Hello everyone,

Fiscal year 2023 promises to be the start of a transformational process for the IRS. The Inflation Reduction Act (IRA) allocates approximately $80 billion to the IRS during the next 10 years. With this funding comes an awesome responsibility - to strategically plan the most effective way to use the increased funding to enhance taxpayers’ experience, pursue the most substantive areas of non-compliance, and support our employees in their development. We are committed to being transparent and communicating as often as possible to keep you apprised.

In addition to the implementation of the IRA, we have a lot of work to do in FY2023. Our FY2023 program and priorities align with the IRS Strategic Plan FY2022-2026 and its four strategic goals: Service, Enforcement, People and Transformation.

Enhance Taxpayer Service (Service)
Providing excellent service to our stakeholders remains our priority. In our interactions with stakeholders, whether educational events or compliance actions, we must ensure that taxpayers have a positive experience supported by professional, timely, and effective interactions. We also want to use the most appropriate compliance workstream - educational letters, compliance checks or exams – balancing taxpayer burden with effective enforcement of tax laws.

Strengthen Compliance Activities (Enforcement)
Collaboration with CI, LB&I, SB/SE, and RAAS remains a top priority in selecting and examining returns for compliance action. As in prior years, our commitment to using data to select the most appropriate returns for compliance action remain steadfast. We are committed to working with our colleagues across the IRS in creating a unified compliance plan to enable effective tax administration.

Workforce Development (People)
In FY2022 we hired 187 new employees, and we anticipate a greater number in FY2023. Engaging our new colleagues, welcoming, mentoring and training them is imperative. Like last year, our Community Engagement Officers will assist in creating a welcoming environment in the various posts of duty. We seek to create an open environment and inclusive culture that supports our employees in their personal and professional growth as they pursue their full potential. We value diverse opinions and want to hear from you as to how we can improve the work experience.

Transform Operations (Transformation)
It goes without saying that we have gone through a constantly changing and transformational environment in the last 2 ½ years. As a result, our challenge has been to remain resilient and adaptable. You have met the challenge. The next few years will require greater flexibility and resilience from each of us.

We embrace FY2023 with energy and optimism as we work with our colleagues across IRS to maximize the opportunities afforded by the IRA. We are committed to contributing to transforming the IRS and serving taxpayers. Together, we will make it happen! We are committed to keeping you informed as we move into FY2023.

Thank you for reading,

Edward Killen
Commissioner

Robert (Rob) Choi
Deputy Commissioner
ENHANCE TAXPAYER SERVICE

- Assess the results of the Employee Plans pre-exam compliance program pilot as to effectiveness in reducing taxpayer burden, and efficiencies in resolving non-compliance.
- Partner with Stakeholder Partnerships, Education & Communication (SPEC) on its Native American initiative focusing on increasing access to tax services throughout Indian Country.
- Continue to promote use of Taxpayer Digital Communications to taxpayers and representatives.

STRENGTHEN COMPLIANCE ACTIVITIES

- Employ the issue scoring model to develop issues submitted in the Issue Portal for potential compliance strategies. Monitor and evaluate the case work on compliance strategies in process.
- Collaborate with the cross-BOD team to develop a unified compliance plan for FY2024.
- Collaborate across IRS on existing and emerging issues, including, but not limited to, examinations of high income/high wealth individuals.
- Expand the use of data, machine learning, and artificial intelligence algorithms to select returns for exam.

WORKFORCE DEVELOPMENT

- Create an inclusive and engaging environment for our employees and new colleagues we anticipate hiring under the Inflation Reduction Act (IRA). Support the Community Engagement Officers in community building activities.
- Revise the Frontline Leadership Readiness Program (FLRP) training to include hands-on training early on in the curriculum to enable FLRP candidates to be successful.
- Support the roll-out of the new Equity, Diversity, Inclusion, and Accessibility (EDIA) Strategy learning and development curriculum for TE/GE employees to foster a workplace culture that respects and embraces all facets of diversity and helps employees succeed in their agency roles.

TRANSFORM OPERATIONS

- Support the IRA Transformation and Implementation Office in compliance transformation and implementation of the tax provisions of the IRA impacting TE/GE customers.
- Deploy electronic filing of additional returns filed by TE/GE taxpayers, including Forms 5227, 5330, and 8038-CP.
- Launch the new consolidated TE/GE Examination Internal Revenue Manual (IRM).