



MINUTES

Internal Revenue Service Advisory Council Public Meeting

November 9, 2023, 9 a.m. ET

Welcome Remarks:

- Mel Hardy, Director, IRS National Public Liaison
- Martin Armstrong, Chair, IRSAC
- Annette Nellen, Vice Chair, IRSAC

Mr. Hardy welcomed everyone including members of the public. Mr. Armstrong welcomed everyone to the release of the IRSAC's 2023 report and explained the purpose of IRSAC. He also acknowledged that one public comment had been submitted by Phillip Hwang of Optima Tax Relief, LLC. Ms. Nellen welcomed everyone and thanked members of the public for attending.

Opening Remarks: IRS Commissioner Daniel I. Werfel

Commissioner Werfel welcomed everyone and noted that no entity can accomplish its goals alone so the work of the IRSAC is needed. He noted significant IRS activities of helping taxpayers who need to reach the IRS being able to do so which had been enhanced by walk-in centers, some Saturday hours and fully staffing call-in centers. He also noted increased use of callback and chatbots. Another significant area he noted was enforcement. With 12 years of underfunding, the IRS fell behind particularly on complex returns, and this is changing now. A third key area he noted was the increase in scams and the need for the IRS to help victims and hold perpetrators accountable. He observed that a well-funded IRS was important for each of these three areas, including to support an infrastructure of personnel with necessary tools and a good work environment.

He noted that the recent IRS financial report highlighted progress in strengthening data security resources to help the IRS identify risks and address them. Finally, Commissioner Werfel noted the need to review the Strategic Operating Plan (SOP) for anything that needs updating or adjustment and to consider recommendations of the IRSAC.

Presentation of the 2023 IRSAC Report

Mr. Armstrong thanked Commissioner Werfel for his remarks and stated that six issues and sets of recommendations from the report would be presented to him. He noted that all of the 2023 recommendations had been mapped to the objectives and initiatives presented in the SOP.

The following six issues were presented to Commissioner Werfel by:

- Wendy Walker, Chair of the Information Reporting Subgroup – General Issue 1:
Budget Shortfalls Need to be Addressed with Lawmakers

- Seth Poloner, Member of the Information Reporting Subgroup – IR Issue 3: Section 302 Escrow and Certification Procedure
- Dawn Rhea, Member of the LB&I Subgroup – LB&I Issue 3: Timely Obtain EINs to Comply with the Corporate Transparency Act Requirements
- Steven Klitzner, Chair of the SB/SE Subgroup – SB/SE Issue 6: Field Collections Customer Service
- Tara Sciscoe, Member of the TE/GE Subgroup – TE/GE Issue 1: Recommendation on Self-Correction Guidance for Employee Plans
- Alison Flores, Member of the W&I Subgroup – W&I Issue 2: Notices and Communication

Commissioner Werfel thanked the presenters for their reports. He presented certificates to the IRSAC members who had completed their service on IRSAC. Photos were taken.

Departing IRSAC members:

- Martin Armstrong –Chair of IRSAC
- Sharon Brown –Tax Exempt/Government Entities Subgroup (attended virtually)
- Jeremiah Coder –Large Business & International Subgroup (attended virtually)
- Steven Klitzner – Chair of the Small Business/Self Employed Subgroup
- T. Charles Parr – Large Business & International Subgroup
- Luis Parra – Wage & Investment Subgroup
- Phillip Poirier – Chair of the Wage & Investment Subgroup
- Seth Poloner – Information Reporting Subgroup
- Nancy Ruoff – Chair of the Tax Exempt/Government Entities Subgroup
- Paul Sterbenz – Information Reporting Subgroup
- Kathryn Tracy – Wage & Investment Subgroup

Break – 15 minutes

Presentation of remaining issues included in the 2023 IRSAC report

Each subgroup presented their remaining issues. At the end of each set of reports, the IRS Commissioner or IRS representation for that area made brief comments and thanked the subgroup members.

Reports of the LB&I Subgroup and the presenters:

- Anthony Massoud – LB&I Issue 1: Increase Use of Pre-Filing Agreements and Other Tax Certainty Programs
- Charles Parr – LB&I Issue 2: Accelerate Issuance of Section 174 Guidance
- Katina Welch – LB&I Issue 4: Accelerate Issuance of IRS Form 6166, Certificate of Residency

LB&I Commissioner Holly Paz thanked the LB&I Subgroup members for their recommendations.

Reports of the Information Reporting (IR) Subgroup and the presenters:

- Wendy Walker – IR Issue 1: Section 6050W Guidance Needed for Filers of Form 1099-K
- Susan Nakano – IR Issue 2: Corrections of State Information on Information Returns Should be Included in the Combined Federal / State Filing (CF/SF) Program

Hap Trice, Office of Chief Counsel, thanked the IR Subgroup members for their recommendations.

Reports of the SB/SE Subgroup and the presenters:

- Aidan Hunt – SB/SE Issue 1: Acceptance of Tax Payments in Cryptocurrency
- Christine Freeland – SB/SE Issue 2: Impact on Taxpayers of Modifying Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return
- Jeff Porter – SB/SE Issue 3: Form 1099-K Reporting
- Annette Nellen – SB/SE Issue 4: Modifying Form 2290, Heavy Highway Vehicle Use Tax Return
- John Kelshaw – SB/SE Issue 5: IRS Paid Preparer Due Diligence Penalties

SB/SE Commissioner Lia Colbert thanked the SB/SE Subgroup members for their recommendations.

Reports of the TE/GE Subgroup and the presenters:

- Joseph Bender - TE/GE Issue 2: Recommendations for the Non-Bank Trustee Program
- Brain Yacker – TE/GE Issue 3: Recommendations for More Effective Engagement Between the IRS and Exempt Organizations
- Nancy Rouff – TE/GE Issue 4: Recommendations for Effective Engagement for Section 218 and 218A Agreements
- Sam Cohen – TE/GE Issue 5: Recommendations for Increasing the Tax Reporting Threshold for Slot Machine Jackpot Winnings

Edward Killen, TE/GE Commissioner thanked the TE/GE Subgroup members for their recommendations.

Reports of the W&I Subgroup and the presenters:

- Kathryn Tracy – W&I Issue 1: Prior Year DIY Product
- Phil Poirier – W&I Issue 3: Forms Modernization
- Alison Flores – W&I Issue 4: Modernizing the ITIN Process

W&I Commissioner Kevin Morehead (attending virtually) thanked the W&I Subgroup members for their recommendations.

Closing Remarks

Mr. Armstrong thanked the presenters and all 31 IRSAC members referring to them as subject matter experts. He acknowledged their work this year to help improve various processes and procedures at the IRS.

Ms. Nellen thanked the IRSAC members and the IRS personnel who helped them obtain needed information for their work. She noted that members were proud of their work and the report and looked forward to seeing what comes of the recommendations made.

Mr. Hardy thanked the 11 IRSAC members completing their term this year for their service to IRSAC and the tax system. He announced the IRSAC leadership for 2024 as follows:

- Information Reporting Subgroup Chair – Wendy Walker
- LB&I Subgroup Chair – Katrina Welch
- SB/SE Subgroup Chair – Jeff Porter
- TE/GE Subgroup Chair – Brian Yacker
- W&I Subgroup Chair – Alison Flores

- IRSAC Vice Chair – Christine Freeland
- IRSAC Chair – Annette Nellen

Meeting adjourned at 12:30 p.m.

The 2023 IRSAC report is posted at <https://www.irs.gov/pub/irs-pdf/p5316.pdf>.

IRSAC Members

Amanda Aguillard
Martin Armstrong
Joseph Bender
Sharon Brown
Jeremiah Coder
Sam Cohen
Alison Flores
Christine Freeland
Aidan Hunt
John Kelshaw
Jodi Kessler
Mason Klinck
Steven Klitzner
Anthony Massoud
Susan Nakano
Annette Nellen
T. Charles Parr III
Luis Parra
Phillip Poirier
Seth Poloner
Jeffrey A. Porter
Dawn Rhea
Brayan Rosa-Rodriguez
Nancy Ruoff
Jon Schausten
Tara Sciscoe
Paul Sterbenz
Kathryn Tracy
Wendy Walker
Sean Wang
Katrina Welch
Brian Yacker

IRS

Danny Werfel, Commissioner of Internal Revenue
Tanya Barbosa
Lia Colbert
Tekila Gray
Mel Hardy
Candice Haynes
Shawn Hooks
Alec Johnston

Andy Keyso
Edward Killen
Nina Lachin
Terry Lemons
John Lipold
David Lunsford
Paul Mamo
Anna Millikan
Kevin Morehead (attended virtually)
Yadira Nadal
Mark O'Donnell
Holly Paz
Maria Salazar
Tanya Taylor
Hap Trice
Brian Ward

Members of the public

Antonio Barraza
Jonathan Curry
Jose Davis
Daisy De Jesus Gonzalez
Maria Guzman
Thad Inge
Alice Jacobsohn
Angelita Jimenez
Robert Kerr
Sara Martinez
Mariat Ostos
Mario Parra
Odalys Parra
Sarah Pierce
Adam Prinzo
Maria Solis
Mario Talamante
Marybell Talamante
Curtis Tatum
Viridiana Venegas

From: [Philip Hwang](#)
To: [*Public Liaison](#)
Subject: [EXT] IRSAC November Public Meeting
Date: Monday, November 6, 2023 7:15:11 PM

To Whom It May Concern:

I am interested in registering to attend the next public meeting taking place on November 9th at 9am EST.

I would also like to submit to the Council, an inquiry as to whether or not the issue of the Tax Gap is something of interest to the Council and its subcommittees. In particular, if the Council has concerns or recommendations to make to the Service as it looks to restart enforcement and re-engage delinquent taxpayers to address both unfiled taxes as well as balance due accounts that are in arrears and not just the increase in audit rates that has been the main point of emphasis in the media.

Sincerely,

Philip Hwang

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