

2010

Tax FORUM

IRS Nationwide



Form 1040 National Research Program Update

What is NRP?

- Established in 2000 to replace TCMP
- Created to gather examination data from random audits
- Use data to:
 - Measure voluntary compliance
 - Update workload selection models
 - Guide strategic plans



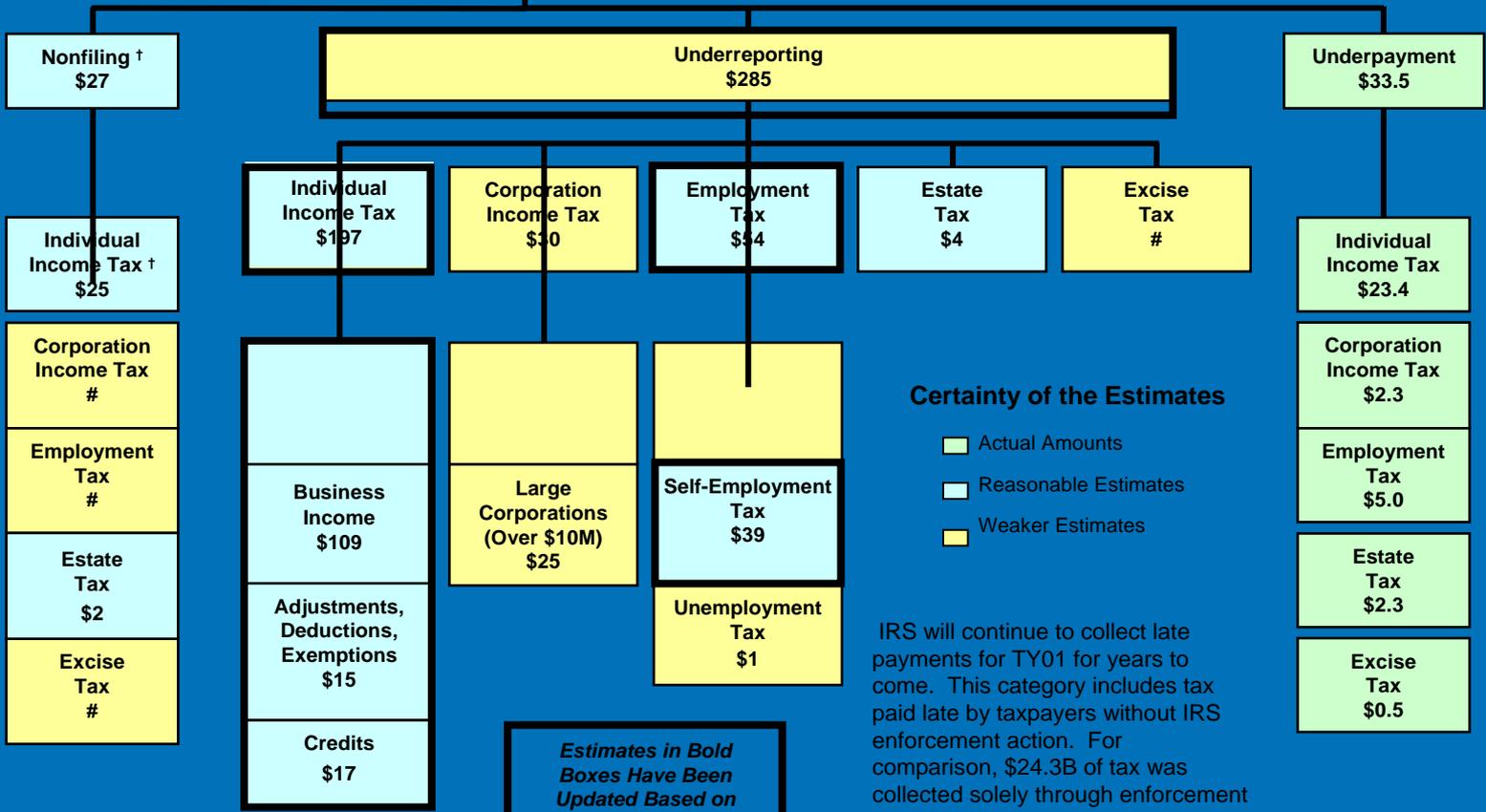


Total Tax Liability \$2,112

Tax Paid Voluntarily & Timely
\$1,767
 (Voluntary Compliance Rate: VCR = 83.7%)

Gross Tax Gap: \$345
 (Noncompliance Rate: NCR = 16.3%)

Enforced & Other Late Payments \$55 = **Net Tax Gap (Tax Not Collected) \$290**



Certainty of the Estimates

- Actual Amounts
- Reasonable Estimates
- Weaker Estimates

IRS will continue to collect late payments for TY01 for years to come. This category includes tax paid late by taxpayers without IRS enforcement action. For comparison, \$24.3B of tax was collected solely through enforcement in FY2001.

Estimates in Bold Boxes Have Been Updated Based on Detailed TY01 NRP Results

† Updated using Census tabulations
 # No estimates available

Benefits and Applications of NRP Data

- Update voluntary compliance and tax gap estimates
- Improve audit selection methods (DIF)
- Identify data reporting issues
- Shared with various stakeholders

2010
TAX FORUM

IRS Nationwide



NRP Studies

- Form 1040: Individual Study for 2001 Returns
- Form 1040: On-going multi-year Individual Study
- Form 940/941: Employment Tax Study
- Form 1120S: S Corporation Study
- Future Studies

NRP Classification

- Research Returns
- General Classification
- NRP Classification
- Classification Scope and Guidelines



Assigning NRP Returns

- **Training**
NRP specific modules
- **Case Built File**
Internal and external data
- **Taxpayer Contact**
Letters/Publications/Notices
Information Document Requests



NRP Examination Process

- Scope of the examination
- Expanding the scope
- Depth of examination
- Requesting related returns

2010

IRS Nationwide
Tax FORUM



Documenting the NRP Examination Case File

- Using electronic lead sheets
- Providing supporting workpapers
- Ensuring accurate data capture



2010

IRS Nationwide
TAX FORUM

Miscellaneous NRP Items

- Returns accepted as filed
- Accepted with adjustments
- Exclusions
- Transfers
- De Minimus or small adjustments

Summary

- Research Audits
- Quality Data
- NRP Study Benefits



Visit IRS.gov

Topic	Search Word(s)
Basic Tools for Tax Professionals	basic tools
E-File Resources for Providers and EROs	provider resource
E-Services – Online Tools for Tax Pros	Eservice
IRS Stakeholder Partners' Headliners	headliners
Issue Management Resolution System	IMRS
Practitioner Priority Service	priority service
Stakeholder Liaison Local Contacts	SL
Tax Information for Tax Professionals	information for tax professionals

2010

TAX FORUM
IRS Nationwide

