

LARGE BUSINESS

Taxpayer Experience of the Future



PACIFIC NORTHWEST DOMESTIC AIRLINE COMPANY

BACKGROUND

Pacific Northwest, Inc. is a multi-billion dollar domestic airline company with flights throughout the United States. Until recently, Pacific Northwest had an IRS examination team on site year-round because it is an exceptionally large business. As a part of the transition away from an ongoing IRS presence, Pacific Northwest received guidance from the IRS on what to expect regarding future IRS interactions. Pacific Northwest employs one of the "Big 4" to advise on its tax liability and has an internal department to manage its books. Recently, Pacific Northwest revised its business model to take advantage of a new market opportunity.

EXPERIENCE EXPECTATIONS

Collaborative Transparent Consistent
Secure Timely

TAXPAYER JOURNEY



The company's tax department receives notice from its external tax advisor that the IRS recently issued guidance on an emerging tax issue related to the company's new business model.



The company's tax department debates internally how it should approach the tax treatment issue.



The company's executives believe that its facts, circumstances, and tax position differ from the conditions outlined in the IRS guidance, and the company files its taxes without strictly following the provided IRS guidance.



Later that year, the company receives a digital notification explaining that it will be subject to a multi-issue examination.



The IRS examination team engages the company virtually to establish examination steps, expectations, and timelines. The team outlines the discrete set of issues that will serve as the focus of the exam and finalizes them in the examination plan.



Through the established, secure communication method, the company receives an electronic information document request. The tax department collects the necessary documents and files, and securely transmits them to the IRS.



A few weeks after submitting the documents, the company's tax department reps attend a virtual conference with the IRS examination team, including an IRS SME on the emerging tax issue. They discuss their respective views and all the facts and circumstances of the issue are documented.



The remainder of the exam takes place virtually with all communications and documents shared digitally, reaching final resolution on all issues within a year of their original filing.



The company quickly receives a notice of a proposed adjustment, consistent with the discussions it had with the IRS examination team. The company agrees with the adjustment and processes an electronic payment to settle the adjustment.



The company shares the outcomes with its external tax advisor. Considering the result of the exam, the external advisor distributes guidance to other clients who could be similarly affected.

TAXPAYER EXPERIENCE



We receive relevant guidance from the IRS on tax issues that pertain to our business through our tax advisor.



Our interactions with the IRS are transparent, collaborative, and timely.



We are confident that digital interactions with the IRS are easy and secure.



We correspond with the IRS digitally with little burden imposed on our business.

TAXPAYER-FACING CAPABILITIES



Partnership Strategy & Relations

Strategic management of relations and interactions with partners including employers, payroll providers, software providers, federal/state/local governments, media, and commercial entities



Stakeholder Outreach & Education

Tailored communications with stakeholders aimed at improving the reach, timeliness, and impact of IRS communications through 1:many channel



Digital Content Management

Secure, online resources and tools that allow taxpayers to easily access relevant information and interact with the IRS



Privacy & Security Management

Systems, software, and governance that create secure transactions and support data security and privacy protection



Digital Taxpayer Account Management

Online accounts that allow taxpayers to manage their tax compliance responsibilities