INTERNAL REVENUE SERVICE
ADVISORY COUNCIL

WAGE & INVESTMENT
SUBGROUP REPORT

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NOVEMBER 19, 2008

**WAGE & INVESTMENT
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TABLE OF CONTENTS

INTRODUCTION/EXECUTIVE SUMMARY

ISSUES AND RECOMMENDATIONS

INTRODUCTION/EXECUTIVE SUMMARY

The IRSAC Wage & Investment Subgroup ("Subgroup") is comprised of a diverse group of tax professionals, including three certified public accountants, an attorney, and a national tax director of a large retired person organization. This group brings a broad range of experience and perspective from both tax preparers' and taxpayers' views, and includes unique experience in the issues faced by many W&I taxpayers. We have been honored to serve on the IRS Advisory Council and appreciate the opportunity to submit this report.

Since January 2008, the Subgroup has had the privilege of working with the professionals within the W&I Division of the IRS and found them to be extremely helpful in providing the information, resources, and IRS personnel necessary to develop our report. The Subgroup has researched and is reporting on the following three issues.

1. **Refund Inquiry Communications Strategy** - IRSAC was asked to provide input and feedback to assist in the IRS' development of a comprehensive refund inquiry communications strategy designed to educate specific taxpayer groups about the availability of the Web-based "Where's My Refund?" application. In FY 2007, the IRS received 29.8 million telephone calls and completed 32.1 million Web requests from taxpayers checking the status of their refund. Refund inquiry contacts account for the largest volume category of contacts the IRS receives each year. The overwhelming majority of these contacts provides the taxpayer with the timeframe for receipt of his or her refund and do not require further contact with the IRS. The IRS promotes "Where's My Refund?" through www.irs.gov, telephone scripts, and the IRS Nationwide Tax Forums. The Subgroup reviewed a wide variety of information in formulating its recommendations. This research included a review of the refund portion of websites of 41 states. Our recommendations generally are intended to make the refund section of

irs.gov far more easy to use and more accessible, as well as to make the availability of refund information more widely known to the professional tax preparer and general public. The Subgroup applauds the IRS' efforts to upgrade its website with many of our recommendations.

2. **<u>Irs.gov EITC Enhancements</u> -** IRSAC was asked to look at ways the IRS can enhance its Web site to increase usage of the Earned Income Tax Credit (EITC) resources of the site, as well as to reduce errors. The EITC is a federal tax credit for individuals who work but do not earn high incomes. Taxpayers who qualify and claim the credit normally pay less tax, pay no tax, or even get a tax refund. More than 23 million low-income workers received EITC each year, with a high participation rate among eligible filers of 75-80 percent. Accordingly, 20-25 percent of eligible taxpayers do not receive the EITC. However, the complexity of EITC can be difficult for taxpayers and tax preparers. EITC has a high erroneous payment rate, estimated at 23-28 percent or $10-12 billion in lost tax revenue. Since the irs.gov EITC website is a key EITC communication tool, enhancements that result in better communication and increased usage could have a positive effect on both increasing participation and reducing error.

We have included a series of recommendations that include: provide more formal user testing for word usage and site design; add training components for EITC similar to Link N Learn used by volunteers; move more of eitcforpaidpreparers.com ("EITC.com") back onto irs.gov to reduce user confusion and keep users on irs.gov; reduce heavy text and use more graphics; add a left side box with important EITC links; and use IRS' existing knowledge about preparer preferences and needs to promote usage of the EITC portion of irs.gov. Specific and additional recommendations for changes to the EITC portion of the IRS website are also included.

3. **Communications Strategy – Changes to Regulations 301.7216 – Disclosure and Use of Tax Return Data by Tax Return Preparers.** IRSAC was asked to assist in creating the communication strategy regarding the changes to Regulations 301.7216 – Disclosure and Use of Tax Return Data by Tax Return Preparers. The request encompasses recommendations to assist IRS' development of a comprehensive communications strategy as it relates to identifying and engaging impacted e-file providers and stakeholders. The new regulations are effective January 1, 2009.

The regulations strengthen taxpayers' ability to control their tax return information, confirms that the taxpayer has the right to exert better control over the use and disclosure of their own tax information, and generally prohibits "tax preparers" from using or disclosing tax return information they obtain from their clients for any purpose other than preparing a tax return without specific written consent. Because these regulations reinforce a criminal statute, IRSAC believes the IRS has an obligation to inform all who may be subject to the revised regulations of their reach and implications.

The Subgroup's recommendations include use of electronic means (Internet), development of a "use and disclosure" form, outreach to the many segments of the preparer community affected, publicity in IRS publications, and messages on IRS toll-free telephone numbers.

ISSUES AND RECOMMENDATIONS

ISSUE ONE: REFUND INQUIRY COMMUNICATION STRAGEGY

Executive Summary

IRSAC was asked to provide input and feedback to assist in the IRS' development of a comprehensive refund inquiry communications strategy designed to educate specific taxpayer groups about the availability of the Web-based "Where's My Refund?" application.

We reviewed refund information available at www.irs.gov, in various IRS publications, provided by e-file providers, and on state taxing agency Web sites. We identified several areas that could enhance the use of "Where's My Refund?".

Background

In FY 2007, the IRS received 29.8 million telephone calls and completed 32.1 million Web requests from taxpayers checking the status of their refund. Refund inquiry contacts account for the largest volume category of contacts the IRS receives each year. The overwhelming majority of these contacts provides the taxpayer with the timeframe for receipt of his or her refund and do not require further contact with the IRS.

According to W&I, the IRS promotes "Where's My Refund?" through www.irs.gov, telephone scripts, and the IRS Nationwide Tax Forums.

Taxpayers seeking refund information can call the Refund Hotline (1-800-829-1954), or TeleTax (1-800-829-4477), which includes pre-recorded Tax Topics as well as refund information. TeleTax differs from the Refund Hotline in that it contains more than just refund information, and callers cannot route out to a live assistor from this line.

A 2007 study by W&I entitled "Knowing the Where's My Refund? User" found that taxpayers who use only "Where's My Refund?" are different from taxpayers who use only the Refund Hotline or TeleTax. Those who use the Web site are more educated, younger, have a higher income, less likely to use a paid preparer, and less likely to have errors on their returns than taxpayers who use the telephone options. Two-thirds of them file electronically.

In contrast, users of telephone refund inquiry lines have lower income, are more likely to claim EITC, are older, are less likely to file electronically, and are more likely to use a paid preparer.

The study contained, among others, the following recommendations: Encourage Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly (TCE), and IRS Taxpayer Assistance Centers (TAC) sites to offer taxpayers the option of visiting or returning to use their computers to check the taxpayers' refund status. IRSAC endorses most of the recommendations.

The location of the "Where's My Refund?" link at www.irs.gov varies based on other demands of the tax season. Visitors to "Where's My Refund?" cannot immediately enter their identifier information. They first go to a page of text that discusses (among other things) phishing, what information is needed to use the link, refund tracing, and browser requirements. They then click on "Where's My Refund?" a second time to enter their information.

We reviewed information available at www.irs.gov and in several publications and found differences in statements regarding when refund information is available. Refund information is available within seven days for an e-filed return according to information at www.irs.gov; however, several publications and tax form instructions stated three weeks. The instructions for

Forms 1040, 1040A, and 1040EZ provided an additional time frame for returns filed with Form 8379, *Injured Spouse Allocation*.

We reviewed information regarding checking on a refund provided to e-filers using two well-known commercial services. One directed the user to "Where's My Refund?" The other directed the filer to IRS Publication 2043, *IRS E-File Refund Cycle Chart*. Publication 2043 in turn directs the user to wait at least three weeks and then call TeleTax at 1-800–829-4477 or go to www.irs,gov, and click on "Where's My Refund?"

Several of the Free File Alliance home pages listed www.irs.gov as a secondary reference for refund information or referred to IRS Publication 2043, and several organizations provided no information about refund inquiries on their home pages. We note that the members might have provided other information to actual users of the software.

Callers to TeleTax but not the Refund Hotline are provided information about www.irs,gov up front before entering their identifying information. Callers to the Refund Hotline are provided this information as a courtesy disconnect message if they are unsuccessful in entering their identifying information.

Our review of theWeb sites of 41 state taxing authorities (those with a general state income tax) revealed the following observations:

- Most state taxing agencies use the term "Check Refund Status", "Where's My Refund?", or variations.
- Most state agencies get the user to the point of entry of SSN information by going to only one or two additional pages after reaching the home page.
- Seven states offer refund information for prior years.

Recommendations

1. Make the "Where's My Refund?" feature easily recognizable on www.irs.gov. It should be as distinctive as possible, consistent with other priorities of the tax season, perhaps highlighted with a distinctive color.

2. Revise the "Where's My Refund?" information so that a user can enter the information to obtain refund status on the first page after the home page. Engineer the site so that a user only has to click on "Where's My Refund?" one time.

3. Make prior year refund information available through www.irs.gov.

4. Revise IRS Publication 2043 to list "Where's My Refund?" at www.irs.gov as the first source for refund information.

5. Make information about when to check for a refund realistic and consistent in terms of current processing times among www.irs.gov and publications.

6. Callers to both telephone numbers established for refund information should be provided with information about www.irs.gov up front, as they are with the 1-800-829-4477 number,

7. E-file providers should be encouraged to list "Where's My Refund?" at www.irs.gov as the primary tool for checking refund status.

8. We support the recommendations in the W&I Research Study that emphasize use of www.irs.gov, except for the recommendation that directs taxpayers to return to VITA and TCE sites to check on their refund. That could negatively impact the ability of the sites to serve new taxpayers seeking return preparation.

9. We recommend that the IRS consider alternate ways for identification when accessing "Where's My Refund?" A taxpayer using a computer in a public place such as a library might have legitimate concerns about entering their complete social security number in a computer that could be compromised by others.

ISSUE TWO: IRS.GOV EITC ENHANCEMENTS

Executive Summary

IRSAC was asked to look at ways the IRS can enhance its website to increase usage of the Earned Income Tax Credit (EITC) resources available on the site, as well as to reduce errors. We have included a series of recommendations that include: more formal user testing for word usage and site design; add training components for EITC similar to Link N Learn used by volunteers; move more of eitcforpaidpreparers.com ("EITC.com") back onto irs.gov to reduce user confusion and keep users on irs.gov; reduce heavy text and use more graphics; add a left side box with important EITC links; and, use IRS' existing knowledge about preparer preferences and needs to promote usage of the EITC portion of irs.gov. Specific and additional recommendations including more detail are provided below.

Background

The EITC is a federal tax credit for individuals who work but do not earn high incomes. Taxpayers who qualify and claim the credit normally pay less tax, pay no tax, or even get a tax refund. More than 23 million low-income workers receive EITC each year, with a participation rate of 75-80 percent among eligible filers. Accordingly, 20-25 percent of eligible filers do not receive EITC. However, the complexity of EITC can be difficult for taxpayers and tax preparers. EITC has a high erroneous payment rate, estimated at 23-28 percent or $10-12 billion in lost tax revenue. Since the irs.gov EITC Web site is a key EITC communication tool, enhancements that result in better communication and increased usage could have a positive effect on both increasing participation and reducing error.

The IRS conducted two EITC-centered focus groups in January 2007, but the general nature of the feedback and recommendations from these groups suggest that a more specific

process for EITC information on irs.gov at this time could provide substantially more helpful comments and suggestions for EITC on irs.gov and EITC.com redesign. This targeted focus is consistent with the IRS' desire to increase usage of the site and thereby improve accuracy in this error-prone EITC area. Through comments to this IRSAC's Wage and Investment Subgroup, the IRS' W&I Division has acknowledged that most of the results from focus groups and surveys were actually part of wider research efforts, not simply efforts focused on EITC on irs.gov. The questions and requests for comment in the May 2008 PowerPoint handout to this IRSAC W&I subgroup is an excellent, more detailed starting point for future surveys and focus groups.

Generally, we believe the layout and design for the EITC information on irs.gov is too static, heavy with text in the center of the page, and even confusing at times. For example, it would seem puzzling, and certainly inefficient, to a tax preparer to have significant EITC recourses on both the EITC page within irs.gov (EITC on irs.gov) and on EITC.com as well. Due to the volume of resources on both sites and no obvious correlation of the two, a preparer or taxpayer can be left to wonder what he or she will miss if only using one site. There seems to be significant duplication which could easily cause user frustration, potentially driving users away from the Web site.

Recommendations

General Recommendations:

1. Invest in more user testing and surveys to gather more thorough feedback on user preferences and likes/dislikes for both taxpayers and preparers. This includes word usage, site design, etc. We suggest holding focus groups at IRS Nationwide Tax Forums to obtain additional feedback from a much larger group. Kiosks could be utilized at the forums for user surveys and individual preparer feedback as a compliment to focus groups there.

11

2. Consider user feedback from individuals and preparers on an on-going basis within the Web site.

3. Develop a more formal training component on EITC for professionals on irs.gov. In particular, consider building an interactive Link-N-Learn type training on EITC irs.gov (or EITC.com, if it cannot be housed on EITC on irs.gov). Consider using TaxTalk Today to promote EITC irs.gov and particularly training for EITC through EITC on irs.gov to drive site usage. Review working with necessary affiliation groups to give Circular 230, or other credentialed preparers, CPE credits as an incentive to use resources on EITC irs.gov. Market EITC training on irg.gov to professionals out of tax season, when they have more time for this type of activity.

4. Eliminate redundant information on EITC.com. Provide links within EITC pages on irs.gov only to the specific item required to be on EITC.com due to irs.gov Web design restrictions. Returning as much text as possible to irs.gov should be done with the necessary approval and clearance to make the site more visually interesting. This would also make the text less wordy on any given page (more in line with EITC.com currently) and with ultimate intention to bring all EITC recourses onto irs.gov, including the EITC Assistant.

5. Enhance the individual section of the EITC on irs.gov to make it more visually interesting and text-streamlined as well. The IRS can use this EITC on irs.gov upgrade, with more pictures and interactive portions, as a model to help evolve other parts of irs.gov into an Internet presence more in line with sophisticated and graphic commercial sites that have recently evolved on the Internet. This said, we applaud the IRS on the depth and breadth of the valuable information on its site and suggest that making the information more visually appealing and less wordy may improve interest and increase usage. One good example on irs.gov of less wordy text, although not quite yet visually

interesting, is the "Avoid Common EITC Errors" page. It has minimal word usage, is

able to be read without scrolling, and has useful links to more information, especially on

specific IRS meaning for terms like "qualifying child."

Specific recommendations for the Web site:

6. Highlight the recommended link on IRS search engine when typing "EITC" or "EIC" that

    now sends users to EITC Overview. It will stand out more and be harder to miss

    (example, Google does this for sponsored sites).

7. Allow for searches within areas on irs.gov and specifically within the Internet pages

    designated for EITC. For example, allow for a search within EITC for "child" or

    "qualifying child" that addresses those terms as they relate to EITC, without getting a list

    of press releases. Enable a search within an area in Forms, Pubs, Press Releases, etc. For

    example, when looking for EITC forms one could search within the Form section of

    irs.gov and not be directed to EITC on irs.gov, but would instead obtain only information

    on forms related to EITC. This is offered as another strategy to deal with the voluminous

    amount of helpful, but a bit daunting, information in irs.gov.

8. Use first set of blue (left side) boxes on irs.gov about EITC, then "IRS Resources," and

    consider skipping "Individual Topics" on this page. At this point, there is too much

    information and the "Individual Topics" are not significantly relevant. This left tool bar

    for the Web site is a prime location and is often used by other Web sites to highlight key

    links for the topic at hand, in this case, EITC. It is a prominent place for important EITC

    information and breaks up the too-long text down the center of the page. Consider listing

    EITC Assistant first in this left blue section with text similar to "Are you or your client

    eligible for EITC? Use the EITC Assistant to find out," then have new blue section with

dividing line linking "EITC Information for

- **Individuals**
- **Tax Professionals**
- **Employers**
- **Partners**"

Next, consider having the search within the EITC area as described in (6) above as a third area in the left side of EITC on irs.gov for EITC. Consider providing a link for a site map for EITC and, finally, list other "IRS Resources" in a last blue box on the left.

9. Add a topic in the Tax Professionals section, near the top of the first page - "Are you new to EITC or need a refresher?" With a click on a link, take tax professionals to an area for interactive training for EITC on irs.gov (or EITC.com). See (2) above.

10. Add Free File to the list of Helpful Tools in the section for individuals. Since the taxpayers are already on the Internet, they would seem to be good candidates to use Free File.

11. Consider interactive and creative ways to provide information, such as using a picture of a house with possibilities of members of a household. Let users drag icons of household members into the house from a list on the left, with titles such as mother, son, boyfriend, aunt/uncle, grandmother, etc. Once icons are in the house, an IRS Web tool could help taxpayers or preparers with filing status and "qualifying child" determinations, using more real world and complicated situations, thereby increasing EITC return accuracy.

12. Keep EITC on the home page during tax season. Consider a diagonal split box on the irs.gov home page with a family in half and a single person in the other half. This would regularly demonstrate that the EITC is also for single persons, especially since this is the group with the lower participation rate.

13. As possible, reduce use of technical terms like "qualifying child" or link such terms to definitions. (Again, use surveys to identify more of these types of terms and better

replacements and/or contract with professionals with experience in determining these types of words.)

14. Provide the ability to print the questions asked, answers provided and results from using the EITC Assistant. Allow this print out to comply with due diligence requirements.

15. Revise EITC Assistant or Due Diligence form so that questions are in the same order on both for preparer ease.

16. Determine whether there is a possibility of providing information for preparers on prior denials, similar to the features of "Where's my Refund."

17. Add "EITC Assistant" in each of the tax year links in the EITC assistance page to reduce confusion as to where the link leads. On the same page, move "Additional Resources" link under the EITC Assistant links to avoid inadvertently clicking off the page without getting to the EITC Assistant.

18. Move the EITC Assistant link to a place of prominence on EITC.com as a short-term solution until .com and .gov can be merged. It is currently listed last under "Tools."

Recommendations regarding more effective marketing of the site:

19. Add a question such as "Did you use the EITC Assistant on irs.gov?" on the Schedule EIC, Form 8867 *Paid Preparer's Earned Income Credit Checklist*, and Form 8862 *Information To Claim Earned Income Credit After Disallowance*. This will promote the tool to all EITC preparers. Consider some type of lesser penalty for an EITC error if the preparer can document using the EITC Assistant.

20. Send post cards to EITC taxpayers who have no preparer listed on the Form 1040, advising them of the resources about EITC that are available on irs.gov.

21. Make marketing of EITC Assistant a major focus of EITC outreach to partners who could use it to help taxpayers. IRS Stakeholder Partnership Education and Communications (SPEC) provides excellent general EITC awareness outreach to this group of non-

preparer partners with access to potentially EITC eligible taxpayers. SPEC's goodwill with this group is likely especially high following the Stimulus outreach in 2008 and their regular contact with key national partners who have EITC clientele. Focus effort in 2009 on EITC on irs.gov and particularly the EITC Assistant.

22. Market EITC on irs.gov to both Circular 230 and other preparers by highlighting the reasons cited by the focus groups as to what made EITC attractive. Those reasons included verifying commercial tax software's determination of EITC eligibility or amount, finding out what is new this year for EITC (listing date of change), learning about EITC fraud and top reasons for denial, and finding helpful questions and answers. Since many focus group preparers state that the tax software is their first source for EITC calculation, ask software providers to provide a link in their commercial software to EITC irs.gov.

23. Consider updating Form 8633 *Application to Participate in IRS e-file Program* to ask what types of returns the preparer will e-file, from a dropdown list including EITC. If EITC is noted, send a link in an email to ERO's advising about EITC on irs.gov resources.

24. Recognizing a first time e-file transmission of an EITC return, generate an automatic email to the preparer advising him or her of the resources for EITC on irs.gov.

ISSUE THREE: COMMUNICATION STRATEGY – CHANGES TO REGULATIONS 301.7216 – DISCLOSURE AND USE OF TAX RETURN DATA BY TAX RETURN PREPARERS

Executive Summary

IRSAC was asked to assist in creating the communication strategy regarding the changes to Regulations 301.7216 – Disclosure and Use of Tax Return Data by Tax Return Preparers. The request includes recommendations to assist IRS' development of a comprehensive communications strategy as it relates to identifying and engaging impacted e-file providers and trading partners.

The regulations reinforce the concept that taxpayers should be able to establish and exert better control over the use and disclosure of their own tax information, and generally prohibits "tax preparers" from using or disclosing tax return information they obtain from their clients for any purpose other than preparing a tax return without specific written consent.

Because these regulations reinforce a criminal statute, IRSAC believes the IRS has an **obligation** to inform all who may be subject to the revised regulations of their reach and implications. The definition of "tax return preparer" in the regulations goes well beyond the traditional definitions under Sections 6694 or 7701. The definition includes administrative support personnel, information technology personnel, and personnel who process tax return data.

Background

The Revenue Act of 1971 enacted IRC Section 7216, which provide the rules governing the disclosure and use of taxpayer data by preparers, and the related criminal penalties for unauthorized disclosure or use of information furnished to preparers in connection with the preparation of an income tax return. The related regulations were issued in 1974 and have remained essentially unchanged since that time. The 1974 regulations did not address the issues

raised by electronic filing of tax returns and were silent on need for taxpayers' consent to the disclosure and use of tax return information in an electronic environment.

The new regulations, effective January 1, 2009, update the 1974 regulations and give taxpayers greater protection and control over their tax return information held by tax return preparers. They provide the specific consent requirements that must be followed before a tax preparer can disclose a taxpayer's tax return information.

The regulations define a "tax return preparer" as follows:

(i) *In general*. The term *tax return preparer* means:

(A) Any person who is engaged in the business of preparing or assisting in preparing tax returns;

(B) Any person who is engaged in the business of providing auxiliary services in connection with the preparation of tax returns, including a person who develops software that is used to prepare or file a tax return and any Authorized IRS *e-file* Provider;

(C) Any person who is otherwise compensated for preparing, or assisting in preparing, a tax return for any other person; or

(D) Any individual who, as part of their duties of employment with any person described above which performs services that assist in the preparation of, or assist in providing auxiliary services in connection with the preparation of, a tax return.

ii) *Business of preparing returns*. A person is engaged in the business of preparing tax returns if, in the course of the person's business, the person holds himself out to tax return preparers or to taxpayers as a person who prepares tax returns or assists in preparing tax returns, whether or not tax return preparation is the person's sole business activity and whether or not the person charges a fee for tax return preparation services.

(iii) *Providing auxiliary services*. A person is engaged in the business of providing auxiliary services in connection with the preparation of tax returns as described above if, in the course of the person's business, the person holds himself out to tax return preparers or to taxpayers as a person who performs auxiliary services, whether or not providing the auxiliary services is the person's sole business activity and whether or not the person charges a fee for the auxiliary services. Likewise, a person is engaged in the business of providing

auxiliary services if, in the course of the person's business, the person receives a taxpayer's tax return information from another tax return preparer.

(iv) *Otherwise compensated*. A tax return preparer includes any person who—

(A) Is compensated for preparing a tax return for another person, but not in the course of a business; or

(B) Is compensated for helping, on a casual basis, a relative, friend, or other acquaintance to prepare their tax return.

(v) *Exclusions*. A person is not a tax return preparer merely because he leases office space to a tax return preparer, furnishes credit to a taxpayer whose tax return is prepared by a tax return preparer, furnishes information to a tax return preparer at the taxpayer's request, furnishes access (free or otherwise) to a separate person's tax return preparation website through a hyperlink on his own website, or otherwise performs some service that only incidentally relates to the preparation of tax returns.

(vi) *Application of section 7701(a)(36)*. If a person is an income tax return preparer for purposes of section 7701(a)(36), the person is subject to the provisions of section 7216 and is a tax return preparer for purposes of these regulations. The fact that a person is not an income tax return preparer for purposes of section 7701(a)(36), however, is not determinative of whether the person is a tax return preparer for purposes of this section.

This language sweeps within its meaning many people involved in the return preparation process, in addition to those who actually prepare tax returns. Tax preparation firms' administrative, clerical and secretarial support staffs are included for the first time. Therefore, it is critical that there be notification to all tax preparation firms.

Recommendations

The IRS should:

1. Develop an informational CD to be sent to all tax preparers and tax firms that can be identified from tax return filings.

2. Develop a publication with the specific language that must be included in the disclosure, and in a "use and disclosure" form that would be retained by the tax

preparer. Make the disclosure and use form (as developed by Stakeholder

Partnership Education and Communication) available on the Internet.

3. Include the Section 7216 regulations as a topic in all local practitioner liaison

group agendas, Tax Talk Today programs, and IRS phone forums, as well as an

item in "e-news for Tax Professionals".

4. Utilize the IRS' relationship with the tax preparation software community,

including the free-file partners, as the primary way to notify the tax preparer

community of the new regulations, since most tax returns are now prepared using

software, whether e-filed or not.

5. Utilize the following means to reach tax preparers: Web sites that provide tax

related information (including commercial sites), accounting and tax publications,

and companies that sell supplies to businesses that provide accounting and tax

services.

6. Develop press releases for issue to general circulation newspapers and all IRS

partners and stakeholders, including accounting, law and tax professional

organizations, about the new regulations.

7. Notify businesses that indicate they are in the tax preparation business, or any

other business type that will be included in the new definition of tax preparer,

based on the Standard Industry Codes used on the tax return for their business.

8. Include a message, alerting listeners to the new regulations, during wait time on

the Practitioner Priority Service telephone line.

9. Include a message on all IRS "800" – type telephone numbers advising taxpayers

of their right to restrict the use and disclosure of their tax return data and directing

them to irs.gov for more information.

10. Request the assistance of the State Department in advising American embassy staff members who assist U.S. taxpayers about the new regulations.

11. Include training on the new regulations for all VITA, TCE and other volunteer tax preparers.

12. Develop Frequently Asked Questions on irs.gov to be updated as new issues arise (similar to the process used for the Economic Stimulus payment updates).