those recommendations are very thoughtful and, you



1 know, we will look to see how we can best implement  
2 all of them to the extent that's really, you know,  
3 appropriate, but we really do appreciate those  
4 recommendations and, you know, a couple of call-outs  
5 on things that we are particularly excited about.

6           We are particularly excited about the pre-  
7 contact work that's being done in employee plans right  
8 now. We feel like that it has the potential to be  
9 game-changing in some ways because it's a balance of  
10 taxpayer service in a way because you can have  
11 taxpayer service in the context of a compliance  
12 interaction and we feel like, you know, it strikes  
13 that balance of being of service to taxpayers in  
14 reducing burden, but at the same time we feel like it  
15 introduces opportunities for greater efficiencies  
16 within our Compliance Program, as well. So we're very  
17 excited about that.

18           Of course, education and outreach is  
19 something that is extremely important all the time in  
20 TEGE across the breadth of our taxpayer groups and so  
21 the themes around that particularly for FSL and for  
22 ITG is something that's very important to us, as well.

1           You know, with respect to the efficiencies  
2 that we can get out of streamlining the 8038 series,  
3 you know, that's something that we talked about I  
4 think with more serious conversations about a year ago  
5 or so and we really wanted to, you know, gain the  
6 input and leverage the expertise of the subgroup to  
7 help weigh in on that because we do see some great  
8 promise in that and so, you know, that's efficiencies  
9 for us. That's very important and I think that will  
10 be, you know, a benefit to the taxpayer base, also.

11           And, you know, with respect to, you know,  
12 our obligation to be transparent and we use TOS  
13 obviously as the conduit for that, you know, we're  
14 always looking for ways in which we can make that a  
15 more effective tool for taxpayers, interested parties  
16 because, you know, we do feel like that is, you know,  
17 an essential part of our responsibility in TEGE.

18           So, you know, we will look to see and we  
19 have been -- I don't want it to seem as though, you  
20 know, we have been, you know, waiting on this  
21 particular set of recommendations for TOS because  
22 that's something that, you know, we've been taking a

1 continual look at over the course of the years and we  
2 absolutely will do that.

3 I think the recommendations that you have  
4 will be helpful in our deliberations in how we can  
5 best go about doing that.

6 So really just want to, you know, again just  
7 extend great appreciation to you all for the work that  
8 you've done, for the manner in which you've done it.  
9 We really do look upon you as partners and essential  
10 partners for us to, you know, not just do our work in  
11 the best way that we can but do our work in the most  
12 informed way that we can and you all represent, you  
13 know, the body of the TEGE community is such a vital  
14 part of our ability to be able to do that.

15 So thank you so much.

16 MS. LEW: Well, thank you so much for being  
17 here.

18 (Applause.)

19 MR. HARDY: So thank you, Edward, and thank  
20 you, Rob, for being here today.

21 We are now at the last part of our program  
22 today. I'll give the gentlemen an opportunity to exit

1 from the stage and we will have Closing Remarks from  
2 our Chair Carol Lew and then our Vice Chair Martin  
3 Armstrong and then I will give closing remarks.

4 MS. LEW: One minute. Make this really  
5 quick.

6 It's really been an honor and a pleasure.  
7 You guys are such pros and NPL has been fantastic in  
8 support. Stephanie, you really kicked in there  
9 virtual and in person this year. We had both going on  
10 simultaneously and transitioning a group back in  
11 person was quite a feat this year, but I think it went  
12 quite smoothly.

13 So thanks, everyone, for your hard work and  
14 for making my job really easy and much, much thanks to  
15 my esteemed Vice Chair Martin Armstrong who I would  
16 like to invite to come forward at this point.

17 (Applause.)

18 MR. ARMSTRONG: Well, Carol, I want to thank  
19 you for your leadership and your patience and your  
20 consistency this year and to our IRSAC Team and for  
21 preparing for next year.

22 I also want to thank, I know he's not here,

1 Acting Commissioner O'Donnell, MPR Director Mel Hardy,  
2 our IRSAC Official John Lipold for trusting us to  
3 mount our 2023 IRSAC Group of Subject Matter Expert  
4 Professionals. So thank you very much for that.

5 I also want to express my gratitude to Ted,  
6 Robin, Denise, Kathleen, Carol, Kelly, Karol, Rob,  
7 Katie, and Kevin. Thank you for (technical issue.)

8 I also wanted to thank (technical issue) in  
9 advance of next year to the groups. Thank you very  
10 much (technical issue) for our subgroups. Tax  
11 administration (technical issue) is invaluable, so I  
12 appreciate that.

13 I also want to say that the goals of 2022  
14 and for 2023, I can't think of a better time to be  
15 connected to the Service with our advisory council.  
16 When I think about it, in 2021 with the pandemic and  
17 we experienced firsthand how the IRS was able to pivot  
18 and now accelerate our processes and also (technical  
19 issue) electronically. So that was big.

20 Now in 2023, (technical issue) \$80 billion  
21 in multiyear funding (technical issue) these last  
22 several years, right. (Technical issue.) The plans

1 for this \$80 billion was shared with the Secretary of  
2 Treasury next March, I think February, whatever it is,  
3 and I look forward to seeing what those plans look  
4 like and I do look forward to seeing how our IRSAC  
5 Team can help the Service improve upon that effort.

6 So thank you all and I look forward to  
7 working with you guys next year and thank you for your  
8 support. Thank you.

9 (Applause.)

10 MR. HARDY: Well, you know, for closing  
11 remarks, I'd like to start with a little bit of a  
12 slight history of us and to give some context and some  
13 impressions and thought of what I've experienced here  
14 today in this room.

15 So (technical issue) federal advisory groups  
16 being cut (technical issue) and just the sheer volume  
17 of input that everybody put into that (technical  
18 issue) to make sure that the future IRSAC will be  
19 strong, will be vibrant in extending (technical issue)  
20 to IRS.

21 (Technical issue) during the pandemic and we  
22 had to do things virtual for three years but we have

1 been strong and efficient (technical issue) and then  
2 come together as a board and we have the IRSAC.

3           So I'm really proud of this year's IRSAC and  
4 (technical issue) virtual to a person. I'd be remiss  
5 if I didn't recognize (technical issue) who worked  
6 tirelessly to make sure that (technical issue.) So,  
7 thank you, our NPL team.

8           (Applause.)

9           MR. HARDY: And, finally, there's one  
10 position on advisory groups (technical issue.) It  
11 doesn't happen. (Technical issue) to make sure that  
12 this IRSAC (technical issue) pulled people to our  
13 membership board (technical issue.)

14           So, Carol, I want to thank you so much for  
15 being this year's chair. You have done an incredible  
16 amount of work under difficult circumstances. Please.

17           (Applause.)

18           MS. LEW: Well, here I had a lot of help, so  
19 thanks so much for that.

20           MR. HARDY: And, Mark, of course, you were  
21 the consummate right hand, so thank you so much.

22           (Applause.)

1           MR. HARDY: So IRSAC 2023, your new Vice  
2 Chair for IRSAC is Rebecca Thompson.

3           (Applause.)

4           MR. HARDY: So personally I want to thank  
5 each of you for what you've done over the year.

6           (Technical issue.) So, ladies and  
7 gentlemen, it has been an honor to be the IRS National  
8 Public Liaison, NPL, and this concludes the IRSAC  
9 Public Meeting for 2022. Thank you for coming.

10          (Applause.)

11          (Whereupon, the meeting was adjourned.)

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