



February 18, 2020

The Honorable David J. Kautter  
Assistant Secretary for Tax Policy  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Charles P. Rettig  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

RE: Request for Input on Taxpayer First Act – “21<sup>st</sup> Century IRS”

Dear Assistant Secretary Kautter and Commissioner Rettig:

As the Chief Executive Officer (CEO) of the National Society of Accountants (NSA) I wanted to thank you for the opportunity to participate in the January 15, 2020 meeting regarding the potential restructuring of the Internal Revenue Service (IRS or “agency”) as proposed in the Taxpayer First Act (TFA). As requested at that meeting I am writing to provide NSA’s suggestions on how such restructuring could benefit both the IRS and individual taxpayers, while also serving to facilitate and strengthen the relationships between the IRS and the tax practitioner community.

As the IRS prepares its report to Congress, NSA would like to provide the following observations we believe could further this initiative.

## **1. Technology Infrastructure**

While NSA appreciates the huge challenges involved with modifying the technology infrastructure for an organization the size of the IRS, we do believe increased system compatibility would bring significant benefit to the taxpayer and improve overall efficiencies to the IRS.

Legacy systems are a reality for all organizations and pose significant obstacles that can prevent the proper adoption of current technology and the future integration of developing technology. Yet these obstacles must be addressed if an agency restructuring will truly benefit the taxpayer.

Clearly such an undertaking is a vast endeavor, so NSA suggests that the IRS develop a long-term approach to the issue – identifying 5, 10, and 15 year targets. Such an initiative would involve both in-house technology development as well as outsourcing as required and could include the participation of current IRS “partner” organizations such as local municipalities, software companies and banks who already utilize these forms of technology to improve their customer experience. Such partnerships are in line with several goals laid out in the IRS 2018-2022 Strategic Plan.

## **2. Customer Care**

Goal 1: IRS 2018-2022 Strategic Plan reads “Empower and enable all taxpayers to meet their tax obligations” and NSA commends the IRS for making this a top priority. NSA believes increased “points of access” to the IRS, and improved customer experiences during those interactions, are an important consideration for improving taxpayer benefits as part of restructuring the IRS.

Increased points of access could include increased availability of languages served by the IRS, larger numbers of local offices and officials available for in person meetings in local jurisdictions, and improved secure communication platforms where taxpayers and tax professionals could access timely information without requiring an in person interaction. These platforms would allow for greater access to IRS employees, resulting in more timely information exchange, and provide a platform for additional resources tailored to the tax preparation industry.

To improve the interactions with IRS employees NSA would encourage greater authority be granted to general assistors to resolve issues over the phone, while also understanding the complexity of, and need for, identity verification. The added availability of “second tier” assistance, to delve deeper into more complicated issues via “transfer not redial”, in NSA’s opinion, would increase the efficiency and perceived quality of an IRS customer care experience.

Tax professionals are always seeking ways to increase the speed with which they can access timely information in their dealings with the agency. In this regard NSA’s members, and therefore their clients (taxpayers), would see significant benefit from the following:

- a secure communications platform that would allow for two-way communication with tax professionals to deal with issues relating to their clients returns;
- a “tax return-specific” tracking system for information exchange, ITIN applications, time-stamped responses, confirmations of receipt, and other correspondence;

- an efficient process for taxpayers to authorize third parties; and
- an online tax professional account system that would allow for single individual login and grant access to multiple clients' data.

### **3. Enhance Employee Training Strategy**

Employee training is an essential function for all organizations and for organizations the size of the IRS it is a complex and ongoing endeavor. Training helps boost employee efficiency and productivity. These efficiency gains inherently boost employee morale, which can, in of itself, drive increased productivity and reduce turnover.

Simply put, employees who receive training designed to help them meet personal and professional goals tend to feel more valued. This concept is clearly referenced in Goal 4 of the IRS 2018-2022 Strategic Plan.

NSA would therefore suggest that a review of the IRS employee training strategy encompass the following 3 areas:

- A subject matter focus on core and advanced tax law with priority emphasis on general customer service, IRS process management for issue resolution, and enhanced understanding of practical consequences of IRS actions on individual taxpayers.
- An effort to emulate, as far as is possible, employee training as seen in the private sector. The private sector tends to prioritize a standardized approach to employee training and maintains this approach by constantly advocating current best practices and offering interactive platforms for learning.

The tax professional community would be a significant resource in this area and, NSA as an organization and our membership as a whole, would gladly offer assistance in this area as needed. The use of such subject matter experts would provide a level of "real world application" to IRS employee training that we believe would bring significant benefit to the taxpayer.

- As it is not practical to cross train all IRS employees on the entire scope of the tax laws and procedures, NSA would suggest IRS assistors operate in teams in which varied levels of trained employees operate as a collective, thus allowing the transfer of more complex issues to higher skilled assistors with specialized training.

#### 4. Practitioner Services Unit.<sup>1</sup>

Over the years NSA has participated in discussions involving various tax and accounting related professional organizations regarding the creation of a Practitioner Services Unit within the IRS. NSA supports this concept as far as it attempts to expand the existing levels of collaboration that the tax professional community currently has with the IRS. All efforts to further engage with the tax professional community and seek practitioner feedback are desired by our membership.

We would also like to acknowledge the exceptional work that the IRS currently does in this regard through the National Practitioner Liaison (NPL) and the IRS Tax Forums. Through the NPL, NSA, and our members, gather important information regarding IRS priorities and we support any and all ideas that would strengthen and grow these types of communications.

NSA's membership of tax and accounting professionals appreciates the opportunity to provide input and we welcome the open dialogue environment the IRS has established. We are committed to assisting the agency in any way possible as you seek to achieve the requirements of the TFA. To this end, NSA is available to testify before Congress on restructuring the IRS, on its own or as part of a coalition of tax professionals and organizations. We stand ready to help.

Sincerely,

John Rice  
CEO

cc: Ms. Lisa J. Beard, Taxpayer First Act Office, Internal Revenue Service  
Mr. James P. Clifford, Taxpayer First Act Office, Internal Revenue Service  
Ms. Amalia C. Colbert, Taxpayer First Act Office, Internal Revenue Service  
Mr. Robert A. Ragano, Taxpayer First Act Office, Internal Revenue Service  
Ms. Bridget T. Roberts, Acting National Taxpayer Advocate, Internal Revenue Service

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<sup>1</sup> Tax professionals' coalition letter, "[Ensuring a Modern-Functioning IRS for the 21<sup>st</sup> Century](#)," April 3, 2017; AICPA comment letter, "[Taxpayer First Act Discussion Draft](#)," April 6, 2018; and NAEA white paper, "[Creating a Taxpayer-Focused Internal Revenue Service](#)," January 15, 2020.