

**Membership Balance Plan
Internal Revenue Service
Electronic Tax Administration Advisory Committee (ETAAC)**

- (1) **Name**. Electronic Tax Administration Advisory Committee (ETAAC).
- (2) **Authority**. The establishment and operation of the ETAAC is required by the Internal Revenue Service (IRS) Restructuring and Reform Act of 1998, Title II, Section 2001(b)(2).
- (3) **Mission/Function**. The purpose of the ETAAC is to provide continued input into the development and implementation of the IRS organizational strategy for electronic tax administration. The ETAAC will provide an organized public forum for discussion of electronic tax administration issues including the prevention of identity theft and refund fraud as well as other issues in support of the overriding goal that paperless filing should be the preferred and most convenient method of filing tax and information returns. The ETAAC members will convey the public's perceptions of IRS electronic tax administration activities, offer constructive observations about current or proposed policies, programs, and procedures, and suggest improvements. The ETAAC's duties are to research, analyze, consider and make recommendations on a wide range of electronic tax administration issues and to provide input into the development and implementation of the strategic plan for electronic tax administration. The Chair of ETAAC, in conjunction with the Commissioner of Internal Revenue and the Secretary, shall report annually to Congress.
- (4) **Points of View**. The number and membership balance of the ETAAC is not static and will vary based on the mission and needs of the IRS. Each ETAAC member is appointed to represent a point of view from within the electronic filing community, including organizations varying in size and type. Each member may also represent a customer segment based upon topics of interest to those in the electronic filing industry.

The ETAAC members are selected through a structured, IRS-managed application process that seeks members with experience in cybersecurity and information security, tax software development, tax preparation, payroll and tax financial product processing, systems management and improvement, implementation of customer service initiatives, and consumer advocacy and public administration.

ETAAC members are representatives of the electronic filing community including tax practitioners, tax preparers, computerized tax processors, business owners and state tax administrators. Subject matter or technical expertise in tax software and electronic filing as they relate to accuracy, security and privacy are necessary to accomplish the tasks of the ETAAC. Individuals with experience as

a senior official with a state agency, academia, or private industry are likely to have the appropriate level of technical expertise.

When making an employment status determination of the ETAAC members, the IRS looks at the express language of the ETAAC's charter and considers that ETAAC members (a) do not receive compensation other than travel expenses for services on the committee; (b) do speak for recognizable nongovernmental groups or stakeholders; and (c) are not supervised by a federal government employee.

- (5) **Adequate geographical representation** is also important for ETAAC.
- (6) **Candidate Identification Process.**
 - (a) **Cross-section.** IRS solicits applications and nominations for the ETAAC by placing a notice in the *Federal Register*, issuing a news release, and using industry partners and IRS staff to disseminate both communications. After receiving nominations and applications, the IRS develops a list of qualified candidates. The candidates are selected based on their skills, expertise and qualifications, geographic location, and stakeholder representation, after taking into consideration the characteristics of members departing ETAAC.
 - (b) **Agency staff involved.** A cross-section of IRS staff participates in the selection process for membership.
 - (c) **Vacancies.** Vacancies will be filled annually, using a process to match as closely as possible the balance and different characteristics of the departing member or the issues of interest to the committee.
 - (d) **Term limits.** Each ETAAC member serves a one-, two-, or three-year term with the option for a one-year extension.
- (7) **Subcommittee Balance.** ETAAC may form subcommittees (or subgroups) for any purpose consistent with the charter. Such subcommittees must report directly to the ETAAC parent committee and may not provide advice or work products directly to Federal Officials. Therefore, ETAAC subcommittees are not covered by the Federal Advisory Committee Act (FACA), 5 U.S.C. § 1001 et seq., and are not subject to FACA's requirement that committees be fairly balanced. 41 C.F.R. § 102-3.35.
- (8) **Other.** The IRS will take whatever other steps are necessary to ensure a balanced membership on the ETAAC.
- (9) **Date Prepared.** This Membership Balance Plan was updated August 10, 2016, and was reviewed on January 9, 2024, and on December 22, 2025, with only minor changes to ensure consistent use of language between the charter and balance plan.