

**Internal Revenue Service  
Internal Revenue Service Advisory Council**

**Membership Balance Plan**

1. Name. The Internal Revenue Service Advisory Council (IRSAC).
2. Authority. The IRSAC is established based on the authority to administer the laws of the Internal Revenue as conferred upon the Secretary of the Treasury, pursuant to section 7801 of the Internal Revenue Code and delegated to the Commissioner of Internal Revenue.
3. Mission/Function. Designed to serve as an advisory body to the Commissioner of the Internal Revenue Service, the IRSAC was established to provide an organized public forum between IRS officials and representatives of the public for discussing relevant tax administration issues. The IRSAC proposes enhancements to IRS operations, recommends administrative and policy changes to improve taxpayer service, compliance and tax administration, discusses relevant information reporting issues, addresses matters concerning tax-exempt and government entities and conveys the public's perception of professional standards and best practices for tax professionals.
4. Points of View. It is anticipated that the IRSAC will consist of 30-35 members. Each IRSAC member is appointed to represent the point of view of a customer segment, with the goal of having as great a diversity of views as possible. Membership balance is not static and may change, depending on the work of the IRSAC.

IRSAC members are selected through a structured application process that seeks individuals with substantial, disparate experiences and diverse backgrounds. Specific subject matter and technical expertise in federal tax administration issues, Circular 230, information reporting or tax-exempt and government entities, is generally required to accomplish the tasks of the IRSAC. Accordingly, IRSAC members are usually enrolled agents, certified public accountants and lawyers, information reporting/withholding specialists, academics and businesspeople representing organizations of varying sizes. Special consideration will be given to selecting members who can reflect and represent a diverse set of taxpayers.

When making the employment status determination of the IRSAC members, the IRS looks at the express language of the IRSAC charter. IRSAC members (a) do not receive compensation other than travel expenses for their services on the committee (b) act as spokesperson for a recognizable nonfederal governmental group or stakeholder and (c) are not supervised by a federal government employee. Based on the analysis of these factors, the IRS' Chief, Ethics and

General Government Law Branch (GLS) determined that each of the current members of IRSAC shall be appointed as representatives. Any new members will be reviewed using the same process, which is specified by a Department of Treasury Directive.

5. Other Balance Factors. Other balance factors identified as important for IRSAC membership are geographic, work sector and taxpayer diversity (e.g., private industry, academia).
6. Candidate Identification Process.
  - a. Cross Section. The IRS solicits nominations for IRSAC by placing a notice in the Federal Register, contacting outside groups for recommendations, and issuing a news release. After receiving the nominations and outside recommendations and taking into consideration the expertise lost from departing IRSAC members, the IRS develops a list of qualified candidates. The candidates are then selected based on geographic location, major stakeholder representation and customer segment representation.
  - b. Agency Staff Involved. Senior IRS officials, including the Commissioner of Internal Revenue, Operating Division leadership, the Chief Communications & Liaison, the Director, National Public Liaison and the Designated Federal Officer or their delegates, participate in the review process.
  - c. Vacancies. An Open Season is announced in the spring for the term beginning the following year. Approximately one third of the members are selected each year and any additional vacancies are filled during the open season.
  - d. Term limit. Each member is selected for a three-year appointment with the possibility of a one-year renewal.
7. Subcommittee Balance. IRSAC may form subcommittees (or subgroups) for any purpose consistent with the charter. Such subcommittees must report directly to the IRSAC parent committee and do not make recommendations directly to federal officials. Therefore, IRSAC subcommittees are not covered by the Act and are not subject to the Act's requirement that committees be "fairly balanced." (41 CFR § 102-3.35).
8. Date Prepared. This membership Balance Plan was initially prepared July 8, 2011, revised on October 15, 2015, and revised on July 26, 2018.