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INTERNAL REVENUE SERVICE

ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE

(ETAAC)

PUBLIC MEETING

9:03 a.m.

Wednesday, June 17, 2026

(In-Person and Virtual)

LOCATION:

Internal Revenue Service

1111 Constitution Avenue, N.W.

Room 2615

Washington, D.C. 20224

1 PARTICIPANTS

2 Internal Revenue Service:

3 FRANK BISIGNANO, Chief Executive Officer of Internal
4 Revenue

5 DEREK GANTER, Director, C&L Outreach and Education

6 JOHN LIPOLD, ETAAC Designated Federal Officer

7

8 ETAAC Members:

9 AMY MILLER, ETAAC Chair

10 DAVID CASEY, ETAAC Vice Chair

11 MANUEL DOMINGUEZ

12 RONN GILSON

13 DOUG HARDING

14 RICHARD LAVINA

15 CAROL LEW

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17 JOSE MARTINEZ

18 RYAN MINNICK

19 AMY NOWAK (virtual)

20 STEPHANIE PLAZA

1 PARTICIPANTS (continued)

2 MARK STEBER

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

2 MR. LIPOLD: Good morning. Welcome. My name is
3 John Lipold. I'm the Designated Federal Official for
4 the Electronic Tax Administration Advisory Committee,
5 and we're pleased to welcome you to the ETAAC's 2026
6 annual public meeting presentation of their Annual
7 Report to Congress. I am going to turn over the
8 podium right now to Derek Ganter, who's the Director
9 of Outreach and Education. Derek?

10 MR. GANTER: All right. Thank you, John, and
11 good morning, everyone, that is here physically and
12 also to those of you that are participating virtually.
13 Welcome to the 2026 ETAAC public meeting. I think
14 this should be a great meeting. There'll be great
15 insights that are going to be shared with us and, you
16 know, kind of furthering the collaboration that we
17 have within the tax administration process, but
18 specifically with ETAAC and the Internal Revenue
19 Service.

20 I will briefly introduce some of the dignitaries

1 that are sitting here at the head table. I'll begin
2 with the ETAAC Vice Chair David Casey. Then we also
3 have our current ETAAC Chair Amy Miller. And then we
4 are very honored to also have the Chief Executive
5 Officer of the Internal Revenue Service, Mr. Frank
6 Bisignano, and he will share some remarks with us a
7 little bit later today. So, with that being said, I'm
8 going to go ahead and hand it over to Amy, and she
9 will formally begin the public meeting.

10 MS. MILLER: Good morning, everyone. My name is
11 Amy Miller. I'm a senior director of Government
12 Affairs at ADP and the chair of the IRS Electronic Tax
13 Administration Advisory Committee, also known as
14 ETAAC. On behalf of ETAAC, I am pleased to submit our
15 2026 annual report to the IRS.

16 ETAAC represents a unique and unprecedented
17 public-private partnership, bringing together industry
18 experts and government leaders, both federal and
19 state, to advise the IRS and Congress on advancing
20 electronic tax administration. Congress established

1 ETAAC with the core mission to promote paperless
2 filing as the preferred and most convenient method for
3 taxpayers, while strengthening protections against
4 identity theft and refund fraud. As chair of ETAAC, I
5 am so proud of the work our committee has accomplished
6 this year, a committee comprised of tax practitioners,
7 enrolled agents, state and local administrators,
8 payroll providers, and tax software experts. United
9 by a shared commitment to a digital first IRS, our
10 members have drawn on real-world experience to develop
11 recommendations that are practical, actionable, and
12 centered on the taxpayer.

13 This year, we also took a unique and deliberate
14 approach to developing our report. We conducted a
15 comprehensive review of ETAAC recommendations from the
16 past five years, identified those that remain critical
17 priorities, and updated and refined them to reflect
18 today's environment. And our work was developed
19 through four subcommittees: the Federal-State
20 Interaction and Technology, Tax Preparation Software

1 Providers, Tax Practitioners, and Payroll Providers
2 subgroups. We've advanced our proposals through
3 extensive research, stakeholder engagement, and in-
4 depth IRS briefings. The insights gained from our IRS
5 partners have been instrumental in shaping
6 recommendations that build on the excellent progress
7 already underway here at the IRS.

8 I would like to extend my sincere gratitude to
9 the entire ETAAC committee for their extraordinary
10 dedication, thoughtful contributions, and the vibrant,
11 solution-oriented discussions that defined our work
12 this year. I also want to thank IRS leadership,
13 officers, and our committee liaisons for their
14 incredible support throughout the fiscal year 2026
15 committee year. This report would not be possible
16 without their efforts to keep us on track, connect us
17 with the subject matter experts and deepen our
18 understanding of IRS processes, and serve as both
19 champions and motivators for our work. Finally, thank
20 you to our vice chair, David Casey; our subcommittee

1 leads, Manny Dominguez and Jack Mao; our editor, Ryan
2 Minnick; and each member of the committee for their
3 commitment and collaborative spirit. And with that, I
4 now turn to our incoming chair, David Casey, who will
5 provide an overview of our report.

6 MR. CASEY: Good morning, and thank you, Amy.
7 Very pleased to be here. My name is David Casey. I'm
8 the Secretary of Revenue for the State of Wisconsin,
9 and it's my second year on the committee.

10 As Amy said, the committee members represent the
11 core contributors to the tax administration ecosystem,
12 so we have payroll providers, tax preparers, tax
13 advisors, and state administrators. ETAAC provides us
14 with a unique opportunity to bring these voices
15 together to advise the IRS. We recognize that
16 electronic tax administration is complex and evolving,
17 and we appreciate the IRS' dedication to improve the
18 experience for the taxpayer and our stakeholders. As
19 Amy mentioned, we took a different approach this year,
20 centered around reviewing and refreshing past ETAAC

1 recommendations. This helped us focus our efforts on
2 how we as the tax administration community can
3 continue to work with the IRS to improve electronic
4 tax administration.

5 Through our review, we identified 18
6 recommendations centered on the six priorities you see
7 on the slide. These are, first of all, technology
8 transformation. As we experience every day,
9 technology is evolving rapidly, and the IRS should
10 continue to transform its foundational systems as well
11 as embrace solutions, such as secure APIs, real-time
12 data sharing with states and vendors, and streamlining
13 processes. To do this, the IRS needs sustained IRS
14 funding. This transformation is only achievable when
15 the IRS can depend on consistent funding paired with
16 the flexibility to direct resources as the technology
17 and process needs change. Transformational
18 improvements require long-term investment, and
19 sustainable IRS funding is critical for this.

20 Third area was human-centered design and

1 artificial intelligence. We advised the IRS to
2 continue to expand self-service and user-driven
3 service designed with the user in mind. There have
4 been some great improvements and successes recently,
5 and we asked the IRS to continue in that vein. We
6 asked them to leverage artificial intelligence to
7 improve, first, internal processes with strong,
8 transparent governance methods put in place.

9 Fourthly, digital payments and filing: IRS has made
10 great strides in electronic refund payments this year.
11 We'd like to celebrate that, and going forward, we
12 asked the IRS to remove barriers to joint filers and
13 first-time filers while also maintaining the anti-
14 fraud protections that secure taxpayer information.

15 Fifthly, tax simplification: the IRS and
16 stakeholders should advocate, and I should say
17 "stakeholders" as well here, should advocate for
18 simpler tax laws and reasonable implementation
19 schedules. Complex tax laws often require the IRS and
20 stakeholders to pause transformation in order to

1 implement the changes, and we saw that in the last few
2 years. This further delays much-needed improvements.
3 Finally, fraud prevention and preparer regulation: we
4 ask that the IRS be empowered to regulate non-
5 credentialed preparers, and we asked to equip the IRS
6 with the tools to combat fraud. Electronic tax
7 administration has created many great advances, but
8 it's also created opportunities for fraud, and we need
9 to remain vigilant and have some recommendations to
10 address these vulnerabilities.

11 Later this morning, our team will review each of
12 the 18 recommendations in more detail, but right now,
13 I'd like to hand the meeting over to CEO Bisignano,
14 and I look forward to hearing his comments. Thank
15 you.

16 MR. BISIGNANO: Thank you very much, and both Amy
17 as chair and David as vice chair. I want to
18 congratulate you on the fabulous work you guys have
19 done. It's definitely been clear the effort that was
20 led by you all. I would start off by saying that if

1 you look at last year's report, what you'd find is,
2 you know, a number of recommendations like this year,
3 and we made it a priority to react to those, whether
4 it was the reduction of paper, right, the digital
5 options, improved compliance. So, I think you should
6 take your work as really fundamental and foundational
7 year over year.

8 As you know, I joined in October, so this was
9 well underway, or at some degree underway, and then
10 increased velocity during the course of the year, but
11 what you should expect this year is that from today
12 on, those 18 recommendations will be part of a
13 regular, fundamental rigor within the organization to
14 ensure the maximum output for the American public.
15 And so, I thank you, you know, and I know that you are
16 mission critical to our success. And the voices that
17 come in here are very, very important, and obviously,
18 there are only two that generate congressional
19 reports. We react to both of those with the highest
20 degree of rigor and integrity. So, congratulations to

1 all of you. I appreciate all the effort you put in.

2 My few minutes of comments will not be equal at
3 all, but recognize we will put in all the effort post
4 this, and happy to give you updates at our interval
5 meetings also, and I will ensure that the team does
6 that. Your perspective is tremendously valuable to
7 us. Your backgrounds allow us to know that we have a
8 great group of individuals. Obviously, the vice chair
9 and the chair are mission critical, but every one of
10 you is mission critical, and we're greatly
11 appreciative of everything you do.

12 You know, today I'd like to give a little update
13 on filing season -- it's always one of my favorite
14 updates -- and talk about the importance of the work
15 underway right now at IRS. It will always be a
16 lifetime honor of mine to be the first-ever CEO of the
17 IRS, but recognize that work is about leading an
18 organization of very talented individuals, talented
19 leadership, that allows us to deliver for the American
20 public at an outstanding level. It's at a time of

1 historic tax relief benefiting seniors, working
2 families, and children across America, right?
3 Completely committed to carrying out Secretary
4 Bessent's priorities for the Agency -- enhancing
5 customer service, improving collections, and
6 safeguarding privacy -- and our goal is to work better
7 for the American public, deliver efficiencies, cost-
8 friendly results for taxpayers and the tax system.

9 If you look at the success of filing season, I'm
10 pleased to report IRS delivered historically, and I've
11 said it before and I'll repeat it today: it was driven
12 by the historic tax change in the Working Families Tax
13 Cuts Act. Millions of Americans are benefiting right
14 now from tax relief in this landmark legislation.
15 Several signature provisions: no tax on tips, no tax
16 on overtime, no tax on car loan interest, the special
17 deduction for seniors, and permanent -- permanent --
18 extension of existing tax provisions that were due to
19 expire, which may have been the greatest form of tax
20 relief that occurred in there. And when you take that

1 with the provisions I discussed, the power of it for
2 the long term for the American public is superior.

3 The filing season, thus, was comparable to no
4 other. It was comparable to no other. Why? That
5 degree of tax change, that degree of implementation,
6 right, all occurring within less than a year, while,
7 in fact, we even, prior to us kicking off tax season,
8 had a shutdown, right? So, there's never been a
9 comparable moment like that for the IRS, and I'm so
10 darn proud of the people there. A hundred and forty-
11 eight million individual income tax returns were
12 received, 97-plus electronically; 102 million refunds,
13 historic number, never before. Ninety-eight percent
14 of those refunds sent electronically via direct
15 deposit. More than 90 percent of e-filers received
16 refunds in less than 21 days: highest volume, quickest
17 refunds, largest refunds. That's a Triple Crown.
18 That's a Triple Crown in IRS, right?

19 Average refund, \$3,273. That's a very, very good
20 number. It's up 11 percent but recognize we had

1 double-digit increase in the number of refunds. So,
2 there were many people who never received a refund
3 that were receiving refunds, so for them, the net was
4 much greater than \$3,200, right, and that was more
5 than three -- historic number, \$335 billion. Sixty-
6 two million households filed a Schedule 1-A. Sixty-
7 two million households got the benefit. It was real
8 relief going to the American public and really
9 unprecedented technology work. Technology work led by
10 IRS management. And I congratulate my team, and we
11 talk about it every day. And the only thing we're
12 working on right now is how to make next year better,
13 which is the year we're in right now.

14 Trump accounts: landmark -- landmark -- another
15 implementation that occurred during this period. New
16 type of IRA will provide families a financial head
17 start for their children. We focused on making it as
18 easy as possible to open and contribute to an account.
19 Trump accounts have started off strong, and the
20 numbers will continue to grow. They only will go up,

1 and you will see that as the implementation after the
2 4th of July really kicks in, but we already have more
3 than 5.6 million children signed up. One-point-four
4 million children are covered by elections for the
5 \$1,000 pilot program. I'm proud of the role the IRS
6 is playing in implementing its new savings vehicle for
7 families.

8 As you well know, whether it was last year's
9 report or this year's report, it's about transforming,
10 it's about technology strategy, and we are laser
11 focused on creating a digital first IRS. This is not
12 just an operational need. It's a modern-day
13 responsibility. It's our job to be digital first.
14 Yes, we will meet clients where they want to be met,
15 but the large majority of people, including everyone
16 here, are digital users. It allows us to better
17 identify and address areas of significant
18 noncompliance also, provides taxpayers with 24/7
19 access to their information, and improves safeguarding
20 the sensitive financial data entrusted to us.

1 I understand technological transformation. My
2 background has been doing that for a full career in
3 the largest financial institutions, touching the most
4 entrusted data, actually serving every American
5 household and, thus, I'm here with the honor to be
6 able to work on this transformation. The time is
7 right, the talent is right, and you and I and the team
8 together will make historic change going forward, as
9 we have.

10 When I first became the CEO, I made some
11 conscious decisions: flatten the organization
12 structure so I would be closer to the workforce and
13 management would be closer to the work; have more
14 functions report to me; elevate the risk function,
15 elevate the cybersecurity functions, elevate every
16 function so we were closer to the work; and hear the
17 voices of many so there would be a regular weekly
18 discussion about performance in the organization. We
19 strengthened accountability, we improved performance,
20 we ensured better service delivery, and we accelerated

1 efforts to streamline inefficient processes.

2 Our goal for taxpayers: create a seamless
3 customer experience. Taxpayers can interact with the
4 IRS in the same manner they interact with everything
5 else they do in their life. It can be online, it can
6 be when they want, it can be on the phone, or it can
7 be in person. We will meet them where they want to be
8 met. Our online account for taxpayers to manage
9 affairs securely and efficiently has been an
10 overwhelming success by more than doubling its volume
11 into over 500 million transactions during this season.
12 And we appreciate ETAAC's stated commitment to
13 supporting the Agency's transformation in digital
14 first. It's very clear we are a hundred percent
15 aligned. Note that many of the recommendations in
16 your report align completely with where we are.

17 Along these lines, we also appreciate ETAAC's
18 advice and support related to the use of technology
19 and AI. It's mission critical that we're aligned on
20 those. AI is providing critical support to IRS

1 compliance activities, and, of course, this is modern-
2 day operating. This is what you expect, and the
3 reason I don't talk as much about modernization as
4 opposed to transformation is because modernization
5 implies we're bringing modern technology.
6 Transformation is how the end user and client
7 experience what we do, and it goes way beyond the
8 technology aspects, but it goes to how we interact in
9 a manner that our clients are accustomed to, right?

10 AI helps us identify high-risk areas of
11 noncompliance and fraud with much greater accuracy and
12 can detect instances of tax evasion that would have
13 been undetectable just a few years ago. So our ability
14 to actually do it in a better fashion, and I believe
15 we'll do it in a client-friendly manner. I know
16 that's hard to understand that we could be more
17 efficient, collect more, and deliver better service,
18 but that is what modern-day technology allows us to
19 do. We're just going to be better equipped to detect
20 fraudulent filings and help people understand where

1 maybe they have an error that they could correct much
2 earlier, right? Our enforcement and revenue personnel
3 can focus on higher-value work also, and we can reduce
4 the resources spent on false positives and audits,
5 improve service to taxpayers. That's really what's
6 going to happen here, and it's in process right now.

7 Fraud prevention and the strengthening of
8 cybersecurity within the tax system, that's been a
9 mantra, and it's going to continue. Applaud all of
10 you at ETAAC for your efforts in this area in tandem
11 with the Security Summit. I'm pleased by the recent
12 step this Summit has taken, announced by the IRS
13 earlier this month, restructuring of the summit
14 partnership to strengthen fraud prevention. New
15 framework will also enhance information sharing, a
16 critical component of the Security Summit's work.
17 Bottom line: help us do a better job of stopping
18 identity theft and reducing fraud on refunds. We're
19 increasing protections for taxpayers and the tax
20 system.

1 So, it's a very exciting time. I haven't really
2 seen a time in the world where there was such
3 transformational technology, you know, and I've led
4 through the internet boon. You know, people talked
5 about cloud as a new way, but I always believed that
6 was just technology. We still are just delivering
7 technology, but the quantum opportunity to do that in
8 a manner that improves the experience of every
9 American, and it's being used across all industries,
10 so this is not something to be scared of. It's
11 something to embrace, but it -- like everything else,
12 we must manage it and we must monitor it, we must
13 measure it, and we must ensure that it's delivering
14 against the mantra of improving client service,
15 improving collections, and, in fact, delivering on the
16 mandate of protecting privacy.

17 So, thank you for your recommendations you're
18 presenting today. Deeply appreciate your service to
19 taxpayers and the tax system. Look forward to
20 continuing to work with you on these important issues,

1 and as always, I'm available for anybody when they
2 want to pick up the phone or send a note. I'm happy to
3 do that. I want to really, really congratulate Amy
4 for what she's done, and welcome David, and thank all
5 of you. I know some of you will be rolling off, and I
6 want to really, really say thank you from the bottom
7 of my heart. Great job. Appreciate your hard work.
8 Thank you.

9 (Applause.)

10 MR. GANTER: So, thank you, CEO Bisignano, for
11 your remarks and for amplifying the role that ETAAC
12 plays as we further the historic milestones that you
13 mentioned, but also those that are to come.

14 At this time, we would like to recognize the
15 outgoing members of ETAAC and make a brief but modest
16 presentation to them. So, I will call you up
17 individually, and at the conclusion, we will take a
18 group photo. Douglas Harding.

19 MR. HARDING: Thank you.

20 (Applause.)

1 MR. BISIGNANO: Do you want them to stay up here?

2 MR. GANTER: Yes, please. Carol Lew.

3 MR. BISIGNANO: Thank you. Thank you.

4 (Applause.)

5 MR. GANTER: Thank you. Stephanie Plaza.

6 MR. BISIGNANO: Congratulations. Thank you for
7 your hard work.

8 (Applause.)

9 MR. GANTER: And last but not least, Mark Steber.

10 (Applause.)

11 MR. GANTER: And if we could just get all four of
12 you for one brief photo.

13 VOICE: Thank you.

14 VOICE: Thank you.

15 (Applause.)

16 MR. GANTER: So, at this time we will move to a
17 break. Are you able to take some photos?

18 MR. BISIGNANO: I'll take any photos you want,
19 man.

20 MR. GANTER: Okay. So, we are --

1 (Laughter.)

2 MR. GANTER: While we got him, let's do it.

3 MR. BISIGNANO: -- as long as they're publicly
4 permissible.

5 (Laughter.)

6 MR. GANTER: So, at this time, we will go to a
7 break, particularly for those of you that are online,
8 but the members of the ETAAC committee that are here,
9 if you guys are okay, we'll take a group photo. And
10 so, we'll muster here in front of the head table, and
11 our photographer, Brian, will take a couple of photos.

12 (Recess.)

13 MR. LIPOLD: Good morning once again. Thank you
14 all for rejoining our ETAAC public meeting this
15 morning. I'm going to turn the floor back over to our
16 chair, Amy Miller.

17 (Side conversation.)

18 MS. MILLER: Okay. All right. All right.
19 Before we turn to the individual recommendations from
20 our committee members, I want to briefly highlight an

1 important theme reflected throughout this year's
2 report.

3 You'll notice meaningful alignment between
4 ETAAC's recommendations and the provisions included in
5 the Taxpayer Assistance and Service Act, also known as
6 the TAS Act. This overlap is not coincidental. Many
7 of the priorities reflected in the TAS Act, such as
8 expanding digital services, improving taxpayer
9 transparency and communication, strengthening identity
10 theft protections, and enhancing practitioner access,
11 have been consistent themes in ETAAC reports over the
12 past several years. At their core, both ETAAC and the
13 TAS Act share a common vision for transforming the
14 taxpayer experience through robust digital tools,
15 providing real-time visibility into account
16 information and case status, and, of course, reducing
17 reliance on paper and phone-based interactions. This
18 alignment underscores the strength of a sustained,
19 collaborative focus on taxpayer service and reinforces
20 the importance of continuing to build on this

1 progress.

2 With that, I'll now turn to our committee
3 members, who will walk through the key recommendations
4 in greater detail.

5 MR. HARDING: Good morning. My name's Doug
6 Harding, and I'm the electronic filing coordinator for
7 the Connecticut Department of Revenue Services. I'm
8 here to present Recommendation Number 1 and
9 Recommendation Number 10. Both of these
10 recommendations fall under technology transformation.

11 Recommendation 1 is Congress and the IRS should
12 provide Form 1099-NEC, 1099-DA, 1099-R, and other
13 relevant informational return data to states on an
14 expedited basis and accelerate the filing deadline for
15 certain information or returns. There are two parts
16 to this recommendation. First is looking at the 1099
17 data and sending it to states on an expedited basis.
18 This will help the states out in their refund
19 verification process, the return filing process,
20 because right now, if you are a tax preparer, you have

1 to file it with the IRS, and then a lot of times you
2 have to file it with the states because the states
3 need that information because the states don't get it
4 until well after the filing season is over from the
5 IRS. So, having that done on a more expedited basis,
6 it'll help out the states. And the second is to
7 change the due dates for 1099s to January 31. Several
8 1099s already have this as a due date, but some of
9 them are still not until March or April. So, we want
10 to get everything done until -- make it due January
11 31. This will help the IRS with refund verification
12 and fraud prevention.

13 And the second one is Recommendation Number 10,
14 which is that the IRS should review and update the
15 current list of MeF reject codes and explanations to
16 provide greater clarity regarding the cause of the
17 rejected returns and how to resolve them. Now, this
18 is a repeat from last year's ETAAC report. Basically,
19 we're asking the IRS to look through their Modernized
20 e-File reject codes. So, when you file a return

1 through Modernized e-File, the return is either
2 accepted or rejected. If it's rejected, you get a
3 code and a reason why. Sometimes those reasons aren't
4 as clear as they could be, so by having that greater
5 detail in there, we'll make it easier for taxpayers,
6 tax practitioners, and software companies to figure
7 out why the return rejected and how they can resolve
8 it.

9 So, with that, I'll turn it over to Stephanie.

10 MS. PLAZA: Hello. Stephanie Plaza. I'm
11 director of product management at Wolters Kluwer. I
12 am going to be going over the second recommendation in
13 the report, which is real-time EFIN and PTIN
14 verification. The IRS should implement real-time
15 verification of EFINS and PTINS to strengthen the
16 integrity of tax filings today.

17 The problem is, is that there is no efficient way
18 to verify preparer credentials in real time. The
19 validation that exists today is manual and relies
20 often on user-provided information, which opens up the

1 doors for fraud. This creates vulnerability and a lot
2 of ID theft. The recommendation proposes that real-
3 time EFIN validation kicks off, which is then followed
4 by PTIN validation. It's delivered through secure
5 APIs to software providers and states, and it also
6 calls for the expansion of any existing current IRS
7 programs for verification.

8 Why does this matter? Number one, it prevents
9 fraud. Secondly, it allows the instant verification
10 access across IRS, software providers, and states. It
11 reduces the manual processes and takes that from the
12 IRS and gives it to the hands of technology. It also
13 is going to improve trust and security throughout the
14 public and private relationships. The bottom line
15 here is that the second recommendation is about moving
16 from a manual model into a real-time verification
17 model. This is a fundamental shift towards a more
18 secure API-driven tax filing process.

19 Now I'll hand it over to Ryan.

20 MR. MINNICK: Thanks, Stephanie. I'm Ryan

1 Minnick. I'm the chief operating officer and national
2 technology program lead for the Federation of Tax
3 Administrators, which is the association representing
4 all of the state tax authorities in the United States.
5 And I'll be covering two recommendations,
6 Recommendation 3 and Recommendation 6, which solidly
7 fall into our technology transformation and human-
8 centered design and AI themes for this year's report.

9 The first, Recommendation 3, we addressed the
10 continued transformation of the IRS technology stack
11 and the adoption of artificial intelligence across
12 functions in the IRS, with increased transparency and
13 disclosure to, not only internal stakeholders and
14 partner stakeholders, but also to the public at large.
15 We continue to believe that trust is the single
16 largest asset that tax authorities enjoy in the United
17 States in the adoption of any emerging technology, but
18 notably, generative AI or any form of artificial
19 intelligence requires incredible deference and respect
20 to that trust. We applaud the IRS for recent updates

1 to the IRM 10.24.1, providing clear internal guidance
2 for use of these technologies by different business
3 units and by different individuals within the agency.

4 We also applaud the IRS' efforts to continue to
5 push forward with the integration of its data layer
6 across all of its systems, providing a key foundation
7 for future improvements to real-time data access and
8 distribution to stakeholders, as well as improved
9 efficiency for usage of data across IRS platforms.
10 Even as recently as a couple weeks ago, the IRS
11 continues to consolidate, where possible, accesses and
12 portals for stakeholders, and we will continue in
13 future reports to align our recommendations with this
14 progress until such work is complete and, as with most
15 transformation, work never truly is.

16 Recommendation 6 addresses the information
17 sharing. IRS currently conducts, with trusted
18 partners, both states and the broader tax industry,
19 key data-sharing programs that allow for different tax
20 authorities at different levels to validate

1 information to prevent fraud and to process
2 effectively tax returns at all levels. We encourage
3 that data sharing to not only continue, but to also
4 improve, providing better, real-time capabilities,
5 reducing time delays for dedicated files to -- and
6 considering the expansion of current pilots, providing
7 API-level, real-time access to that data to those
8 trusted partners, again, while maintaining that
9 cornerstone of trust, transparency, and security. And
10 with that, I'll turn things over to Mr. Steber.

11 MR. STEBER: Good morning. My name is Mark
12 Steber. I'm the chief tax officer for Jackson Hewitt
13 Tax Service, and I'm very happy to be here this
14 morning. I'm going to be talking about an additional
15 two recommendations, Number 4 and Number 8, that are
16 also part of the technology transformational pillar.

17 I will also start off by saying I think the ETAAC
18 report this year is really an excellent report, as Amy
19 and David have said, but I think it really does weave
20 together a great many initiatives, both with the IRS

1 modernization and transformational changes, other
2 reports, the Taxpayer Advocate's report, other reports
3 that you'll see. So, there's nothing really new in
4 the report other than we've refined it to reflect some
5 of the goals of ETAAC to make a better tax filing
6 administrative experience for taxpayers, save time,
7 save money, and a lot of ours reflect those.

8 I say that not as hyperbole, but Number 4 is a
9 perfect example of that: the recommendation to allow
10 the IRS to better allow tax industry partners access
11 to some of the important private taxpayer data through
12 an authorized, secure, monitored, already kind of in
13 place infrastructure that will both improve the
14 taxpayer experience in resolving administrative
15 issues, verifying data for their tax return, helping
16 taxpayer advocates, you know, help resolve tax issues.
17 There's a lot that comes in Recommendation Number 4,
18 allowing an authenticated partner who's already been
19 proven to the IRS system access to approved taxpayer
20 data.

1 As CEO Bisignano said, it is now time to allow
2 industry to leverage some of the technology, nothing
3 new really, but to leverage what the taxpayer expects
4 and wants, the IRS can deliver, and the tax industry
5 can certainly take advantage of that by providing
6 better, cheaper, more accurate services. So, Number
7 4, allowing authenticated third parties access to
8 taxpayer data is the recommendation, and the IRS and
9 many other industry advocates have said this is the
10 direction we should go. We emphasize that here.

11 Number 8, similarly, in a transformational way,
12 using technology to break down some of the barriers
13 that already exist when a taxpayer wants to engage
14 someone to help with their tax services, especially
15 post filing: the power of attorney, transcript
16 delivery. The use of modernization technology to
17 streamline that process will save time. It will save
18 energy. It will save frustration at the taxpayer
19 level. And so, we recommend that the IRS focus on
20 allowing a faster, more streamlined, more technology-

1 based access to taxpayer records with the
2 authorization and the approval of the taxpayer, and
3 secure in using trusted third parties.

4 So, with that, I will turn it over to Manny to
5 continue the recommendations in the report, but thank
6 you for your time.

7 MR. DOMINGUEZ: Good morning. I am Manny
8 Dominguez with H&R Block, also an active member of the
9 Security Summit, the public-private partnership
10 between IRS, states, and industry members, all towards
11 combating tax identity theft, refund fraud.

12 And so, my recommendation, Recommendation 5, is
13 Congress and IRS should strengthen refund integrity to
14 combat tax-related fraud, and directly ladders to that
15 fraud prevention and preparer regulation pillar. And
16 as Mark spoke to just a minute ago, really had a focus
17 on alignment. We've got our ETAAC recommendations but
18 being able to work with IRS to know what would help
19 them, what can we recommend to best set them up for
20 success.

1 So, our recommendation, fraud is evolving both in
2 sophistication and scale, and so we're no longer just
3 dealing with traditional identity theft. We're seeing
4 identity theft along with fabricated wage and
5 withholding data, so fake W-2s, 1099s that are
6 entering the system. There's a big issue as far as
7 anonymous preparers, so ghost preparers preparing tax
8 returns without having any accountability there, and
9 then a surge in first-person fraud, driven by social
10 media schemes.

11 And so, across all three of those, the common
12 issue is the same: fraudsters are exploiting timing
13 gaps and weak front-end validation to get those
14 refunds issued before the problem's detected. And so,
15 our recommendation focuses on closing those gaps up
16 front and preventing those bad refunds going out
17 rather than chasing them after the fact. So, just to
18 touch on those, the identity theft with fabricated W-
19 2s, our recommendation is to accelerate and align the
20 due dates with the W-2 to January 31. So, any 1099s

1 that have withholding claims on those, we recommend to
2 accelerate those due dates to match with the W-2. So,
3 this will enable real-time matching at the time of
4 filing, and it shifts IRS from that post-refund
5 enforcement to front-end validation.

6 The second fraud vector is ghost preparers, and
7 the issue is that paid preparers are intentionally
8 avoiding signing returns or using a valid PTIN. This
9 allows them to operate anonymously and to shift that
10 liability to taxpayers. So, if the IRS comes back and
11 there is an issue, the taxpayer is left with that
12 burden, not the tax preparer who prepared the return.
13 And so, our recommendation is to introduce criminal
14 sanctions for ghost preparers, and this aligns
15 directly with the proposals made in the TAS Act, so,
16 again, another way to align between legislation, you
17 know, IRS, and ETAAC.

18 And then the third threat vector portion of this
19 is that first-person fraud using those social media
20 schemes. So, taxpayers are increasingly submitting

1 their own returns with inflated withholding or
2 credits, often using those templates or schemes
3 circulating on social media, and so our recommendation
4 is to modernize IRC 6702. This will allow IRS to more
5 efficiently identify these large schemes and then
6 administer those adjustments without having to go
7 through a full audit process for each of those, so
8 providing regulatory framework to allow IRS to
9 identify a scheme and be able to make those
10 adjustments broadly, allowing those resources to be
11 used towards, you know, more complex cases or the
12 legitimate cases.

13 So, in closing, you know, taken together, these
14 recommendations create a coordinated, front-end
15 approach to refund integrity, closing those pathways,
16 those gaps that fraudsters are currently exploiting.
17 I'll turn it over to Carol.

18 MS. LEW: Good morning. I'm Carol Lew. I'm a
19 tax partner at Stradling, Yocca in California, a mid-
20 sized law firm, and I'm here to address Recommendation

1 7 and Recommendation 11.

2 Recommendation 7 has to do with the IRS budget.

3 This is the mechanism that allows the IRS to
4 effectuate all the recommendations that we've been
5 talking about, and it's is also consistent with
6 effectuating what is in the TAS Act. Our
7 recommendation is to Congress to provide a flexible,
8 sustainable, predictable, multi-year funding for the
9 IRS. It's important for the IRS to have funds to
10 collect revenue, which is the engine of the federal
11 government to serve taxpayers in the way that they
12 deserve. It allows the IRS to transform, to be more
13 efficient, and to serve the taxpayer in a more modern
14 way that they've come to expect.

15 The IRS' mission has expanded greatly by
16 Congress. They have had to take on difficult tasks
17 and respond quickly to tax legislation. We applaud
18 them for what they do. We need to provide the
19 resources to enable them to do so. Our recommendation
20 is for predictable funding so that the IRS can make

1 decisions and be more efficient with respect to
2 modernization and staffing. We suggest that the IRS
3 is fully funded on time so that they can make
4 efficient hiring decisions. We also are recommending
5 that the budget categories of the IRS be more flexible
6 to also promote efficiency.

7 Recommendation Number 11 dovetails with the first
8 one. Together with funding the IRS for efficient tax
9 administration, we suggest that changes be made so
10 that the IRS as a whole operates more cost effectively
11 and efficiently. Recommendation 11 is to suggest that
12 the IRS make certain changes so that it is more
13 streamlined and simple for tax administration. This
14 involves, in this instance, eliminating some of the
15 paper or electronic filing of extensions in areas
16 where the IRS is already granting an automatic
17 extension.

18 The IRS currently receives a voluminous amount of
19 extension requests in areas where the extension is
20 already automatically granted. We do not suggest

1 changing the law, but we just suggest that if there's
2 already an automatic extension that the extension just
3 be automatically granted, and that instead of filing a
4 return, the IRS is freed from the processing and the
5 storage of that information. Examples of the forms
6 that this might apply to is Form 4868 involving the
7 personal income tax return; Form 7004, Extension of
8 Certain Business Income Tax Returns; and Form 8868 for
9 the Extension of Certain Exempt Organization Returns.
10 Thank you so much.

11 MR. MAO: Good morning. My name is Jack Mao.
12 I'm an enrolled agent and a software developer based
13 in San Francisco, California. I have the pleasure of
14 presenting Recommendations Number 9 and 15 before you
15 today. I'll begin with Number 9, which centers around
16 the IRS online account.

17 The IRS has one of the largest customer bases in
18 the country to support, with more than 160 million
19 taxpayers and hundreds of thousands of tax
20 professionals. As the IRS develops more ways for

1 these stakeholders to interact with the IRS through
2 online account and other tools, it'll increase service
3 efficiency for the IRS and give stakeholders instant
4 access to more information, but more work can be done
5 to increase the efficacy of online tools. I'll cover
6 four themes of our recommendation.

7 The first theme centers around education. If a
8 stakeholder calls the IRS about something they can
9 resolve online, the customer service rep on the phone
10 should educate the stakeholder so that they're aware
11 of the option next time. To keep stakeholders
12 apprised of the latest developments, the IRS should
13 centralize announcements of new features and
14 conspicuous locations across IRS online tools. The
15 second theme centers around support. The IRS should
16 publish how-to guides and set up dedicated technical
17 support lines, like phone, email, or chat, to support
18 stakeholders if they have trouble navigating through
19 IRS online tools to encourage more widespread
20 adoption.

1 The third theme centers around engineering
2 governance. When stakeholders encounter a broken
3 feature within IRS online tools, they should be able
4 to submit a bug report in the moment and have
5 diagnostic data attached so engineering can promptly
6 resolve the issue. More proactively, engineering
7 should consolidate duplicative infrastructure to
8 reduce the risk of broken features. For example,
9 there are currently half a dozen distinct IRS portals
10 for tax professionals, which has led to issues like
11 broken access to online transcripts, forcing some tax
12 professionals to request paper transcripts instead.
13 If the IRS unified all the tax professional portals
14 into one, it can significantly reduce maintenance
15 burden on the IRS and deliver a better experience.

16 Lastly, the IRS should proactively work with
17 stakeholders to develop new tools, especially those
18 that allow tax professionals to better serve their
19 clients, in turn, reducing IRS support call volumes.
20 I'll cover three examples. One, taxpayers should be

1 able to change their address through an online
2 account. Two, all stakeholders should be able to
3 access online secure messaging so issues can be
4 directed to IRS customer service reps with the right
5 expertise to resolve the issue. Three, taxpayers
6 should be able to respond to all notices digitally and
7 have IRS systems begin processing the response
8 immediately, which protects taxpayers from adverse IRS
9 action on time-sensitive matters and reduce processing
10 burden on the IRS. In conclusion, by improving
11 education, support, engineering, governance, and
12 online tool set, the IRS can transition more
13 stakeholders to digital interactions, increasing
14 efficiency for the IRS and improving satisfaction for
15 stakeholders.

16 Now I'll move on to Recommendation Number 15,
17 which covers identity theft. Identity theft remains a
18 significant issue for the IRS in which bad actors
19 impersonate innocent victims to defraud the United
20 States Government with bogus tax refund claims. The

1 IRS has successfully stopped \$7 billion in identity
2 theft refund fraud in the last 2 years, according to a
3 recent TIGTA report. However, prevention methods can
4 be more targeted as it is currently catching real
5 taxpayers. More than 54 percent of tax returns caught
6 are false positives, according to a National Taxpayer
7 Advocate report, which creates a burden on the real
8 taxpayers. To improve accuracy, the IRS should
9 replace rigid, rule-based filters with dynamic
10 artificial intelligence-based filters that can also
11 proactively identify emerging identity theft schemes
12 through machine learning.

13 Separately, identity theft victims currently wait
14 an average of 2 years for their refund to be released,
15 according to the National Taxpayer Advocate, and many
16 of these victims are low income, which hits them
17 especially hard. We recommend that the IRS partner
18 with tax professionals to perform ID verification for
19 these cases, which also enables the IRS to adopt
20 facial verification in a manner that's easy for

1 taxpayers to access -- you can just go on down to your
2 tax professional down the street -- which increases
3 confidence and reduces processing time for the IRS.
4 The IRS already trusts tax professionals with
5 important ID verification work through existing
6 programs, like Certifying Acceptance Agents in which
7 ITIN applicants can verify their identity through
8 trained tax professionals; and powers of attorney, in
9 which tax professionals can sign tax returns on behalf
10 of clients in certain cases.

11 In conclusion, by adopting AI and partnering with
12 tax professionals, the IRS can greatly improve
13 identity theft processes, reducing burden on both the
14 IRS and especially vulnerable taxpayers, while
15 protecting refund integrity. Now I'd like to
16 introduce our next speaker, my fellow tax
17 professional, Jose Martinez.

18 MR. MARTINEZ: Thank you, Jack. I'm Jose
19 Martinez. I'm an enrolled agent and a certified tax
20 resolution consultant. I run a small tax firm in New

1 Jersey. I will be briefly reviewing the following
2 recommendations: Recommendation 12 and Recommendation
3 16. These recommendations align with the TAS Act, and
4 they also fall within ETAAC'S six priority focus
5 areas: technology transformation, tax simplification,
6 fraud prevention and preparer regulation, and digital
7 payments and filings.

8 Recommendation 12: the IRS should improve
9 communications, outreach, and education around new tax
10 law changes. The IRS should provide timely legal
11 guidance on federal and state tax laws that impact tax
12 administration. Federal and states' tax law changes
13 have significant impact on tax administration.
14 Federal tax law changes can impact states. State laws
15 can change. That change can impact the IRS. One or
16 the other can affect the actions of taxpayers, and
17 stakeholders must take into account the interactions.
18 In several instances, the IRS and Treasury have made
19 changes but not provided timely guidance, which has
20 hindered the preparers and the taxpayers' ability to

1 file accurate and timely returns. These delays have
2 increased confusion and undermined the taxpayer
3 confidence in the IRS, examples involving state
4 special refunds and rebates. The IRS needs additional
5 tools to combat scams and schemes promoted on social
6 media and other computer communication platforms.

7 As identity theft and other tax fraud scams and
8 schemes have moved from the physical world to digital
9 crimes, the IRS has necessarily adapted its training
10 tools and technologies to keep pace. Recently, the
11 IRS has witnessed the rapid and growing proliferation
12 of scams and schemes through social media and other
13 digital channels. To supplement these efforts, the
14 IRS has partnered to tackle identity theft, tax refund
15 fraud, such as identity theft tax refunds, fraud
16 information sharing, and analysis. They've partnered
17 with the Information Sharing Analysis Center -- the
18 ISAC -- and the Coalition Against Scam and Scheme
19 Threats -- CASST. While ISAC and CASST are vital in
20 combating the digital threats plaguing the taxpayers

1 and the IRS, it is incumbent upon the IRS to ensure
2 that Criminal Investigation Division -- CI -- the
3 staff is charged with disrupting the criminal activity
4 which preys upon unsuspecting taxpayers and are
5 provided with the tools and training necessary to
6 effectively meet today's challenges. Taxpayers are
7 not the only ones affected. Tax professionals have
8 become a big target for criminals.

9 To be effective, these efforts, CI and certain
10 other IRS component groups, need adequate and
11 dedicated funding to support the development of the
12 technology necessary to identify harmful online
13 activities and stop it after it is uncovered. The
14 critical tools that include open-source intelligence
15 tools used by CI to identify fraudulent schemes;
16 digital forensic tools; off-network computing
17 capabilities that are necessary to ensure the IRS CI
18 special agents can effectively perform undercover,
19 online investigations; and training of both CI and IRS
20 staffs to effectively deploy the respective tools used

1 by their offices. In addition to the sophisticated
2 tools, training, a critical component of combating
3 scams and schemes is timely and accurate information
4 sharing from partners, and at its most basic level,
5 from the citizens who learn about these scams or,
6 unfortunately, may have fallen victim.

7 While progress has been made with the February
8 2026 launch of the Consolidated Report Fraud webpage
9 at the IRS, ETAAC recommends the IRS continue to unify
10 and bring maturity to this effort and should now focus
11 on the next phase: reducing forms, automated
12 referrals, and modernizing case management in pursuit
13 of future state online tools, in which the taxpayer
14 can report various forms of fraud directly in the IRS,
15 and that facilitates quicker handling of these
16 complaints as well as more timely aggregation of data
17 and identification of patterns that require prompt IRS
18 actions to prevent additional harm.

19 Recommendation 16, the IRS should enhance the
20 transparency in the tax return processing and the tax

1 issue resolution. ETAAC recommends the IRS enhance
2 transparency in tax return processing and tax issue
3 resolution. ETAAC recommends the IRS enhance
4 transparency in three specific ways. The IRS should
5 enhance self-service tools, i.e., there Where's My
6 Refund; IRS online accounts to improve the
7 transparency of the tax return; processing status for
8 the taxpayers with a refund, balance due, or refund
9 offset. The IRS should expand digital notices and
10 Document Upload Tool pilot to modernize and enhance
11 transparency post-filing. The IRS should develop and
12 deploy public-facing dashboards that are regularly
13 updated with expected wait times for the customer
14 support lines, estimated processing timelines for
15 individual and business tax returns, and estimated
16 timelines for the taxpayers to receive their refunds.

17 The IRS should provide greater transparency in
18 return processing. Millions of taxpayers make calls
19 generated to the IRS, the state departments of
20 revenue, software service providers, tax

1 practitioners, the National Taxpayer Advocate, and
2 even congressional offices every year just to ask,
3 "Where's my refund." The ETAAC has written on this
4 for the last several years, and taxpayers continue to
5 struggle to obtain detailed information on the
6 processing of their tax returns. The information
7 currently available through the IRS Where's My Refund
8 tools include high-level processing status, refund
9 date, high-level offset and math error information,
10 contact information for further questions, and helpful
11 links for additional information.

12 ETAAC recommends that the IRS prioritize the
13 development and release of a more holistic and
14 detailed return tracking tool for taxpayers, including
15 those who have a balance due. The Where's My Refund
16 suite of tools give easy access to the basic return
17 status information, and many taxpayers use it as the
18 first step. However, if a return has any deviation
19 from the standard processing, the taxpayer does not
20 have sufficient insight into what is happening without

1 calling the IRS. ETAAC also recommends that the
2 enhanced return tracking tool provide information for
3 taxpayers who have a balance due.

4 Harness community of partners to expand this tool
5 to authorize third parties. Taxpayers who are looking
6 for more information on their tax return often do not
7 start or finish with the IRS. Most often, taxpayers
8 contact the state regulatory agency, their tax
9 professionals, taxpayer software providers, or their
10 financial institution. In most cases, these credible
11 organizations do not have the information necessary to
12 assist the taxpayer. Instead, they are left to refer
13 the taxpayer back to the IRS, thus leaving the
14 taxpayer in an endless loop.

15 The IRS should enable a process by which the
16 taxpayer can authorize the secure sharing of the same
17 information with the processing data to specific third
18 parties, including the taxpayer's software and their
19 tax professional. By leveraging third parties that
20 nearly all taxpayers choose to work with for their tax

1 preparation journey, the IRS will amplify the ability
2 of the taxpayer to have the information that they need
3 as a result, with these third parties being able to
4 proactively communicate the status updates to the
5 taxpayer and through a channel that may be more likely
6 to be used. To put it bluntly, taxpayers do not
7 engage with a direct outreach from the IRS. At best,
8 they seek assistance from a credible third party, and
9 at worst, they fully disregard it. ETAAC recommends
10 sharing third-party data in a manner that provides
11 third parties with the information needed to assist
12 the taxpayer while ensuring it's properly utilized and
13 protected, providing greater transparency into tax
14 notices and other account issues.

15 When a taxpayer receives correspondence from the
16 IRS that requires a response, traditionally, the
17 taxpayer, their tax professional, or other third-party
18 assistant needs to file a paper mail to any response
19 and supporting documentation to the IRS. In this
20 situation, taxpayers are often left wondering whether

1 their response was even received by the IRS or if more
2 action is necessary on their part. While this still
3 happens for certain notices, the ETAAC commends the
4 IRS for two recent initiatives that have modernized
5 the post-filing compliance for taxpayers, uploading
6 certain notices and correspondence onto their taxpayer
7 accounts, and releasing the Document Upload Tool,
8 which enables digital correspondence with the
9 taxpayers by providing a URL and a limited time access
10 code for a specific taxpayer that they can upload
11 their response and their supporting documentation.
12 These two initiatives will greatly enhance the ability
13 of the taxpayer to engage with the IRS digitally,
14 reducing the cost and time of delay associated with
15 paper mailing.

16 In the future, the ETAAC recommends that the IRS
17 expand the digital correspondence program to all
18 notices and letter types to enable the taxpayers with
19 authorization on file to receive the same notices in
20 their tax pro accounts; expand digital upload for

1 functionality to all notice types, specifically
2 allowing taxpayers to respond to all notices digitally
3 without having to use the traditional mail channels
4 and to get the full benefit of the financial
5 investments that are to be made and to stand up this
6 capacity for all IRS notices; and the IRS must expand
7 its capability to the tax professionals handling this
8 for the taxpayer.

9 I'd like to turn it over -- thank you. I'd like
10 to turn it over to Ricky.

11 MR. LAVINA: Thank you, Jose. I'm Ricky Lavina.
12 I'm the CEO and co-founder of a technology company
13 called Taxfyle, and I'm here to briefly take you
14 through Recommendation 13, which ties into our sixth
15 pillar of fraud prevention and preparer regulation.

16 Recommendation 13 could be neatly divided into
17 two sections, both having to deal with accountability;
18 first, having to do with the accountability of those
19 paid tax return preparers here domestically, and the
20 accountability regarding those that handle tax-

1 sensitive documentation and information from taxpayers
2 abroad. The first part is a recommendation that ETAAC
3 has maintained for quite a few years now and goes hand
4 in hand with the TAS Act that's currently going
5 through Congress that we've heard be referenced here
6 multiple times. And although the TAS Act has some
7 enforcement surrounding PTIN information and the use
8 of the PTIN properly, we'd like to recommend that it
9 go a little bit further than that.

10 So, the problem here is that the majority of the
11 individuals that prepare tax returns on an annualized
12 basis are uncredentialed. Many have no formal
13 training or experience, and there's no set of
14 standards to assess competency. This poses a threat,
15 naturally, to consumers, and also when errors arise,
16 it widens the tax gap, which is a major problem. So,
17 I'd like to point to the National Taxpayer Advocate
18 2025 report that states that around \$21 billion of
19 fraud via EITC claims in 2023 was due to a lot of
20 these unpaid, unlicensed, unregulated preparers filing

1 incorrect returns. So, therefore, ETAAC once again
2 recommends Congress charge.

3 The IRS was implementing a program to define and
4 establish minimum standards for paid tax return
5 preparers. You know, some of these standards that we
6 like to recommend could be simple background checks,
7 passing a compliance check, maintaining, obviously, a
8 valid PTIN, which we've discussed a little bit here,
9 that's associated with the TAS Act, but also continue
10 using continuous education and having some type of
11 assessment on an annualized basis to keep up with the
12 actual Tax Code is probably the best way.

13 The second part of this recommendation, as
14 mentioned, has to do with taxpayer information going
15 abroad and the handling of that. We believe in
16 maintaining a secure and auditable chain of taxpayer
17 information regardless of wherever it goes, and when
18 it goes outside the United States, outside the
19 jurisdiction of the DOJ, and all these great licensing
20 and checks and balances we have in place for

1 regulating this industry, obviously that is no longer
2 enforceable. So, therefore, we recommend that the IRS
3 initiate a comprehensive study into how many tax
4 returns are being prepared outside the United States.
5 Although we have anecdotal evidence that this might be
6 an issue, we have to start with assessing how big of
7 an issue it is and what risks it poses to taxpayers
8 here in the United States.

9 This has been a trend recently in the past 10
10 years with, obviously, the cloud and information being
11 able to be shared across data centers internationally,
12 and we want to make sure that this information, such
13 as Social Security numbers, bank account information,
14 are being handled by individuals beyond the
15 jurisdiction of the Department of Justice
16 appropriately. So, without proper oversight, this
17 outsourcing trend could expose taxpayers to the risk
18 of identity theft and financial crime on a scale
19 that's very difficult to understand and if not
20 impossible to quantify. So, therefore, we'd like to

1 conclude here that a comprehensive study into this
2 issue is crucial to safeguarding taxpayer information
3 and maintaining trust within the tax system.

4 With that, I'd like to turn it over to Ronn.

5 MR. GILSON: Good morning. I am Ronn Gilson.
6 I'm the head of Payroll and Vendor Tax Compliance for
7 Caselle, a division of Govineer Solutions. I'll be
8 speaking to our remaining three recommendations: the
9 IRS and Congress should allow e-delivery of W-2 wage
10 information by default; that Congress and the IRS
11 should enhance e-services for reporting agents; and
12 the IRS should prioritize and enhance the 94X
13 reporting series processing.

14 As our society's digital transformation
15 continues, ETAAC sees the need for Congress and the
16 IRS to continue to ease the opportunities for American
17 businesses and workers to electronically interact with
18 the agencies. These digital communications are
19 dependent upon all six pillars of this year's report.
20 Recognizing that employers and their payroll providers

1 are key distribution partners with the IRS, these
2 recommendations enhance these digital partnerships.
3 Beginning with the employee getting yearly wage
4 information electronically by default, it will result
5 in the reduction of fraudulent returns because forms
6 are now secure behind authentication and validation
7 controls.

8 Currently, 92 percent of employees are
9 represented by reporting agencies, yet the IRS online
10 resources for these reporting agencies are limited:
11 items of TIN matching, online account access, billing
12 resolution, electronic payment platforms, transcript
13 access, and APIs. Significant work needs to be done
14 to increase the secure data flow to increase
15 timeliness and precision. Finally, while progress is
16 shown in the taxpayer general's report, the IRS has
17 still less than 20 percent of federal tax forms for
18 the 94X series being digitized. To further this
19 progress, enhancements to MeF, small business portals,
20 form version control, and electronic signing of these

1 forms are necessary changes that are needed. More
2 details on these subjects are found in Recommendations
3 14, 17, and 18, and I would now like to turn the time
4 over to our vice chair, David Casey.

5 MR. CASEY: Thank you, Ronn. I would like to
6 note just that ETAAC does welcome open public
7 comments, and I'd like to note that the committee has
8 received two letters of comment and recommendation for
9 consideration.

10 I'd like to conclude today just by saying, as you
11 can tell, it's very evident that the committee members
12 here have brought their tremendous
13 experience/expertise to weigh on some very critical
14 issues regarding electronic tax administration. And I
15 believe we as a committee are advancing electronic tax
16 administration in our advisory capacity, but also when
17 we come back to our own roles and implement some of
18 these ideas and suggestions in our day-to-day work. I
19 know I do that in the State of Wisconsin.

20 I would like to say a particular thank you to

1 Mark, Stephanie, Carol, and Doug as you leave the
2 committee. It's been great to work with you, develop
3 a friendship and relationship, and I think your
4 contributions have been outstanding, and don't expect
5 that you're going to be gone forever. We'll give you
6 some calls and ask for some advice, but very much
7 appreciate that.

8 (Laughter.)

9 MR. CASEY: I'd also like to express some great
10 appreciation to Amy for leading the committee this
11 year. Thank you all to the members for your
12 creativity and your resiliency as we were flexible and
13 worked to really, I think, achieve an excellent report
14 this year. I'd like to say that we fulfilled one of
15 the ETAAC's missions, and that's bringing stakeholders
16 together in advancement of electronic tax
17 administration. I also want to say a special thank
18 you to our IRS partners, so John, Anna, Maritza,
19 Candice -- Paul's not here -- but thank you to you
20 all. I know it's just been a difficult year with the

1 shutdown and having to adjust and work with us all.
2 Very much appreciate it. You guys are outstanding,
3 outstanding partners and it's been a wonderful year.

4 So, with that, I look forward to working with you
5 all and the incoming members next year, so thank you
6 very much.

7 (Applause.)

8 MR. LIPOLD: So, thank you all for attending
9 today's meeting. Today's Annual 2026 Report to
10 Congress will be available on the Web at
11 www.irs.gov/ETAAC -- E-T-A-A-C. And that webpage also
12 includes other information about the committee,
13 including its membership, its charter, and the like,
14 and you can find information about future meetings as
15 well there.

16 That said, I'd like to personally thank our
17 outgoing chair, Amy Miller, for her leadership this
18 year. It's been a pleasure working with you, Amy, and
19 I would like to just confirm our leadership for next
20 year, and that includes our incoming chair, Mr. David

1 Casey, and our incoming vice chair, Mr. Manny
2 Dominguez. So, thank you all for attending today's
3 meeting, and we are adjourned. Thank you.

4 (Whereupon, at 11:38 a.m., the meeting was
5 adjourned.)

6