



TAXPAYER FIRST ACT REPORT TO CONGRESS

January 2021



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PROLOGUE

The Taxpayer First Act (TFA) was enacted on July 1st, 2019 with strong bipartisan support to re-imagine and enhance the way we serve taxpayers, continue to enforce the tax laws in a fair and impartial manner, and train IRS employees to deliver a world-class customer experience. The Act consists of 45 provisions, including specific mandates to improve the taxpayer experience. There are three provisions requiring the development of the critical plans included in this report (Taxpayer Experience, Training, and Organizational Redesign). These plans lay out a vision to revolutionize tax administration in our country for the 253 million citizens who interact with the IRS annually, and ensure that the \$3.6 trillion of federal revenue that the IRS collects annually will continue. This is an aspirational vision that builds on work that is already underway and provides an investment framework for evaluating IRS funding levels in future years. However, without the commitment of significant multi-year funding, the IRS cannot make the taxpayer improvements necessary to maintain trust and confidence in the federal government and its tax collection system.

High-quality, personalized service is key to helping taxpayers understand and comply with their filing and reporting obligations, well-trained employees provide excellent taxpayer service, and a streamlined organizational structure makes it easier for taxpayers and employees to navigate the agency and get the help they need when they need it. Strong technology infrastructure is critical to delivering on this vision. The Integrated Modernization Business Plan, delivered in April 2019, was developed to establish the underlying infrastructure required to modernize the IRS. However, the initial funding requested for modernization only takes us so far. While the Integrated Modernization Business Plan lays the foundation for improving the taxpayer and employee experience, the Taxpayer First Act requires us to build upon this foundation to deliver the experience taxpayers expect.

The IRS currently estimates that full implementation of the Taxpayer First Act plans and Integrated Modernization Business Plan would cost \$4.1 billion over the five-year period from FY2021 – FY2025 broken into three broad categories:

- **TFA Legislatively Mandated Provisions:** \$550 million over five years to implement specific mandates outlined in the act, apart from the development and implementation of strategies
- **TFA Strategy Development and Implementation:** \$1.6 billion over five years to develop and implement the Taxpayer Experience, Training and Organizational Redesign plans required by the TFA
- **IRS Modernization Plan:** \$1.9 billion associated with achieving necessary modernization of IRS systems, cybersecurity and operations

Additional costing details can be found in the Appendix 9.5.2.

In addition, in FY2020 the IRS spent \$68 million on the implementation of TFA legislatively mandated provisions. FY2020 expenses were funded out of our original budget allocation as no funding was specifically appropriated to cover those needs. Our FY2021 budget submission requested funding of \$106 million for implementation of the legislatively mandated provisions of the Taxpayer First Act and \$300 million for the Modernization Plan.

The TFA mandates included in the Act are aimed at strengthening taxpayer rights, modernizing the IRS and combating identity theft and fraud. The IRS estimates that full implementation of these requirements by FY2025 would cost an additional \$444 million, roughly \$111 million per year, above the amounts previously committed or requested. Some of the provisions that require significant additional investments include:

- **Provision 1001, Establishment of IRS Independent Office of Appeals:** Renames the IRS Office of Appeals as the IRS Independent Office of Appeals and adds new rules that require the Independent Office of Appeals to make its referred case files available to:
 - Individuals with adjusted gross incomes of \$400,000 or less for the tax year to which the dispute relates;
 - Entities with gross receipts of \$5 million or less for the tax year to which the dispute relates.

In addition, when the IRS or Chief Counsel has issued a notice of deficiency to a taxpayer and denies the taxpayer's request for referral to the IRS Independent Office of Appeals, the IRS must now issue a notice to explain the reasons. It also needs to tell the taxpayer how to protest the denial.

- **Provision 2102, Internet Platform for 1099 Filings:** Requires the IRS to develop an Internet portal by Jan. 1, 2023 that allows taxpayers to electronically file Forms 1099. The website will provide taxpayers with IRS resources and guidance, and allow them to prepare, file and distribute Forms 1099, and create and maintain tax records.
- **Provision 2005, Identity Protection Personal Identification Numbers:** Requires the Secretary to establish a program to issue an Identity Protection (IP) PIN to any U.S. resident who requests one. Additionally, the Act requires the Secretary to expand the issuance of IP PINs every year and ensure nationwide availability within five years.
- **Provision 3101, Mandatory E-filing by Exempt Organizations:** Extends the requirement to e-file to all tax-exempt organizations required to file statements or returns in the Form 990 series or Form 8872 (Political Organization Report of Contributions and Expenditures). The Act also requires that the IRS make the information provided on the forms available to the public in a machine-readable format as soon as possible.

The IRS stands ready to begin a new era in tax administration that is:

- **Taxpayer Focused:** We should provide interactions that are efficient, informative, personalized and convenient. Taxpayers should have the information they need to understand and comply with their taxes. Key elements of this program include:
 - **Expanded Digital Services:** Simplifying the tax process with enhanced mobile and online experiences, digital filing and payment options, and online portals for tax professionals.
 - **Seamless Experience:** Enhancing self-service capabilities and IRS-assisted service capabilities, expanding access to the IRS by providing taxpayers with their preferred channel of service (website, telephone, in person, etc.) and integrating those channels to provide a seamless experience throughout the taxpayer lifecycle.
 - **Proactive Outreach and Education:** Providing clear and timely communications, improving how and when we provide information to taxpayers by using new technology, applying behavioral insights, expanding our social media strategy, and making use of our trusted partnerships.
 - **Community of Partners:** Building on our existing partnerships and developing new partnerships to create an interactive network of trusted partners across the tax community.
 - **Focused Strategies for Reaching Underserved Communities:** Establishing specific strategies to engage with underserved communities to address issues of communication, education, transparency, trust, and access to quality products and services, including providing customized education and outreach in the languages spoken by specific taxpayer groups.
 - **Enterprise Data Management and Advanced Analytics:** Developing a secure data management strategy that includes an agency-wide understanding of operational data and applying advanced analytics to better understand taxpayer needs to improve service and compliance.

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- **Employee Focused:** Our employees should be well-trained, adaptable, highly motivated and customer-focused. IRS employees would receive comprehensive and thorough training - both substantively (on the law and mechanics) and attitudinally (utilizing world-class customer experience techniques). Key elements of this program include:
 - Streamlining current training processes through the creation of a centralized educational organization, or “IRS University” to support the IRS mission.
 - Developing annual training on taxpayer rights and focusing employee training on early, fair, and efficient resolution of taxpayer disputes.
 - Ensuring consistent skill development and employee evaluations across the IRS.
 - **Delivered Efficiently:** We are modernizing our organizational structure to better align operations with our mission, increase agency-wide collaboration, and deconstruct operational silos. Key elements of this program include:
 - Realigning the IRS’s organizational structure to increase consistency across compliance functions and taxpayer services.
 - Improving the leadership structure, reducing organizational redundancies and removing silos.
 - Providing solutions to best position the IRS to combat cybersecurity and other threats.

Compliance with the statutory requirements of the TFA, including the full implementation of the strategies included in this report and the key TFA mandates, will fundamentally change the taxpayer experience. This would improve trust and confidence in the IRS which can result in improved compliance, reducing the tax gap and benefiting every taxpayer. But we must first improve our core technology infrastructure. To truly “Put Taxpayers First” and successfully implement the Taxpayer First Act, the IRS needs adequate funding. Investing in the IRS represents an investment in the future of the United States and the delivery of important services every American deserves.

1.0 COMMISSIONER'S WELCOME

I am pleased to provide you with this report on the progress we have made to implement the Taxpayer First Act and our Taxpayer Experience, Training and Organizational Redesign Strategies. As the Commissioner of the Internal Revenue Service (IRS), I would like to thank the Congress for providing us with a great opportunity to reimagine the way the IRS does business.

Signed into law on July 1, 2019, the TFA gives us the opportunity to shape our future and rethink the way we operate. In particular, the way we interact with taxpayers, the way that we train our employees, and the way we structure our organization are important foundations for our future success. This report lays out a vision to fundamentally change the way we operate, building upon our strengths, with additional focus on areas to improve the important service we provide to our great country.

More than 20 years ago, the IRS Restructuring and Reform Act of 1998 led to significant changes, including increased taxpayer rights and our organizational design based on taxpayer-segment focused operating divisions. While those changes served tax administration well, the world has evolved. The IRS must consider the increased role of technology in our lives, globalization, and our diverse and expanding taxpayer base. If enabled by adequate funding, TFA gives us a chance to transform the IRS into a true 21st century Agency.

In this report, we explain our vision for the Taxpayer Experience, Training, and Organizational Redesign Strategies required by the TFA and our implementation progress to date. By integrating our three Strategies, we will train and empower IRS employees to deliver exceptional taxpayer service within an efficient organizational structure. Throughout the report, you will find a consistent theme of improved technology, seamless service, and access for all taxpayers. I hope you will share my excitement about our path to transform the IRS into a trusted, user-friendly,

digital enterprise accessible to all taxpayers, regardless of location, occupation, educational level, or language proficiency.

While some of our plans are aspirational, I want to emphasize that we are committed to tangible, lasting reform. Taxpayers will see improvements over the next 1-2 years as we more deliberately integrate and design services, and incrementally expand our capabilities. Our goal is for the IRS to evolve into an organization that anticipates their needs and proactively communicates easy-to-understand information in the languages they prefer. Similarly, tax professionals should have access to the information they need and be empowered to collaborate with the IRS to further innovate and improve the taxpayer experience. We will continue to build upon our current use of data analytics to drive efficient decision making and implement changes. We are committed to ensuring that our programs and services are accessible to all our customers, fairly, and equitably, with emphasis on reaching traditionally underserved communities. We can accomplish all of this and more in partnership with the Congress, taxpayers, tax practitioners and other stakeholders.

IRS employees are key stakeholders in this effort. During my tenure at the IRS, I have been constantly amazed at the talent and diligence of our employees, their desire to serve taxpayers and the pride they have as civil servants. Although we have faced a number of challenges in a short time, from the 35-day government shut-down in 2019 to the ongoing COVID-19 pandemic, our employees continue to collect the funds to support our nation and deliver payments to assist Americans. Through this spirit and the desire to do the right thing for taxpayers we serve, the IRS has developed what I believe are the strongest strategies to drive our agency into the future.

Our TFA team worked diligently and collectively with the IRS leadership team over the past year to research, listen, learn and synthesize information from many sources. These sources include IRS employees, taxpayers, tax professionals, oversight partners and other external stakeholders. The amount of feedback collected is nothing short of phenomenal, and I am proud of the report

we produced. That being said, the work is not yet done. It will take major effort, strategy and funding to execute the plans we have made. The listening does not stop with the information we have collected. We will implement continuous feedback loops to hear from taxpayers and our stakeholders.

As you will read, the full report includes both near term operational plans and a long term aspirational vision. We recognize that it will take additional planning and funding to execute the plans outlined in these strategies. I trust that you will recognize the strength and vision in the strategies we present and provide the support the IRS requires to execute them in the coming years. I am also confident our efforts to be more transparent and transform the IRS will increase trust in the IRS, improve voluntary compliance and assist all taxpayers in meeting their tax obligations to provide crucial funding for our nation's operations.

The future of the IRS belongs to us. If we stand together, focused on our mission, there is no limit to what we can do.

Thank you,

A handwritten signature in white ink that reads "Charles P. Rettig".

Charles P. Rettig
IRS Commissioner

SECTION

2

EXECUTIVE SUMMARY



2.0 EXECUTIVE SUMMARY

The IRS operates at an unparalleled level of scale and complexity. We aim to provide America's taxpayers top-quality service by helping them understand, enable them to voluntarily comply, and meet their tax responsibilities while enforcing the law with integrity and fairness to all. In FY2019, the IRS collected more than \$3.56 trillion in gross taxes and issued almost 122 million refunds¹ - all amounting to more than \$452 billion in tax refunds. All of this is possible because of our workforce; the approximately 75,000 dedicated public servants that take pride in serving taxpayers and their country.

This report describes how we can transform the IRS into a modern, efficient, and taxpayer-centric centered agency. One that is easily accessible for all taxpayers, including traditionally underserved communities. The report outlines three strategies that build upon one another: Taxpayer Experience, Training and Organizational Redesign. Our Taxpayer Experience, Training, and Organizational Redesign Strategies will re-shape the IRS into a nimbler enterprise, readily capable of taking advantage of emerging technology. These strategies are built upon the exceptional work the IRS is already doing, but in many other ways, they are aspirational. We intend for the strategies described in this report to reimagine the taxpayer experience. Our strategies will guide our future strategic planning efforts and we will continue to coordinate across the agency to align on new initiatives. We will leverage the Taxpayer First Act strategies to inform our FY2022-2026 Strategic Plan. While the strategies are flexible enough to adjust to budget realities, delivering the type of experience American taxpayers expect and deserve will require funding.

Scope of the Report

With 45 provisions, the Taxpayer First Act reflects a wide-ranging effort to improve IRS operations. As described below, this report addresses the Act's three most-sweeping provisions related to taxpayer service (Section 1101), employee training (Section 2402) and organizational structure (Section 1302).² Each of these provisions mandates a report to the Congress.

¹ IRS 2019 Data Book.

² Unless otherwise specified, all Section references herein are to the Taxpayer First Act of 2019, Pub. Law No. 116-25, 133 Stat. 981 (2019). See Appendix 9.3 for more information about the other TFA provisions, many of which have already been implemented.

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- **Section 1101, Comprehensive Customer Service Strategy**, requires the IRS to develop a comprehensive customer service strategy that includes best practices similar to those provided by private industry to meet taxpayers' reasonable expectations, including expanded online services, telephone callback services and employee training. The provision also requires us to assess opportunities to co-locate services with other Federal agencies. Importantly, Section 1101 requires that we identify short-term (one to two years), mid-term (three to five years) and long-term (ten years) goals and to develop metrics for measuring our progress.³
 - **Section 2402, Comprehensive Training Strategy**, directs the IRS to create a comprehensive training strategy to streamline and improve our current training processes, technology and funding. Under this provision, our strategy must include annual training on taxpayer rights with a focus on ensuring that employees can resolve taxpayer issues early, fairly and efficiently. Our strategy must also ensure consistent skill development and employee evaluations throughout the IRS.
 - **Section 1302, Modernization of IRS Organizational Structure**, mandates the IRS develop an organizational redesign strategy that prioritizes the taxpayer experience to ensure taxpayers can easily and readily receive the help they need. The strategy will also streamline the structure of the organization and best position the IRS to combat cybersecurity and other threats. Finally, Section 1302 requires us to specifically address whether the current IRS Criminal Investigation Division should report directly to the Commissioner. Rather than prescribing a particular outcome, Section 1302 gives the IRS the flexibility to determine what type of organizational structure would best serve taxpayers.

We consolidated the reports required by Sections 1101, 2402 and 1302, because we believe our Taxpayer Experience, Training and Organizational Redesign Strategies are inextricably linked. Well-trained employees provide excellent taxpayer service, and a streamlined organizational structure makes it easier for taxpayers and employees to navigate the agency and get help when they need it.

Our three strategies represent the IRS's vision and bring the intent of the TFA to life. Implementation of the other 42 TFA provisions complements our three strategies. Together, they will bring a game-changing focus to the agency and our workforce.

³ Throughout this report, we use the terms "taxpayer" and "customer" interchangeably. We also refer to the strategy developed under Section 1101 as our Taxpayer Experience Strategy, because the "experience" is the sum of all interactions and includes every touchpoint with a product or service.

The Three Strategies

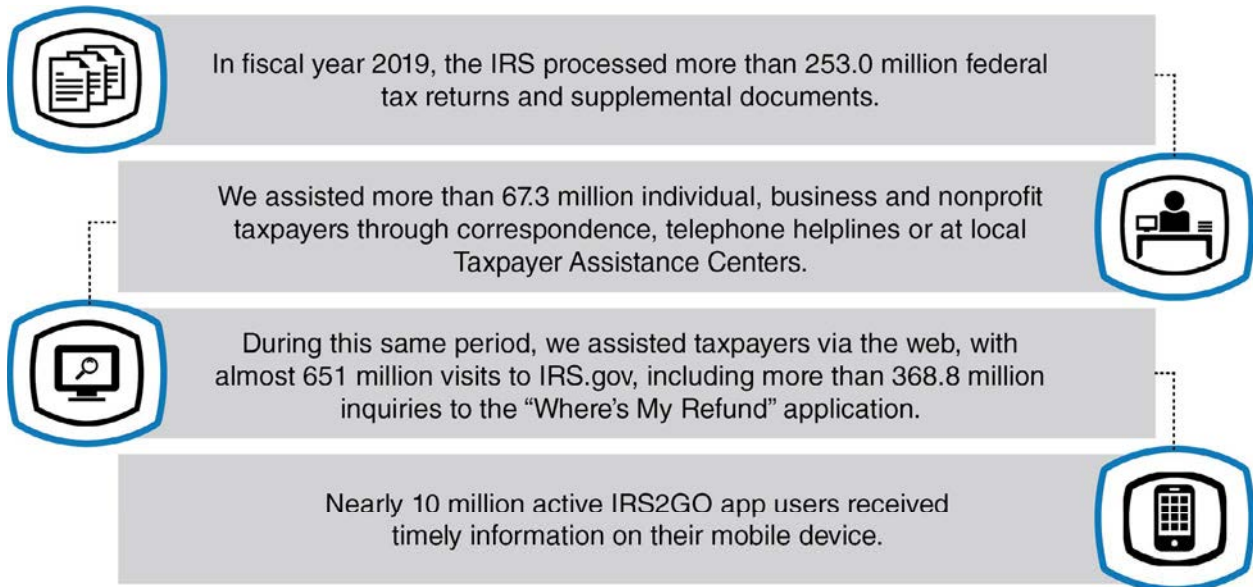
To develop our strategies, we conducted in-depth research and devoted months to engaging with a wide array of stakeholders. We listened carefully with an emphasis on lessons learned and we strongly considered prior recommendations from our oversight partners.⁴ As a part of our development process, we developed three overarching goals:

- Enhance the taxpayer experience
- Enhance the employee experience
- Improve operational efficiencies

Our report further details the objectives and measures that we will use to meet these three goals.

Taxpayer Experience Strategy

The taxpayer experience goes beyond “customer service” to solve a problem. It encompasses all taxpayer transactions with the IRS across our service, compliance, and other program areas throughout their lifetime of interactions with the organization.



In addition to helping individual and business taxpayers meet their responsibilities and providing services to the tax professionals who represent them, the IRS devotes significant resources to meeting the special needs of tax-exempt organizations, employee retirement plans and government entities in complying with tax laws. These entities, though exempt from federal income tax, rely on IRS services and represent a significant aspect of tax administration.

⁴ Section 3.0 and Section 9.4 provide detailed descriptions of our outreach and research.

With this in mind, we set out to develop a holistic strategy to meet the needs of all taxpayers and other entities that rely on the IRS for information and services. Reflecting both near-term and long-term goals, our Taxpayer Experience Strategy consists of six components:

- **Expanded Digital Services** to provide self-service channels by building on existing online accounts and introducing online accounts for tax professionals and business taxpayers.
- **Seamless Experience** to guide taxpayers to the resources and communication channels that will resolve their issues.
- **Proactive Outreach and Education** to educate taxpayers by providing information at the time, in the language, and by the method they prefer through applying behavioral insights, using new technology, and continuing to use and expand upon our trusted partnerships.
- **Focused Strategies for Reaching Underserved Communities** to consolidate programs that engage with these communities to address communication, education, transparency, trust, and other constraints some face in accessing information and services.
- **Community of Partners** to establish, guide and facilitate a collaborative and interactive network of partnerships across and beyond tax administration – including the public, private and non-profit sectors – to share best practices and amplify our ability to reach taxpayers with the information they need.
- **Enterprise Data Management and Advanced Analytics** to develop a data management strategy that includes an agency-wide understanding of the taxpayer experience, emerging needs and expectations, and operational data.

We will develop capabilities that are scalable across all taxpayer segments – including individuals, domestic and international businesses, tax exempt organizations, governmental entities, as well as our private industry partners and other communities. In this report, we present estimated timelines (1-2, 3-5, and 10 years), high-level costing, and measures of success for each component.

Implementing our Taxpayer Experience Strategy will give taxpayers the information they need to understand and comply with their taxes. Furthermore, taxpayers will know their feedback has been heard. As a result, taxpayers should have more confidence and trust in the IRS.

Section 4 of this report provides a detailed description of the Taxpayer Experience Strategy.

Training Strategy

With approximately 75,000 IRS employees assigned to over 500 offices across the nation, training has never been easy. Effective training and development improves employee productivity, overall job satisfaction and commitment. Additionally, it reduces employee turnover, decreases costly errors and increases overall quality of work.

Our Training Strategy will strive to improve upon existing training and employee development efforts and our unified approach will enable training to be more relevant and holistic for employees. We will enhance training technology and integrate additional technological tools to improve the employee training experience. We will build on previous efforts to develop this Service-wide approach and include new taxpayer-service concepts into our curriculum. This strategy includes five components:

- **IRS University** to serve as an innovative, centralized learning function to improve training and encourage collaboration across the organization. The University will build on and unify our training and development communities and will feature four academies (Taxpayer Service, Tax Administration, Information Technology (IT) and Operations Management, and Leadership) to organize training curricula around structured yet flexible career paths.
- **Taxpayer-First Training** to equip all employees with a working knowledge of our Taxpayer Experience Strategy, Taxpayer Rights and organizational awareness through a standardized curriculum, while encouraging professionalism, effective communication and empathy. The IRS will also emphasize training on civility, inclusive behaviors, cultural competency, taxpayer rights and multi-language access. We will integrate new taxpayer-service concepts into current training to ensure employees are well equipped to solve taxpayer issues.
- **Continuous Learning for All Employees** to build on our efforts to provide ongoing professional training for employees from the first day on the job throughout their entire career with the organization. A fully realized continuous learning environment will equip employees to perform their current role, develop higher levels of technical expertise along a career path and support the acquisition of portable skills to allow employees to change roles within the IRS.
- **Improving Technology** to create accessible, high-quality and effective training programs to optimize the employee training experience. We will implement new technology to accommodate the administration, delivery and tracking of the training lifecycle.
- **Measuring Success** to allow us to make necessary training adjustments and continuously improve our training capabilities.

Based on our research, we know that employees want to get the most out of their training. They respond well to experienced trainers who are confident in their field and adept in engaging in traditional and virtual classroom environments. IRS employees want training that is appropriately paced and allows time for practical application. Our comprehensive Training Strategy is intended to create an environment where employees receive timely training, have access to personal development resources and are equipped with the skills necessary to identify opportunities to enhance taxpayer service.

As explained in this report, we aligned our Training Strategy with our Taxpayer Experience and Organizational Redesign Strategies to create a continuous learning environment for our employees.

Section 5 of this report provides a detailed description of the Training Strategy.

Organizational Redesign Strategy

While our current organizational model was, and is, effective in many areas, we recognize that changing times call for new ways of doing business for taxpayers and IRS employees. As the first high-level restructuring plan in more than 20 years, our Organizational Redesign Strategy considers areas of success and opportunities for improvement. We will capitalize on our strengths and make structural changes where needed to better serve taxpayers.

As mandated by Section 1302, the IRS built on previous strategic initiatives and insights, studied industry and global revenue agency trends and best practices, and assessed evolving taxpayer expectations. Through careful research of oversight recommendations, taxpayer insights and employee interviews, we identified efficiencies and eliminated redundancies, while ensuring leadership accountability for key components of the taxpayer experience and employee training. Our new organizational structure will increase agency-wide collaboration and deconstruct operational silos, thereby improving our ability to provide seamless service to our employees and taxpayers. By design, our new structure fully supports our Taxpayer Experience and Training Strategies.

This belongs to you; it belongs to your clients; it belongs to every person in the IRS workforce, and we want to get it right.

— Charles Rettig, IRS Commissioner

Our Organizational Redesign Strategy focuses on the following key areas:

- **Improve Integration of Strategic Planning and Initiative Prioritization at the Enterprise Level**
 - Create a new Enterprise Change and Innovation Division that would serve as the IRS’s “strategic integrator.” This division would work with leadership across the agency to coordinate annual strategic planning and prioritization activities to streamline decision making and enable the agency to set and meet its short and long-term strategic goals.
 - The Enterprise Change and Innovation Division would pull together the Taxpayer Experience, Training, and Organizational Redesign Strategies described in this report as well as other work on strategic direction (e.g., The Modernization plan; the Enterprise Case Management and Digitalization strategies; and future-focused efforts being led by our Human Capital and Equity Diversity and Inclusion offices) to perpetuate an integrated, collaborative, agency level strategic direction.
- **Improve the Taxpayer Experience and Provide a Continued Emphasis on Taxpayer Rights**
 - Create a new senior position for a Chief Taxpayer Experience Officer, who will seek to drive strategic direction for improving the taxpayer experience across the IRS- including both service and compliance interactions.
 - Integrate taxpayer experience related strategies and initiatives with other agency priorities.
 - Provide an enterprise level holistic view of the taxpayer experience, identify opportunities in existing taxpayer-facing processes and drive continuous improvements in real time.
 - Combine and centralize taxpayer-facing program offices to streamline responses to taxpayer inquiries and increase coordination across the agency.
 - Integrate IRS services and communication channels to facilitate a more seamless and holistic taxpayer experience.
 - Create a smaller, taxpayer-focused Senior Leadership Team⁵ led by the Commissioner to ensure that taxpayer rights are foremost in our long-term planning activities.

⁵ In the new organizational structure, the Senior Leadership Team will serve in place of the current Senior Executive Team. While the total number of direct reports to the Commissioner is increasing under this organizational structure, the Senior Leadership Team will be significantly reduced.

- **Improve Operational Efficiencies**

- Consolidate previously segmented examination operations into one function to reduce internal duplication and fragmentation of activities and provide consistent outcomes for resolving taxpayer compliance issues.
- Create a new Relationships and Services Division that operationalizes the taxpayer experience and:
 - Consolidates all toll-free telephone and taxpayer assistance center operations under one, “Assisted Services” organization.
 - Combines all outreach activities under one organization.
 - Combines all third-party partnership activities within one division.
- Create a Data Office and an Enterprise Digitalization and Case Management Office that will improve our use of data to reduce manual processes and reliance on paper while improving compliance operations and taxpayer service initiatives.

- **Increase Collaboration**

- Flatten and streamline the headquarters executive leadership structure to increase collaboration and continuity in decision making.
- Provide the Commissioner with a more direct line of sight into operations and functions.

- **Enhance Innovation**

- Establish a direct line from the Commissioner to the Information Technology Division to enhance critical focus on cutting-edge business processes and technology.
- Continue our emphasis on innovation in existing offices that are already driving or enabling creative taxpayer approaches across the IRS, such as Procurement and Information Technology, to build an even more innovative culture throughout the organization.

- **Continue to Improve Critical Operations Currently Serving Taxpayers Well**

- Focus on individualized service to combat identity theft through strong identity theft and victim assistance efforts.
- Support the vital efforts of the Whistleblower Office.
- Maintain an effective Criminal Investigation Office to drive an enforcement presence aligned to other compliance offices for continued coordination and emphasis.
- Deliver filing season services by continuing the successful filing season Executive Steering Committee approach while gaining efficiencies through close coordination between our Information Technology Division and the new Relationships and Services Division.

Key Features and Benefits of the New Organizational Structure

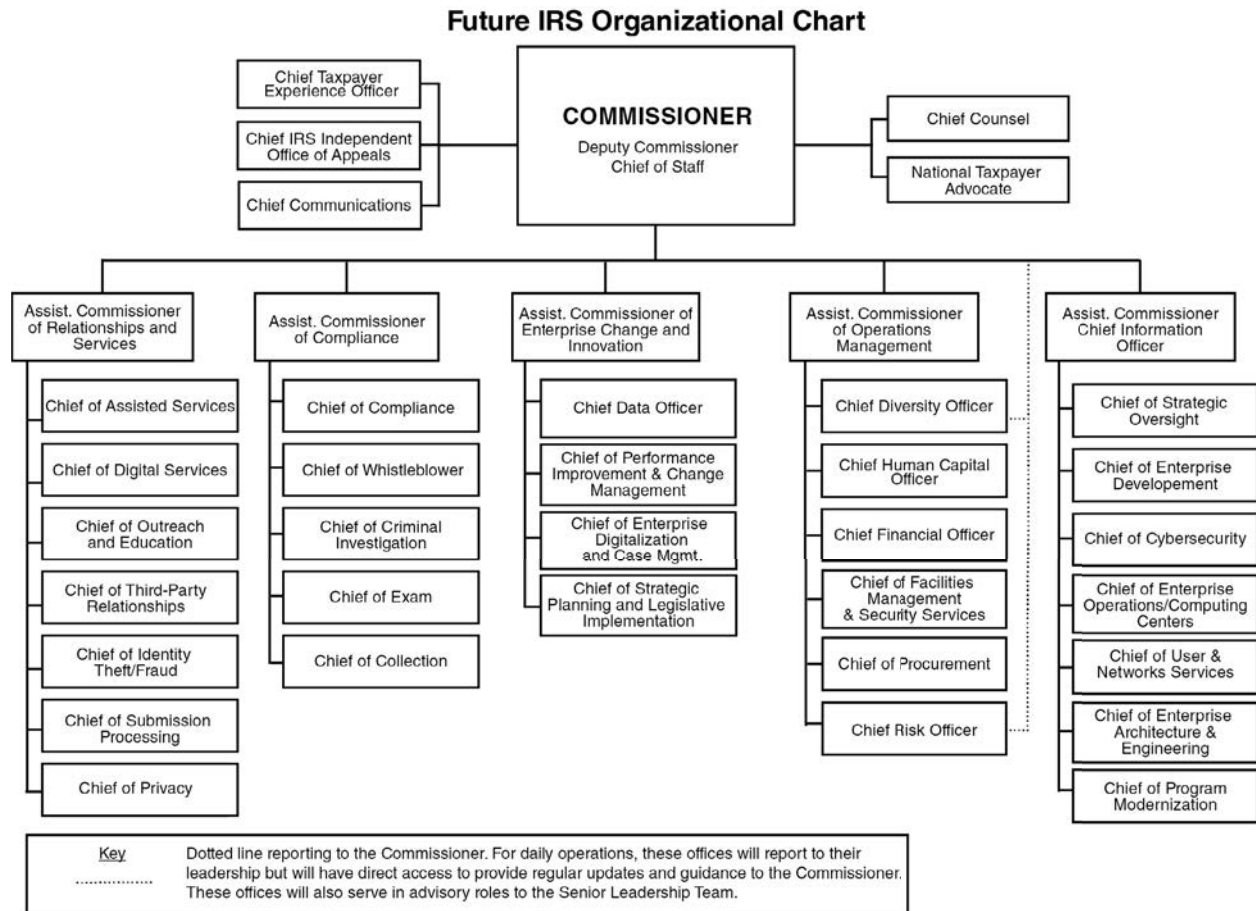


Figure 1: Notional Future IRS Organizational Structure

The IRS Organizational Structure as of September 2020 can be found in Section 6.1. Under the new structure, shown in Figure 1, the Commissioner would be supported by a Deputy Commissioner, a Chief of Staff and ten direct reports. This team would work together to set the direction of the agency, empower the workforce, enhance innovation and improve the taxpayer experience.

The new **Chief Taxpayer Experience Officer (CTXO)** would drive strategic direction for improving the taxpayer experience across the IRS and would help ensure a consistent voice and experience across all taxpayer segments by developing agency-wide taxpayer experience guidelines and expectations. Collaborating with peers across the entire agency, the Chief Taxpayer Experience Officer would drive an enterprise-level holistic view of the taxpayer experience. Working closely with the Relationships and Services and Compliance Divisions - which will be the originating source for most taxpayer interactions, and the Enterprise Change and Innovation Office (ECIO) - the “strategic integrator,” the Chief Taxpayer Experience Officer would drive continuous improvement across the service delivery operations. The Chief Taxpayer Experience Officer’s close collaboration with the ECIO would ensure that Taxpayer Experience Strategies align with overarching enterprise priorities and any key legislative initiatives. The Chief Taxpayer Experience Officer would also seek to drive consistency across many different areas, including working within the Relationships and Services Division, Compliance Division, IRS Independent Office of Appeals and Office of Chief Counsel to facilitate the use of new tools for communicating with taxpayers and their representatives. We envision the Chief Taxpayer Experience Officer as a subject matter expert with the ability to provide other organizational units with information on changing taxpayer expectations, industry trends and ways to apply customer service best practices within the framework of IRS operations and federal limitations. This enterprise-wide approach to the taxpayer experience will ensure that taxpayer-facing capabilities are developed and deployed in a way that is scalable and usable across all interactions and not for single purpose/single use/single program area. The Taxpayer Experience Office (TXO) will also identify opportunities in existing taxpayer-facing processes and drive continuous improvements in real time. This office would help to eliminate systemic breakdowns before they can have a negative impact on taxpayers.

The new **Relationships and Services** Division would bring together all taxpayer-facing service activities, serving as the front door to the IRS for all taxpayers and stakeholders. This division would deliver services and information to America’s taxpayers through a variety of channels – including telephone, digital, correspondence, social media and face-to-face (both in-person and through virtual technology). While the Chief Taxpayer Experience Officer would be responsible for developing and continuously evolving the Taxpayer Experience Strategy, the Assistant Commissioner of Relationships and Services would work with the Chief Taxpayer Experience Officer and Enterprise Change and Innovation Division to execute on the vision of the Taxpayer Experience Strategy. With all taxpayer-facing service channels under a single umbrella, this structure would create one division responsible for end-to-end service delivery and relationship management, while sustaining the value of having some aspect of taxpayer segmentation and specialization within the program areas. This structure would integrate channels and facilitate easier navigation of the IRS enabling a more seamless experience for taxpayers and stakeholders.

The new **Compliance** Division would consolidate compliance functions across taxpayer segments into one division and establish an enterprise-level Chief Compliance Officer. This change would facilitate the development of a consolidated compliance strategy that considers emerging issues across all taxpayer segments and enables Exam and Collection leadership to identify cross-cutting behavioral trends. This coordination would reduce variability in compliance processes and, working with the Chief Taxpayer Experience Officer, provide a more consistent taxpayer experience across all taxpayer interactions. Ultimately, this consolidation aims to reduce duplicative activities related to strategic planning, issue identification, work plan development, case selection, performance monitoring, and research. Coupled with our Training Strategy, this structure would create more complete and connected career paths for IRS employees.

The new **Enterprise Change and Innovation** Division would serve as a “strategic integrator,” responsible for planning and overseeing the implementation of enterprise-wide initiatives. The Assistant Commissioner of the Enterprise Change and Innovation Division would work with leadership across the agency to coordinate annual strategic planning and prioritization activities to streamline decision making and enable the agency to set and meet its short and long-term strategic goals. Most immediately, the Strategic Planning and Legislative Implementation Office (SPLIO) within this division would coordinate the implementation of the TFA strategies (Taxpayer Experience, Training, and Organizational Redesign) through program management, governance, change management and other tactical implementation functions. SPLIO would partner closely with the Taxpayer Experience Office and the Relationships and Services Division on implementing the Taxpayer Experience Strategy, and with the Human Capital Office on implementing the Training Strategy. As strategic integrator, this office would bring together these and other discrete strategies developed across the IRS into an enterprise integrated strategy which would be leveraged by IRS Senior Leadership to identify and drive prioritization of investments. While SPLIO would be responsible for implementing TFA legislation, it would have the capabilities in place to effectively transition to leading other significant legislative implementations or enterprise level strategic initiatives as they arise. This would enable the IRS to strategically address legislative changes, standardize execution and coordinate with the appropriate operating divisions.

The **Chief Data Officer** will be part of the **Enterprise Change and Innovation** Division. Working closely with his or her peers across the agency, the Chief Data Officer will develop an enterprise-wide data strategy and oversee all activities related to data and data analytics. This data strategy will provide the IRS with a framework to assess, prioritize, and address data access and analytics needs across the IRS and to guide program and policy decisions. The Chief Data Officer will also incorporate new evidence building processes needed to make better decisions to meet the changing needs and expectations of taxpayers as well as ensure strategic planning business decisions are data driven and in line with documented organizational challenges and risks. The Chief Data Officer will be instrumental in the implementation of the Data Management and Advanced Analytics aspect of the Taxpayer Experience Strategy and

will support the Enterprise Case Management and Digitalization strategies. Improved data management and analytics will feed improvements to the Compliance and Relationships and Services divisions.

The **Operations Management** Division will be a revitalized support structure that will help the agency address many of the challenges we face in today's current tax administration environment. Their work will include a focus on delivering internal operations and facilitating delivery of taxpayer and external stakeholder facing programs. Operations Management links various functions throughout the organization, ensuring a smooth flow of information and ease of internal and workforce operations. This division will be comprised of many of the critical existing support functions within Operations Support's current structure. The newly designed Operations Management Division will support critical day-to-day IRS operations, enabling other functions within the organization to increase their focus on taxpayer service. Operations Management will include the Diversity Office and the Risk Office. Due to their critical roles, the Diversity Office and Risk Offices will also have dotted line⁶ direct reporting relationships to the IRS Commissioner.

The **Assistant Commissioner Chief Information Officer** will oversee the Information Technology Division and will regularly interface across the IRS to understand its technology needs. The Information Technology Division will be responsible for coordinating and leading focused initiatives on technology (e.g., Strategic Oversight, Enterprise Development, Cyber, Enterprise Operations, Computing Centers, User and Networks Service, Enterprise Architecture and Engineering, and Program Modernization) in order to better respond to taxpayer demand for innovative information technology solutions and online services. This division will be responsible for all IT services and will retain a similar operational structure to the existing IT Division, including the Cybersecurity Office. However, the Cybersecurity Office will be expanded to incorporate the various cybersecurity activities across the agency. By aligning the Information Technology Division as a direct report to the Commissioner, it better enables earlier awareness and more rapid response to critical emerging technology issues. This structure will also increase collaboration with peer direct reports to address enterprise priorities and better align with our modernization efforts.

This report also addresses the alignment of structural changes with oversight recommendations and the positioning of the IRS Criminal Investigation Office.

Additional Considerations for the Organizational Redesign Strategy

The Organizational Redesign Strategy also addresses changes to our governance structure, appropriations allocation, policy and legislation, and working relationships with our oversight and advisory partners. By modernizing our structure to increase collaboration, combine similar operations and support our employees throughout their careers, we will transform

⁶ For daily operations, offices with dotted line reporting to the Commissioner, will report to their leadership but will have direct access to provide regular updates and guidance to the Commissioner. These offices will also serve in advisory roles to the Senior Leadership Team.

both the taxpayer experience and our internal operations. Knowing that a restructuring of this scale cannot be realized overnight, we will take a multi-year approach to implementing our Organizational Redesign Strategy. We are committed to short-term, mid-range and longer-term improvements; however, we note that significant and long-term changes depend on continuous investment as well as legislative and policy changes. We envision dedicating FY2021 to developing an Organizational Blueprint Report that includes a detailed roadmap and project plan for restructuring the organization. Our Organizational Blueprint Report will further define the role and structure of key offices in our future organizational structure as well as an updated operating model. Lastly, we envision using FY2021 to establish and fill key new positions (e.g. Chief Taxpayer Experience Officer) and make initial organizational changes. The divisions and offices outlined in this report may change as we continue to refine our organizational structure.

Section 6 of this report provides a detailed description of the Organizational Redesign Strategy.

Implementation of the Taxpayer Experience, Training and Organizational Redesign Strategies

We designed our strategies to be flexible depending on fiscal realities. Our implementation plans prioritize the tools, training and structure we need to fit within the funding we receive. This report will also illustrate how the IRS is already implementing some aspects of each strategy.

Section 7 of this report provides a detailed description of additional key considerations for the implementation of our proposed strategies. In particular, it summarizes the estimated notional costs over five years of \$2.2 billion in order to put this plan in place.

| WHAT WE HEARD |

Reimagining our organizational structure to place key organizations and Senior Leadership Team members with direct alignment to the Commissioner will strengthen the IRS's ability to drive agency priorities and executive accountability on future initiatives while administering the tax code. The internal policies we identified under the direction of former Commissioner Larry Gibbs (serving from 1986-1989) established that, "The Internal Revenue Service be a progressive organization...and will be so administered to provide vigorous and dedicated attention to making the Internal Revenue Service a truly forward thinking organization." (Policy Statement 1-21). Our current policy statement and future activities underscore the relevance of this thinking even today.

SECTION

3

OUR APPROACH



3.0 OUR APPROACH

The Commissioner assigned a team of executives to launch and lead a Taxpayer First Act Office (TFAO) shortly after the TFA became law. The TFAO sits within the Commissioner's Office of Chief of Staff and coordinates agency-wide implementation of all TFA provisions. For the past year and a half, the TFAO has led the integration of TFA-related communications, program management and governance. With input from IRS senior leaders, employees and other stakeholders, the TFAO also spear-headed development of our Taxpayer Experience Strategy (Section 1101), Training Strategy (Section 2402) and Organizational Redesign Strategy (Section 1302). The TFAO executives identified emerging IRS leaders and additional staff to support this work.

Program planning for the office included developing a vision statement, a set of guiding principles and a timeline.

Vision Statement:

Working collaboratively, the Taxpayer First Act Office will reimagine our organization to enable an agency-wide focus on providing a high-quality taxpayer experience for all.

Guiding Principles:

As we pursue our mission and vision with honesty and integrity, we will:

- Coordinate and integrate.
- Listen, learn and then design.
- Build excitement through regular and transparent communications.
- Embrace accountability through results.

The listen, learn and then design principle was particularly powerful in guiding our work:

- **Listen:** We approached this effort without preconceived notions of what our stakeholders expect from the IRS. We dedicated the first four months to conducting listening sessions across the country and around the globe, engaging a wide variety of stakeholders inside and outside of our organization.⁷
- **Learn:** Across all three strategies we reviewed extensive documentation including existing research studies, customer satisfaction results, business data, peer agency best practices and private sector industry best practices.
- **Design:** We committed to designing a comprehensive Taxpayer Experience Strategy, Training Strategy and Organizational Redesign Strategy that would best position the agency to put taxpayers first. We based our design on what we learned from our listening sessions, research and feedback.

Putting taxpayers first requires understanding taxpayer perspectives as well as the perspectives of members of the tax community, such as tax professionals and tax software developers. We gathered feedback from a wide range of stakeholders to develop comprehensive strategies.

Our outreach included town halls, focus groups, internal and external interviews and forums with stakeholders across tax administration. We held more than 150 events to collect feedback, recommendations, solutions and to better understand common areas of concern. We established electronic mailboxes to receive input directly from employees, taxpayers and other stakeholders. We analyzed more than 1,000 pieces of correspondence through these inboxes. In addition, we communicated directly with internal and external stakeholders to answer questions related to the Taxpayer First Act.

Internally, we engaged employees, management and senior executives from across the agency. Externally, we engaged a wide range of stakeholders to ensure we obtained a comprehensive view of taxpayers' unique needs. This included taxpayers; partners; self-employed individuals; small, large and international businesses, tax exempt entities; advisory groups; industry groups; oversight organizations and other government agencies. We also coordinated periodically with the Office of Management and Budget (OMB), the Department of Treasury and the Congress throughout the development process. We will maintain open lines of communication with our oversight partners as we continue to implement the strategies outlined in this report.

⁷ See Section 9.4 for full list of stakeholders who provided feedback.

As part of our research and analysis, we examined numerous research studies, third-party research articles, industry best practices, as well as results from 61 different customer satisfaction surveys. Additionally, we considered recommendations from oversight reports, including the U.S. Government Accountability Office (GAO), the U.S. Treasury Inspector General for Tax Administration (TIGTA) and the National Taxpayer Advocate (NTA) and related case studies. Throughout the process, we ensured our strategies aligned with and supported the Taxpayer Bill of Rights.

Based on what we learned, we identified key insights and opportunities that serve as the foundation for our strategies. This comprehensive approach allowed us to develop the Taxpayer Experience Strategy, Training Strategy and Organizational Redesign Strategy based on the needs and concerns of our stakeholders.

In developing its Taxpayer Experience Strategy and Organizational Redesign Plans, the TFAO has been listening to a wide array of internal and external stakeholders including tax professionals, IRS leadership, IRS employees, and the National Treasury Employees Union.

— National Taxpayer Advocate

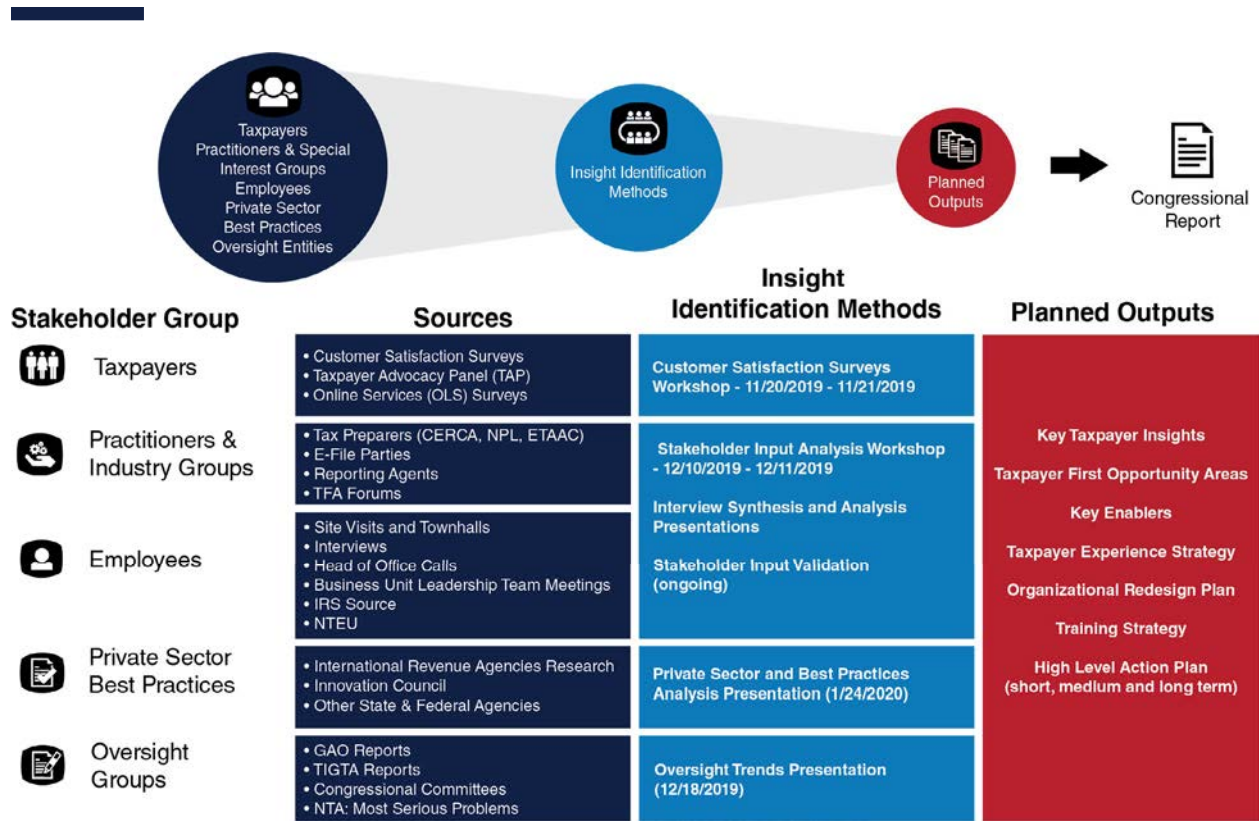


Figure 2: TFAO Methodology

For details about our methodology, engagement activities and research, please refer to the Methodology Section 9.1.

SECTION

4

TAXPAYER EXPERIENCE STRATEGY



4.1 INTRODUCTION AND EXPLANATION OF STRATEGY

The taxpayer experience is the cornerstone of our mission. A positive experience increases trust in government and promotes voluntary tax compliance. During listening sessions, we learned that taxpayers and other stakeholders appreciate the service IRS employees provide, but they want more consistency and access to a wider range of services. Through interactions with online retailers, banks and other businesses, the public has come to expect top-notch service, technological solutions and personalized communications from organizations. Similarly, taxpayers expect the IRS to provide convenient access to easy-to-understand information when they need it.



We must modernize our service and compliance models to meet taxpayer expectations. We have developed a strategy in which interactions with the IRS are efficient, informative, personalized and convenient. We are putting taxpayers first while ensuring fairness and compliance with the tax law.

4.1 STRATEGY OVERVIEW

To transform how we operate, we reimagined the taxpayer experience across six areas of focus:

Expanded Digital Services to improve online experience for all taxpayers and authorized tax professionals. This includes enhancing the IRS’s online accounts for individual taxpayers and expanding this service to tax professionals and businesses. Research shows that promoting the use of self-service channels along with the use of plain language has increased voluntary compliance and decreased phone calls.

Seamless Experience to provide taxpayers with their preferred channel of service (website, telephone, in person, etc.) and integrate those channels to seamlessly guide them to the help they need throughout the taxpayer lifecycle. IRS employees should be trained and empowered to resolve issues in a timely manner and will guide taxpayers to resources or to another IRS employee as appropriate. By increasing organizational awareness, integrating channels, reducing wait times and streamlining taxpayer service we increase the likelihood of taxpayer’s issues being resolved, which research shows improves compliance.⁸

Proactive Outreach and Education to improve how and when we provide information to taxpayers by using new technology, applying behavioral insights, expanding our social media strategy and making use of our trusted partnerships. We should communicate with (and be open to receiving communication from) taxpayers at times that are convenient to them, in a multitude of languages, and by the method they prefer. Educating taxpayers will serve to increase taxpayer confidence in meeting their tax obligations and decrease the likelihood that they will encounter compliance issues or need to contact the IRS. Accelerated outreach allows taxpayers to resolve issues and balances before the penalties and interest make these balances too large for taxpayers to effectively manage.

We heard from external stakeholders – and our own employees – that it is hard to navigate the IRS. Tax administration is too broad and complex for us to ever train our employees to handle every issue that could come up, so we must focus on increasing their organizational awareness and equipping them with the tools to shepherd taxpayers to resolution.

— James Clifford, TFAO Executive

⁸ The 2019 Comprehensive Taxpayer Attitude Survey found, on average, that taxpayers are willing to wait approximately 15 minutes on hold when using the phone.

4.1 STRATEGY OVERVIEW



Community of Partners to build on our existing relationships and develop new partnerships to create an integrated delivery network of trusted partners across the tax community. Trusted partnerships will encourage the sharing of perspectives and best practices and provide a forum to discuss innovative ideas and approaches for working with a diverse range of customer segments. The Community of Partners will support the Focused Strategies for Reaching Underserved Communities. Leveraging partnerships with those who already have established relationships and networks in hard to reach communities can amplify our messaging by providing IRS content via a trusted voice in communities. This approach already delivers benefits. For example, each year the IRS leverages partnerships with Volunteer Income

Tax Assistance organizations whose programs and volunteers prepare 3.6 million returns for taxpayers with the support of only about 400 IRS employees.

Focused Strategies for Reaching Underserved Communities to build on existing successes and establish specific strategies to engage with underserved communities to address issues of communication, education, transparency, trust, and access to quality products and services. We understand that some segments of the taxpayer population face unique obstacles to getting access to the information and services needed to comply with their tax obligations. To address the needs of these communities, the IRS should provide customized education and outreach in the languages spoken by specific taxpayer groups. As shown by the Earned Income Tax Credit (EITC) Underserved Outreach Project,⁹ developing specific strategies for underserved communities is crucial to increasing their participation. This project identified individuals who were likely eligible to claim the EITC but did not file returns. The 2014 study showed that individuals who received outreach through the mail increased filing rates for current and prior-year returns by roughly 0.5% to 1%. The study resulted in 53,000 additional filers with \$180 million in additional refunds.

⁹ Inattention and Tax Benefits: Third-Party Reporting and IRS Outreach to Low-Income Nonfilers Research Project – conducted by Research, Analysis & Statistics Division in IRS Office of Research.

4.1 STRATEGY OVERVIEW

Enterprise Data Management and Advanced Analytics to develop a secure data management strategy that includes an agency-wide understanding of administrative data, the ability to integrate operational, employee, and customer feedback data, and analyze that data to pinpoint specific improvements to reduce costs and improve the taxpayer experience. In addition, new technology applied in a responsible and ethical manner, such as chat bot tools powered by artificial intelligence (AI), can enable ongoing, real-time learning from taxpayer needs and ultimate compliance actions, further improving both the taxpayer experience and delivery of our mission. Applying advanced analytics will help us better understand taxpayer behavior to determine the most meaningful offerings to support the taxpayer experience.



This strategy is not a series of discrete approaches, but rather integrated strategies that build on each other to create the best holistic experience for the greatest number of taxpayers. When woven together, and supported by the Training and Organizational Redesign Strategies, the Taxpayer Experience Strategy creates a comprehensive taxpayer experience in which interactions with the IRS are efficient, informative, personalized and convenient. The results of this strategy will ensure our stakeholders know that their feedback was heard and valued, increasing

trust between the IRS and taxpayers. The five-year cost of the Taxpayer Experience Strategy is estimated at approximately \$1.2B. Details can be found in Section 9.5.2.1.

The following Sections describe each component of the strategy in detail. For each, we present the capabilities that will provide value to taxpayers, high-level costs, measures of success and an estimated timeline for phased implementation over one to two, three to five and ten years. Where applicable, we also share examples of how we are already using some capabilities to improve the taxpayer experience. For instance, IRS efforts to adapt to and address the COVID-19 emergency provide a real-time opportunity to test and evaluate some aspects of our Taxpayer Experience Strategy.

See the Appendix 9.6, for more information about the strategic goals and underlying objectives that provide the framework for our Taxpayer Experience Strategy, including alignment with other IRS strategies, such as the Integrated Modernization Business Plan.

4.2 MEASURING SUCCESS

To measure the success of the Taxpayer Experience Strategy, we developed a tiered framework. By gathering and analyzing data associated with these measures, the IRS will be able to evaluate the progress of this strategy and assess the degree of success in offering new or enhanced capabilities. We also identified three measures that collectively assess the degree of success of implementing the Taxpayer Experience Strategy as a whole.

The Taxpayer Experience Strategy measures are built on a tiered step framework in Figure 3, which includes “Access” measures, “Adoption” measures, and “Impact” measures.

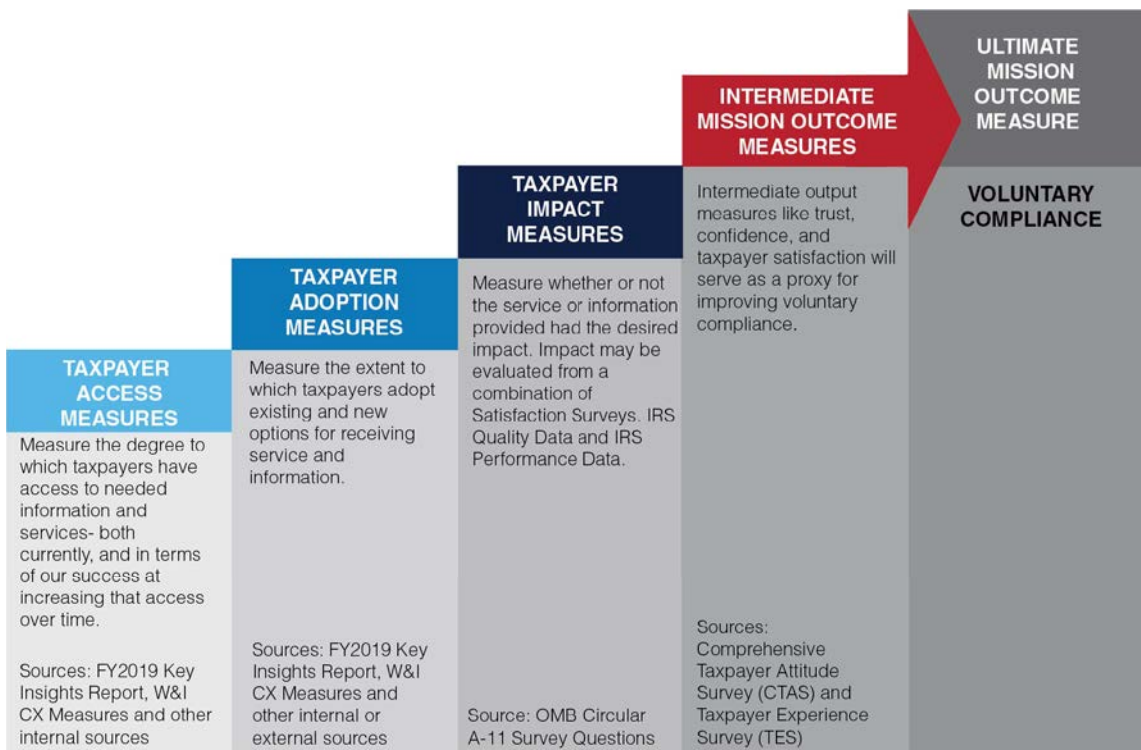


Figure 3: Taxpayer Experience Tiered Step Framework

4.2 MEASURING SUCCESS

At its highest level, this framework will help assess how the Taxpayer Experience Strategy impacts voluntary compliance. However, given the time it takes to accurately measure voluntary compliance, the framework relies on intermediary outcome measures like trust and confidence and taxpayer satisfaction as a proxy for improving voluntary compliance. Measures will be reported annually and will include baselines, targets (as appropriate)¹⁰ – or projections, and sources, for a given fiscal year. Some of these measures are new to the IRS, and for those we lay out a timetable for designing, testing and baselining them.

This framework will allow us to track the effectiveness of the strategy in real-time – are we having the intended impact? Are taxpayers adopting the options we invest in? What drivers are most important to our taxpayers’ experiences? Does the way we’re implementing our strategy need to be adjusted? This robust suite of measures will inform our decision-making, and the Sections that follow each include measures to help us answer these questions. While we have aligned measures to each component of the strategy, we also developed three measures (see below) that will help us determine the success of the Taxpayer Experience Strategy as a whole.

“The IRS is an investment that will pay back. Investing in better customer service will result in better compliance.”

—John Koskinen, Former IRS Commissioner

TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE / INDICATOR	BASELINE	TARGET / PROJECTION
Impact / Outcome	Increase trust and confidence among taxpayers interacting with the IRS	Comprehensive Taxpayer Attitude Survey (CTAS): I trust the IRS to help me understand my tax obligations	70% (FY2019)	Increase to 72% by FY2022
Impact / Outcome	Satisfaction with IRS interactions	CTAS: The percentage of taxpayers satisfied with their personal interactions with the IRS	77% (FY2019)	Increase to 79% by FY2022
Impact / Outcome	Time to resolve your issue with the IRS	Taxpayer Experience Survey (TES): How satisfied were you with the time it took to resolve your issue?	73% (FY2019)	Increase to 75% by FY2022

¹⁰ In some cases, it is more effective to simply monitor a measure rather than set targets that could encourage unintentional behaviors or results. For example, while it is useful to track the usage of a call back feature, we would not want to set a target to increase the use of that feature since that would be a direct result from increased wait times.

4.2 MEASURING SUCCESS

The 2018 President's Management Agenda lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. The Taxpayer Experience Strategy aims to align to the recent Presidential Management Agenda by enhancing customer service, establishing new relationships with our diverse set of partners, expanding existing digital capabilities, and developing new taxpayer experience tools and technology that compares to or exceed that of other Federal agencies and private industry.

The suite of taxpayer experience measures will continue to evolve as the Taxpayer Experience Strategy progresses and our performance management process matures. We will continue to refine these measures and identify new measures that will best inform our efforts to continually improve and enhance the taxpayer experience. To a significant degree, our future work on measuring the taxpayer experience will be informed by repeating the listening and learning campaigns employed as part of our work to develop the Taxpayer Experience Strategy and through, the Continuous Feedback Loops and Community of Partners we deploy as part of this strategy.

4.3 EXPANDED DIGITAL SERVICES

We will expand digital services through secure online accounts and other paperless initiatives. Our goal is to empower taxpayers to resolve certain issues themselves before contacting the IRS. To do this, we must make sure taxpayers have the digital tools they need. Many taxpayers will be familiar and comfortable with this type of interaction due to similar services provided by banks and other private sector organizations. However, we continue to recognize the need to have some non-digital options, such as phone and paper, to be available for accessibility.

IRS online accounts are a digital portal for taxpayers to securely access their tax information, make changes to their personal information, and communicate with the IRS online. As part of our Taxpayer Experience Strategy, we will improve the secure online accounts currently available for individual taxpayers and make similar online accounts available for businesses and tax professionals. The IRS will continue to apply the highest security standards to online accounts to protect taxpayer information, but we will also continue to make some self-service digital tools, such as online payments, available to taxpayers unable to meet identification verification and authentication requirements. Whether through a computer, tablet, or mobile phone, access to online accounts and digital self-service tools will provide a more convenient and efficient taxpayer experience. Customer feedback data across government has already showed increased satisfaction rates with Federal online services when users are logged into a personalized account.

The following key capabilities form the basis of Expanded Digital Services—

Expand Individual Online Accounts:

- **Secure Two-Way Messaging:** Give taxpayers the ability to communicate with IRS employees through their online accounts.
- **Taxpayer View History:** Allow taxpayers to see information about their tax histories (such as refunds, payments received, amounts owed, returns filed, etc.) through their online accounts to ensure transparency and accessibility of records.
- **Change Account Information (“Self-Correct Entity”):** Allow taxpayers to update contact information and other key details.
- **Digital Notifications:** Generate customized taxpayer notices and letters accessible through online accounts. Taxpayers will be able to opt in to receive personalized notifications about changes to their tax situation, payment reminders and status updates on refunds or audits. This capability also supports **Proactive Outreach and Education**.

4.3 EXPANDED DIGITAL SERVICES

- ★ **Business Online Account:** Provide online accounts and services for businesses.
- ★ **Tax Professional Online Accounts:** Provide online accounts for tax professionals, which allows eligible representatives to access client information and services.
- ★ **Expand Payment Options:** Provide taxpayers, businesses and tax professionals the ability to make payments through all channels including telephone, online accounts, mobile apps and walk-in assistance. Electronic funds transfer (EFT) and credit and debit cards interactions will remain available as well.
- ★ **Secure Document Exchange:** Allow taxpayers, businesses, tax professionals and IRS employees to securely upload and access documents in a centralized repository.
- ★ **Digital Signatures:** Allow authenticated individual taxpayers and representatives to submit electronic signatures via online accounts.

The IRS has already implemented several electronic tools and paperless initiatives. For example, when the IRS began to scale back operations in March 2020 due to the COVID-19 pandemic, critical work could not continue without a way to securely and virtually communicate with taxpayers. The IRS Information Technology Division quickly provided secure email capabilities with an attachment feature that enabled taxpayer services and compliance case activities to continue. By the first week of April, the IRS procured and expanded licenses to support up to 6,000 IRS users, while simultaneously implementing enhanced security and operational requirements. In addition, the IRS Non-Fileers' online tool, developed to support taxpayers during the COVID-19 pandemic, remains available to help taxpayers sign up for Economic Impact Payments (EIP).

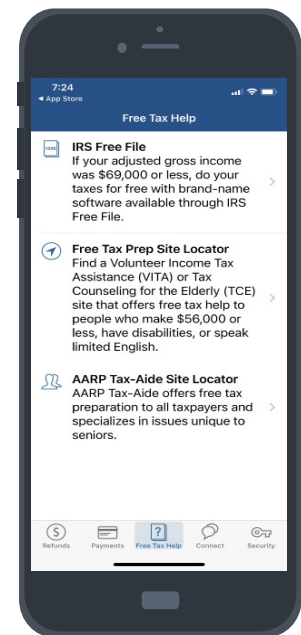


Image of Free Tax Help page on IRS2Go app

While we work to enhance existing tools and take additional steps toward an electronic environment, we understand that security must remain the foundation of our efforts. The IRS established an integrated Enterprise Case Management (ECM) and Digitalization function to take steps toward integrating these tools. Through the Secure Access Digital Identity Initiative,¹¹ we continue to improve identity verification and authentication to reduce fraud and identity theft. In our efforts to ensure taxpayer information is protected, we must employ stringent security standards. However, data shows that not all taxpayers can pass these stringent standards and this may limit access to IRS online accounts for some taxpayers.

¹¹ The IRS established the Secure Access Digital Identity initiative to satisfy digital identity guidelines released by the National Institute of Standards and Technology. These guidelines apply to all federal agencies implementing digital identity services.

EXPANDED DIGITAL SERVICES

The following page outlines the goals, objectives, taxpayer benefits, tax professional benefits, timeline, costs and measures associated with Expanded Digital Services.

GOALS

Understand, Inform and Educate Taxpayers;
Provide a Seamless Experience

OBJECTIVES

Provide Clear and Timely Communications

Increase Access and Promote Transparency

Simplify the Tax Process

VALUE FOR THE TAXPAYER

- ★ Convenient, simple and secure way to access tax information, make changes to accounts, make payments from any device and communicate with the IRS that will significantly increase the functionality of existing self-service channels
- ★ Personalized notifications about changes to tax situation, refund status and reminders, audit status and payments through Online Account
- ★ Secure upload and sharing of files with the IRS
- ★ Enhancements to existing IRS online accounts for individual taxpayers
- ★ New online accounts for tax professionals and businesses

VALUE FOR TAX PROFESSIONALS

- ★ Establish and maintain authorized relationships with clients through the Online Account
- ★ Secure access to clients account information and notices and perform other account services and representational duties through their Online Account
- ★ Less time establishing the taxpayer's authorization to act on their behalf

Expanded Digital Services Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Secure Two-Way Messaging	<ul style="list-style-type: none"> Establish secure one-way messaging through their online account 	<ul style="list-style-type: none"> Establish secure two-way messaging through their online account 	<ul style="list-style-type: none"> Expand available types and methods of secure two-way communications through their online account
Taxpayer View History	<ul style="list-style-type: none"> View payment history Integrate refund tracking 	<ul style="list-style-type: none"> Enhance integrated refund tracking 	<ul style="list-style-type: none"> Issue resolution tracking
Change Account Information	<ul style="list-style-type: none"> Provide additional third-party options for making payments Provide the ability to link bank account Opt-in subscription for notifications Display online payment agreement eligibility messaging Display payment agreement status Provide the ability to create or revise a payment agreement in online account 	<ul style="list-style-type: none"> Enable the ability to update account information, including Address, Phone Number, etc.) Secure document exchange Deliver ability to view case status 	<ul style="list-style-type: none"> Increase the functionality of online account Expand secure document exchange capabilities
Digital Notifications	<ul style="list-style-type: none"> Digital notices w/ opt-in subscription for notifications Taxpayer Digital Communications Outbound Notifications (TDC-ON) initial solution for certain notices 	<ul style="list-style-type: none"> Tax Pro Online Account: Notifications for "Waiting for signature" or "Has been signed" statuses Expanded TDC-ON 	<ul style="list-style-type: none"> Expanded TDC-ON
Business Online Account			<ul style="list-style-type: none"> Establish business online account
Tax Professional Online Account	<ul style="list-style-type: none"> Establish Digital Authorization (Form 8821) with eSignature Power of Attorney (Form 2848) with eSignature 	<ul style="list-style-type: none"> Add Authorization and POA/ Fully Digital CAF Update/Remove Authorization and POA Expedited Access to taxpayer transcripts Notifications for waiting for signature or has been signed List of Clients with Access to Online Account View payment and notice history View case status Practitioner Premium Access 	<ul style="list-style-type: none"> Expanded Tax Pro Account Enhanced digital communication tools with IRS Access to taxpayer online account Expanded notifications Document exchange Expanded practitioner premium access

Expanded Digital Services Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Expand Payment Options	<ul style="list-style-type: none"> Establish ability to link bank account Establish third party Access to additional payment vendors Provide additional third-party options for making payments 	<ul style="list-style-type: none"> Expand ability to link bank account Expose APIs to third parties 	<ul style="list-style-type: none"> Expanded Payment Options for all taxpayer segments
Secure Document Exchange	<ul style="list-style-type: none"> Large and small business secure messaging/file sharing 	<ul style="list-style-type: none"> Secure document exchange 	<ul style="list-style-type: none"> Tax Professional secure document exchange
Digital Signatures	<ul style="list-style-type: none"> Introduce base functionality for Digital Signatures Establish Digital Authorization (Form 8821) with eSignature Power of Attorney (Form 2848) with eSignature 	<ul style="list-style-type: none"> Expand digital signatures to more forms 	<ul style="list-style-type: none"> Allow digital signatures for the full universe of forms

STRATEGIC GOAL	OBJECTIVE	TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE/ INDICATOR	BASELINE ¹²	TARGET/ PROJECTION
Provide a Seamless Taxpayer Experience	Increase Access and Promote Transparency	Access	Provide taxpayers with additional digital options for interacting with the IRS	Percent of taxpayer interaction types that have a digital alternative	39% or 18 interaction types ¹³	75% or 35 interaction types by FY2024
		Adoption	Increase use of digital self-help tools through Online Accounts	Number of taxpayers with an active secure online profile	6.51M ¹⁴	Increase by 5% annually through FY2024
			Increase use of self-help tools	Percent of taxpayer interactions accomplished through self-help tools (Enterprise Self Assistance Participation Rate (ESAPR))	79% ^{15, 16}	82% FY2021 and FY2022
		Impact	Taxpayer burden reduction	Volume of interactions completed through self-help options (Hours saved)	Volume: 581,374,970 FY2019 503,177,386 FY2018 ¹⁶ Time savings will need to be designed, developed and tested	Test measures in FY2021; Baseline in FY2022; Set target/projection for FY2023

¹² Baselines are as of the beginning FY2019 unless otherwise noted.

¹³ IRS Integrated Modernization Business Plan FY2019 Key Insights Report.

¹⁴ Source: IRS Integrated Modernization Business Plan FY2019 Key Insights Report.

¹⁵ Source: IRS Integrated Modernization Business Plan FY2019 Key Insights Report.

¹⁶ Source: Enterprise Self Assistance Participation Rate.

4.4 SEAMLESS EXPERIENCE




To augment expanded digital services, we will create a seamless experience that helps taxpayers solve problems and comply with their tax obligations. We will integrate digital tools with other service channels (e.g., toll-free telephone assistance and walk-in assistance) into a seamless experience to resolve issues efficiently and further improve the taxpayer experience. Taxpayers expect and routinely encounter similar “omni-channel”¹⁷ approaches with services like online banking and shopping. Using our omni-channel model, taxpayers will have the flexibility to communicate with the IRS and resolve issues via their preferred method and transition seamlessly to another resource or channel. The seamless experience will reduce telephone wait times and help resolve issues more quickly and efficiently. As part of the Seamless Experience, we will equip IRS employees across service and compliance functions to better navigate the IRS and to identify resources to solve taxpayer issues outside the scope of their training and expertise.

The following key capabilities are the foundation of our Seamless Experience—

- ★ **Expand Automated Callback:** Allows taxpayers to provide their telephone number and opt for an IRS employee to call them back instead of waiting on hold.
- ★ **Wait Time Transparency:** Provides taxpayers estimated wait times to inform their decision on whether to remain on hold, opt for a call back or seek information on IRS.gov.
- ★ **Concierge Navigation Support:** Gives taxpayer-facing IRS employees the ability to provide taxpayers with the information they need or personally connect them with a subject matter expert who can assist. Each employee will receive calls and handle contacts based on the nature of the issue identified in the web chat, through topic-based routing on the phone or during casework contacts. The employee will resolve all issues within the scope of their training and expertise. If the initial employee cannot provide the assistance the taxpayer is looking for, the employee will smoothly transition the taxpayer to a subject matter expert with the knowledge and authority to handle the type of taxpayer assistance required.
- ★ **360-Degree View of Taxpayer Accounts:** Provides IRS employees with a global view of each taxpayer account and gives them access to taxpayer records in real-time, including interaction history, appointment schedules, etc. This will be available through an ECM system.

¹⁷Omni-channel can be defined as providing a set of seamlessly integrated channels that cater to customer preferences and actively steers them toward the most efficient resolution.

4.4 SEAMLESS EXPERIENCE

-  **Artificial Intelligence (AI)-Powered Informational Web Chat (Virtual Assistance):** Allows for an AI-powered chat bot to attempt to answer questions or direct the taxpayer to helpful information on IRS.gov or to their online account based on a taxpayer's browsing preferences on IRS.gov. Chat bots will also be able to connect taxpayers to an IRS assistor for a web chat or voice call. The chatbot will improve over time as the knowledge base expands and more taxpayer experience feedback becomes available. If the chatbot cannot resolve a taxpayer's issue, contact routing will guide the taxpayer to live support from an IRS employee.
-  **AI-Powered Digital Appointments:** Allows taxpayers to speak with an assistor or schedule an appointment if the chatbot is unable to resolve a taxpayer's issue. Taxpayers will also be able to schedule AI-Powered appointments with employees in other IRS organizations, like exam and collection. The chatbot will be able to determine if an assistor is needed and either "introduce" the caller to an assistor or schedule an appointment with an employee for a later time. The appointment could be with a service or compliance employee and can be in-person, telephonic, or via secure video chat.
-  **AI-Powered Employee Assistant:** Supports IRS employees when answering taxpayers' questions with an AI-powered knowledge base that will make suggestions based on a taxpayer's experience, questions or pages visited on IRS.gov.

These capabilities integrate ongoing work within the IRS by creating a stronger, more strategic approach to putting taxpayers first. The IRS is already testing assistor-based chat and AI-powered chatbots, and we are improving our callback services. What began as a customer callback solution to support the internally facing service desk has been expanded to include a taxpayer-facing solution. Both callback deployments have met with considerable success with the service being used more than 700,000 times by taxpayers and 85,000 times by IRS employees. We estimate, in the first calendar quarter of 2020, taxpayers saved 77,000 hours per month waiting in queue. Additionally, the IRS recently integrated personalized payment plan messaging into online accounts.

Once a taxpayer's identity has been authenticated, that authentication will carry with them through the next steps in the process, saving time for both the taxpayer and the IRS. Notably, when transferring, the assistor will remain engaged with the taxpayer until assured the subject matter expert has picked up the inquiry. Handoffs between employees will be collaborative, and information will carry forward with the taxpayer. If a subject matter expert is unavailable, the IRS assistor will schedule a callback or an appointment, so taxpayers get the help they need.

4.4 SEAMLESS EXPERIENCE

We will train employees to answer questions, resolve issues, and identify additional resources within this omni-channel approach.¹⁸ In most instances, IRS assistors will provide initial live support through web chat with the ability to offer audio or video calls if preferred. As part of our Training Strategy, employees' skills will increase over time enabling them to resolve more issues at the first point of contact. The strategy will be implemented incrementally over time as funding, staff and technology become available.

To facilitate a more seamless experience for the taxpayer, the IRS will modernize the employee experience through Knowledge Bases, an organized source of information to assist employees with taxpayer inquiries. In addition, a database of frequently asked questions and automated tools will further improve and streamline the employee experience. All employees who have contact with taxpayers will have access to an AI-powered Assistant that will be trained to aid them in meeting the needs of the taxpayer. If the taxpayer issue is complex in nature, the employee - as part of our new concierge navigation model - will be equipped with navigational support tools and organizational awareness training to identify a subject matter expert who can resolve the issue.

We recognize that to fully implement the Seamless Experience we must invest in new technology. For example, the IRS needs an Enterprise Case Management system to give employees a single source for real-time access to a 360-degree view of a taxpayer's history. Our current case management environment is comprised of multiple systems that often cannot communicate with each other. ECM will allow authorized IRS employees to see a taxpayer's full account, filing history, relevant case data and prior communications to resolve cases more quickly allowing employees to resolve more inquiries in a single contact and better facilitate handoffs. For instance, a revenue agent working with a taxpayer on a compliance issue will be able to guide the taxpayer to another function for support on an account issue.

For Example ...

Prior to ECM, our Tax-Exempt Organization Customer Support would routinely have to access at least three systems plus a DVD of archived information in order to respond to customer inquiries. After accessing the various systems, Customer Support would then have to print out the information and control a paper file. Even if customers made an electronic request, Customer Support still had to print a physical copy since the legacy case management system could not handle electronic documents. Since the deployment of ECM in December 2020, employees rarely need to access any system outside of ECM. Additionally, all incoming inquiries are either delivered electronically or are scanned, making the case file entirely paperless.

¹⁸ See Section 5.0 for additional details on the Training Strategy.

4.4 SEAMLESS EXPERIENCE

“
The current structure confines work within specific BODs and limits inter-BOD interactions of employees that would more efficiently address problems to improve taxpayer experience.
 —National Treasury Employees Union
 ”

The IRS receives more than seven million pieces of paper correspondence per year. There is significant opportunity to increase efficiencies and improve the taxpayer experience by increasing the ability for taxpayers to submit that correspondence digitally and enabling the IRS to convert incoming paper to digital format. The IRS vision is to create new and enhance existing digital-first channels for taxpayers to correspond with the IRS, alongside enhanced digitalization capabilities to convert residual paper into a digital format. This approach will meet taxpayers in their preferred domain, which is increasingly online and on their

phones. We will still provide paper options for those who may need them as well as enable the use of advanced technologies such as robotics process automation and AI to speed back office functions, promote self-service and improve the taxpayer experience. Getting paper into digital format will also enhance the employees' 360-degree view discussed above.

In sum, the Seamless Experience is key to our holistic approach to the taxpayer experience across both service and compliance interactions. IRS employees will be empowered and equipped with innovative tools to efficiently navigate across IRS operations and access Knowledge Bases to deliver seamless experience meeting the needs of taxpayers. This enhanced experience will lead to greater transparency, reduced burden and foster voluntary compliance.

SEAMLESS EXPERIENCE

The following page outlines the goals, objectives, taxpayer benefits, timeline, costs and measures associated with Seamless Experience.

GOALS

Provide a Seamless Taxpayer Experience; Empower, Equip and Enable Workforce

OBJECTIVES

Increase Access and Promote Transparency

Simplify the Tax Process

Equip Employees with Tools Necessary to Provide Excellent Taxpayer Service

VALUE FOR THE TAXPAYER

- ★ Issues resolved swiftly, easily and conveniently
- ★ Efficient and definitive interactions with the IRS making journey for assistance as painless as possible
- ★ Information from the very first engagement with the IRS will be transferred seamlessly to the next assistor, negating the need for the taxpayer to repeat information
- ★ A well-trained and better equipped IRS staff able to listen to concerns and be more responsive to any taxpayer issue raised
- ★ Less time waiting on the phone with the expanded use of appointment and call back technology

Seamless Experience Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Expand Automated Callback	<ul style="list-style-type: none"> Expand telephone customer callback to additional telephone lines Deploy expanded toll-free portal 	<ul style="list-style-type: none"> Introduce callback by appointment Increase number of applications that offer callback options Add callback to Spanish applications 	<ul style="list-style-type: none"> Enhance all callback solutions
Wait Time Transparency	<ul style="list-style-type: none"> Establish wait time communication methods 	<ul style="list-style-type: none"> Enhance wait time communication methods 	<ul style="list-style-type: none"> Enhance wait time communication methods
Concierge Navigation Support	<ul style="list-style-type: none"> Establish robotics and Artificial Intelligence for initial taxpayer interface Test concierge concept on limited basis Rollout training employees on the concierge concept 	<ul style="list-style-type: none"> Expand concierge concept capabilities and better equip IRS employees to guide taxpayers through the system Increase resolution frequency by escalating complex issues to a Subject Matter Expert Introduce AI-assisted chat-bot for appointments Introduce AI-assisted employee knowledge search Introduce Natural Language Processing by AI Provide "click to contact" for Live Assistor Connection from digital interaction 	<ul style="list-style-type: none"> Continue to enhance upon concierge routing and processing
360 Degree View of Taxpayer Accounts	<ul style="list-style-type: none"> Design a long-term strategy to deliver Enterprise Case Management (ECM) solution Procure ECM Solution Deliver initial case management capabilities 	<ul style="list-style-type: none"> Enhance ECM solution for efficient and seamless view of all taxpayer actions, accounts and cases Incrementally increase case management systems included in ECM to build toward a 360-degree view of Taxpayer Account by IRS Employee 	<ul style="list-style-type: none"> Deploy omni-channel model to 360 degree view of taxpayer records in real time <ul style="list-style-type: none"> tax filings interaction history appointment schedule, etc.
AI-Powered Informational Web Chat (Virtual Assistance)	<ul style="list-style-type: none"> Deploy AI powered chat-bot (virtual assistance) to answer taxpayer questions or direct taxpayers to the information on the IRS.gov Deliver capabilities to seamlessly transfer inquiries from IRS.gov to live IRS assistor for a web chat and / or a voice call 	<ul style="list-style-type: none"> Expand AI powered information web chat to include advanced virtual assistance technologies Expand IRS knowledge base for international taxpayers 	<ul style="list-style-type: none"> Enhance AI web chat capabilities based on taxpayer feedback and evolving industry practices

Seamless Experience Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 6-10 years
AI-powered Digital Appointments	<ul style="list-style-type: none"> Test chat-bot creation of appointments 	<ul style="list-style-type: none"> Deploy and enhance AI powered chat-bot appointments When the issue is not resolved during chatbot interaction, chatbot should be able to "introduce" the taxpayer to an assistor or schedule an appointment 	<ul style="list-style-type: none"> Enhance chat-bot appointments
AI-Powered Employee Assistant	<ul style="list-style-type: none"> Establish and test AI-based Knowledge Base search for IRS assistors Deliver training and Resolution Guide to IRS assistors 	<ul style="list-style-type: none"> AI natural language support Expand AI knowledge base Improve the clarity of the IRMs focusing on the taxpayer's journey 	<ul style="list-style-type: none"> Enhance AI Support and issue de-escalation process increasing resolution frequency

STRATEGIC GOAL	OBJECTIVE	TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE/INDICATOR	BASELINE ¹⁹	TARGET/ PROJECTION
Provide a Seamless Taxpayer Experience	Increase Access and Promote Transparency	Access	Access to an IRS Assistor when needed	Enterprise LOS*	56.63% LOS in FY2019 ²⁰	Test FY2021; baseline FY2022; target/ projection FY2023
		Adoption	Access to an IRS Assistor when needed	Calls answered	25.8M Assistor calls answered in FY2019 ²¹	Develop and test measures in FY2021; Baseline in FY2022, and set target/projection for FY2023
		Impact	Taxpayer Satisfaction	A-11 Survey Question: I am satisfied with the service I received from the IRS	Develop and test measures in FY2021; Baseline in FY2022, and set target/projection for FY2023 ²²	Develop and test measures in FY2021; Baseline in FY2022, and set target/projection for FY2023

* Currently the enterprise LOS measure does not include all telephone lines, additional lines will be added in FY2021

¹⁹ Baselines are as of the beginning FY19 unless otherwise noted.

²⁰ 2019 Internal Revenue Service: Data Book.

²¹ 2019 Internal Revenue Service: Data Book.

²² This question is not currently asked on all telephone lines.


4.5 PROACTIVE OUTREACH AND EDUCATION

Improving outreach is critical to our Taxpayer Experience Strategy. We want all taxpayers to understand how to comply with their tax obligations and access our services. With Proactive Outreach and Education, the IRS will use various means to reach taxpayers at the right time through the right format. We will deliver information and personalized messages to taxpayers using social media, simplified correspondence translated into multiple languages, customized digital options and community outreach through trusted partners. Information may be generated based on issue campaigns, errors the IRS identifies, emerging trends, and other insights gathered from our continuous feedback loop. Our success depends, in part, on expanding trusted partnerships with external stakeholders (Community of Partners) as well as amplifying efforts to reach underserved communities (Focused Strategies for Underserved Communities), which we discuss more in the next two Sections of this report. Community outreach, virtual seminars, partnerships, and engagements with schools, can assist the IRS in helping taxpayers to access services and resolve issues. Ultimately, educating taxpayers will increase taxpayer confidence in our organization, enable them to meet their tax obligations, and enable us to better anticipate and respond to taxpayer needs.

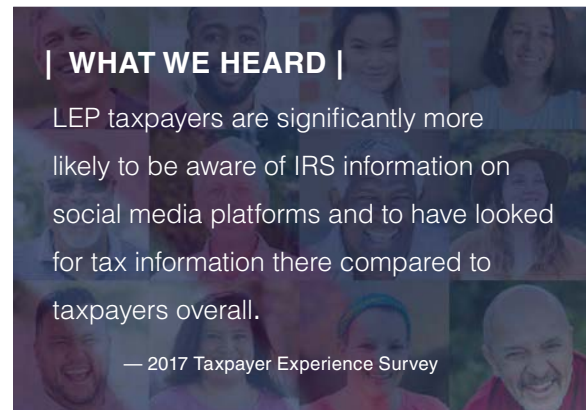
The following capabilities are key to Proactive Outreach and Education—

- ★ **Personalized Tax Updates:** Through online accounts, allow taxpayers to opt in to receive personalized notifications about changes to their tax situation, filing reminders or status updates for refunds, audits, and payments. Further developing online accounts, increasing digital correspondence and providing more electronic reminders and notices will help ensure taxpayers have up-to-date information to comply with their tax obligations.
- ★ **Social Media Strategy:** Use multiple social media platforms to share IRS news and educational updates that are customized based on demographics and other taxpayer behavioral information. Social media will be used to engage taxpayers, guide them to the appropriate channel for service and communicate in a voice and style consistent with the respective platform. As our social media strategy evolves, we plan to incorporate two-way communication to resolve inquiries.
- ★ **Simplified Notices and Correspondence:** Analyze and use data to identify necessary language translations for our notices and correspondence. Use data to improve the effectiveness of our communications in various taxpayer segments.

4.5 PROACTIVE OUTREACH AND EDUCATION

- 
Plain Language Communications: Redesign notices and standardize correspondence across the agency to simplify the format, educate and provide information to taxpayers in a manner that is easy to read and eliminate unnecessary legal language. Provide clear information and plain instructions to the taxpayers about why they are receiving the communication from us, and what actions they need to take. This may also include instructions for using online accounts for more detailed account information.

Currently, the IRS has an extensive, multi-pronged communications strategy focused on print and social media, stakeholder relationships, virtual communications and reaching underserved taxpayers. To reach Limited English Proficiency (LEP) communities, the IRS has developed Twitter, Facebook, and YouTube accounts entirely in Spanish and additionally, select posts on Twitter, Facebook, LinkedIn and Instagram have been translated into five additional languages (Vietnamese, Korean, Russian, Chinese²³ and Haitian Creole). Furthermore, there is also a YouTube channel in American Sign Language. We will build on these efforts and use continuous feedback and analytics to monitor the effectiveness of our communications and services and to determine the best methods, messengers, and forums to communicate and resolve taxpayer issues early and efficiently. The IRS will develop a Social Media Strategy to share content, updates, and respond in a voice and style consistent with the respective platforms and will use technology proactively to collaborate with different organizations.



Through social media, we can facilitate early issue resolution, including increasing awareness of IRS service options and promoting convenient self-service digital tools. The IRS demonstrated this approach with expanded social media work during delivery of the Economic Impact Payments. Expanding our social media presence will also allow our external partners, such as other government agencies, members of the Congress, and Low-Income Tax Clinics to better serve their constituents by easily linking to critical IRS messages. Later in this report, as part of our Focused Strategies for Reaching Underserved Communities, we further explain how we will use social media and other outreach practices to communicate with underserved taxpayers and address specific community needs.

²³ Traditional and Simplified.

4.5 PROACTIVE OUTREACH AND EDUCATION

Historically, communicating tax information effectively through standardized correspondence and notices has presented challenges. With the passage of the Plain Writing Act in 2010, the IRS began reviewing and streamlining our correspondence process to restyle and coordinate notices, expedite approvals, simplify language and improve taxpayer responses. We have already taken steps to improve taxpayer correspondence by convening a Correspondence Summit and developing a Taxpayer Correspondence Strategy to define challenges and identify opportunities for improvement. Our research suggests that placement of information, color, font, type and spatial design affects the readers' ability to understand and respond to key information in notices and letters. Using evidenced-based approaches, we will design easy-to-understand correspondence to help taxpayers meet their tax obligations.

With Proactive Outreach and Education, the IRS can get the right information to the right taxpayer at the time they need it.

PROACTIVE OUTREACH AND EDUCATION

The following page outlines the goals, objectives, taxpayer benefits, timeline, costs and measures associated with Proactive Outreach and Education.

GOALS

Understand, Inform and Educate Taxpayers; Provide a Seamless Experience

OBJECTIVES








Provide Clear and Timely Communications

Understand Taxpayer Needs

Build Trusting Relationships and Partnerships

Simplify the Tax Process

VALUE FOR THE TAXPAYER

-  Efficient and effective communications
-  Quicker access to information and resolution of issues
-  Plain language information and communications through a variety of channels and methods in a variety of languages
-  Better understanding of tax obligations for communities and underserved populations
-  Increased availability and accessibility for underserved taxpayers and community members
-  Personalized notifications about changes to tax situations to assist them in meeting their tax obligations and goals
-  More trusting relationship with IRS

Proactive Outreach and Education Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Personalized Tax Updates	<ul style="list-style-type: none"> Provide taxpayers with information to open online accounts 	<ul style="list-style-type: none"> Provide personalized notifications about changes to their tax situation, filing reminders or status updates for refunds, audits, and payments Leverage tax data to notify taxpayers about specific campaigns or upcoming changes impacting them 	<ul style="list-style-type: none"> Expand updates to two-way communication.
Social Media Strategy	<ul style="list-style-type: none"> Deliver information and education through additional social media platforms based on topics specific to taxpayer demographics or businesses Capture data and analytic points for social media demographics information 	<ul style="list-style-type: none"> Expand social media platforms to attract additional viewers 	
Simplify and Improve Notices and Correspondence	<ul style="list-style-type: none"> Analyze data to determine language translations needed for specific notices and letters 	<ul style="list-style-type: none"> Translate notices and letters based on data analytics for specific taxpayers for whom English is not their primary language 	
Plain Language Communications	<ul style="list-style-type: none"> Use evidenced-based approaches to design easy-to-understand correspondence to help taxpayers meet their tax obligations e.g. research suggests that placement of information, color, font, type, and spatial design impacts the readers' ability to understand and respond to key information in notices and letters 		

STRATEGIC GOAL	OBJECTIVE	TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE/ INDICATOR	BASELINE²⁴	TARGET/ PROJECTION
Understand, Inform and Educate the Taxpayer	Provide Clear and Timely Communications	Impact	Effectiveness of communications	Conduct 3 - 5 studies to assess how improved and increased social media presence impact taxpayer behavior	Develop and test measures in FY2021, baseline in FY2022, and set target/projection for FY2023	Develop and test measures in FY2021; Baseline in FY2022, and set target/projection for FY2023

²⁴ Baselines are as of the beginning of FY19 unless otherwise noted.

4.6 COMMUNITY OF PARTNERS

The IRS has many longstanding and successful partnerships with external stakeholders including tax professional associations, community-based organizations, other government agencies, and advisory and industry groups in addition to our cross-functional collaboration supporting bureaus across Treasury. As we build upon existing relationships and seek new partners, we are creating a sustainable Community of Partners to explore innovative ways to improve service and lessen taxpayer burden. Expanding our partnerships will help us reach underserved communities, which is discussed further in the next Section of this report.

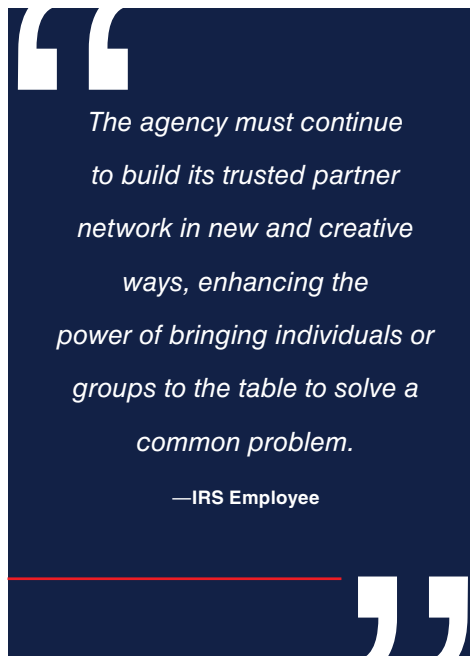
Our Community of Partners will focus on the following key capabilities—

- ★ **Building and Expanding Trusted Stakeholder Network:** Use existing partnerships and develop new ones to improve information-sharing between organizations and collaborate on solving common problems.
- ★ **Leveraging Community Outreach Best Practices:** Work with our partners to benefit from their experience in developing community partnerships, such as joining with other agencies to learn how they access hard-to-reach communities.
- ★ **Co-Locating Federal Government Services:** Partner with other federal agencies to allow the IRS to provide co-located services (for example, post offices, U.S. embassies, etc.). These partnerships could apply to both service and compliance interactions.
- ★ **Expanding Community Presence:** Cultivate trusted relationships with local leaders, community centers, cultural and faith communities and organizations and chambers of commerce to help us provide outreach, education and other services. This collaboration will also help us better reach populations that may be underserved or under-represented.
- ★ **Data Sharing Opportunities:** Ensure secure and authorized information-sharing with federal and state agencies, Security Summit²⁵ participants, and other third parties within the boundaries of the established law to allow us to incorporate new sources of information from a secure network to drive enforcement decisions, combat identify theft and improve the taxpayer experience.

²⁵ Our Security Summit Initiative is a unique partnership between the IRS, state revenue departments and private-sector tax industry leaders. It is the first public-private partnership of its kind with the goal of putting new and innovative safeguards in place to protect taxpayer information and the integrity of the Federal and state tax systems.

4.6 COMMUNITY OF PARTNERS

This approach to partnerships proved effective during the implementation of recent legislation, including the Tax Cuts and Jobs Act, Public Law No. 115-97. In these instances, the IRS facilitated forums with external groups to obtain valuable input from a cross-section of stakeholders. These helpful sessions demonstrated the benefits of institutionalizing the concept of a Community of Partners.



This past spring and summer, the IRS conducted a sweeping outreach and education campaign. In April 2020, the IRS met with 175 representatives from 25 government agencies about Economic Impact Payments established by the Coronavirus Aid, Relief and Economic Security (CARES) Act, Public Law No. 116-136. During this meeting, the IRS discussed payment procedures and how to reach specific audiences in need. Stakeholder participants included the Treasury Financial Literacy and Education Commission, the Department of Health and Human Services, and the Department of Housing and Urban Development. The Consumer Financial Protection Bureau shared information about scams and identity theft. The IRS also shared information about Economic Impact Payments with an additional 34 federal agencies, 35 state governments, 27 local governments and with over 200 public service

agencies, including 324 Indian tribal leaders from around the country. These efforts continued throughout 2020, with IRS outreach efforts expanding, building on a network of thousands of partners across the country, inside and outside of the tax community. Agency efforts included working with state and local governments, Congressional offices, as well as many local non-profit groups and social service agencies. Many citizens with no tax filing requirement were eligible to receive an Economic Impact Payment by using the IRS.gov Non-Filers' tool and we engaged our partnership network to assist us with reaching these individuals. For example, the IRS worked with more than 350 local and national organizations to share information about Economic Impact Payments specifically focused on those experiencing homelessness as well as seniors and veterans. These efforts were supplemented with proactive campaigns in traditional and social media as well as specially designed toolkits for use by IRS partners. The CARES Act passed on March 27. Within 14 days taxpayers started seeing Economic Impact Payments in their bank accounts. By the end of July, IRS delivered approximately 160 million payments totaling nearly \$270 billion.

4.6 COMMUNITY OF PARTNERS

Following are a few additional examples of this approach:

- **Co-location with Social Security Administration (SSA) offices:** Since January 2017, the IRS and the SSA have worked together to jointly provide taxpayers access to information and assistance. The co-location of IRS employees in SSA offices began with four SSA locations hosting IRS employees. IRS currently has Taxpayer Assistance Centers (TAC) employees in six SSA offices. IRS employees provide TAC services from SSA sites, including face-to-face meetings with taxpayers using the appointment system. The IRS and SSA also collaborate on anti-fraud initiatives. SSA and IRS held multiple meetings in the past year to discuss anti-fraud best practices. Leaders from both agencies partnered to devise a plan to determine the best way to exchange data and best practices. The IRS will continue to expand this service channel as part of our Taxpayer Experience Strategy.
- **Community outreach best practices with the Department of Education (ED):** The IRS partnered with the ED White House Initiative on Historically Black Colleges and Universities (HBCUs) to expand our Volunteer Income Tax Assistance program on HBCU campuses and in some cases, the surrounding communities. Through this program, volunteers prepare thousands of tax returns each year.
- **Expanded community presence through the Department of Veterans Affairs (VA):** The IRS has partnered with the VA since 2002 to provide outreach and free tax preparation at VA centers. Our shared goal is to ensure all veterans can easily access our services. The IRS currently has six sites at VA locations.
- **Security Summit with States and Private Sector:** The Security Summit is an unprecedented partnership that includes the IRS, states and the private sector. Between 2015 and 2019, the number of taxpayers reporting they were victims of identity theft fell 80%. The IRS protected a combined \$26 billion in fraudulent refunds by stopping confirmed identity theft returns. As we got better at blocking returns from entering our systems, the number of confirmed identity theft returns declined to the point where in 2019 it was 68% below 2015.

These amplified efforts will bring together partners from across the tax community and the Federal Government to improve access to our services, reach diverse communities and drive innovative ways to improve the taxpayer experience.

COMMUNITY OF PARTNERS

The following page outlines the goals, objectives, taxpayer benefits, timeline, costs and measures associated with Community of Partners.

GOALS

Understand, Inform
and Educate
Taxpayers;
Provide a Seamless
Taxpayer Experience

OBJECTIVES

Build Trusting Relationships and
Partnerships

Provide Clear and
Timely Communications

Simplify the Tax Process

Understand Taxpayer Needs

VALUE FOR THE TAXPAYER

- ★ Improved relationship between agency, partners, stakeholders and taxpayers
- ★ Expanded access to information
- ★ Enhanced and improved filing experience
- ★ Increased ability to voluntarily comply with tax laws
- ★ Increased ability to file complete and accurate return
- ★ Expanded service channels and partners
- ★ Customized interaction assistance
- ★ Decreased taxpayer burden

Community of Partners Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Build and Expanding Trusted Stakeholder Network	<ul style="list-style-type: none"> Begin network design Establish agency/stakeholder relationships 	<ul style="list-style-type: none"> Develop/implement strategic plan 	
Leverage Community Outreach Best Practices	<ul style="list-style-type: none"> Baseline critical taxpayer needs in relevant taxpayer groups and underserved communities Design outreach programs and align key partners/stakeholders to assist relevant taxpayer groups and underserved communities 	<ul style="list-style-type: none"> Implement outreach programs and events in key taxpayer groups and underserved communities Begin annual reassessment of services provided in relation to needs in key taxpayer groups and underserved communities 	<ul style="list-style-type: none"> Continue building and-redefining programs to better serve key taxpayer groups and underserved communities
Co-Located Government Services	<ul style="list-style-type: none"> Establish agency/partner working groups to create co-location parameters and ideals 	<ul style="list-style-type: none"> Implementation of service offerings in co-located government services 	<ul style="list-style-type: none"> Continue expansion of co-located services
Expand Community Presence	<ul style="list-style-type: none"> Establish agency/partner working groups to reach previously underserved taxpayers 	<ul style="list-style-type: none"> Implementation of programs and services in underserved taxpayer populations 	<ul style="list-style-type: none"> Continue building and expanding efforts across additional underserved taxpayer populations
Data Sharing Opportunities	<ul style="list-style-type: none"> Expand data sharing opportunities with other state/federal agencies, and other third parties 	<ul style="list-style-type: none"> Establish strong Community of Partners with state/federal agencies, and other third parties where data sharing is governed and formalized 	<ul style="list-style-type: none"> Continue expansion work with other federal/state agencies, and third parties to build Application Programming Interfaces (APIs) where possible

STRATEGIC GOAL	OBJECTIVE	TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE/ INDICATOR	BASELINE ²⁶	TARGET/ PROJECTION
Understand, Inform and Educate	Build Trusting Relationships	Access	Total number of new agency collaborations with partners and stakeholders	Number of new partnership forums conducted each year	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023
		Adoption	Level of participation in partnership forums	Participation in partnership forums	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023
		Impact	Increase in taxpayer satisfaction with IRS	Level of satisfaction with service received through partnerships	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023

²⁶ Our Baselines are as of the beginning of the FY2019 unless otherwise noted.

4.7 FOCUSED STRATEGIES FOR REACHING UNDERSERVED COMMUNITIES

Our focused program for underserved communities will unify existing IRS efforts and involve our Community of Partners to further address issues of communication, education, transparency, trust, and limited access to high-quality products and services, including lack of access to digital resources. We need a focused approach as some segments of the taxpayer population face unique challenges in getting access to the information and services needed to comply with their tax obligations. These traditionally underserved communities are not limited to, but include:

- Taxpayers with limited English proficiency
- Native American communities
- Members of the armed forces
- Taxpayers with disabilities, including taxpaying populations needing special assistance due to sight, hearing, dexterity, limited mobility, and cognitive challenges
- Elderly taxpayers
- Low-income taxpayers
- Taxpayers living in rural communities
- International taxpayers

In addition to the IRS's existing initiatives, we will develop an agency-wide strategy for underserved communities to enhance existing programs, products and services. Working with our partners such as the Taxpayer Advocate Service, Low Income Tax Clinics, Taxpayer Advocacy Panel, Equity, Diversity and Inclusion, and Customer Assistance, Relationships and Education, we will learn more about the unique needs of these segments. We will identify best practices to customize our approach to meet the specific needs of each underserved segment and provide personalized education and outreach through the service channels and in the languages preferred by these taxpayers. Additionally, we will design our underserved strategies to help us identify and develop accessible products and services. We can use our Community of Partners and co-located services to amplify our efforts.

Through these efforts, we will build trust and confidence in the IRS among underserved populations, increase our emphasis on fairness, expand access to information and services and increase voluntary compliance. Creating a single, agency-wide program will ensure the IRS meets underserved communities where they are and that IRS messages reach intended

For those with English as a first language the IRS websites and general information is difficult to understand, therefore for those without English as a first language it can be impossible to comprehend. More resources in more languages is a must.

—American Citizens Abroad

4.7 FOCUSED STRATEGIES FOR REACHING UNDERSERVED COMMUNITIES

recipients in the languages they need. Additionally, expanding existing partnerships will allow us to efficiently identify best practices, while benefiting from economies of scale.

To illustrate our approach, we outline key aspects of our strategies for two specific underserved communities below.

Multilingual Strategy

More than 20% of U.S. residents speak a language other than English at home. Of these approximately 66.6 million people, 26 million describe themselves as speaking English “less than very well” and are considered individuals with limited English proficiency.²⁷

The key capabilities for our Multilingual Strategy are—

- **Translate Forms, Publications and Notices:** Increase the languages available for most widely used forms, publications and notices.
- **Digitally Aided Translation and Interpretation:** Translate documents and phone conversations to other languages.
- **Recruitment:** Increase incentives for prospective bilingual / multilingual employee and specify the languages we are looking for during hiring.
- **Leverage Employee Multi-lingual Skills:** Incentivize employees to be certified as multi-lingual and recruit these employees to provide multi-lingual assistance and services.
- **Translation App:** Enable better communication between field employees and taxpayers in their preferred language using a new translation application for mobile devices.

“*This strategy will guide the direction, mission alignment, investments, and accountability of the IRS community in providing meaningful access for multilingual taxpayers to IRS products and services.*

—Charles Rettig, Commissioner

”

Earlier this year, the IRS began rolling out a new agency-wide Multilingual Improvement Strategy. As part of this effort, we charged our Language Services Executive Advisory Committee with expanding available platforms and increasing available languages across multiple channels, including digital tools, telephone assistance, tax forms and publications, written correspondence and outreach and education. While the strategy will continue to evolve and improve, most of these capabilities will be delivered by the end of FY2022. In addition, the IRS expanded outreach efforts to these groups as part of the Economic Impact Payment public awareness campaign. More than 250 new partnerships were created with non-traditional tax groups, including dozens in the LEP community.

²⁷ 2018 American Community Survey, Census Bureau.

4.7 FOCUSED STRATEGIES FOR REACHING UNDERSERVED COMMUNITIES

International Strategy

Non-resident individuals and businesses with a connection to the United States have unique tax considerations and may have difficulty accessing IRS services. They tend to rely on IRS.gov as their main resource for information on U.S. filing requirements, taxable income, tax treaties, payments, etc. Yet, because they often lack U.S. financial accounts or have foreign addresses and international telephone numbers, these taxpayers are frequently unable to access online IRS services due to current identity proofing and authentication standards. Also, as of tax year 2017, only 48.4% of international individual taxpayers filed electronically,²⁸ compared to 88.3% of domestic individual taxpayers. As a result, there is a tremendous opportunity to increase international taxpayer use of the IRS eFile program.

Additionally, a key part of the International Strategy is improving communications to accommodate language preferences and challenges. IRS systems will be improved to allow for taxpayers to indicate their primary language and expand service channels to provide virtual options.

The key attributes of our International Strategy are—

- **International Online Account Authentication:** Expand online account authentication to international taxpayers to provide access to additional self-service channels including the expanded digital tools and seamless experience described above.
- **Focused Promotion of IRS eFile:** Continue promoting IRS eFile to increase electronic filing, expedite the filing process and reduce errors, ultimately improving the taxpayer experience for international taxpayers.
- **Virtual Face-to-Face:** Provide the ability for taxpayers to have a scheduled video chat with an IRS employee, using computer, tablet or mobile phone.
- **Virtual Discussion Forums:** Facilitate a new virtual discussion forum where taxpayers can initiate discussions around filing requirements, rules, procedures, and other topics. The forums will provide a moderated outlet for asking questions and sharing answers. International taxpayers will also have the ability to be a part of virtual one-on-one or group conference via the forums.

Our Multilingual and International Strategies are two examples of a broader IRS effort to integrate and coordinate activities focused on underserved communities. Working with these partners and conducting additional research will help us better understand the unique needs of these segments. With these strategies, we hope to transform underserved communities into well-served communities.

²⁸ Wage and Investment, Research and Analysis Division Research Study Report: Understanding the International Taxpayer Experience: Service Awareness, Use, Preferences and Filing Behaviors, February 2010.

FOCUSED STRATEGIES FOR REACHING UNDERSERVED COMMUNITIES

The following page outlines the goals, objectives, taxpayer benefits, timeline, costs and measures associated with Focused Strategies for Reaching Underserved Communities

GOALS

Understand, Inform and Educate Taxpayers;
Provide a Seamless Taxpayer Experience

OBJECTIVES

Provide Clear and Timely Communications

Understand Taxpayer Needs

Build Trusting Relationships and Partnerships

Increase Access and Promote Transparency

VALUE FOR THE TAXPAYER

- ★ Tailored outreach, education, communications, products and services
- ★ Communication in preferred language through preferred communication channels
- ★ Understanding of tax obligations and easier access to the tools that lead to compliance
- ★ Awareness of the different ways to engage the IRS for assistance when necessary
- ★ Greater trust in the Federal Government
- ★ Increased emphasis on the fairness of the tax system

Focused Strategies for Reaching Underserved Communities

Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Translate Forms, Publications and Notices	<ul style="list-style-type: none"> Translate 1040 and associated forms in 5 additional languages (Spanish, Chinese Traditional/Simplified, Korean, Russian, Vietnamese) Translate Pub 17 in 5 additional languages Send translated notices systemically 	<ul style="list-style-type: none"> Continue to analyze the most highly used forms, publications and notices to identify potential candidates for translation into top five languages In 2020, IRS implemented language preference indicator as a part of the form 1040 package. We will use data gathered through this prioritization of translation beginning in 2023 	<ul style="list-style-type: none"> Continue to analyze the most highly used forms, publications and notices to identify potential candidates for translation into top languages
Digitally Aided Translation and Interpretation	<ul style="list-style-type: none"> Translation software assessment (translates text) Translation software pilot (translates text) 	<ul style="list-style-type: none"> Pilot digitally translated voice conversation software Release translation software (text) for IRS employee use service-wide 	<ul style="list-style-type: none"> Launch digitally translated voice conversation software
Recruitment	<ul style="list-style-type: none"> Establish multilingual hiring needs 	<ul style="list-style-type: none"> Update recruitment channels and incentives Execute multilingual recruitment plan 	<ul style="list-style-type: none"> Continued multilingual recruiting
Leverage Employee Multilingual Skills	<ul style="list-style-type: none"> Expand existing process and incentives for employees to become certified as multilingual Launch new multilingual certification program Promote new multilingual certification program 	<ul style="list-style-type: none"> Continued promotion of multilingual efforts 	<ul style="list-style-type: none"> Continued promotion of multilingual efforts
Translation App	<ul style="list-style-type: none"> Assess translation mobile apps compatible on government issued mobile devices 	<ul style="list-style-type: none"> Pilot translation mobile app Launch app in IRS suite of apps for government issued mobile devices 	
International Online Account Authentication	<ul style="list-style-type: none"> Assess identity proofing options to allow authentication of individual taxpayers living abroad 	<ul style="list-style-type: none"> Pilot online account authentication of individual taxpayers living abroad 	<ul style="list-style-type: none"> Implement online account authentication for individual taxpayers living abroad
Focused Promotion of IRS Free File	<ul style="list-style-type: none"> Identify the best ways to promote IRS eFile to individual taxpayers living abroad Promote IRS eFile to individual taxpayers living abroad 	<ul style="list-style-type: none"> Continued promotion of IRS eFile to individual taxpayers living abroad 	<ul style="list-style-type: none"> Continued promotion of IRS eFile to individual taxpayers living abroad

Focused Strategies for Reaching Underserved Communities

Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 6-10 years
Virtual Face-to Face	<ul style="list-style-type: none"> Expand virtual face-to-face technology as alternative to more face-to-face service channels 	<ul style="list-style-type: none"> Expand virtual face-to-face technology as alternative to more face-to-face service channels 	<ul style="list-style-type: none"> Expand virtual face-to-face technology as alternative to all face-to-face service channels
Virtual Discussion Forums		<ul style="list-style-type: none"> Assess products to host online virtual discussion forum Develop policies and procedures for IRS to provide responses Pilot virtual discussion forum Implement virtual discussion forum 	




STRATEGIC GOAL	OBJECTIVE	TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE/ INDICATOR	BASELINE²⁹	TARGET/ PROJECTION
Understand, Inform and Educate the Taxpayer; Provide a Seamless Taxpayer Experience	Understand Taxpayer Needs; Increase Access and Promote Transparency	Access	Increase the initiatives developed as a result of underserved strategies	Number of products and services implemented as a result of an underserved strategy	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023
		Adoption	Increase the adoption of new initiatives developed as a result of an underserved strategy	Number of taxpayers by underserved community that use new product or service	Develop and test measure in FY2021, baseline in FY2022, and set target/projection for FY2023	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023
		Impact	Increase the taxpayer satisfaction with new products or services which are developed as a result of an underserved strategy	Taxpayer Feedback via Survey Question via Foresee and/or ECSS "I am satisfied with the product/service I received from IRS."	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023	Develop and test measure in FY2021, baseline in FY2022, and set target/ projection for FY2023

²⁹ Baselines are as of the beginning of FY2019 unless otherwise noted.

4.8 ENTERPRISE DATA MANAGEMENT AND ADVANCED DATA ANALYTICS

We can make better use of data, a core business asset, to drive compliance decisions and improve the taxpayer experience in all the ways described throughout this strategy. To get there, the IRS needs a data management strategy that uses agency-wide operating data; other federal, state, and publicly available data; secure information sharing with IRS partners; and an understanding of taxpayers' experiences, emerging needs and expectations. Taxpayer account and service usage data will inform how to improve existing services and develop new digital tools. Similarly, analytics will drive better enforcement issue identification and case selection.

The following key capabilities will allow the IRS to manage data efficiently for taxpayer service and enforcement—

-  **Automated Feedback Loop:** Provide a better taxpayer experience, based on feedback collected from taxpayers, IRS employees, survey data or from automated tools and reports. Build on our ability to use information and feedback by providing real-time access for quick analysis to improve services for taxpayers.
-  **Capturing a Comprehensive Set of Data Assets:** Advance data access, usability, and governance to inform decision making and improve operational outcomes across the enterprise. To make this happen, the IRS will iteratively expand its data environment, to include making data more readily accessible through transition from paper to digital environment, allowing analysts to solve data-driven problems faster. This comprehensive data repository will be built on fundamental data collection principles of gathering, defining, perfecting, and storing information. This will inform better compliance enforcement decisions, which will in turn reduce the burden on compliant taxpayers and direct IRS enforcement resources more strategically.
-  **Employing Advanced Data Analytics:** Analyze behavioral research and other data to better identify and separate taxpayers who are trying to comply from those who are intentionally violating our tax laws, minimizing compliance contacts where direct enforcement activity would not be necessary. This will also help us avoid placing compliant taxpayers into compliance treatments while enhancing detection of non-compliant taxpayers so we can respond appropriately to encourage compliant behavior.

4.8 ENTERPRISE DATA MANAGEMENT AND ADVANCED DATA ANALYTICS

- ★ **Data Sharing Opportunities:** Implement secure and authorized information sharing with federal and state agencies, Security Summit participants, and other third parties, within the boundaries established by law - by creating new software applications using Application Programming Interfaces where feasible. This will allow us to incorporate new sources of information to drive enforcement decisions, combat identity theft and improve the taxpayer experience. Adherence to 26 U.S.C. Section 6103 is critical to ensure taxpayer return data is adequately protected.

Implementing enterprise data management will bring many benefits. A robust collection of IRS taxpayer data sources, including customer account, customer service, and third-party data will help the IRS better identify underserved communities, design focused digital tools and strategies, and offer opportunities for the IRS to launch proactive alerts, resulting in avoidance of unintended tax issues. For example, feedback loops will be significantly improved with the ability to monitor information agency-wide. Expanded feedback loops may also help identify areas for proactive outreach and education and opportunities to partner with federal and state agencies to address non-compliance. Strong security protocols and continuous monitoring of programs will protect taxpayer information from unauthorized access and safeguard IRS systems against cyberattacks.

The IRS has already started this effort, and our strategy will be based on that foundation. Building this data management system will take time and significant financial investment. In order to benefit from this vast set of data and information, the IRS needs to strengthen its ability to collect and integrate large, diverse datasets from which decisions and discoveries are based, ensure we are capturing and utilizing the most complete and accurate taxpayer information, and expanding governing relationships through better sharing of data assets. Through an appropriate governance process, the IRS will take a prudent and disciplined approach to identifying and sequencing the most essential data assets to be added to the data repository. The IRS will be able to use comprehensive data to improve existing analytic methods, expand analytical collaboration, and drive greater digital enhancements for tax administration.

ENTERPRISE DATA MANAGEMENT AND ADVANCED ANALYTICS

The following page outlines the goals, objectives, taxpayer benefits, timeline, costs and measures associated with Enterprise Data Management and Advanced Analytics

GOALS

Understand, Inform and Educate Taxpayers; Provide a Seamless Taxpayer Experience; Equip, Enable and Empower the Workforce

OBJECTIVES

Provide Clear and Timely Communications

Understand Taxpayer Needs

Increase Access and Promote Transparency

Simplify the Tax Process

Equip Employees with the Tools Necessary to Provide Excellent Taxpayer Service

Increase Employee Knowledge and Expertise

Empower Employees to Solve Taxpayer Issues

VALUE FOR THE TAXPAYER

- ★ Expanded access to services, both assisted and self-digital
- ★ Increased quality of interactions, both assisted and self-digital
- ★ Better use of artificial intelligence and data analytics, delivering greater accuracy in identifying potential compliance risks
- ★ Quicker resolution and more transparent customer service for taxpayers
- ★ Launch of customized proactive alerts resulting in avoidance of unintended tax issues
- ★ Improved taxpayer service based on real-time evaluation of information via feedback loop from taxpayers, IRS employees and automated tools

Enterprise Data Management and Advanced Analytics Timeline and Measures

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 10 years
Automated Feedback Loop	<ul style="list-style-type: none"> Establish data points from taxpayers, employees, and automated systems for feedback loop 	<ul style="list-style-type: none"> Incorporate feedback, in real time 	<ul style="list-style-type: none"> Expand feedback loop concept for numerous IRS operations and processes
Capturing a Comprehensive Set of Data Repository	<ul style="list-style-type: none"> Capture a more comprehensive set of data assets for operational, service, and analytic purposes 	<ul style="list-style-type: none"> Increase availability of taxpayer data for downstream business processes in a machine-readable format 	<ul style="list-style-type: none"> Increase number of IRS business processes using Artificial Intelligence (AI), Natural Language Processing (NLP), Process Automation (Robotics), and Machine Learning
Employing Advanced Data Analytics	<ul style="list-style-type: none"> Build on analytics efforts underway with the IRS research community 	<ul style="list-style-type: none"> Employ advanced data analytic strategies for service delivery and compliance purposes 	<ul style="list-style-type: none"> Increase efficiency gains on work processes where robotic process automation is applied
Data Sharing Opportunities	<ul style="list-style-type: none"> Expand data sharing opportunities with other state, federal agencies, and other third parties 	<ul style="list-style-type: none"> Establish strong Community of Partners with state, federal agencies, and other third parties where data sharing is governed and formalized 	<ul style="list-style-type: none"> Expand working with other federal agencies, state authorities, and third parties to build Application Programming Interfaces (APIs), where possible

STRATEGIC GOAL	OBJECTIVE	TIER	WHAT WE ARE TRYING TO MEASURE	MEASURE/ INDICATOR	BASELINE ³⁰	TARGET/ PROJECTION
Equip, Enable and Empower Workforce	Empower Employees to Solve Taxpayer Issues	Access	Increase percent of captured electronic, paper, and other data assets for anomaly detection, case selection, and other customer service initiatives	Captured data elements in central data repository	245,000 data elements ³¹	Increase percentage of data elements within centralized data repository by 5% by FY2023
			Increase availability of taxpayer data for downstream business processes in a machine-readable format	Data tables available within the data repository for business analytics	3,000 data tables ³²	Increase percentage of data tables within the data repository by 10% by FY2023
		Impact	Percent of individual taxpayers with repeat non-compliance two years after the initial tax year for filing, payment, or reporting compliance	Repeat Non-Compliance Rate	29.2% (FY2017) ³³	Indicator - anticipate reporting as "Indicator" in the FY2022 CJ

³⁰ Baselines are as of the beginning FY2019 unless otherwise noted.

³¹ Source: Compliance Data Warehouse.

³² Source: Compliance Data Warehouse.

³³ Source: Compliance Data Warehouse.

SECTION

5

TRAINING STRATEGY



5.1 INTRODUCTION AND EXPLANATION OF STRATEGY

Our employees are the primary way we instill confidence in taxpayers and increase trust in tax administration. IRS employees must be well trained, adept, and knowledgeable to provide exceptional taxpayer service. To implement our Taxpayer Experience Strategy and improve training across the IRS, we will strive to create a centralized educational organization, or “IRS University,” to support the IRS mission. This will allow for a strategic curriculum that will instill the importance of taxpayer service in all employees. High-quality, taxpayer-first training will further develop employee skill sets, improve morale, increase productivity, enhance knowledge transfer between employees, and foster innovation.

Based on clear goals and long-term strategic plans, we will align our training with the Taxpayer Experience Strategy and Organizational Redesign Strategy to provide IRS employees with developed curricula, “just-in-time” courses, continuous learning, and professional development. Our Training Strategy will enhance previous efforts and our Service-wide approach will enable training to be more relevant and holistic for employees. Updating and integrating innovative technological tools will further ensure employees across the IRS receive consistent, high-quality training. A continued commitment from leadership is critical to meeting employees’ training and development needs now, and in the future.

We developed this strategy after months of outreach and extensive research. As part of this effort, we visited IRS locations around the country to observe work processes and interview employees at all levels of the organization. Additional focused interviews gave us insight into the current training environment and helped us to pinpoint where key stakeholders (including partners and parties both internal and external to the IRS) think improvements are needed. We also assessed best practices across government and the private sector to identify ways to better meet the needs of our high-performing workforce.

Employees emphasized the importance of investing in development throughout their careers. Training should be timely and interactive and should use multiple delivery methods to ensure a high quality and engaging training experience. Stakeholder feedback revealed that we need to better use internal resources to eliminate knowledge gaps and centrally manage vendor contracts for improved economies of scale. Stakeholders also stressed the importance of

5.1 INTRODUCTION AND EXPLANATION OF STRATEGY


using integrated technology and data to drive decision-making about training needs. The IRS must also provide adequate IT infrastructure to support a variety of online and virtual learning opportunities in addition to supporting our core business of tax administration.


Training Strategy Key Components

With a university model as the centerpiece of our new approach, our Training Strategy has several critical components:

- ★ **IRS University (IRSU)** to establish an innovative, centralized learning function within the IRS that relies on technology to provide enhanced training experiences for employees. IRSU will begin by establishing four academies including Taxpayer Service, Tax Administration, IT and Operations Management and Leadership to organize all training curricula and developmental activities that align under IRS functions discussed in Section 6. The four-academy structure will meet the needs of IRS as it transitions to a more taxpayer centric approach and structure and also supports continuous employee learning and development around structured yet flexible career paths.
- ★ **Taxpayer-First Training** to equip all IRS employees with a working knowledge of our Taxpayer Experience Strategy, Taxpayer Rights, and organizational awareness through a standardized curriculum, while encouraging professionalism, effective communication and empathy. The IRS will also emphasize training on civility, inclusive behaviors, cultural competency, taxpayer rights, understanding taxpayer needs, and multi-language access.
- ★ **Continuous Learning For All Employees** to establish and promote a continuous learning environment. This will equip employees to perform their current role, develop higher levels of technical expertise along a career path, and support the acquisition of portable skills (such as project management, effective communication and risk management) that allow individuals to change roles within the IRS. Since the last substantial reorganization the IRS has undergone a variety of changes in how it conducts its business. As technology advances so must the IRS workforce. Continuous learning allows us to reskill employees based on changing organizational needs as we implement the key components of the taxpayer experience strategy and adjust the organizational structure to better serve the public. Our approach includes the use of competency assessments, career pathing and career planning tools that provide employees opportunities to re-skill and upskill.

5.1 INTRODUCTION AND EXPLANATION OF STRATEGY

- 
Utilizing Technology to improve technology to create accessible, high-quality and effective training programs to optimize the employee training experience. We will implement new technology to accommodate the administration, delivery and tracking of the training lifecycle.

- 
Measuring Success to evaluate feedback on training from employees, taxpayers and key stakeholders. The IRS will use this feedback to make necessary training adjustments and continuously improve our training capabilities.³⁴

Our Training Strategy is closely aligned with the Taxpayer Experience Strategy and the Organizational Redesign Strategy. Improved fundamental training will ensure that all employees, regardless of their roles within the IRS, have a positive effect on the taxpayer experience. We will integrate new taxpayer-service concepts into current training to ensure employees are well equipped to solve taxpayer issues. A more unified approach to employee development will make us more flexible and responsive to the ever-changing needs and priorities of taxpayers and our partners. Successfully implementing this agency-wide strategy will require leadership commitment and a strategic governance structure to ensure accountability and effectiveness.

Training is one of the most important programs that needs addressing. If the Quality and Empathy is there – it will go beyond making the IRS a great place to work. It will give the employees a source of pride.

—IRS Employee

³⁴ U.S Office of Personnel Management Training Evaluation Field Guide Demonstrating the Value of Training at Every Level January 2011.

5.2 IRS UNIVERSITY

IRS will strive to establish an innovative, centralized learning organization that relies on technology to provide enhanced training experiences for employees similar to Corporate Universities models that are used successfully across government and in prominent private sector organizations. A newly-created IRSU within IRS would seek to serve as the umbrella for developing and educating employees to deliver the IRS mission and our strategic plan by strengthening individual and organizational learning, knowledge, competencies and skills. In this university model, experts in learning and education delivery, policies and guidelines will support the development and execution of training activities and content to ensure a consistent, high-quality experience. IRSU will initially establish four academies, Taxpayer Service; Tax Administration; IT and Operations Management; and Leadership Development, that will serve to unify and organize training and development activities across the agency. IRSU will partner closely with operating divisions to provide subject matter experts from across the IRS to develop and deliver training activities and content. Coordination across the IRS will support the development of relevant and high-quality content, skilled instructors, strong delivery platforms whether in person or virtual. Continued commitment from leadership will enable employees to develop along career paths. IRSU will identify the offerings in these areas that best meet IRS organizational and employee needs. We will establish these key areas with an emphasis on equity, diversity, and inclusion. This model will provide numerous benefits to the IRS, including consistent training across organizations; improved alignment between learning, development, and the IRS Strategic Plan; and reduced resource duplication between operating divisions.



The IRS University will feature—

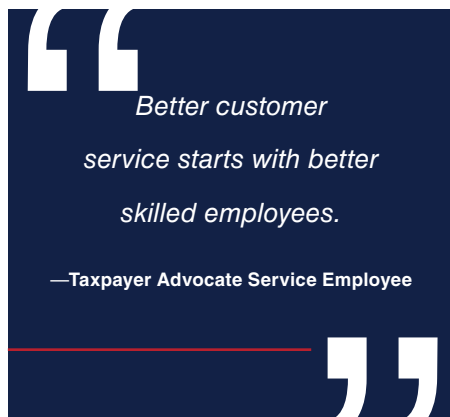
- **Requirements Planning:** We will use organizational workforce planning data and skills assessment tools to create an agency-wide, standardized needs assessment process. We will develop this needs assessment process to continuously identify skill gaps based on input from key stakeholders to ensure employees' training needs are met. This approach will help us identify opportunities to enhance the taxpayer experience through training and developmental activities.

5.2 IRS UNIVERSITY

- **Multi-year Training:** We will use results from the needs assessment and ongoing input from key stakeholders to develop a multi-year training plan that reflects the IRS's strategic goals and objectives. The multi-year training plan will also consider workforce planning, projected hiring needs and leadership succession planning. A multi-year training strategy will promote collaboration across the IRS, provide more advanced notice about upcoming training, and realize economies of scale when acquiring external course materials. We will also be able to time training delivery to avoid peak workload periods.
- **Leadership Development:** We will establish a centralized leadership and management development function within the IRSU to train and develop employees continuously at each step of the leadership journey. Developing strong and effective leaders at every level is critical to the IRS's long-term success. We will design learning and career development activities, including assessments, coaching, mentoring, and group and self-directed learning that instill the competencies and behaviors needed to build strong leaders. We will also equip leaders with the skills needed to support employee development and ensure leaders are accountable for their employees' development. Together, supervisors and their employees will design developmental activities and training to track progress along desired career paths.
- **Strategic Sourcing:** We will strategically acquire and manage learning platforms, design and delivery tools, as well as learning content from external providers and partners. By making these tools available to each operating division across the IRS, we will eliminate duplicative purchases of learning content and reduce overall costs.
- **Blended Learning Model:** We will use a mix of on-site learning centers and virtual training to deliver technical skills. Training may be delivered through traditional classroom training, virtual courses, micro-learning activities (such as videos or podcasts, simulations, job aides, wikis or blogs, coaching and on-the-job instruction) and developmental assignments. Our blended approach will use adult learning principles and accommodate different learning styles, enhance employees' training experiences and provide the agency with greater ability to address changes and challenges in the workplace through training. Training plans will include developmental assignments such as shadow or detail assignments, growth opportunities, and coaching or mentoring. We will look to identify the most effective ways to support employee needs and the delivery of training materials.

5.2 IRS UNIVERSITY

- **Expanded Learning Management System (LMS):** We will establish a centralized hub for all training administration by adding capabilities to our existing LMS under Treasury's Integrated Talent Management (ITM) system that supports the activities and operations of IRSU. The improved system will create a single access point for employees and training personnel to define and prioritize requirements, register for classes, attend virtual classes and submit training evaluations. Stored training data will also support reporting, analysis and evaluation.
- **Ongoing Training Evaluation:** We will apply the New World Kirkpatrick Model³⁵ to evaluate training. By establishing additional guidelines and controls, this model will help us follow best practices to improve our training products and capabilities.³⁶



³⁵ Kirkpatrick's Four Levels of Training Evaluation, James D. Kirkpatrick and Wendy Kayser Kirkpatrick, 2016, ATD Press.

³⁶ See Section 5.6 for more details.

5.3 TAXPAYER-FIRST TRAINING

With training centralized in the IRS, we will be better able to deliver consistent training with a focus on taxpayers' needs. All IRS employees will understand how they contribute to the overall taxpayer experience. To support our Taxpayer Experience Strategy, the IRS will educate all employees about our different functions so they can easily navigate across the organization to resolve taxpayer issues.

We will develop a high-quality, agency-wide, core taxpayer experience curriculum for all employees. This curriculum will focus on organizational awareness to reduce knowledge gaps, key principles of customer service, taxpayer rights (including the Taxpayer Advocate's role in tax administration), early dispute resolution, and research-based behavioral insights. Providing our employees with a working knowledge of taxpayer rights is essential to our efforts to provide high quality taxpayer service. Training on taxpayer rights is a key component of the core taxpayer experience curriculum. We will develop Taxpayer Bill of Rights (TBOR) Training for all IRS employees relying on the Taxpayer Advocate Service as a key partner and primary subject matter expert. Taxpayer Bill of Rights training will be delivered to all IRS Employees beginning in FY2021. This core taxpayer experience curriculum will be supplemented with on-the-job resources, references, and job aides. We will also train all employees to resolve taxpayer issues pertinent to their roles, and tailor role-specific training to help employees assist taxpayers based on their occupation and relationship to the taxpayer. This training will also emphasize how employees should guide taxpayers to the appropriate resources to resolve any issues beyond the scope of their knowledge to provide taxpayers with 'concierge'³⁷ support through all stages of tax administration.

In addition to updates to the general curriculum for all IRS employees, we'll update our taxpayer-facing training in phases over the next five years to provide role-specific, in-depth knowledge of the Taxpayer Experience Strategy and the tools and resources available to assist taxpayers. Taxpayer-facing training will be updated as the capabilities outlined in the Taxpayer Experience Strategy are introduced. We will also review emerging taxpayer behaviors to improve training content. This specialized curriculum for IRS assistors will focus on customer service principles, problem-solving and people skills such as active listening, cultural competency and how to use plain language to explain complicated concepts. We will teach IRS assistors to use internal resources and collaborate with other employees to provide outstanding taxpayer service and will use feedback from taxpayers and other key stakeholders to evolve our training over time.

³⁷ See Seamless Experience Section 4.4 for additional detail on the concierge model.

5.4 CONTINUOUS LEARNING FOR ALL EMPLOYEES

To truly put taxpayers first, we must promote the personal development and growth of our approximately 81,000 dedicated IRS employees. The IRSU will encourage active engagement with employees throughout their careers, ensure consistent access to information, and enable advancement along career paths. Continuous learning is a development concept that involves an employee receiving ongoing training throughout their careers. This includes requisite training to meet current job demands as well as long term career growth. The goal of the continuous learning approach is to create more ties between these different tools and programs to offer a more cohesive end to end development process.

An increased focus on continuous learning will help us:

- Boost employee engagement
- Retain a skilled and knowledgeable workforce
- Expand our ability to forecast and budget for training needs
- Increase taxpayer satisfaction with exceptional taxpayer service
- Understand taxpayer diversity

As part of our Training Strategy, we will provide training resources that are easily accessible, support technical training, equip employees to improve their performance, and explore career-broadening opportunities. As explained below, we will create a continuous learning environment by focusing on employee training progression, structured career paths, knowledge management, and an interactive development environment.

Employee Training Progression

To better prepare and retain employees, the IRS will offer ongoing training that progresses with employees' careers. In addition to custom IRS developed content, we will make use of outside vendors, external training libraries, external university courses and other relevant sources to supplement training and maintain certifications. As employees continue to gain experience, training will focus on more complex tasks and subject matter. To facilitate this progression and offer employees the right training at the right time, supervisors and employees will have ongoing discussions about career goals, training plans, and new learning opportunities. Training will focus on role-specific skill building as outlined in the graphic below and will be delivered using digital and in-person platforms.

5.4 CONTINUOUS LEARNING FOR ALL EMPLOYEES

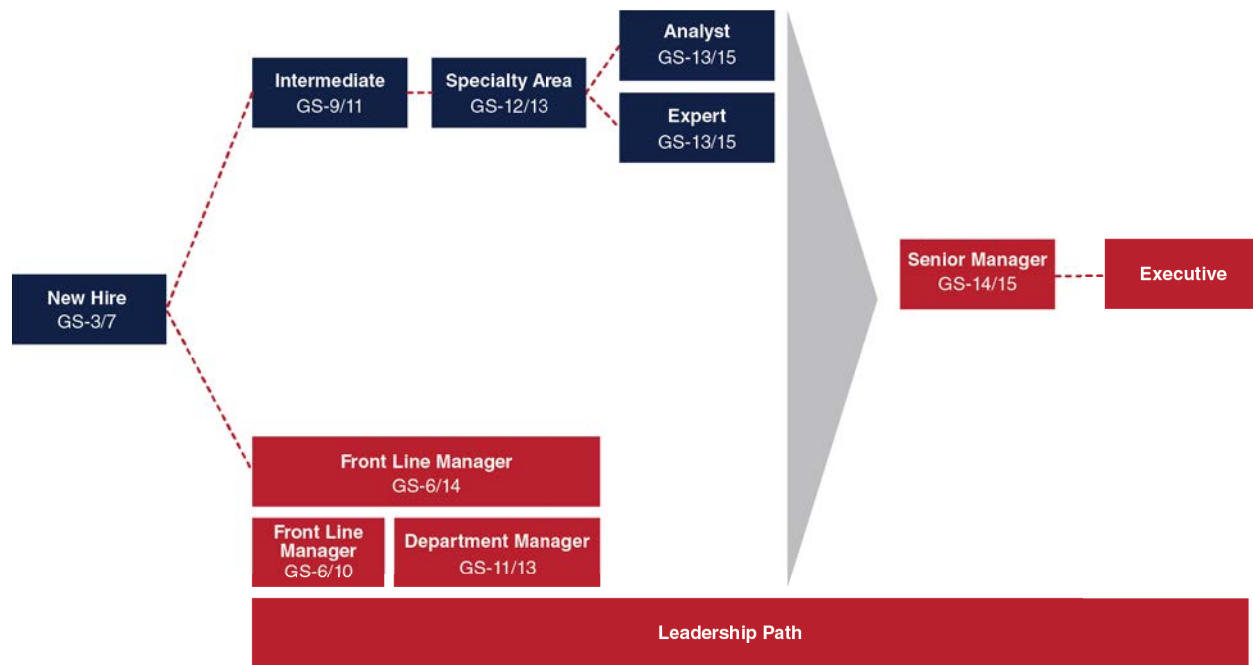


Figure 5: Example technical and leadership career paths for a new hire. Individuals could shift from a technical or leadership path as they progress in their career.

The IRS will introduce courses that prepare employees, especially frontline employees, to exhibit top customer service skills. In addition to assigning this curriculum to new employees, the IRS will regularly deliver training at a pre-set cadence to maintain familiarity. We will also continue to monitor the taxpayer experience and modify employee training to accommodate changing needs.

Progressive employee training will:

- Begin by assessing new hires to determine necessary role-specific training and equipping them to advance in their career with the IRS
- Continue with technical professional education and the development of portable skills
- Advance toward either mastery as a subject matter expert or a career in leadership following a well-defined career path
- Preserve agency expertise and resources

Based on feedback from operations, we will update and customize training regularly. By taking a holistic approach to developing our employees, we will build subject matter expertise and leadership capabilities, enabling employees to control their career paths and provide outstanding taxpayer service.

5.4 CONTINUOUS LEARNING FOR ALL EMPLOYEES

Established Career Paths

While we support our employees' professional development, we must also consider our long-term workforce planning goals. We will expand upon ongoing IRS efforts to provide employees with structured, yet flexible career paths aligned with training and developmental activities to help them excel in their current role and plan for their future. Employees will also develop transferable skills that allow them to shift roles to meet changing taxpayer needs. For those who want to explore other roles, career paths will give them direction and the ability to evaluate skill gaps so that they can successfully transition to new opportunities. We will expand our current knowledge management activities and practices, such as virtual libraries, standard operating procedures, knowledge capture, communities of practice, self-help videos, and online tutorials, to provide employees with current training resources that improve their technical competencies and decision-making and ultimately improve the taxpayer experience.

The IRS is committed to providing a clear career path from novice to executive levels for all employees, recognizing that employees may choose a technical or leadership path. We will support employees' efforts to obtain relevant job and professional certifications and to maintain them through continuing education.

IRS leadership will review strategic goals and objectives, workforce planning data, results from competency-based skills assessments, and employee career goals and interests to determine the number of employees pursuing different career paths. We will use this information to guide our training plan.

Together, supervisors and their employees will design developmental activities and training to track progress along desired long-term career paths. As a part of this process, the IRS will look to invest in technology that allows employees easy access to career path and training resources.

Comprehensive Development Environment

Our Training Strategy will give employees a suite of resources for accessing training and knowledge resources at their convenience. These activities will support and supplement learning that occurs via traditional classroom and online, instructor-led courses. The IRS will expand our current knowledge management activities and practices, such as virtual libraries, job aids, communities of practice, self-help videos and online tutorials, to provide employees with

“
More
corporate-level “global”
training and/or
learning opportunities need
to be provided for employees
to understand what is
happening at the IRS outside
their direct organization.

—IRS Employee

5.4 CONTINUOUS LEARNING FOR ALL EMPLOYEES

up-to-date training resources that improve their technical competencies, improve IRS decision-making, and improve the taxpayer experience.

We will foster connections between employees by providing agency-wide forums to share best practices and provide coaching opportunities so employees can share their knowledge and experience. For example, as employees acquire new roles, skills or specializations, they will be able to engage with groups of subject matter experts, also known as communities of practice. These connections, integrated with existing developmental activities, will improve knowledge transfer across the IRS and support continuous employee learning. We will use “just in time” courses to train employees on procedural changes arising from new legislation or regulatory guidance. The graphic below demonstrates how the IRS will integrate its suite of learning and development tools into one Comprehensive Development Environment. We will develop and deliver competency assessments that will help employees identify areas of strengths and weaknesses for personal development. Assessments will allow the agency to target areas for additional employee development, reskilling opportunities, and future hiring needs. These integrations provide an ongoing, seamless experience for employees in their learning development and provide opportunities to share that knowledge with other members of the IRS workforce.

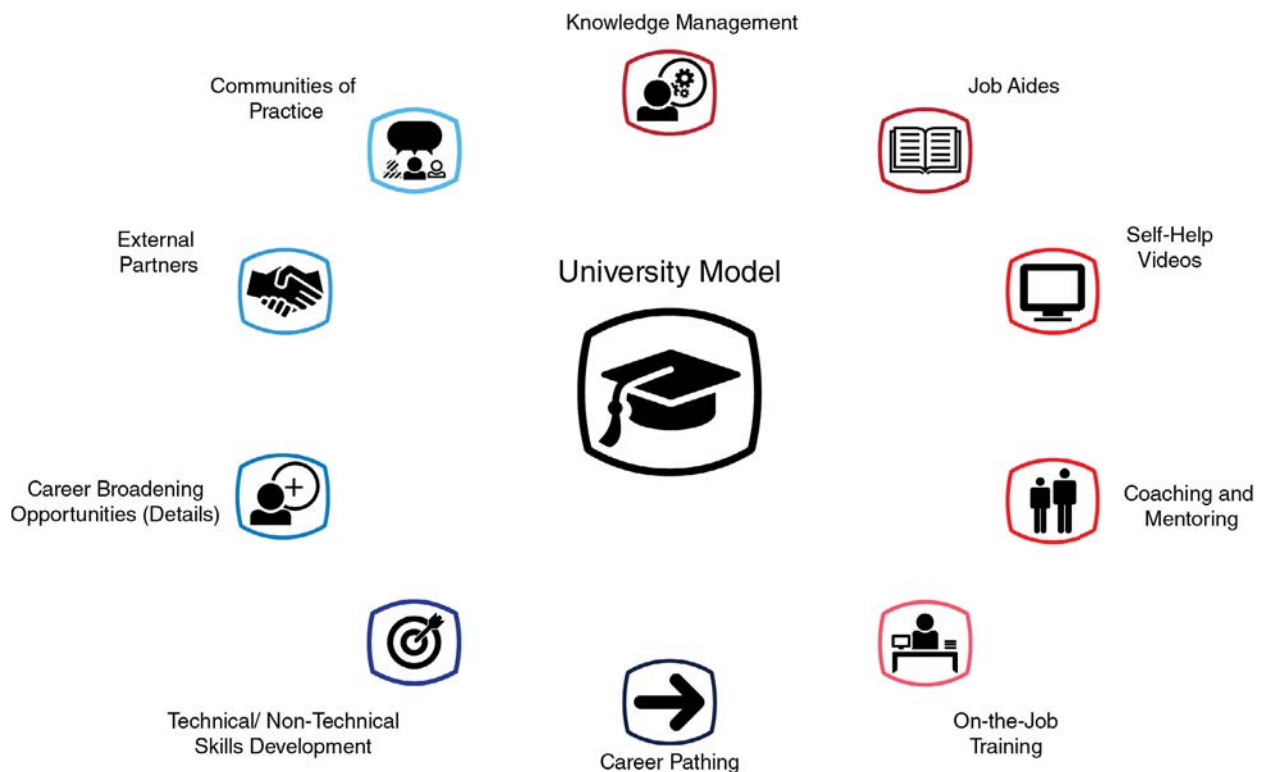


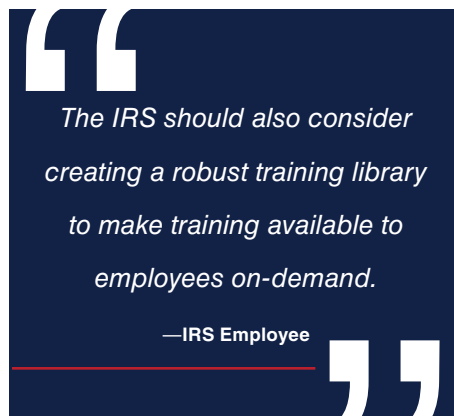
Figure 6: Comprehensive Development Environment

5.5 UTILIZING TECHNOLOGY

To support the Training Strategy, the IRS will improve technology, subject to available funding, to create accessible, high-quality and effective training programs. We will build on lessons learned from the recent COVID-19 pandemic when we adapted classroom training material for virtual delivery and instructors were trained on the technology needed to teach remotely. We will implement new technology to accommodate the administration, delivery and tracking of the training lifecycle. This technology will support:

- The development and delivery of training to equip employees to provide excellent taxpayer service
- A continuous learning environment for employees
- A learning function to provide a consistent, high-quality training experience for all employees
- The collection and evaluation of data to enhance our training capabilities

We will expand the use of Treasury’s Integrated Talent Management system to establish a centralized hub for all training administration that supports the delivery, documentation and



evaluation of learning and development activities. Enhancing our existing LMS with additional capabilities will allow us to create a single access point for employees and training personnel. Employees will be able to request, schedule, access and complete online training and follow-up activities designed to reinforce learning and skills development. Employees and supervisors will also use the system to complete evaluation surveys to help the IRS improve training. Employees will receive guidance on accessing training resources from their manager, mentor and leadership team based on their career path and goals. Additionally, we will support leadership in analyzing development opportunities by providing access to critical

organizational information such as IRS workforce planning data, the training budget, and the annual training plan.

We will invest in a collaborative virtual training system to integrate with the current LMS. Technology will enable the blended learning approach by creating additional avenues for learning and development activities. Improved technology will be flexible, allowing for the development of new capabilities and enabling training administrators to build plans for employees to grow beyond their current roles.

5.6 MEASURING SUCCESS

We will design and evaluate training plans and programs to support our mission, improve training, increase performance goals and enhance the taxpayer experience. Our Training Strategy will include capturing data to determine the effectiveness of all training with special emphasis on our core taxpayer experience curriculum, Taxpayer Bill of Rights, organizational awareness and early dispute resolution. We will monitor data using existing or new key indicators, balanced measures, compliance data and customer ratings to track our progress.

We will apply industry standard learning evaluation principles to assess the effectiveness of training content. The Kirkpatrick Model³⁸, with New World Kirkpatrick Model enhancements, is the training industry leader in its systematic approach to training evaluation.³⁹ We will incorporate this robust approach to promote a data-rich decision-making environment. The model provides a four-level approach to training:

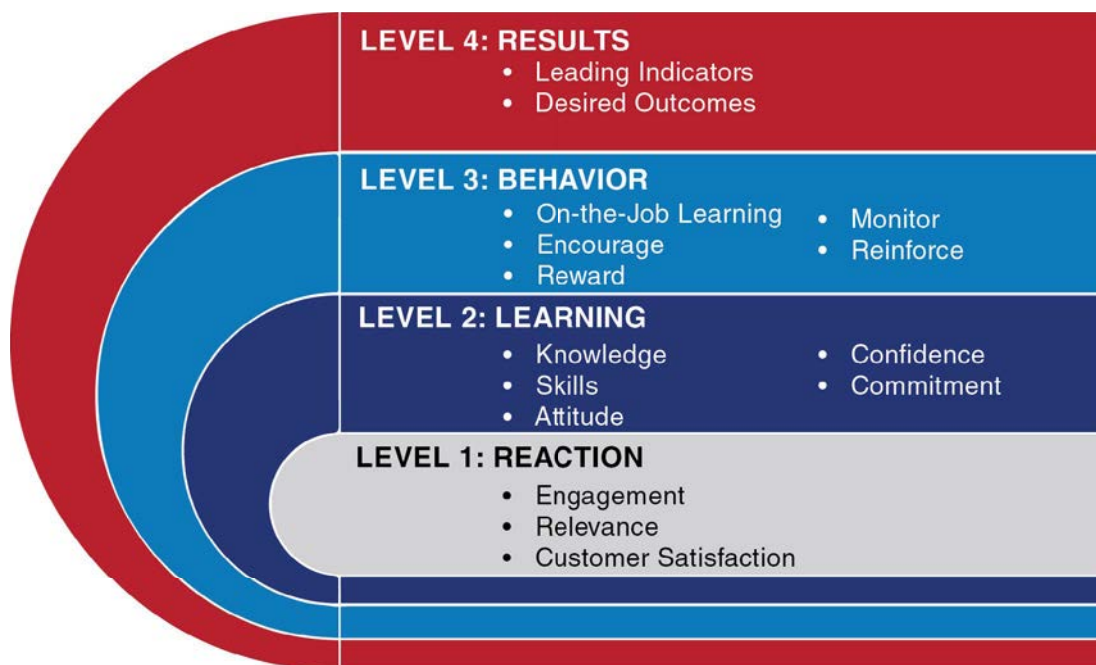


Figure 7: New World Kirkpatrick Model

³⁸ Kirkpatrick's Four Levels of Training Evaluation, James D. Kirkpatrick and Wendy Kayser Kirkpatrick, 2016, ATD Press.

³⁹ U.S. Office of Personnel Management Training Evaluation Field Guide Demonstrating the Value of Training at Every Level January 2011.

5.6 MEASURING SUCCESS

According to the New World Kirkpatrick Model, Level 1 and Level 2 evaluations are equally important in capturing the employees' engagement in the course and the skills and knowledge they received from the course. Level 3 evaluations are critical in determining what effect training has had on employee behaviors and job performance. Level 4 evaluations reflect how these behaviors have contributed to organizational improvement. In this approach, the Level 3 evaluation serves as the target for effectively delivering on the taxpayer experience.

Level 1: Reaction The degree to which employees find the training favorable, engaging and relevant to their jobs.

Level 2: Learning Tests comprehension and the degree to which employees acquire the intended knowledge, skills, attitude, confidence and commitment based on their participation in the training.

Level 3: Behavior The degree to which employees apply what they learned during training when they are back on the job.

Level 4: Results The degree to which targeted outcomes such as the taxpayer experience or satisfaction are affected by training programs.

The Kirkpatrick evaluation model will provide data from multiple perspectives to evaluate our Training Strategy. Our evaluation approach will refocus on standardizing the use of Levels 1-3 training evaluations for more consistent data reporting and analysis. The team will identify additional surveys or measures for Level 4 using key indicators to determine if our training programs have a positive effect on the taxpayer experience. We will use this data to enhance our employees' training experience, improve training content and delivery, and aid decision-making about training resources. Our approach will help us understand the relationship between training success and key customer satisfaction and organizational success measures. We will also monitor results from the Office of Personnel Management (OPM) Federal Employee Viewpoint Survey. We will administer short but more frequent Pulse Surveys to increase our agility and responsiveness to employees' needs. We will use this information to help us provide employees with a high-quality training experience to promote a continuous learning environment and the delivery of a top-quality taxpayer experience. We will have an accountability framework which allows us to monitor and track our effectiveness in the following areas: program execution, program and system evaluation, curriculum design, development and delivery. The framework also allows comparative analysis with respect to competency/skills assessment and training evaluation data.

5.6 MEASURING SUCCESS

Ultimately, our comprehensive Training Strategy represents a holistic approach to improving employee training and development. This will enhance the taxpayer experience and empower IRS employees to take ownership of their professional development. Additionally, the investment in learning systems will allow us to increase virtual training and provide interactive and cost-efficient training nationwide. This will drive greater efficiency by providing training opportunities that yield better performance, preserve organizational knowledge, and improve employee retention. We are committed to implementing a training strategy that meets taxpayer needs, ensures employees are well-prepared for their roles and provides easy access to developmental resources. This approach will help employees advance in their careers while also developing the skills to backfill vacant positions as needed.

TRAINING STRATEGY

GOALS

Equip employees to provide outstanding taxpayer service

Create a continuous learning environment for employees

Expand our capability to deliver learning and training utilizing technology

Create an IRS University that drives efficiency, effectiveness and agility

Implement governance measures to continually improve employee training experience

VALUE FOR THE EMPLOYEE

- ★ Corporate University that builds on established academies (IRS Leadership Academy, Human Resources Training Academy, IT University)
- ★ Established tools that assess the individual training needs based on occupation/career path
- ★ Training curriculum accessible to employees via an Integrated Talent Management System
- ★ Enhanced training governance and standards that ensure a high-quality training experience for employees
- ★ Access to guidance and training resources needed to provide taxpayer service → and to support continuous learning and career development

Training Strategy Timeline and Measures

The Training Strategy will be implemented in phases that are closely aligned with the implementation of the Taxpayer Experience Strategy and plan for changing the IRS Organizational Structure. The implementation includes multiple phases.

	FY2021-2022 1-2 years	FY2023-2025 3-5 years	FY2026-2030 6-10 years
IRS University	<ul style="list-style-type: none"> Define a model, approach, standards and governance to meet current and future needs Eliminate duplicative training activities (including licenses and subscriptions) and centralize training acquisitions Identify funding requirements/appropriations issues to support stand up of the IRS University Implement training governance Stand up of IRS University 	<ul style="list-style-type: none"> Refine training governance and training standards to ensure a high-quality training experience for employees 	<ul style="list-style-type: none"> A structured collaborative approach to ensure our training activities address organizational and individual employee needs, and support a continuous learning environment are realized
Taxpayer First Training	<ul style="list-style-type: none"> Develop training to support the implementation of the Taxpayer Experience and Organizational Restructure Strategies (Taxpayer First and Organizational Awareness Training) Deliver Taxpayer First, Taxpayer Bill of Rights, and Organizational Awareness Training 	<ul style="list-style-type: none"> Develop Role Specific Taxpayer Training for taxpayer-facing employees and managers Deliver Position Specific Taxpayer Training for taxpayer-facing employees and managers 	<ul style="list-style-type: none"> Refine and enhance taxpayer first training programs based on stakeholder feedback
Continuous Learning for All Employees	<ul style="list-style-type: none"> Develop career path guides and identify accompanying training curriculums Begin development of Competency Assessments for all IRS Positions 	<ul style="list-style-type: none"> Establish Competency Based Communities of Practice Make Career Path information accessible to employees via an Integrated Talent Management System Establish Competency Assessments for all IRS Positions 	<ul style="list-style-type: none"> Employees have access to training resources needed to provide taxpayer service in their current role, well-defined career paths and access to L&D activities to support continuous learning
Utilizing Technology	<ul style="list-style-type: none"> Identify enhancements required to Treasury's Integrated Talent Management System Identify training technology requirements to support strategy implementation Begin acquisition of training technology and software 	<ul style="list-style-type: none"> Implement enhancements to the Integrated Talent Management System Complete acquisition of training technology and software to support IRS University 	<ul style="list-style-type: none"> IRS University and employees have an end-to-end system to support training planning, design, delivery and evaluation (including multi-modal delivery platforms)

Training Strategy Timeline and Measures

Phase One Key Takeaways

Phase one focuses on enhancing IRS capabilities to deliver on an enterprise training approach that supports continuous learning and that equips employees to provide top quality taxpayer service. Phase one activities include:

- The identification of career paths and the identification of supporting training curriculum to support career development
- Identification of corporate training resources (Training Technology, External Providers) to support the implementation of the strategy
- The identification of enhancements to the IRS Integrated Talent Management system and training technology to support the training approach
- Defining training governance and training standards to support the implementation of the training strategy
- Centralizing the acquisition of training tools and resources
- Developing a plan to unify the IRS L&E Organizations under an IRS Corporate University that supports the Taxpayer Experience Strategy and plans for changing the IRS Organizational Structure
- Realigning IRS L&E function under the IRS Corporate University
- Developing and implementing Taxpayer Service, Taxpayer Bill of Rights and Organizational Awareness Training for all IRS employees
- Establishing a Corporate University that incorporates existing academies (IRS Leadership Academy, Human Resources Training Academy, IT University)

Phase Two Key Takeaways

Phase two focuses on establishing an enterprise-wide approach to training and employee development that supports continuous learning via a Corporate University. Key activities will include:

- Implementing enhancements to the IRS Integrated Talent Management system and training technology to support the training approach
- Making career paths and accompanying training curriculum accessible to employees via an Integrated Talent Management System
- Implementing enhanced training governance and training standards to ensure a high-quality training experience for employees
- Establishing tools to assess the individual training needs based on occupation/career path
- Developing and implementing role specific taxpayer service training for taxpayer-facing and role specific training for taxpayer-facing employees

Training Strategy Timeline and Measures

Phase Three Key Takeaways

During the final phase we realize our vision of becoming an IRS University that serves one-stop-shop that provides a continuous learning environment with accessible resources that equips our employees to provide top-notch Taxpayer Service and supports ongoing career development.

Key activities include:

- A Corporate University fully implemented with academies focusing on key strategic areas such as Taxpayer Service, Tax Administration, Technical and Operations Support Activities and Leadership Development
- Through a structured and collaborative approach, we will fully realize a continuous learning environment that address organizational and individual employee needs
- Enhancements to the IRS Integrated Talent Management system to support the training approach and a continuous learning environment are completed
- Employees have access to the guidance and training resources needed to provide taxpayer service in their current role and to support continuous learning and career development
- An on-going system is implemented to evaluate and improve training programs and IRS employees training experience

IRS STRATEGIC GOAL(S)	OBJECTIVE	MEASURE
Cultivate a well-equipped, diverse, flexible and engaged workforce	Equip employees to provide outstanding taxpayer service	Report Kirkpatrick model results for annual taxpayer first training (Baseline FY2023)
	Create a continuous learning environment for employees	Percentage of employees developing through a defined career path; (Baseline FY2023) Number of employee competency assessments established for IRS positions; (Baseline FY23)
Drive increased agility, efficiency, effectiveness and security in IRS operations	Expand our capability to deliver learning and training utilizing technology	Successful implementation of new training technologies to enhance learning and increase access to training (Baseline EYO FY2021)
Drive increased agility, efficiency, effectiveness and security in IRS operations Cultivate a well-equipped, diverse, flexible and engaged workforce	Create an IRS University that drives efficiency, effectiveness and agility	Efficiencies gained through elimination of duplicative programs (TBD) (Baseline FY2023)
Advance data access, usability and analytics to inform decision making and improve operational outcomes	Implement measures to continually improve employee training experience	Employee and supervisor satisfaction with IRS training re-sources required to provide out-standing taxpayer service (TBD) (Baseline FY2023)

SECTION

6

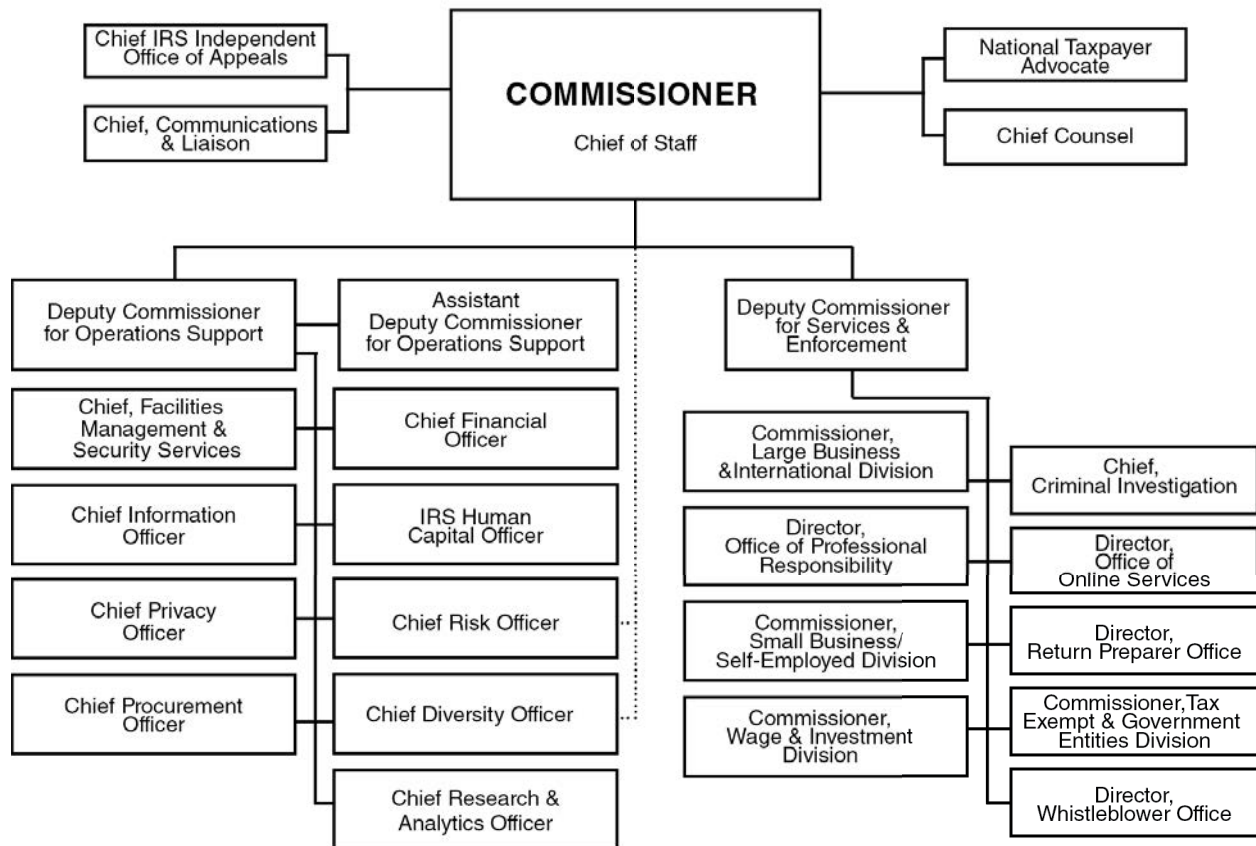
ORGANIZATIONAL REDESIGN STRATEGY



6.1 INTRODUCTION AND EXPLANATION OF STRATEGY

The last major IRS enterprise-wide restructuring resulted from the *IRS Restructuring and Reform Act of 1998* (RRA '98), that required a substantial modification to our existing geographical structure based on national, regional, and district offices and established organizational units serving particular groups of taxpayers with similar needs. The current structure is outlined in Figure 8 below.

IRS Organizational Chart as of September 2020



NOTE: With respect to tax litigation and the legal interpretation of tax law, the Chief Counsel also reports to the General Counsel of the Treasury Department. On matters solely related to tax policy, the Chief Counsel reports to the Treasury General Counsel.

Figure 8: IRS Organizational Structure as of September 2020

6.1 INTRODUCTION AND EXPLANATION OF STRATEGY

Since RRA '98, taxpayer expectations have continued to evolve. To ensure that the IRS is addressing these changing expectations, our organization needs to adapt to allow for flexibility around our taxpayer landscape and improve our taxpayer-facing and internal capabilities. With the passage of the Taxpayer First Act, we have the rare opportunity to reimagine and rebuild the IRS of the future. Committed to our mission and passionate about serving the Nation's taxpayers, the IRS of the future will serve taxpayers even more efficiently with an enhanced focus on taxpayer rights and strong career opportunities for our employees.

The Organizational Redesign Strategy would enable our agency to streamline operations by removing silos and adapting to changing taxpayer expectations. The strategy addresses existing challenges throughout the agency and focuses on enhancing the taxpayer experience and employee experience and improving operational efficiencies. The Organizational Redesign Strategy, and all included recommendations, is intended to facilitate cultural change, increase trust and improve understanding and ease for the American taxpayer.



While our high-level strategy will set the tone for significant structural changes, we acknowledge that further detailed analysis is needed. We will develop additional detail on our organizational structure and operating model by creating an Organizational Blueprint Report which will be delivered in phase two of this work.

6.2 PROPOSED FUTURE ORGANIZATIONAL STRUCTURE AND DIVISIONS

Our proposed organizational structure is designed to support and sustain the Taxpayer Experience and Training Strategies. The Commissioner and the new Senior Leadership Team would drive collaboration, build internal operational efficiencies, and implement the multi-year Taxpayer Experience and Training Strategies. Figure 9 shows the agency’s new structure with the direct reports to the Commissioner and their direct reports.

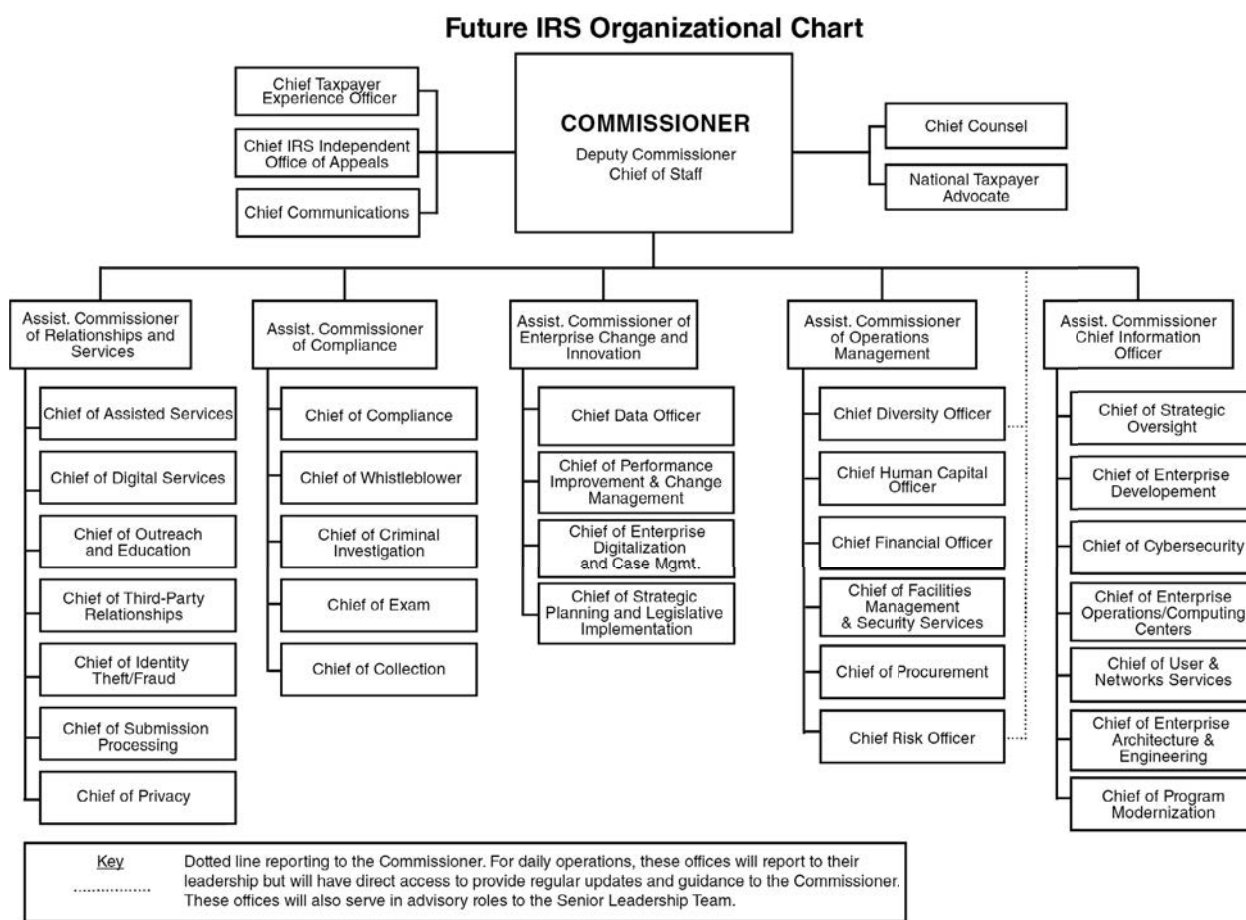


Figure 9: Notional Future IRS Organizational Structure

Each Section below outlines our proposed new structure, the organizational challenges that we aim to address, as well as descriptions and details of the offices included within the structure. Together, the sections explain our proposed changes and their potential benefits.

6.3 COMMISSIONER DIRECT REPORTS

Our new structure would have one Deputy Commissioner, one Chief of Staff, and 10 Executive Officers that report directly to the Commissioner. These direct reports will serve as the Senior Leadership Team and would lead the following organizations: Taxpayer Experience Office, IRS Independent Office of Appeals, Communications Office, Office of Chief Counsel, Taxpayer Advocate Service, Relationships and Services Division, Compliance Division, Enterprise Change and Innovation Division, Operations Management Division, and the Information Technology Division. The Commissioner and the Senior Leadership Team would work collaboratively to set the strategic direction and lead the numerous executives that oversee day-to-day operations.

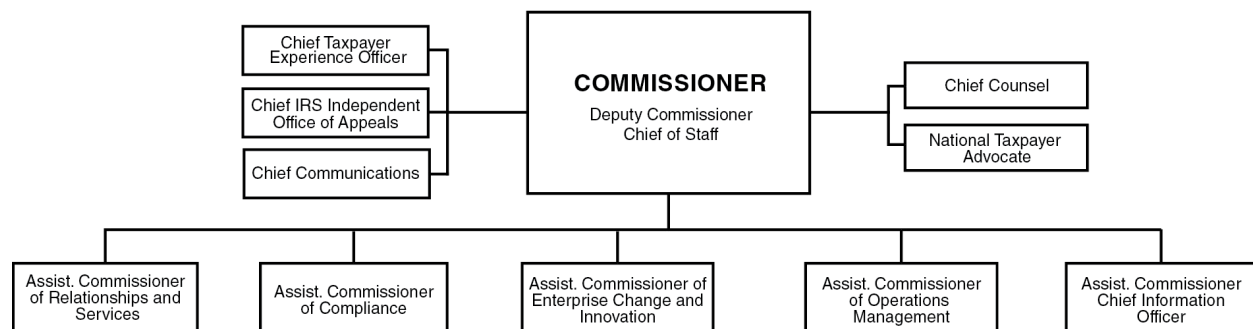


Figure 10: High-level Notional Depiction of the Senior Leadership Team

We seek to shift from our current hierarchical structure to a flatter headquarters leadership structure and decision-making body. While the total number of direct reports to the Commissioner will increase under the new organizational structure, the Senior Leadership Team⁴⁰ would be reduced significantly. A smaller overall team allows for a more open style of discussion and a more effective environment to brainstorm solutions. Decisions will be well-informed by research and data supporting the best practices for improving the taxpayer experience, protecting taxpayer rights, enhancing the employee experience, increasing program effectiveness and realizing operational efficiencies. Strategic initiatives will be clearly defined and well-coordinated; communications, both internally to the workforce, and externally to our taxpayers will be in plain language and easy to understand. The leadership culture will embrace shared accountability and foster innovation and collaboration.

⁴⁰ In the new organizational structure, the Senior Leadership Team will serve in place of the current Senior Executive Team.

6.3 COMMISSIONER DIRECT REPORTS

Figure 11 provides an alternate visual representation of how the Senior Leadership Team would collaboratively work together. The organizations reporting directly to the Commissioner are described in greater detail below. Current operations would be rescoped to deliver an enhanced taxpayer experience and drive operational efficiencies.⁴¹



Figure 11. Alternate visual representation for how the Senior Leadership Team will collaboratively work together. Protecting Taxpayer Rights and holistic Taxpayer Experience Activities will encapsulate all leadership decisions and activities. Statutorily required offices are indicated by a darker shade of blue.

⁴¹ See Appendix 9.7 for previous oversight recommendations from offices such as the Chief Risk Office, TIGTA, and GAO we feel align to, validate, and support some of our proposed changes.

6.3 COMMISSIONER DIRECT REPORTS

New Top-Level Organizations Reporting to the Commissioner

The **Deputy Commissioner, Internal Revenue Service** would report to the Commissioner, replacing the current dual deputy structure. The Deputy would serve in an advisory role to the Commissioner and will serve as the Commissioner's second in command. This position should be filled by an agency career employee who has demonstrated broad understanding and leadership of the multiple areas at the IRS. This would provide consistency and continuity as Commissioners, who are political appointees, transition in and out of the agency. While the Deputy would not have any direct reports, they would act as a representative for the Commissioner during periods of transition and may manage the members of the Senior Leadership Team through delegation.

In this model, the IRS Commissioner would be empowered to use the Deputy position based on their individual leadership style and emerging agency needs. If the Commissioner wants more direct involvement in the day-to-day operations, the Deputy's role would be more advisory, potentially handling some of the Commissioner's other duties to free the Commissioner to fully engage in setting strategic direction and overseeing the agency's operations. If an emerging crisis or significant legislative issue requires the Commissioner's primary focus, the Deputy could assume more direct involvement in overseeing the operations.

As delegated, the Deputy Commissioner may hold the same authority of the Commissioner while still being accountable to the Commissioner and reducing additional layers of leadership.

A key feature of this structure is the introduction of the **Taxpayer Experience Office**. Comprised of a relatively small staff of experts in the areas of customer experience, research, behavioral analytics, human-centered design and service delivery with the ability to provide other organizational units with information on changing taxpayer expectations, industry trends and ways to apply customer service best practices within the framework of IRS operations and federal limitations. The Taxpayer Experience Office would focus on continuously improving the taxpayer experience across all interactions with the IRS.

The Chief Taxpayer Experience Officer would lead the Taxpayer Experience Office and would work closely with their peers across the agency, including the National Taxpayer Advocate (NTA). The Taxpayer Advocate Service will help to leverage research studies and systemic monitoring techniques to inform real-time improvements to the taxpayer experience and develop longer term strategies, while also playing a key role in informing the continuous feedback loop described in the Taxpayer Experience Strategy. The Chief Taxpayer Experience Officer would hold primary accountability for overseeing implementation of the Taxpayer Experience Strategy, continuously monitoring, setting strategic direction and establishing priorities for improving the taxpayer experience while also identifying taxpayer trends and determining how improvements

6.3 COMMISSIONER DIRECT REPORTS

can be implemented across the agency. They would be deeply focused on the taxpayer experience - conducting research, engaging both internal and external stakeholders in dialogue and listening sessions, gathering data and monitoring industry trends and best practices. The Chief Taxpayer Experience Officer would employ that information to drive strategic direction and identify continuous improvement opportunities for the IRS taxpayer-facing programs.

The **Relationships and Services Division** would bring together all taxpayer-facing service operations and activities, serving as the front door to the IRS for all taxpayers and other stakeholders. This division would be responsible for end-to-end service delivery and relationship management while sustaining the value of having some aspect of taxpayer segmentation and specialization within the program areas. See Section 6.4 for additional detail.

The **Compliance Division** would include all exam functions and collection operations in addition to the Criminal Investigation and Whistleblower Office. This division would be focused towards more efficient operations and providing consistent outcomes for resolving taxpayer compliance issues. See Section 6.5 for additional detail.

The Relationships and Services and Compliance divisions would be responsible for implementing taxpayer experience improvements, continuously communicating with the Taxpayer Experience Office on areas for improvement and success.

The **Enterprise Change and Innovation Division** would plan and oversee the implementation of enterprise-wide initiatives working with leadership across the agency to coordinate annual strategic planning activities to streamline decision making and enable the agency to set and meet its short and long-term strategic goals. The Chief Taxpayer Experience Officer would work alongside the offices within this division to ensure taxpayer experience improvement initiatives, and findings, are considered in strategic planning activities. See Section 6.6 for additional detail.

The **Operations Management Division** would be responsible for coordinating and leading all mission-support operation functions across the IRS and would include the Chief Risk Officer and Chief Diversity Officer. The Chief Risk Officer and Chief Diversity Officer will have dotted line reporting to the Commissioner. See Section 6.7 for additional detail.

The **Information Technology Division** would include distinct functions focused on modernization to better respond to taxpayer demand for enhanced information technology solutions and online services. Protecting taxpayer data would continue to be a priority for the division, ensuring protection against evolving threats. See Section 6.8 for additional detail.

6.3 COMMISSIONER DIRECT REPORTS

The **Communications Office**, as a direct report to the Commissioner, would have a narrower set of responsibilities more focused on agency level media and public relations and interactions with Congressional offices at the national level. This new Communications Office would work to consistently improve public perception of the IRS and increase taxpayer awareness and trust. This office would also support the agency’s operating strategies to ensure that communications with taxpayers, the Congress and other stakeholders are consistent and coordinated IRS-wide. Elements of today’s Communications and Liaison organization would be shifted to the Outreach and Education office within the Relationships and Services Division to more directly assist taxpayers and expand upon the agency’s social media strategy. Some aspects of the current Communications and Liaison organization would also move to the Third-Party Relationships office also under the Relationships and Service Division to ensure even greater and stronger partnerships with the practitioner community and the local/field Congressional offices.

The **IRS Independent Office of Appeals** structural model complies with Section 1001 of the Taxpayer First Act. The Taxpayer First Act required that the IRS establish an office that: “resolve Federal tax controversies without litigation which is fair and impartial to both Government and the taxpayer”, and “enhance public confidence in the integrity and efficiency of the Agency”, and be a direct report to the IRS Commissioner. The IRS Independent Office of Appeals must also be “...under the supervision and direction of an official to be known as the Chief of Appeals.” No additional future changes for the Independent Office of Appeals are proposed.

“
The [previous] model created stovepipes, silos, and conflicts over resources and priorities across operating divisions and support functions.
—Association of Former Internal Revenue Executives

Unchanged Organizations Reporting to the Commissioner

The **National Taxpayer Advocate’s** (NTA) role remains unchanged in the new organizational structure. The National Taxpayer Advocate will continue to lead the Taxpayer Advocate Service and report directly to the Commissioner. Taxpayer Advocate Service employees will continue to assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe an IRS system or procedure is not working as it should. Taxpayer Advocate Service employees share the responsibility with all IRS personnel to ensure taxpayer rights are considered and protected in

all cases. The National Taxpayer Advocate and the Tax Advocate Service would work closely with the new Taxpayer Experience Office to provide key insights into systemic breakdowns and other emerging issues impacting the taxpayer experience.

6.3 COMMISSIONER DIRECT REPORTS

The **Office of Chief Counsel** will continue to serve as chief legal advisor to the Commissioner on all matters pertaining to the interpretation, administration, and enforcement of the Internal Revenue Code. The Office of Chief Counsel provides services including published guidance, litigation, legal advice, and training designed to educate taxpayers, reduce burden, and simplify tax administration. The Office of Chief Counsel also plays a critical role in interacting with external stakeholders and gathering input to help shape the regulations and other published guidance provided to taxpayers.

The **Chief of Staff** will continue to provide critical strategic and operational support to the Commissioner's office. There will be no significant change from current operations. The Chief of Staff will support the Commissioner to ensure that agency actions requiring priority attention are addressed in a timely and effective manner. This office will aid the Commissioner in navigating demands on the agency and provide guidance to the Commissioner and Deputy in the execution of day-to-day operating activities. The Chief of Staff Office will ensure that the Commissioner, Deputy, and Senior Leadership Team have the appropriate information to make decisions and will provide the Commissioner the necessary leadership information to effectively guide the agency.

Adding Value

Increased Accountability: This reporting structure provides a clear delineation of senior executives responsible for service and compliance operations (currently taxpayer service and compliance activities are dispersed across the various business units) and provides the Commissioner with information related to the current state of organizational initiatives and potential areas of concern. It also enables quick escalation of key issues or decisions to the Commissioner. The Commissioner can also continue to communicate organizational priorities directly with the Assistant Commissioners of Relationships and Services, Compliance, Enterprise Change and Innovation, Operations Management and Information Technology.

Enhanced Innovation: Through a strong emphasis on cross-agency collaboration amongst every direct report and their divisions and offices, there will be increased focus on innovation throughout the organization. With a clear line of sight into both long-term strategy (e.g., Taxpayer Experience, Enterprise Change and Innovation) and current operational challenges (e.g., Relationships and Services, Compliance, Operations Management, Information Technology), the Commissioner will have clear insight into key areas best positioned for innovative approaches or technology that will address existing challenges and help us meet our long-term goals.

6.3 COMMISSIONER DIRECT REPORTS

Strengthened Communication and Improved Awareness: The Communications Office would coordinate across the IRS to understand the nuances of each division or office and effectively share progress, wins, and new services with the Congress, the White House, and media outlets. Working with the Taxpayer Experience Office, the Communications Office will share information about taxpayer service pilots and new initiatives. The Communications Office will be responsible for effectively disseminating key messages from the Commissioner and other leadership to internal and external audiences. With a reduced scope of responsibilities, this office will be able to focus more intently on internal and external agency level communications.

Improved Taxpayer Experience: The Taxpayer Experience Office creates a dedicated organization responsible for driving enterprise-wide strategy to improve the taxpayer experience across all taxpayer interactions. The Taxpayer Experience Office would ensure a consistent voice and experience across all taxpayer segments by developing comprehensive taxpayer experience guidelines and expectations. The Chief Taxpayer Experience Officer's responsibilities extend beyond taxpayer interactions with the Relationships and Services Division, which would be the originating source for most taxpayer interactions. The Chief Taxpayer Experience Officer will also seek to drive consistency across many different areas, including working within the Compliance Division, the IRS Independent Office of Appeals, Taxpayer Advocate Service and the Office of Chief Counsel to facilitate the use of new tools for communicating with taxpayers and their representatives. We envision the Chief Taxpayer Experience Officer as a subject matter expert with the ability to provide other organizational units with information on changing taxpayer expectations, industry trends and ways to apply customer service best practices within the framework of IRS operations and federal limitations.

The Taxpayer Experience Office would continuously monitor taxpayer and stakeholder feedback and identify emerging trends across industry innovations and taxpayer behaviors. The office would also identify opportunities in existing taxpayer-facing processes and drive continuous improvements in real time. Furthermore, this office would help to eliminate systemic breakdowns before they can have a negative impact on taxpayers.

6.3 COMMISSIONER DIRECT REPORTS

Prioritized Taxpayer Rights: The National Taxpayer Advocate will continue to play a key role in ensuring taxpayer rights are protected, helping to inform taxpayer experience and other agency strategies accordingly. In addition, the Taxpayer Experience Strategy, Training Strategy, and Organizational Redesign Strategy were developed to not only improve our service and work to eliminate taxpayer challenges, but to further ensure that taxpayer rights were protected. Changes made to the Relationships and Services, Compliance, Enterprise Change and Innovation, Operations Management, and Information Technology Divisions speak to opportunities to improve operational efficiencies, collaboration, and internal security. As we improve efficiencies, the quality of service to the taxpayer will improve, consistent with and in support of the Taxpayer Bill of Rights. Additionally, the Taxpayer First Act codified the responsibility of an IRS Independent Office of Appeals led by the Chief IRS Independent Office of Appeals, reporting directly to the Commissioner. The IRS Independent Office of Appeals will continue to oversee effective procedures within the appeals process, and, most importantly, ensure this process is fair and impartial to benefit all taxpayers.

6.4 RELATIONSHIPS AND SERVICES DIVISION

Working together with the Strategic Planning and Legislative Implementation Office and the Chief Taxpayer Experience Officer, the Assistant Commissioner of **Relationships and Services** would implement the vision of the Taxpayer Experience Strategy. With all taxpayer-facing service channels under one division, the Assistant Commissioner of Relationships and Services will be uniquely suited to oversee implementation of a service delivery model that, integrates digital, telephone, virtual and face-to-face channels seamlessly. They would deliver the services to taxpayers across all channels in accordance with the strategic direction set out by the Chief Taxpayer Experience Officer and agency leadership. Leadership in this division will continually evaluate business processes to identify and implement performance improvement opportunities. They would engage regularly with the Compliance Division to deliver a holistic taxpayer experience, facilitating increased voluntary compliance while reducing taxpayer burden. As a direct report to the IRS Commissioner, the Assistant Commissioner of Relationships and Services would ensure efficient flow of information impacting the taxpayer experience to the Commissioner and, to all members of the Senior Leadership Team. Employees in this division will be well-trained to resolve taxpayer inquiries and will be equipped with the knowledge and tools needed to identify the right resources and personnel to resolve taxpayer issues.

This division will include six functions dedicated to delivering services and information: **Assisted Services, Digital Services, Outreach and Education, Third-Party Relationships, Identity Theft / Fraud, Submission Processing and Privacy.**

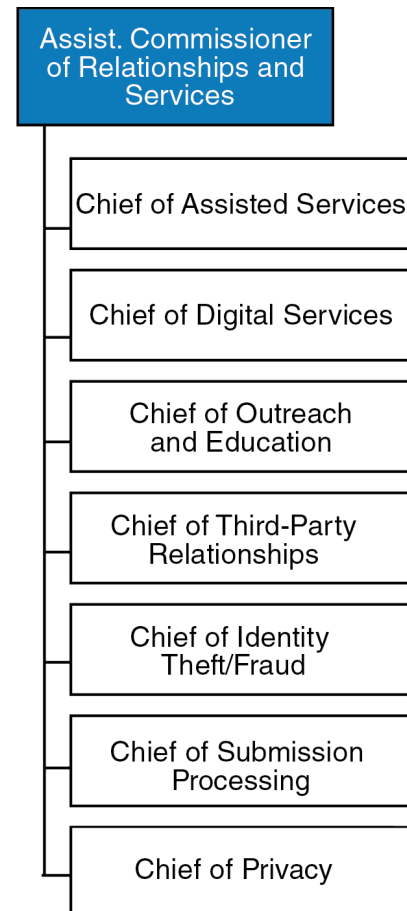


Figure 12: High-level Notional Relationships & Services Division.

6.4 RELATIONSHIPS AND SERVICES DIVISION

The **Assisted Services Office** would be responsible for services delivered by IRS employees via walk-in centers and toll-free telephone lines as well as online text and video chat. The Assisted Services Office would include identity theft victim assistance. Assisted Services would continue to work closely with the Identity Theft/Refund Fraud office. This office would be accountable for implementing the Seamless Experience capability described in the Taxpayer Experience Strategy, integrating channels and facilitating taxpayers' ability to start their journey in one channel and seamlessly flow to the channel or area most suited to resolving their issue. This office would connect employees across channels and across the agency to holistically resolve taxpayer inquires in the most efficient and effective way possible.

The **Digital Services Office** would be responsible for leading programs and capabilities centered on delivering services and information through digital channels. Working with the Assistant Commissioner of Enterprise Change and Innovation, the Chief Taxpayer Experience Officer, and the Assistant Commissioner Chief Information Officer, this function would evaluate, test and implement new digital service options to improve the taxpayer experience. Integrating oversight of our digital service environment will give the IRS a more complete view across the taxpayers' digital experience. Co-locating this function with the Assisted Services, Outreach and Education and Third-Party Relationships Offices would allow for digital solutions to be leveraged across those other service delivery environments. The Digital Services Office would continuously monitor the taxpayer experience across the digital environment, identifying breakdowns and improvement opportunities in real time. This office would consist of the capabilities and programs currently housed within Online Services, and parts of the Joint Operations Center. This office would work closely with the Assistant Commissioner Chief Information Officer as well as compliance functions to ensure an enterprise-wide approach to digital communication with taxpayers and stakeholders. This office will also execute on pieces of the Taxpayer Experience Strategy related to Expand Digital Services and a Seamless Experience.

The **Outreach and Education Office** would be dedicated to taxpayer education and outreach, supporting both service and compliance programs. This office would work closely with Third-Party Relationships to deliver volunteer-based programs in support of return preparation and taxpayer education (e.g., Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs). Taxpayer and stakeholder outreach activities currently conducted in the IRS's Media and Publications and Communications and Liaison Offices would move to Outreach and Education. This function would execute the IRS's Social Media Strategy, developing and using new tools and resources to reach taxpayers on the platforms they use most frequently. Integrating all outreach and education activities into a single function would provide us with the opportunity to eliminate redundant activities, better leverage best practices, realize economies of scale and amplify our reach and effectiveness with messaging spanning across our service and compliance programs. This office would be responsible for executing on the Proactive Outreach and Education capabilities outlined in the Taxpayer Experience Strategy.

6.4 RELATIONSHIPS AND SERVICES DIVISION

The **Third-Party Relationships Office** would be responsible for delivering program and capabilities specifically dedicated to furthering relationships and partnerships across the tax ecosystem. Acknowledging that the IRS cannot effectively administer our complex tax system and serve our broad and diverse customer base alone, this function includes groups that interact with tax professionals and other stakeholders across the public, private and non-profit sectors to collaborate on delivering services and information to taxpayers. This office would be responsible for engaging our Community of Partners, developing, nurturing and integrating partnerships while creating forums to facilitate dialogue. Together with our partners, this office would support implementation of new initiatives, programs and legislation.



The **Identity Theft / Fraud Office** would integrate identity theft workstreams across the agency. This office would work closely with Assisted Services to meet the needs of victims of identity theft. Integrating our various identity theft assistance, prevention and resolution activities would help improve information sharing, streamline operations, manage fraud risks, and further strengthen the agency's efforts to prevent identity theft for all taxpayer groups. This office would work closely with Third-Party Relationships to facilitate the Security Summit and Identity Theft Refund Fraud Information Sharing Assistance Center (IDTRF-ISAC).

The **Submission Processing Office** will continue to be responsible for processing tax returns and related documentation, including paper returns, electronic submissions, tax payments, and refunds. One change to their scope of responsibilities would be that the organization would oversee mail processing across all IRS facilities which includes, generating opportunities for increased consistency, streamlined processes, identification and expansion of best practices as well as, acceleration of our enterprise-wide digitalization strategy. This office would assume oversight for all "processing" activities across the IRS including paper power of attorney forms, transcript requests (e.g., through the Income Verification Express Service and Get Transcripts by Mail requests), Individual Tax Identification Numbers and applications for participation in the eServices suite of digital offerings for tax professionals.

6.4 RELATIONSHIPS AND SERVICES DIVISION

The existing **Privacy, Governmental Liaison and Disclosure (PGLD) Office** will be realigned into the Relationships and Services Division as Chief of Privacy. This reaffirms the agency's commitment to taxpayer privacy. It mirrors Treasury's Privacy, Transparency and Record organizational design. It also maintains organizational balance between the Chief of Privacy and the Assistant Commissioner Chief Information Officer where the Chief of Privacy is responsible for the vision, strategy and operational use of personal information and the Assistant Commissioner Chief Information Officer is responsible for the systems where the use takes place.

Adding Value

The Relationships and Services Division structural component, coupled with implementation of the Taxpayer Experience Strategy, brings integration across program areas, creates a more holistic approach to service delivery and facilitates swift and complete issue resolution. This structure creates one division responsible for end-to-end service delivery and relationship management, while sustaining the value of having some aspect of taxpayer segmentation and specialization within the program areas. Under the omni-channel service delivery model and the concierge concept from the Taxpayer Experience Strategy, this division would serve as the entry point for all taxpayer and stakeholder interactions. Employees in Relationships and Services would collaborate with their peers across the IRS to resolve taxpayer inquiries and issues in the most expeditious and effective manner, while imposing the least amount of burden on the taxpayer possible.

Alignment to Strategies: Working together with the Taxpayer Experience Office, the Relationships and Services Division would hold primary accountability for executing the Taxpayer Experience Strategy including, Digital Services, Proactive Outreach and Education, and Community of Partners. This ensures enterprise level decision making for investments toward key taxpayer service operations and coordination across the agency for continuity in external / internal communications. This division also demonstrates the IRS's priority of putting taxpayers first and serving all stakeholders quickly and effectively.

Promoting Efficiencies: This division centralizes taxpayer service operations across all taxpayer segments, eliminating redundant processes, coordinating investments in new taxpayer-centric initiatives, and effectively allocating resources across the agency in support of all taxpayer segments and stakeholders. This model also reduces burden on taxpayers and stakeholders to navigate a maze of service channels to determine the one most suited to their needs.

6.4 RELATIONSHIPS AND SERVICES DIVISION

Clearly Identified Service Channels: Functions dedicated to assisted services, digital services, outreach and education, and third-party relationships provide more streamlined services to our taxpayers. Employees in these functions would have the appropriate tools and access to information to better assist taxpayers and guide stakeholders to the right area of the IRS to resolve their issue.

Improved Integration Across Channels: The clearly identified service channels would also be more integrated allowing taxpayers to flow from one channel to another when needed. Placing Digital Services and Assisted Services Offices in the same division will position online activities closer to phone operations and allow the IRS to more effectively allocate and reallocate resources across the two functions. The IRS would be better positioned to transition taxpayer needs from phones to electronic / digital sources of communications, and address gaps in reaching specific taxpayer segments or underserved communities. Over time, this integration would enable the IRS to develop and institute measures that better reflect the taxpayers' holistic journey across multiple touchpoints with the IRS.

Streamlined and Improved Identity Theft/Fraud Activities: This division would further streamline and improve our identity theft and fraud activities. It would establish an organization which would work closely with the Information Technology Division to continue the IRS's work to identify and implement new technology, innovation, policy and programs to prevent identity theft and fraud. Leveraging the Continuous Feedback Loop and advanced Data Management and Analytics envisioned by the Taxpayer Experience Strategy, identity theft activities would be better informed by real time data drawn from case histories, contacts with taxpayers and other sources across the agency and beyond. Having Identity Theft/Refund Fraud and Third-Party Relationships in a single division further facilitates the continuation of the highly successful public-private partnership through the Security Summit. Integrating our identity theft work with the Outreach and Education Office provides increased opportunities to educate taxpayers and tax professionals on steps they can take to protect themselves from identity theft and resolve issues if they fall victim.

6.5 COMPLIANCE DIVISION

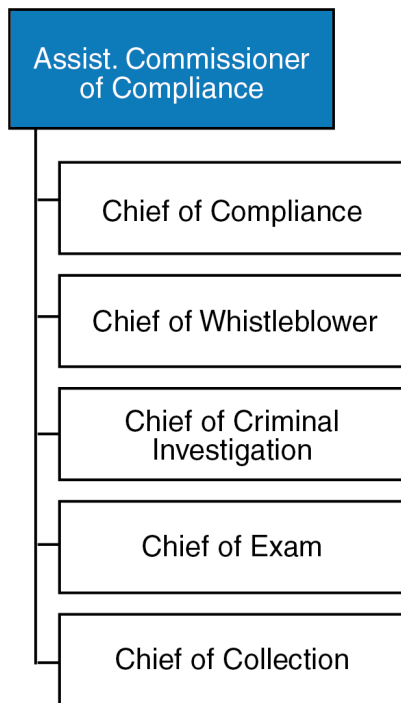


Figure 13: High-Level Notional Compliance Division.

A key IRS responsibility is to ensure taxpayers comply with the tax laws and voluntarily meet their tax obligations. Our current organizational structure for Compliance and Enforcement lacks a centralized compliance function. Compliance activities occur mainly within the four business units that perform similar functions but have distinct taxpayer segments; Wage and Investment, Small Business/Self Employed, Large Business and International, and Tax Exempt/Government Entities. The business units focus on examinations, collection, and within TE/GE the Rulings and Agreements functions. Our future structure would establish a unified Compliance Division, creating a centralized compliance function geared towards ensuring more efficient operations and providing consistent outcomes for resolving taxpayer compliance issues. This division would also ensure a focused approach to addressing emerging compliance issues. This division would include five functions dedicated to coordinating and leading all IRS compliance and enforcement activities across the agency: **Compliance, Whistleblower, Criminal Investigation, Exam and Collection.**

The **Assistant Commissioner of Compliance** would manage consolidated exam functions and collection operations along with overseeing Criminal Investigation and the Whistleblower Office. The Compliance Division would also include Rulings and Agreement functions from TE/GE due to its technical nature and compliance with statutory requirements. The Compliance Division would promote efficiencies, reduce duplicative activities and fragmentation, empower employees and continue to build talent.

The **Chief Compliance Officer** would work directly with the other leadership members of the Compliance Division to develop an integrated comprehensive compliance strategy and exam plan. Working in collaboration with the Chief Data Officer from the Enterprise Change and Innovation Division, the Chief Compliance Officer would identify and track evolving taxpayer behaviors across all taxpayer segments in order to implement innovative compliance solutions. The Chief Compliance Officer would also collaborate with the new Chief Taxpayer Experience Officer to ensure information on taxpayer satisfaction, expectations and trends

6.5 COMPLIANCE DIVISION

is shared. This coordinated effort would identify taxpayer segments in need of proactive outreach and education, as well as additional employee training needs. Along with the Chief Taxpayer Experience Officer, the Chief Compliance Officer would also work with the Assistant Commissioner of Relationships and Services to design and implement taxpayer-facing capabilities, such as chat, secure document exchange, appointments, across compliance operations in order to proactively address recurring taxpayer issues to ensure a fair and professional audit process that anticipates and resolves frequent taxpayer issues, questions, or concerns.

The **Whistleblower Office** will have no significant changes to its responsibilities from its current operations within the present-day organizational structure. The Whistleblower Office will retain its current critical position, reporting directly to the Assistant Commissioner of Compliance.

The **Criminal Investigation Office** will have no significant changes to their responsibilities from its current operations within the present-day organizational structure. The Criminal Investigation Office would report directly to the Assistant Commissioner of Compliance. For more information on the position of Criminal Investigation Office within the Organizational Structure, refer to the Appendix Section 9.7.7.⁴²

The **Exam Office** will consolidate exam operations and processes that currently span across multiple business units. This office will be responsible for all examination processes across all taxpayer segments but would maintain some degree of specialization to address unique taxpayer needs. The Exam Office will work to document best practices and behavioral trends related to the examination processes across all taxpayer segments and identify opportunities to share knowledge across the Compliance Division to improve operational efficiencies.

The **Collection Office** will continue to be responsible for collection activities across all taxpayer segments. Alongside the consolidated Exam Office, the Collection Office will be better positioned to coordinate priorities and learn about taxpayer behavioral trends resulting in more directed education to taxpayers. The Collection Office will also document best practices and behavioral trends to share with the Exam Office and help inform compliance strategies across the division.

⁴² See Appendix 9.7.7 for additional rationale for the placement of the Criminal Investigation Office within the Compliance Division.

6.5 COMPLIANCE DIVISION

Adding Value

Promoting efficiencies and reducing duplication and fragmentation: The Compliance Division consolidates compliance functions across taxpayer segments into one division, minimizing the duplication of oversight, planning, services and responsibilities and developing communities of expertise. This will structure facilitate the development of a compliance strategy that considers compliance issues across all taxpayer segments and enables Exam and Collection leadership to identify compliance related behavioral trends across taxpayer segments. This coordination ensures reduced variability in compliance processes and a more consistent taxpayer experience. Ultimately, this consolidation aims to reduce duplicative activities related to strategic planning, issue identification, work plan development, case selection, performance monitoring, and research, where possible, across taxpayer segments.

Empowering employees and building talent: Combining compliance functions creates a potential career path for compliance employees to follow and advance their skills by beginning with less complex income tax audits and progressing to more complex work. This change would also enable a consistent approach to onboarding and coordinated training across key topics (e.g., emerging issues training, manager training), and ensure that the compliance workforce has access to professional development resources and tools. Additionally, combining examination functions would empower employees to make decisions through a clearer understanding of how their goals and responsibilities support enterprise-wide examination priorities.

Maintaining position of Criminal Investigation: Maintaining current positioning will help reduce the potential risk of public perception that the outcome of criminal investigations may be politically influenced. This structure also offers stability across presidential administrations, enabling long-term strategic planning and ability to achieve our long-term goals. Lastly, reporting directly to the Assistant Commissioner of Compliance allows for an integrated comprehensive compliance strategy that includes a more balanced perspective on the IRS's enforcement challenges and drives compliance to include the Criminal Investigation Office in strategic approaches to tax abusive schemes.

6.6 ENTERPRISE CHANGE AND INNOVATION DIVISION

The Enterprise Change and Innovation Division would serve as the strategic planning and integration role across the agency, utilizing data management, analytics and business process improvement best practices to identify and implement enterprise-wide initiatives that would enable the IRS to be more efficient and effective in serving taxpayers and administering the tax code. Most immediately, this division will coordinate the Taxpayer Experience Office and Human Capital function to implement the TFA Taxpayer Experience, Training, and Organizational Redesign Strategies through program management, governance, change management and other tactical implementation functions over the coming months. The Assistant Commissioner of Enterprise Change and Innovation would integrate all agency strategies and operational priorities into an agency level strategic plan. While the Chief Taxpayer Experience Officer would be primarily responsible for the Taxpayer Experience Strategy, the Assistant Commissioner of Enterprise Change and Innovation will be responsible for integrating the Taxpayer Experience Strategy with other agency priorities and overseeing enterprise level prioritization of investments and initiatives. The Assistant Commissioner of Enterprise Change and Innovation would also lead significant agency change efforts including the organizational redesign and implementation of future significant legislative changes.

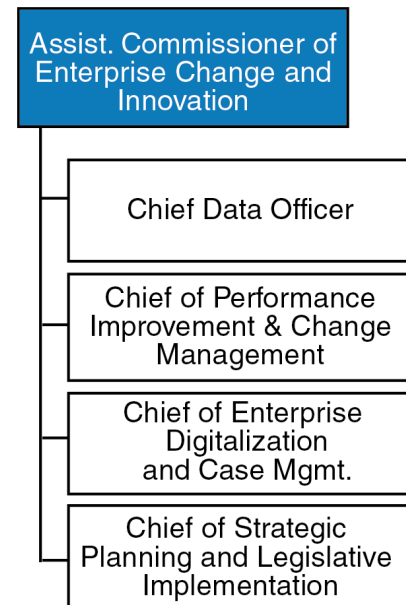


Figure 14: High-Level Notional Enterprise Change and Innovation Division

The **Data Office**, led by the Chief Data Officer, will own the development of an enterprise data strategy that will ensure alignment with and ability to support functional unit based strategic plans and a long-term strategic vision. This data strategy will also provide the IRS with a framework to assess, prioritize, and address data access and analytics needs across the IRS. This office will curate a centralized data management repository, providing an easily accessible and accurate source for enterprise-wide decision making. This office will be responsible for implementing the Data Management and Analytics components of the Taxpayer Experience Strategy.

6.6 ENTERPRISE CHANGE AND INNOVATION DIVISION

The **Performance Improvement and Change Management Office** will advise others across the agency on opportunities to improve internal business processes and reduce duplicative activities in their daily operations. This office will be responsible for developing change management and communication strategies across the agency. This group will include Lean Six Sigma experts who can help improve service to the taxpayer by leading accelerated process improvement initiatives.



The **Enterprise Digitalization and Case Management Office (EDCMO)**, which will focus on enhancing the taxpayer experience by improving business processes and modernizing systems through two critical initiatives: Digitalization and Enterprise Case Management. The office will empower taxpayers and IRS employees to resolve issues in a simplified digital environment. It will use agile customer-centered thinking and draw on leading industry test-and-learn practices to quickly identify what combination of business process and technology works best for the IRS's customers and employees.

The **Strategic Planning and Legislative Implementation Office** would drive service-wide implementation of the Taxpayer First Act strategies as well as oversee and report on future enterprise wide legislation. Additionally, this office would coordinate annual strategic planning and prioritization activities working with senior leadership across Relationships and Services, Compliance, Operations Management, Information Technology, Taxpayer Advocate Service, Counsel, Independent Office of Appeals, Communications, and the Taxpayer Experience Office, to enable the IRS to meet our short term and long term strategy goals.

Adding Value

Coordinated Strategic Implementation: The IRS is frequently called upon to assist with implementation of legislation. The Enterprise Change and Innovation Division would enable the IRS to strategically address legislative changes, standardize execution, enable coordination with the appropriate operating divisions, and securely archive key information. There would also be a high degree of coordination between the Strategic Planning and Legislative Implementation Office and other strategic offices, including the Taxpayer Experience Office, to ensure service-wide alignment of strategic priorities and reporting on the IRS Strategic Plan.

6.6 ENTERPRISE CHANGE AND INNOVATION DIVISION

Data-Driven Business Decision Making: The Data Office will ensure strategic planning business decisions are data driven and in line with documented organizational challenges. To facilitate these business decisions, the Chief Data Officer will collaborate with business operations (e.g. Relationships and Services, Compliance) to understand and fulfill their needs. This office will also look to the private sector and identify emerging trends or tools that could be brought into current operations and will play a broader role in using a data-driven approach to proactively identify taxpayer insights. Most importantly, this organization will oversee implementation of the Data Management and Analytics component of the Taxpayer Experience Strategy, driving the agency toward full data integration and enabling advanced analytics as well as robotics, artificial intelligence and other innovative solutions that rely on a centralized authoritative data source.

Promoting Efficiencies / Driving Digitalization

Accountability Efforts: The Enterprise Digitalization and Case Management Office consolidates the various disparate and fragmented digitalization efforts and projects across the agency into one enterprise-wide organization. In combination with the Assistant Commissioner of Enterprise Change and Innovation, this office will help drive accountability for digitalization efforts and capabilities across the IRS which will improve our ability to leverage data to inform our compliance and taxpayer service initiatives.

We need to consider the way we do our strategic planning and how we operationalize our strategic plan.

—Senior Executive IRS Employee

Enhanced Innovation: Establishment of the Enterprise Change and Innovation Division as the “strategic integrator” would centralize enterprise strategies and initiatives. This centralization would not only drive greater integration, but enable a more holistic approach towards innovation, utilizing increased data management, analytics and business process improvement as well as leveraging new and evolving industry tools and technologies.

6.7 OPERATIONS MANAGEMENT DIVISION

As we move forward with implementing our new organizational model, we envision a revitalized support structure that will address many of the challenges we face in today's current tax administration environment – both from an external taxpayer delivery perspective and internal operations perspective. In our future organizational structure, the existing Operations Support Division will be partitioned into two distinct divisions: The Information Technology Division, as well as a mission-support focused Operations Management Division.

The **Operations Management Division** would consist of several existing organizational units that are responsible for coordinating and supporting all mission-support functions for the IRS. Operations Management links various offices throughout the IRS, ensuring a smooth flow of information and ease of internal and workforce operations. The Operations Management Division would contain many of the existing support functions within Operations Support's current structure. Operations Management functions would include: **Diversity Office, Human Capital Office (HCO), Financial Office, Facilities Management and Security Services (FMSS), Procurement Office, and Risk Office**. These functions would support day-to-day IRS operations, enabling other functions within the organization to focus solely on taxpayer service.

The functions within the Operations Management Division would continue to facilitate an environment of innovation, continuous improvement and operational efficiencies. For example, the Procurement Office has created a contract vehicle for conducting phased, development-focused acquisitions: Pilot IRS. The multi-phased structure used by Pilot IRS allows the Agency to quickly issue contract solicitations and experiment with innovative solutions while also limiting risk. This type of innovative approach to solve existing challenges will be amplified by all organizations within the Operations Management Division.

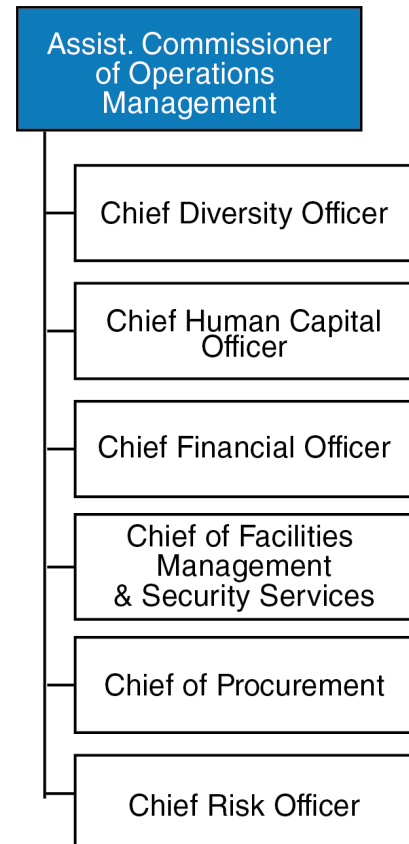


Figure 15: High-level Notional Operations Management Division.

6.7 OPERATIONS MANAGEMENT DIVISION

Two key roles within the Operations Management Division, the **Chief Risk Officer** and the **Chief Diversity Officer**, would operationally sit within Operations Management but will have a direct line to the Commissioner enabling additional oversight, collaboration, and guidance.

Adding Value

Increased Focus on Equity, Diversity and Inclusion: The Diversity Office would operate within the Operations Management Division, but would also have a dotted-line relationship directly to the Commissioner. By establishing direct access to the Commissioner, the Diversity Office would be able to easily escalate any diversity or inclusion issues and further the IRS's commitment to preventing discrimination against employees, customers, and other stakeholders. This relationship will also provide additional opportunities to incorporate equity, diversity, and inclusion initiatives with the Agency's long-term strategies and goals.

Improved Understanding of Risk: The Risk Office will operate within the Operations Management Division but will also have a dotted-line relationship directly to the Commissioner. This positioning will enable the Commissioner to maintain awareness of outstanding or emerging risks and rapidly develop a mitigation plan or realign resources. This transparency would lead to an increased focus on enterprise risks and risk management in both the development of long-term strategies and enterprise-wide decision making. The Risk Office would also collaborate with the Enterprise Change and Innovation Office to effectively manage enterprise risk and inform enterprise planning.

Increased Focus on Human Capital Initiatives: By reducing the number of offices reporting to the Assistant Commissioner of Operations Management, this structure enables increased focus and allocation of resources to the Human Capital Office. The Human Capital Office will work with various offices throughout the organization to reduce redundancies and improve workforce planning and hiring processes.

Alignment to Strategies / Building Talent: The Operations Management Division will enable the Training Strategy by establishing an IRS University (IRSU) within Human Capital, a centralized learning function that leverages technology to provide enhanced training experiences for employees. The Human Capital Office will work with the Information Technology Division to support the IRS University (IRSU) by identifying requirements, building new capabilities, and implementing new professional development technologies.

6.8 INFORMATION TECHNOLOGY DIVISION

In our future organizational structure the Information Technology Division would retain current staff, scope, and responsibilities (e.g., Strategic Oversight, Enterprise Development, Cybersecurity, Enterprise Operations/Computing Centers, User and Networks Service, and Enterprise Architecture and Engineering, and Program Modernization) in order to better respond to taxpayer demand for innovative information technology solutions and online services.

The **Assistant Commissioner Chief Information Officer (ACCIO)** would oversee the Information Technology Division and will regularly collaborate with the other Commissioner's Direct Reports to understand their technology operational requirements and assist in developing and delivering in support of enterprise priorities. The Assistant Commissioner Chief Information Officer would manage the core technology infrastructure and oversee day-to-day IT operations and departments as well as provide thought leadership on emerging technologies and select the proper capabilities to integrate into the organization. The Assistant Commissioner Chief Information Officer would work closely with the Procurement Office to effectively identify and deploy new capabilities. Additionally, the Assistant Commissioner Chief Information Officer would identify and bring forward key technology related to improving the taxpayer experience and meeting taxpayers' evolving expectations. The Assistant Commissioner Chief Information Officer would work collaboratively with the Chief Taxpayer Experience Officer to ensure alignment with the Taxpayer Experience Officer's efforts to provide the optimal taxpayer experience using innovative technology solutions.

The **Assistant Commissioner Chief Information Officer** would be responsible for all Agency IT services similar to its current Associate Chief Information Officer areas. To address provision 1302, the **Cybersecurity Office** would expand its purview to incorporate a more holistic approach of cybersecurity activities across the Agency, engaging all operating divisions. This expansion will be accomplished through an enhanced and unified governance framework focusing on strategy and operational responses to external and internal threats. This framework will help reduce redundancies where multiple IRS offices address the same type of cybersecurity issue without collaboration. It

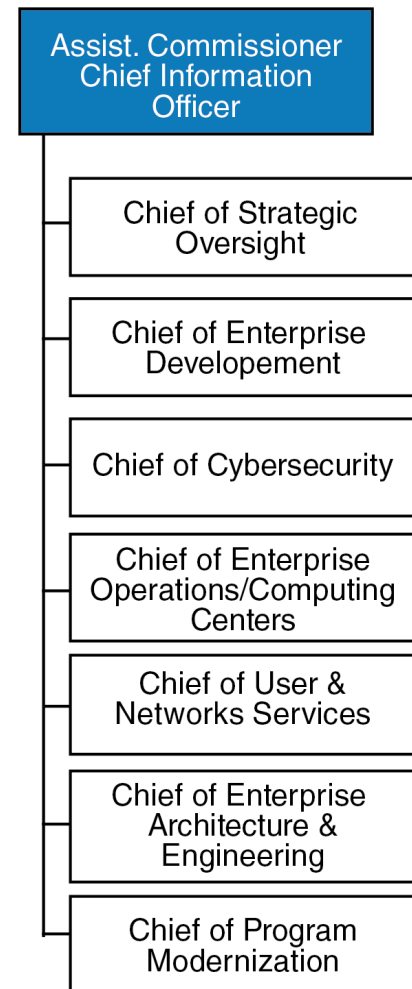


Figure 16: High-Level Notional Information Technology Division

6.8 INFORMATION TECHNOLOGY DIVISION

will also reduce partial identification and treatment of cyber incidents, streamline data sharing and treatment and improve Agency-wide oversight of cyber incidents.

Adding Value

Streamlining Appropriations: The IRS's support priorities are more clearly defined, enabling more streamlined funding and appropriations opportunities.

Earlier Awareness and Increased Collaboration: By aligning the Information Technology functions as a direct report to the Commissioner, it drives earlier awareness and increased collaboration with the other members of the Senior Leadership Team and the Commissioner, to address enterprise priorities and emerging issues.

Promoting Cybersecurity Efficiencies / Reducing Fragmentation: The Information Technology Division includes an expanded Cybersecurity Office allowing for an increased collaborative approach to plan for cybersecurity activities, improve our ability to respond to cyber threats, reduce redundancies in incident response areas, and increase our ability to combat cybersecurity and other threats. This change would also allow for more effective and streamlined recruiting of multi-skilled technical and relational employees in the cyber space.⁴³

Continuity of Operations: In establishing a distinct division for organizations focused on developing and implementing technology solutions the Agency would be able to “lift-and-shift” many existing functions. This would enable select offices to quickly transition to the new model and continue to build upon key initiatives currently underway. By aligning existing mission-support into two divisions, the structure will enable additional focus on and guidance to the functions and offices within the Information Technology and Operations Management Division.

⁴³ See Appendix 9.7.8 for expanded rationale for how positioning the Cybersecurity office will better position the Agency to address cyber threats.

6.9 MEASURING SUCCESS AND ADDITIONAL CONSIDERATIONS

6.9.1 MEASURING SUCCESS

As we navigate these changes to our organizational structure, it is imperative to evaluate our effectiveness and impact to the Agency. We have developed a strategic Organizational Redesign Measures Framework to assess how the recommended changes to the IRS organizational structure will improve our service to taxpayers, enhance the employee experience, and increase operational efficiencies within the Agency. Throughout the implementation of the Organizational Redesign Strategy, we will use this framework to develop additional, specific measures to track our progress in implementing our Taxpayer First Act priorities. Our future Organizational Blueprint Report will also feature an in-depth analysis on defined performance metrics to gauge implementation progress and complementary evaluation plan monitoring framework.

Organizational Redesign Framework

The Organizational Redesign Measures Framework provides us with a guide for developing measures that consider both internal and external benefits that may result from our organizational design change. The framework applies the organizational redesign insights (identified challenges of the organization) and industry best practices as inputs to identify and define potential measures. Additionally, existing organizational measures can be utilized within the framework to measure redesign success.

From this framework we identified and developed three primary goals:

- Enhance the taxpayer experience
- Enhance the employee experience
- Improve operational efficiencies

Two of the three goals directly align with the Taxpayer Experience Strategy and Training Strategy. The alignment illustrates the strong connection between all three strategies and the need for a comprehensive suite of measures to assess progress in our implementation efforts.

6.9.1 MEASURING SUCCESS

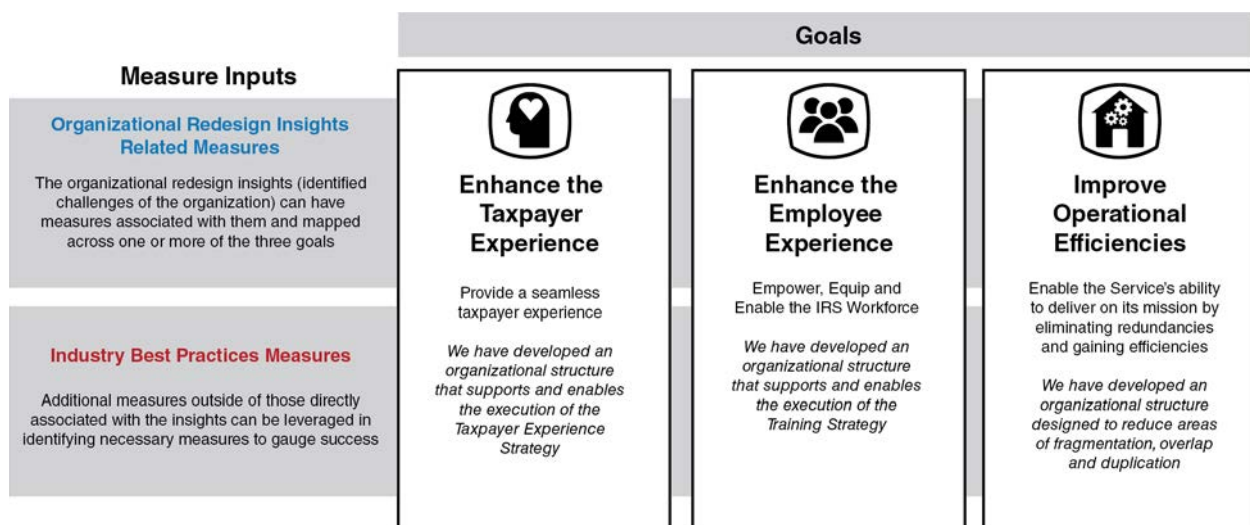


Figure 17: Graphic Depicting Org. Redesign Improvement Areas and alignment of notional measures

Enhancing Taxpayer Experience

Our organizational structure is foundational to the execution of the Taxpayer Experience Strategy and enables a responsive approach to changes in future operations. The success of the initiatives within the Taxpayer Experience Strategy is dependent upon an organizational structure that enables us to best serve and interact with taxpayers. The Taxpayer Experience Strategic Goal of providing a seamless taxpayer experience can be enhanced by integrating program areas to create a holistic approach to service delivery. To best capture this alignment, the Organizational Redesign Strategy will use metrics from the Taxpayer Experience Strategy, Section 4.2.

Enhancing Employee Experience

Our organizational structure must enable our workforce to provide optimal taxpayer service and efficient tax administration for compliance of the tax laws. To that end, we will improve our training, hiring and onboarding processes through our Training Strategy and Human Capital Office initiatives.

We will use our annual federal employee surveys to provide periodic long-term assessments of the employee experience and we also plan to use Climate Pulse Surveys to gain quick insight on the general health of our organization as we implement organizational structure changes. We will use this information to assess our improvements on an ongoing basis, quantify the impact of our change management efforts, and identify if we need to revise our initial strategy or refocus our efforts.

6.9.1 MEASURING SUCCESS

The Office of Personnel Management Federal Employee Viewpoint Survey measures employees' perceptions of whether, and to what extent, conditions characteristic of successful organizations is present in their agencies. The Federal Employee Viewpoint Survey serves as a tool for employees to share their perceptions in many critical areas including their work experiences and Agency leadership.⁴⁴

Improving Operational Efficiencies

We will also focus on capturing operational efficiencies realized as a result of the organizational redesign. Notional measures for streamlining operations within the agency and optimizing resources are provided in Organizational Redesign Splash page below, but the specific measures will be identified in coordination with development of the detailed Organizational Blueprint Report. We will assess opportunities for streamlining functions in both service and compliance operations and operations support functions to remove redundant processes, streamlining decision-making processes through more efficient governance options, and improving communication and collaboration across IRS organizations.

The Taxpayer First Act gives us a chance to look at our structure. It gives us a chance to look at where we're effective, efficient, and where we can streamline.

— Lisa Beard, TFAO Executive

In conjunction with the analysis described to improve the taxpayer experience, we will also conduct a comparative analysis of processes, technology use and workforce needs. Utilizing cost centers to identify the resource expenditure in our current state and comparing to our future implemented organizational structure resource needs, we can identify where we have made progress in operational efficiencies.

When assessed together, the measures across taxpayer experience, employee experience and efficiency gains will provide insight into the progress and success of the organizational redesign implementation. Our improvements to the taxpayer experience, employee experience and operational efficiencies, will be gradual. Furthermore, the improvements across each of these three areas may vary due to the impact of rapidly implementable short-term initiatives in comparison to large scale enterprise initiatives that may require additional resources up-front before realizing long-term gains.

⁴⁴ Source: Office of Personnel Management Federal Employee Viewpoint Survey.

6.9.1 MEASURING SUCCESS

The IRS is a complex and diverse Agency responsible for administering federal tax laws that frequently change. The IRS has also taken on expanded roles in administering social programs that benefit taxpayers, such as a variety of tax credits, Affordable Care Act subsidies and Economic Impact Payments. When the Congress creates new laws and programs for the IRS to administer, it often does not include additional funding. Our proposed organizational structure is designed to support and enhance the Taxpayer Experience and Training Strategies, and we expect improved services and quality of work due to the realignment of the workforce. Reapplying resources for strategy and innovation and realigning service and enforcement functions will provide better revenue protection and allows us to be more agile in the approach we use to administer our very diverse programs and responsibilities. Cost saving opportunities from removing duplicative processes will be identified with development of the Organizational Blueprint Report, but the major benefit of the reorganization is optimizing the effects of the Taxpayer Experience Strategy and empowering our employees to do their job in the most effective manner.

It takes a suite of measures across multiple impact categories to assess progress of our Taxpayer First Act strategies and organizational change. We will monitor the measures throughout implementation and modify, as necessary.

6.9.2 NON-STRUCTURAL COMPONENTS CRITICAL TO SUCCESS

Appropriations

Successful implementation of the strategies called for by the TFA require changes to the IRS financial structure to ensure IRS appropriations reflect the new organizational structure. The IRS proposes to revise its financial structure to follow private sector business principles and align support costs to the programs they support.

The proposed IRS Centralized Services Fund would link support costs directly to mission activities. The Congress would appropriate funding for all activities within the same appropriation as the program they support. Thus the “consumer” of those resources would have a financial incentive to use these support services more strategically and efficiently.

Additional information on Appropriations recommendations are described in Section 9.8.

In addition to the organizational structural changes and proposed adjustments to appropriations, the Agency will also need to make changes in the following areas:

Policy and Legislation: Policy and legislative changes are needed to improve IRS efficiency, enhance taxpayer rights, and improve the taxpayer experience. See Section 9.7.9 for additional details.

Working Relationships with our Oversight and Advisory Partners: More proactive engagement with oversight partners and greater coordination managing engagement with oversight and advisory entities is needed to streamline our processes.

“

When you look at major compliance issues, these issues can't be addressed in one year... we need to come up with a plan and proposal for a 2-3 year budget so that we can focus on these issues in a 2-3 year timeline.

— Senior Executive IRS Employee

”

Governance Structure and Processes

Streamlining governance structures and processes will provide more efficient decision-making, greater accountability for actions, and reduction in duplicative efforts.

These areas are critical to establishing a successful environment for the agency to maximize the effectiveness of our organizational changes and implement on our taxpayer experience goals. Details on these recommended changes are outlined in Section 9.7.11.

ORGANIZATIONAL REDESIGN STRATEGY

GOALS

Enhance the taxpayer experience

Enhance the employee experience

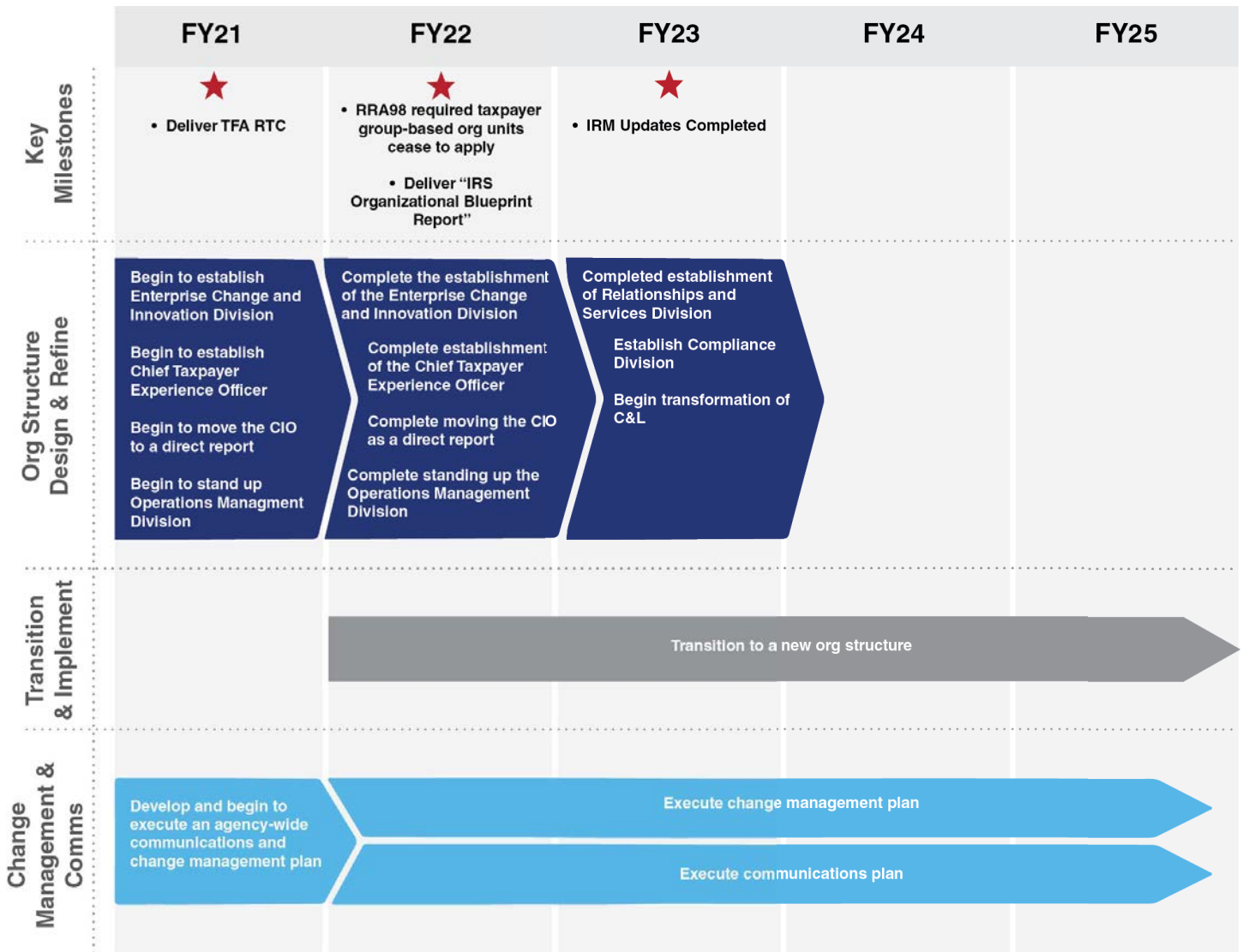
Improve operational efficiencies

TIMELINE

The Organizational Redesign Strategy will be implemented in phases that are closely aligned with the implementation of the Taxpayer Experience Strategy and Training Strategy.

Complete realignment of organizational design is highly dependent upon annual budget commitments. Continued ongoing investments will be needed to successfully reorganize at all levels across the organization.

Organizational Redesign Timeline and Measures



Organizational Redesign Timeline and Measures

GOAL	OBJECTIVE	NOTIONAL MEASURE
Enhance the Taxpayer Experience	Evaluate access to an IRS Assistor when needed	Enterprise Level of Service
	Evaluate IRS ability to provide a frictionless experience	A-11 Survey Question: I am satisfied with the service I received from the IRS
	Evaluate progress on meeting future resource requirements to enable the Taxpayer Experience Strategy	Key performance indicators of the workforce (e.g., vacancy counts, percentage of workforce demonstrating critical skill sets)
Enhance the Employee Experience	Evaluate employee understanding and expertise on compliance activities and processes	Employee Survey Response (e.g., When something unexpected comes up in your work do you usually know who to ask for help? Can you see a clear link between your work and your functional unit's goals and objectives?)
	Evaluate trust and respect of senior leaders	FEVS (e.g., My organization's senior leaders maintain high standards of honesty and integrity. Managers communicate the goals of the organization.)
Improve Operational Efficiencies	Streamline the structure of the modernized Agency	Decrease in number of duplicative services and responsibilities within the Agency
	Optimize use of resources for critical programs executing the core components of taxpayer service	Cost savings or reinvestment opportunities generated by the elimination or consolidation of duplicative processes (e.g., use select pilots, based on redesign insights (challenges of current organization), comparing resource needs through established cost centers for current state versus future state of organization)

SECTION

7

KEY CONSIDERATIONS



7.0 KEY CONSIDERATIONS

To implement the Taxpayer Experience, Training and Organizational Redesign Strategies, the IRS must create a sustainable plan, along with a program office to ensure accountability and to monitor and guide the successful transformation of the IRS.

Since the passage of the TFA in July 2019, the TFAO has served as the coordination point for the Act's 45 provisions. The IRS will continue to operate a program office - the Strategic Planning and Legislative Implementation Office⁴⁵ - to provide clear ownership, implementation and transition of the strategies. This office will ensure timely and effective implementation, continually assess organizational priorities, consider legislative impacts and evaluate emerging technologies. Office responsibilities will include:

- Developing program-level implementation timeline and schedule.
- Producing detailed plans for the future IRS organizational structure.
- Coordinating an agency-wide implementation roadmap of the Taxpayer Experience Strategy.
- Coordinating with the Human Capital Office on implementation of the Training Strategy.⁴⁶
- Executing the Change Management and Communication plans outlined in subsections 7.2 and 7.3.
- Tracking TFA related measures and metrics outlined in Sections 4.2, 5.6 and 6.9.1.

Implementing these strategies is an Agency-wide effort, which will be coordinated by the Strategic Planning and Legislative Implementation Office. The following sections address the key implementation activities required to transform the IRS and achieve the goals of our TFA strategies. These activities include:

- Internal Revenue Manual (IRM) Guidance
- Change Management
- Communications
- Resource Considerations

The IRS will continuously re-evaluate and update the strategies and implementation plans. Updates will be based on funding, changes in legislative mandates or other factors that may require adjustment of IRS organizational priorities in the future.

⁴⁵Described in Section 6.6.

⁴⁶The Human Capital Office will maintain overall responsibility for the Training Strategy.

7.1 INTERNAL REVENUE MANUAL GUIDANCE

Clear guidance to IRS employees is required to implement the strategies discussed in this report. The IRS's Internal Revenue Manual (IRM) is the official source of IRS policies and procedures and the means for communicating them to our workforce, taxpayers, and other key stakeholders. IRS program owners are responsible for developing, publishing and updating procedures in the IRM related to administering their programs. Each section of the IRM must be accurate, clear and current to ensure the fair and equitable treatment of taxpayers.

The sweeping nature of the changes envisioned in the TFA strategies will require a significant rewrite of the IRM to a scope and scale not seen in 20 years. Required updates to the IRM based on the Taxpayer Experience and Training Strategies will be incorporated incrementally over time as the capabilities and procedures are fully developed by program owners, procedural content associated with the TFA capabilities is written by IRM authors, negotiated with NTEU, and published formally in the IRM. This effort of updating the IRM based on the Taxpayer Experience and Training Strategies will be completed over a multi-year timeframe.

To accomplish this vast and complex task, we will convene Agency-wide, multi-functional teams of IRM authors and subject matter experts.

As IRM Sections are updated based on the TFA capabilities and priorities, the IRS will provide appropriate training to impacted employees. The IRS Organizational Redesign plan will require updates to some IRM Sections. Implementation of the IRS Organizational Redesign will follow a different timeline than the Taxpayer Experience and Training Strategies, and identification of impacted IRM Sections will be initiated in FY2022.

Stakeholders inside and outside the Agency shared that the clarity and consistency of the IRM has a direct impact on the taxpayer experience and needs improvement. Creating a clearer and more organized IRM will require a significant investment by the IRS. We will explore ways to more quickly and effectively update IRM content based, in part, on the continuous feedback loop envisioned in the Taxpayer Experience Strategy. This enhanced process will keep our employees more informed and better equipped to assist taxpayers. The value of this investment will result in swifter issue resolution, time saved for taxpayers and our employees and an improvement in taxpayer satisfaction. Additional information on IRM guidance can be found in Appendix 9.6.5.

7.2 CHANGE MANAGEMENT

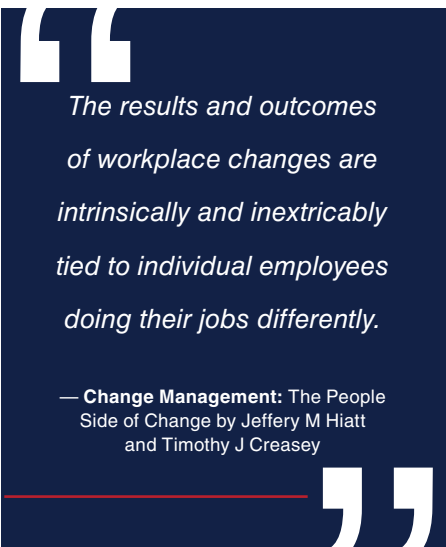
Through the IRS's continuous journey to improve the taxpayer experience and enhance internal operations, the organization has transformed in many ways over the years. Changes have been driven by both external and internal factors including; new legislation, technological advances, increased partnerships with stakeholders, realignments and reorganizations, resources and staffing, and other process improvement efforts. Today, the agency is poised to transform itself once again, re-thinking how we deliver services, and how taxpayers and stakeholders experience tax administration.

Organizational Culture and Supporting Change

Change in any organization occurs in the context of the organization's culture. Change at the IRS must factor in the different sub-cultures that have developed in more than 20 distinct operating divisions. These range in size from small, specialized programs to large divisions serving different taxpayer segments, stakeholders and employees. The existence of many overlapping sub-organizations creates special challenges in driving the enterprise change needed to create a new, overarching organizational culture.

The Organizational Change Management (OCM) program will provide tools to help teams assess the culture and identify changes needed in mindset and attitudes. Since 2017, the IRS has been intentional about building an infrastructure to support change initiatives. The OCM program was established to accelerate the IRS's transformation efforts by advising change leaders and integrating principles of employee change into strategic initiatives. Linking to strategic initiatives enables the OCM to support efforts to mitigate the risk of failure and positively affect employee morale and program effectiveness.

Currently, more than 90 employees in 21 different IRS organizations are trained change practitioners who will be deployed to support change in their business units. These individuals will partner with teams for specific initiatives, bringing a change management discipline to support employees in driving the sweeping organizational changes envisioned in our Taxpayer Experience, Training and Organizational Redesign strategies.



7.2 CHANGE MANAGEMENT

Strategies for Leading Change Within the Organization

To achieve the vision outlined in this report, IRS employees must embrace a new way of approaching their jobs. A transformed IRS will bring changes in technology, processes and structure. Employees will experience these changes in different ways depending on where they work within the organization, but the scope of the changes will affect the entire workforce. Effective change management is essential for the IRS to successfully implement these strategies.

Leading change will begin with active and visible IRS executive sponsorship. IRS leadership will develop communications that are consistent and create an understanding of, and support for, the implemented changes. While our communications strategy is critical to driving change, it is one piece in a larger framework focused on mobilizing employees to achieve the desired outcomes of these strategies. Successfully implementing the TFA strategies will also require commitment from IRS leaders and employees to embrace, adopt and execute change. The IRS will ensure agency-wide communication strategies anticipate and address employee questions.



Our communication will be informed by best practices in leading and managing change. We will focus on ensuring employees understand why change is taking place, what is expected from them, how their work might be affected and what new skills they will need to develop. Messages will be tailored to the diverse audiences in each operating division to address their specific questions and concerns.

Changing culture takes time and requires incremental changes to structure and processes. The IRS strategy for change management will define the specific behavioral changes that can drive positive change in culture.

In the long-term, these efforts will foster a culture that embraces the vision of a taxpayer focus, instills change leadership capabilities and proactively engages employees on change initiatives. Leaders will support employees through change management. The active and visible engagement of employees will result in an improved world-class taxpayer experience.

7.3 COMMUNICATIONS PLAN

Along with the stand-up of the TFAO, a strategic communication plan was established to engage employees, taxpayers, tax professionals and other stakeholders about the TFA legislation in a two-way dialogue. The plan included the creation of both internal and external electronic mailboxes to receive recommendations and feedback; and was also supported by extensive outreach efforts. The outreach efforts aligned with the TFAO Guiding Principles: Listen, Learn and then Design, built excitement through regular and transparent communications.

Going forward, we will maintain the electronic mailboxes, continue diverse outreach efforts with employees, taxpayers, and stakeholders. Will maintain communications with our oversight partners and NTEU as we implement the strategies outlined in this report.

We will continue to expand our community and industry stakeholder partnerships to better inform our partners and engage unique taxpayer groups like those with limited English proficiency and traditionally underserved populations. We will also leverage our social media channels.

Successful business improvements are driven by collaborative efforts of project management, communication strategies and change management practices. The Communications Plan emphasized a need for close collaboration between the TFAO and the IRS Office of Change Management.

7.4 RESOURCE CONSIDERATIONS

For each strategy and operating division-owned provision, we have developed costing estimates that will support the future vision of the IRS while also building upon existing efforts. The costs associated with the TFA were segmented into high-level categories and various phases outlined in this report:

- ★ **Taxpayer Experience Strategy:** Costed over a period of five years and broken out into the phases required by Section 1101 in the TFA. This strategy builds upon existing IRS efforts to improve the taxpayer experience and levels of service the IRS provides.
- ★ **Training Strategy:** Costed over a period of five years and broken out into phases to support the Taxpayer Experience Strategy, including costs reviewed by the Information Technology organization.
- ★ **Organizational Redesign Strategy:** Costed over a period of five years, beginning in FY2021 but may be subject to modifications dependent upon our detailed implementation plan.
- ★ **Taxpayer First Act Office:** Costs reflect the creation and implementation of the above strategies, management of the Operating Division Provisions and drafting of this report.
- ★ **Operating Division Provisions:** Refers to 10 of the remaining 42 provisions assigned to specific operating divisions and IT with implementation dates effective immediately through FY2023. These costs started accruing with the passage of the Taxpayer First Act in FY2019 and continue through FY2022, but to date, no funds have been appropriated for these provisions.

These estimates were developed with the Chief Financial Officer and respective stakeholders. Additional details and the methodology for each category are included in Appendix 9.5.

7.4 RESOURCE CONSIDERATIONS

Assumptions

- **Acceleration of Delivery:** Efforts during the early years of these strategies will lay the groundwork and build upon each other to accelerate the deployment of capabilities in the out-years, creating significant improvements to the taxpayer experience.
- **Year 0:** No funds were appropriated for FY2020 to cover costs incurred to develop these strategies or implement specific provisions. In FY2020 the IRS spent \$67.5 million on the implementation of the legislatively mandated provisions. The \$67.5 million spent on the legislatively mandated Operating Division Provisions are included in the total TFA costs, outlined in Table 1, for FY2021-FY2025.
- **Years 1 – 5:** These cost estimates are provided in the aggregate and subject to further refinement when incorporated into more detailed implementation plans.

Dependencies

The TFA builds upon the investments and deliveries of the IRS Integrated Modernization Plan.⁴⁷ The remaining four years of this six-year modernization plan of IT systems requires an additional estimated investment of \$1.9 billion. This plan identifies the critical infrastructure needed for the implementation of by the Taxpayer First Act capabilities. Our ability to deliver on the Taxpayer First Act strategies defined in this report depends on critically needed multi-year Congressional investment in IRS resources.

⁴⁷ Internal Revenue Service Integrated Modernization Business Plan, Publication 5336, April 2019.

7.4 RESOURCE CONSIDERATIONS

Taxpayer First Act <i>Thousands of Dollars</i>	TFA Cost Estimates
FY2020 Actual Costs	
FY2020 Legislatively Mandated Provisions (e.g., Establishment of IRS Independent Office of Appeals, Identity protection personal identification numbers, Management of IT Information, Internet platform for Form 1099 filings, Disclosure of taxpayer information for third-party income verification, Uniform standards for the use of electronic signatures, Mandatory e-filing by exempt organizations, 3rd Party Authentication for On-Line Access)	\$67,476
FY2021 - FY2025 Estimated Costs	
Taxpayer Experience Strategy	\$1,227,000
Expanded Digital Services (e.g., Secure 2-Way Messaging, Taxpayer View History, Change Account Information, Digital Notifications, Business Online Account, Tax Professional Online Account, Expand Payment Options, Secure Document Exchange)	\$337,000
Seamless Experience (e.g., Expand Automated Callback, Wait Time Transparency, Concierge Navigation Support, 360 Degree View of Taxpayer Account by Employee, AI Powered Informational Web Chat/Digital Appointments/Employee Assistant)	\$378,000
Proactive Outreach and Education (e.g., Personalized Tax Updates, Social Media Strategy, Simplify and Improve Notices and Correspondence, Plain Language Communications)	\$149,000
Community of Partners (e.g., Build and Expand Trusted Stakeholder Network, Leverage Community Outreach Best Practices, Co-Located Government Services, Expand Community Presence, Data Sharing Opportunities)	\$68,000
Focused Strategies for Reaching Underserved Communities (e.g., Translate Forms/Publications/Notices, Digitally Aided Translation and Interpretation, Recruitment, Leverage Employee Multilingual Skills, Translation App, International Online Account, Focused Promotion of IRS eFile, Virtual Face-to-Face, Virtual Discussion Forums)	\$54,000
Enterprise Data Management and Advanced Analytics (e.g., Automated Feedback Loop, Comprehensive Data Repository, Advanced Analytics, Data Sharing Opportunities)	\$241,000
Training Strategy (e.g., IRS University, Taxpayer-First Training, Continuous Learning for All Employees, Utilizing Technology)	\$123,000
Organizational Redesign Plan/TFAO Operations (e.g., Org Structure Design and Refine, Transition and Implement, Change Management and Communications)	\$216,000
Legislatively Mandated Provisions (e.g., Establishment of IRS Independent Office of Appeals, Identity protection personal identification numbers, Management of IT Information, Internet platform for Form 1099 filings, Disclosure of taxpayer information for third-party income verification, Uniform standards for the use of electronic signatures, Mandatory e-filing by exempt organizations, 3rd Party Authentication for On-Line Access)	\$550,000
FY2021 - FY2025 Taxpayer First Act Costs	\$2,116,000
Total Taxpayer First Act Costs	\$2,183,000

Table 1: High-level summary of the costs associated with the Taxpayer First Act

8.0 IRS: NEXT STEPS

The Taxpayer First Act empowers the IRS to be aspirational on behalf of our taxpayers. Taxpayers deserve an IRS that provides top quality service, assists them with timely responses to their questions, has the ability to promptly resolve their account issues and to help them more easily navigate and understand their tax obligations. To put it simply, America needs a fully functioning and well-resourced revenue Agency.

The COVID-19 pandemic reminded us all how quickly the world can change. Despite significant operational and workforce disruptions, IRS employees proudly rose to the challenge to support our nation and help distribute the largest economic relief packages in history to our fellow Americans. With the implementation of the strategies detailed in this report, the Agency will be better positioned to respond to future crises. We have a strong history of delivering for the nation's taxpayers and our future efforts will be no different. With additional resources, we will transform the IRS into a modern, efficient and taxpayer-centered organization.

The future vision of the IRS will bring changes in technology, processes and structure. Employees will experience positive changes in different ways depending on where they work within the organization, but the scope of the changes will affect the entire workforce. We commit to providing employees with consistent messaging from all levels of leadership about what is changing and why, emphasizing their critical role in the continued success of the organization. We will continue to collaborate across the Agency to strategically and tactically align on new initiatives. As we move forward with our future strategic planning efforts, our Taxpayer First Act strategies will be our guide.

The bedrock of our Organizational Redesign Strategy will be built upon our TFAO Guiding Principles and, a willingness to hear and seek feedback from employees and the National Treasury Employees Union. Together, we will define the IRS of the future. We envision dedicating FY2021 to developing an Organizational Blueprint Report which will provide a comprehensive update on reorganization implementation activities, progress and associated timelines. This Organizational Blueprint Report will also feature an in-depth analysis on costs, measures, implementation plans and project risks. With appropriate funding, we will also begin implementing the initiatives outlined in the Training Strategy and the Taxpayer Experience Strategy.

We will employ a consolidated, integrated and coordinated program management and governance approach to oversee the implementation of the TFA Strategies, IRS Strategic Plan and future legislative mandates. This approach will include monitoring progress towards achieving milestones and delivering strategic initiatives on time as well as the discipline of managing project plans/schedules and risks; monitoring quality controls; documenting critical decisions and streamlining governance. Our actions will yield efficiencies with respect to tracking progress towards milestones across multiple Service-wide initiatives. Our Program Management Office will monitor and assess progress of identified measures and reevaluate the effectiveness of the reorganization.

While we are thankful to the Congress on the passage of the TFA legislation and the opportunities it provides the IRS to change, we remain reliant on the Congress to support funding such an endeavor. Employees, taxpayers, tax professionals and many others across our entire tax community contributed immeasurably to this report and they, like us, are relying on this report turning into action. With the implementation of our strategies we will positively impact our community and we will continue to pursue our critical mission on behalf of our country and every American.

IRS Commissioner and Deputy Commissioners

Charles Rettig, Commissioner

Sunita Lough, Deputy Commissioner for Services and Enforcement

Jeffery Tribiano, Deputy Commissioner for Operations Support

TFAO Leadership

Lia Colbert, Taxpayer First Act Office Lead

Lisa Beard, Taxpayer First Act Executive

James Clifford, Taxpayer First Act Executive

Robert Ragano, Taxpayer First Act Executive

IRS Senior Executive Team

Justin Abold-LaBreche, Director, Enterprise Case Management and Co-Director, Digitalization and Case Management

Robin D. Bailey, Jr., IRS Human Capital Officer

Thomas Brandt, Chief Risk Officer

Carol Campbell, Director Return Preparer Office

Robert Choi, Chief Privacy Officer

Erin M. Collins, National Taxpayer Advocate

Kenneth Corbin, Commissioner, Wage and Investment Division

Michael Desmond, Chief Counsel

Elizabeth Dugger, Assistant Deputy Commissioner for Operations Support

Sharyn Fisk, Director, Office of Professional Responsibility

Valerie Gunter, Chief Diversity Officer

Karen Howard, Director, Office of Online Services

Teresa Hunter, Chief Financial Officer

Eric Hylton, Commissioner, Small Business/Self-Employed Division

Barry Johnson, Acting Chief Research and Analytics Officer

Andrew Keyso, Chief IRS Independent Office of Appeals

Edward T. Killen, Acting Commissioner, Tax Exempt and Government Entities Division

James Lee, Chief Criminal Investigation

Terry Lemons, Chief Communications and Liaison

Lee Martin, Director Whistleblower Office

Kevin McIver, Chief of Staff

Douglas O' Donnell, Commissioner, Large Business and International Division

Richard Rodriguez, Chief, Facilities Management and Security Services

Nancy Sieger, Acting Chief Information Officer

Harrison Smith, Director, Digitalization and Co-Director, Enterprise Digitalization and Case Management

Shanna Webbers, Chief Procurement Officer

SECTION

9

APPENDIX



9.1 METHODOLOGY OVERVIEW

The Methodology Overview outlines the timeline and process for establishing the Taxpayer First Act Office. This section will also discuss how the TFAO conducted research and information gathering to create and refine the three Taxpayer First Act Strategies.

9.1.1 ESTABLISHING THE TAXPAYER FIRST ACT OFFICE

Immediately after the Taxpayer First Act (TFA) was codified, the IRS Commissioner, Charles (Chuck) Rettig, established an executive team to launch and lead the TFA Office (TFAO). The TFAO took primary responsibility for implementing specific TFA provisions including 1) the Comprehensive Taxpayer Experience Strategy (TFA §1101), 2) the Modernization of IRS Organizational Structure (TFA §1302), and 3) the Comprehensive Training Strategy (TFA §2402). The TFAO was also charged with leading the integration, communications, program management, and governance activities for the remaining 42 provisions owned by different operating divisions across the IRS.

9.1.2 RESEARCH AND INFORMATION GATHERING

The Research and Information Gathering Phase included engaging internal and external stakeholders and analyzing their feedback and pertinent documents to develop the strategies. We then socialized and reviewed the solidified strategies, cleared the report with oversight organizations and submitted the report to the Congress.

9.1.2.1 EXTERNAL STAKEHOLDERS

External stakeholders included taxpayers, partners, advisory groups, industry groups, oversight organizations and other government agencies. The TFAO used a vigorous outreach strategy to ensure we gathered feedback that encompassed the unique needs and expectations of all taxpayer segments. As part of this effort, we engaged wage earners and self-employed individuals, small and large businesses, international businesses and individuals, and tax-exempt and government entities through town halls, focus groups, interviews and/or forums.

We held over 140 different external stakeholder engagement activities. At each event, we shared the TFAO@IRS.gov mailbox to obtain additional stakeholder feedback. We received 182 emails with suggestions from external stakeholders. The mailbox remains open to continue engaging with stakeholders.

The TFAO sponsored a series of Taxpayer First Act Stakeholder Forums in January 2020 and July 2020 and invited a diverse cross section of external stakeholder groups. We used the Forums to engage in a conversation with stakeholders and encouraged them to provide input on the development of the TFA strategies. These forums included tax accounting firms representing small and large businesses, professional/trade groups, payroll industry groups, Low Income Tax Clinics and state, foreign, and tax-exempt representative groups.

9.1.2.2 INTERNAL STAKEHOLDERS

Internally, we engaged employees, management and senior executives from all levels of the organization and from across the country. We held over 30 different internal stakeholder engagement activities including site visits, townhall meetings, and focus groups (see Appendix 9.4 for more details). We collected more than 630 pieces of employee feedback from over 100 articles posted on our intranet. We created the Innovation Advisory Council (IAC), which provided a bi-weekly forum for senior executives and the TFAO to discuss TFA deliverables. Additionally, the TFAO hosted bi-weekly meetings with senior leaders and representatives from each IRS function. These discussions were key to ensuring alignment across all provisions while providing another venue to collect input for developing the comprehensive Taxpayer Experience Strategy, Training Strategy and Organizational Redesign Strategy.

9.1.2.3 ANALYZE AND DEVELOP

Following the Research and Information Gathering phase, the Analyze and Develop phase involved distilling information from thousands of pages of feedback and research into key insights, opportunities and enablers. These key insights formed the foundation to developing the strategies outlined in this Report.

9.1.2.4 INCORPORATE FEEDBACK

The Taxpayer Experience, Training, and Organizational Redesign Strategies went through significant rounds of feedback and review during the drafting process. The Taxpayer Experience and Training Strategies were reviewed for comment by representatives from each operating division across the IRS. Leadership from every operating division participated in this review process. The Taxpayer Experience, Training, and Organizational Redesign Strategies were socialized and reviewed with the IRS Senior Leadership Team in a series of IAC meetings, where leadership provided direct feedback during hours of discussions. In addition, a group of IRS executive leaders from across the IRS reviewed all three strategies and participated in disposition sessions with the TFAO team to provide targeted comments and feedback. In addition to these internal methods for capturing feedback, the strategies were also shared with external partners, such as the Assistant Secretary of the Treasury for Management, the TFA Forums, tax practitioners via National Public Liaison (NPL) and the Electronic Tax Administration Advisory Committee (ETAAC), individual taxpayers via the Taxpayer Advocacy Panel or surveys, and many more. Given the IRS's reach and complexity, it was a priority to hear from our diverse pool of internal and external stakeholders before moving forward with strategy development.

9.1.2.5 SOCIALIZE, REVIEW AND PLAN

Our strategies were broadly socialized with internal IRS audiences using internal communications such as IRS Headline articles, TFAO IRS Source intranet pages and various briefings tailored for an array of employee audiences. Our strategies were also socialized externally with partners such as the American Bankers Association and NPL, via forums like the IRS Nationwide Tax Forums or ad hoc presentations.

9.2 STRATEGIC ALIGNMENT

Once complete, the TFAO cross-walked the TFA strategies with existing IRS strategic initiatives, including the IRS Strategic Plan FY2018-FY2022, the IRS Integrated Modernization Business Plan and the IRS' response to the 21st Century Integrated Digital Experience Act (IDEA). We determined there was a high degree of alignment with existing strategic approaches. Where we identified potential gaps between TFA and the existing IRS initiatives we coordinated with IRS leadership to understand and mitigate these strategic gaps. We also relied on measures and metrics from the FY2019 Key Insights Report, which builds on the IRS Mod Plan and the IRS Strategic Plan FY2018-FY2022, including a comprehensive performance and year-end budget summary.

We see an opportunity to align the Agency's strategic direction and priorities for taxpayer-facing initiatives and planning through the Taxpayer Experience Strategy. This strategy was developed in full consideration of a multitude of other strategies and planning documents. As a result, the Agency can now look to the Taxpayer Experience Strategy as the overarching, prevailing strategic document to drive prioritization of investments and strategic direction going forward.

9.3 STATUS OF THE 42 OPERATING DIVISION PROVISIONS

The TFAO took primary responsibility for the three TFA provisions addressed in this report:

- Comprehensive Taxpayer Experience Strategy (TFA §1101)
- Comprehensive Training Strategy (TFA §2402)
- Modernization of IRS Organizational Structure (TFA §1302)

In addition to developing these three strategies, the TFAO coordinated with offices across the IRS to oversee the implementation of the other 42 provisions of the Act. Table 9.3.1 explains how we measured the status of the 42 Operating Division provisions of the TFA. Table 9.3.2 summarizes each of these provisions and their status.

The COVID-19 pandemic has delayed the implementation of some of these provisions, including this report. The delivery of the following provisions were impacted:

- On April 17th, 2020, the IRS notified The Senate Finance and House Ways and Means Committees the following provisions, planned for delivery in July 2020 would need to be delayed until December of that same year.
 - Section 1101 – Comprehensive Taxpayer Experience Strategy
 - Section 2402 – Comprehensive Training Strategy
 - Section 1302 – Modernization of IRS Organizational Structure

- As of December 2020, the IRS was on track to timely implement the vast majority of TFA provisions. Nonetheless, disruptions due to the COVID-19 pandemic or other constraints have posed challenges for fully implementing the following TFA provisions by the statutory due dates noted below in parentheses. We will continue to work on these provisions to ensure their complete implementation.
 - Section 1205, which prohibits the IRS from using private collection agencies to recover delinquent taxes from individuals whose income is substantially all supplemental security income benefits or disability insurance benefit payments or individuals whose adjusted gross income is below 200% of the poverty level. (Original delivery date: December 31, 2020).
 - Section 2008, which requires the IRS to develop and implement case management guidelines to reduce taxpayer burden for stolen identity refund fraud cases within one year of enactment of the TFA (Original delivery date: July 1, 2020).
 - Section 2302, which requires the IRS to publish guidance establishing uniform standards and procedures for accepting electronic signatures for disclosure and other authorizations for practitioners within six months of enactment of the TFA (Original delivery date: January 1, 2020).
 - Section 2304, which requires the IRS to authenticate users of electronic services accounts beginning 180 days after the date of enactment of the TFA (Original delivery date: January 1, 2020).

TABLE 9.3.1 EXECUTIVE SUMMARY OF STATUS OF THE 42 OPERATING DIVISION PROVISIONS (AS OF DECEMBER 2020)

Provision Status	Status Description	Provision Count
Provision Met	<p>The minimum requirements of the provisions have been met as required by law. The Business Unit/BOD Provision Owner has stated the following:</p> <p>1) TFA codifying activities were completed or already in place: and/or</p> <p>2) Activities such as interim IRM updates, interim guidance, communications, employee training, manual process, IT minimal viable product (MVP) are in place.</p> <p>(a) Follow-on activities (e.g., final IRM updates, final guidance, follow-on communications, full IT solution or enhancements, etc.) are documented in the TDA EIPP and LATIS.</p>	31
On Schedule	All activities that are critical for the implementation of all the provisions are on track for completion by the effective date.	6
At Risk	One or more activity that is critical for the implementation of the provisions may not be complete by the effective date.	0
Late	One or more activity that is critical for the implementation of the provision is late/past the effective date.	4
Not Applicable	Provision no longer applies to the Taxpayer First Act	1
Total		42 Provisions

TABLE 9.3.2 STATUS OF THE 42 OPERATING DIVISION PROVISIONS

Provision Number	Provision Name	Legislation Date Due	Overall Status
1001	Establishment of Internal Revenue Service Independent Office of Appeals	7/1/2020	Provision Met
1102	Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise	7/1/2019	Provision Met
1201	Internal Revenue Service seizure requirements with respect to transactions	7/1/2019	Provision Met
1202	Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction	7/1/2019	Provision Met
1203	Clarification of equitable relief from joint liability	7/1/2019	Provision Met
1204	Modification of procedures for issuance of third-party summons	8/15/2019	Provision Met
1205	Private debt collection and special compliance personnel program	12/31/2020	Late**
1206	Reform of notice of contact of third parties	8/15/2019	Provision Met
1207	Modification of authority to issue designated summons	8/15/2019	Provision Met

* Disruptions due to the COVID-19 pandemic or other constraints have posed challenges for fully implementing certain TFA provisions by the statutory due dates. Additional information will be shared upon request.

**The original legislation as written and provided on July 2019 with the passing of the TFA did not account for 1205 Section “a” (Certain Tax Receivables Not Eligible for Collection Under Tax Collection Contracts). This required the IRS to submit a technical correction to be incorporated in new or revised legislation for SSA to share the required Supplemental Security Income (SSI) data with IRS. A technical correction was submitted to the Senate Finance and House Ways and Means Committees in April 2020, to allow for this data exchange.

1208	Limitation on access of non-Internal Revenue Service employees to returns and return information	7/1/2019	Provision Met
1301	Office of the National Taxpayer Advocate	7/1/2019	Provision Met
1401	Return preparation programs for applicable taxpayers	7/1/2019	Provision Met
1402	Provision of information regarding low-income taxpayer clinics	7/1/2019	Provision Met
1403	Notice from IRS regarding closure of taxpayer assistance centers	7/1/2019	Provision Met
1404	Rules for seizure and sale of perishable goods restricted to only perishable goods	7/1/2020	Provision Met
1405	Whistleblower reforms	7/1/2019	Provision Met
1406	Customer service information	7/1/2019	Provision Met
1407	Misdirected tax refund deposits	1/1/2020	Provision Met
2001	Public-private partnership to address identity theft refund fraud	7/1/2019	Provision Met
2002	Recommendations of Electronic Tax Administration Advisory Committee (ETAAC) regarding identity theft refund fraud	7/1/2019	Provision Met
2003	Information sharing and analysis center	7/1/2019	Provision Met
2004	Compliance by contractors with confidentiality safeguards	1/1/2023	On Schedule
2005	Identity protection personal identification numbers	7/1/2024	On Schedule
2006	Single point of contact for tax-related identity theft victims	7/1/2019	Provision Met
2007	Notification of suspected identity theft	1/1/2020	Provision Met
2008	Guidelines for stolen identity refund fraud cases	7/1/2020	Late*
2009	Increased penalty for improper disclosure or use of information by preparers of returns	7/1/2019	Provision Met
2101	Management of Internal Revenue Service information technology	7/1/2020	Provision Met
2102	Internet platform for Form 1099 filings	1/1/2023	On Schedule
2103	Streamlined critical pay authority for information technology positions	7/1/2019	Provision Met

2201	Disclosure of taxpayer information for third-party income verification	1/1/2023	On Schedule
2202	Limit redisclosures and uses of consent-based disclosures of tax return information	1/1/2020	Provision Met
2301	Electronic filing of returns	7/1/2019 (12/31/2019, 12/13/2020, 12/31/2021)	On Schedule
2302	Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners	1/1/2020	Late*
2303	Payment of taxes by debit and credit cards	7/1/2019	Provision Met
2304	Authentication of users of electronic services accounts	1/1/2020	Late*
2401	Repeal of provision regarding certain tax compliance procedures and reports	7/1/2019	Provision Met
3001	Prohibition on rehiring any employee of the Internal Revenue Service who was involuntarily separated from service for misconduct	7/1/2019	Provision Met
3002	Notification of unauthorized inspection or disclosure of returns and return information	1/1/2020	Provision Met
3101	Mandatory e-filing by exempt organizations	1/1/2021 1/1/2022	On Schedule
3102	Notice required before revocation of tax-exempt status for failure to file return	6/1/2020	Provision Met
3201	Increase in penalty for failure to file	1/1/2020	Not Applicable

9.4 COMMUNICATIONS AND OUTREACH

TABLE 9.4.1 INTERNAL COMMUNICATIONS VEHICLES

Internal Communication Vehicles	Publish/Completion Date	Business Operating Division	Title/Subject
Alert	9/18/2019	Small Business / Self Employed (SB/SE)	Taxpayer First Act signed into law
Business Operating Division Intranet	10/24/2019	Large Business & International (LB&I)	Mandated changes to the IRS's Third Party Contact procedures
	10/28/2019	Wage & Investment (W&I)	Help Shape Our Future
	11/18/2019	Tax Exempt & Government Entities (TE/GE)	Review of the New Third Party Contact Procedures mandated by the Taxpayer First Act
	11/25/2019	W&I	Field Assistance strives to deliver state-of-the-art service at Taxpayer Assistance Centers
	11/22/2019	SB/SE	TFA SB/SE Headline News
	11/26/2019	Information Technology (IT)	The Go-Getters Guide to the Taxpayer First Act
	1/21/2020	W&I	Customer Callback expands in W&I and SB/SE
	6/8/2020	W&I	Design Office employees deliver bold look to TFA Lab
	8/31/2020	W&I	W&I employees share feedback for the future IRS
Bubbler	10/21/2019	Human Capital Office (HCO)	HCO 2022 effort will help ensure we have the resources we need to accomplish our mission

Business Unit News (BUN)	1/13/2020	W&I	Explore new possibilities at W&I's Taxpayer First Act website
	2/25/2020	SB/SE	SB/SE answers call for feedback on TFA provisions
	3/19/2020	IT	Team looks to refresh and update the IT Strategic Plan
	3/31/2020	Chief Financial Officer (CFO)	Learn about new budget guidance on TFA and Enterprise Case Management
	4/15/2020	CFO	Make sure you understand the new budget guidance on TFA and Enterprise Case Management
	6/1/2020	Communications & Liaison (C&L)	Community of Partners
	6/24/2020	C&L	TFA Overview presentation
	7/20/2020	C&L	TFA Update
Business Unit Web Content	7/2/2019	SB/SE	Legislative Update 2019-1: Detailed Summary of P.L.116-25 (H.R. 3151), Taxpayer First Act
	7/26/2019	SB/SE	Interim Guidance on Third-Party Contact Notification Procedures
	8/16/2019	SB/SE	Third Party Contacts – Collection
	8/19//2019	SB/SE	Third Party Contacts: Campus (ACS Letters Temporarily Suspended)
	8/20/2019	SB/SE	Third Party Contacts: Campus (ACS LT40 Temporarily Suspended)
	8/30/2019	SB/SE	Third Party Contacts: Letter 3164
	9/6/2019	SB/SE	Third Party Contacts – Examination
	9/20/2019	SB/SE	Changes made to third party contacts notice procedures
	10/1/2019	SB/SE	Third Party Contact Procedures - Update
	11/19/2019	SB/SE	SB/SE Today - Posted Commissioner's message to employees requesting feedback on TFA implementation
	2/18/2020	SB/SE	SB/SE Today - Posted Commissioner's message: SB/SE answers call for feedback on TFA provisions
	3/13/2020	SB/SE	IRS increases penalty for improper disclosure connected to identity theft
	3/13/2020	SB/SE	Taxpayer First Act restates how IRS responds to structuring and seizures
	8/18/2020	SB/SE	SB/SE Today - Posted Commissioner's message: Learn the latest about the Taxpayer First Act

Commissioners' News	2/24/2020	C&L	Taxpayer First Act Innovation Lab opens in D.C.
Equity Diversity & Inclusion (EDI) Insider	10/30/2019	Equity, Diversity & Inclusion (EDI)	TFA insert - November EDI Insider
	2/3/2020	EDI	TFA – February EDI Insider
	3/10/2020	EDI	TFA – March EDI Insider
Email- All Employees	10/9/2019	LB&I	Taxpayer First Act Office seeks big-picture input from LB&I
	10/21/2019	LB&I	Taxpayer First Act: We want to hear from you
	11/6/2019	W&I	TFA: Exploring new possibilities as One IRS
	11/13/2019	SB/SE	SB/SE Commissioner's monthly message
	12/9/2019	LB&I	Watch or listen to short video to learn more about the Taxpayer First Act
	1/16/2020	LB&I	LB&I Commissioner and Deputy Commissioner monthly message
	1/21/2020	LB&I	Taxpayer First Act implements changes dealing with summonses
	4/6/2020	LB&I	Share your perspective soon on how technology can improve the IRS
	4/27/2020	LB&I	Taxpayer First Act status update
	6/1/2020	LB&I	Taxpayer First Act update: IRS expands critical help to taxpayers
	6/15/2020	LB&I	Taxpayer First Act implements changes dealing with summonses
	7/27/2020	LB&I	New resources provide the latest on Taxpayer First Act developments
	7/30/2020	LB&I	LB&I Commissioner and Deputy Commissioner monthly message
	8/18/2020	SB/SE	I SB/SE Commissioner Message: Learn the latest about the Taxpayer First Act
	9/8/2020	LB&I	T Watch new Taxpayer First Act video then share your feedback about ways to improve the IRS
10/8/2020	SB/SE	SB/SE FY2021 Focus Guide- It's STILL the time!	
10/13/2020	LB&I	Taxpayer First Act: Share your ideas on how we can better serve taxpayers with different abilities	

Email-All Managers	8/12/2019	SB/SE	Third Party Contacts New Procedures Exam-Field Managers PPT
	10/15/2019	LB&I	The Taxpayer First Act Office wants to hear from LB&I
	10/15/2019	Return Preparer Office (RPO)	Taxpayer First Act Info
	10/21/2019	LB&I	Taxpayer First Act: We want to hear from you
	11/8/2019	W&I	TFA: Exploring new possibilities as One IRS
	11/13/2019	SB/SE	SB/SE Commissioner's message
	12/9/2019	LB&I	Watch or listen to short video to learn more about the Taxpayer First Act
	2/3/2020	LB&I	Taxpayer First Act status and resources
	6/15/2020	LB&I	Tap into Taxpayer First Act resources
	7/20/2020	LB&I	Tap into newly available resources for updates on Taxpayer First Act
	8/4/2020	HCO	Boost your digital leadership with the 2020 Managers' Continuing Professional Education (CPE) program
	9/8/2020	LB&I	Taxpayer First Act update: Four key insights and opportunities lead to six "Big Ideas"
	10/13/2020	LB&I	Taxpayer First Act: Share your ideas on how we can better serve taxpayers with different abilities
Email-Specific Offices	11/19/2019	RPO	TFA - What you need to know
	11/26/2019	IT	IT Communications: Update on Taxpayer First Act
	2/7/2020	RPO	Taxpayer First Act - Latest News
	2/18/2020	SB/SE	SB/SE answers call for feedback on TFA provisions
	2/26/2020	C&L	Taxpayer First Act pop-up session
	2/27/2020	C&L	TFA Input Sharing: Senior Executive Team
	6/15/2020	RPO	Taxpayer First Act Update
	6/23/2020	C&L	Senior Executive Team email: TFA update and overview
Email-Targeted Employees	1/27/2020	C&L	Innovation lab kick-off ceremony email
	3/2/2020	C&L	Innovation lab reminder email
	3/16/2020	C&L	Innovation lab closure email
	7/1/2020	IT	A Year-in-Review: Supporting the Taxpayer First Act
	10/1/2020	Appeals	Taxpayer First Act Training for Appeals employees
	10/8/2020	Appeals	Taxpayer First Act Training for Appeals employees
Email-Targeted Managers	10/17/2019	IT	IT Communications: Update on Taxpayer First Act

In the Know (IT)	10/1/2019	IT	Four Things to Know about the Taxpayer First Act
	11/26/2019	IT	The Go-Getters Guide to the Taxpayer First Act
	2/4/2020	IT	It's never too late to provide feedback to the TFA Office
	3/17/2020	IT	Team looks to refresh and update the IT Strategic Plan
	7/7/2020	IT	IT has played a key role implementing Taxpayer First Act provisions across the Service
	7/21/2020	IT	Tap into newly available resources for updates on Taxpayer First Act
	8/4/2020	IT	Boost your digital leadership with the 2020 Managers' Continuing Professional Education (CPE) program
	8/18/2020	IT	Taxpayer First Act update: Four key insights and opportunities lead to six "Big Ideas"
	9/01/2020	IT	Taxpayer First Act: Share your ideas on how we can better serve taxpayers with different abilities
	9/15/2020	IT	TFA - What you need to know
	10/13/2020	IT	IT Communications: Update on Taxpayer First Act
IRS Headlines	10/15/2019	C&L	Taxpayer First Act - Latest News
	11/4/2019	C&L	SB/SE answers call for feedback on TFA provisions
	11/25/2019	C&L	Taxpayer First Act pop-up session
	11/25/2019	C&L	TFA Input Sharing: Senior Executive Team
	1/6/2020	C&L	Taxpayer First Act Update
	1/13/2020	C&L	Senior Executive Team email: TFA update and overview
	1/20/2020	C&L	Innovation lab kick-off ceremony email
	1/27/2020	C&L	Innovation lab reminder email
	2/3/2020	C&L	Innovation lab closure email
	2/10/2020	C&L	A Year-in-Review: Supporting the Taxpayer First Act
	2/18/2020	C&L	Taxpayer First Act Training for Appeals employees
	3/2/2020	C&L	Taxpayer First Act Training for Appeals employees
	3/9/2020	C&L	IT Communications: Update on Taxpayer First Act
	3/16/2020	C&L	Four Things to Know about the Taxpayer First Act
	3/16/2020	C&L	The Go-Getters Guide to the Taxpayer First Act
	3/25/2020	C&L	It's never too late to provide feedback to the TFA Office
	3/30/2020	C&L	Team looks to refresh and update the IT Strategic Plan

IRS Headlines	4/2/2020	C&L	IT has played a key role implementing Taxpayer First Act provisions across the Service
	5/27/2020	C&L	IRS expands critical taxpayer assistance through Community of Partners
	7/6/2020	Taxpayer Advocate Service (TAS)	National Taxpayer Advocate Erin Collins delivers her first report to the Congress; identifies COVID-19 challenges, CARES Act, and Taxpayer First Act implementation as priority issues for taxpayers
	7/20/2020	CFO	We've reached the half-way point of our Strategic Plan
	7/20/2020	C&L	Check out the Taxpayer First Act Update
	8/17/2020	C&L	Take 12: Taxpayer First Act overview in twelve minutes
	8/28/2020	C&L	Taxpayer Experience "We Heard You" video
	9/30/2020	C&L	Case management milestone: New foundational and business capabilities delivered in TE/GE FY2020 partial release
	9/30/2020	C&L	Case management milestone: New foundational and business capabilities delivered in TE/GE FY2020 partial release
IRS Source	10/8/2019	C&L	TFA Website Launch
	12/16/2019	C&L	Internal Social Media
	1/9/2020	C&L	Internal Social Media
	1/14/2020	C&L	Internal Social Media
	1/21/2020	C&L	Internal Social Media
	1/28/2020	C&L	Internal Social Media
	2/3/2020	C&L	Innovation lab reminder email
	2/4/2020	C&L	Internal Social Media
	2/11/2020	C&L	Internal Social Media
	2/18/2020	C&L	Internal Social Media
	2/18/2020	C&L	TFA in Action: Stakeholder Liaison outreach
	2/25/2020	C&L	Internal Social Media
	3/3/2020	C&L	Internal Social Media
	3/10/2020	C&L	Internal Social Media
	3/17/2020	C&L	Internal Social Media
	3/24/2020	C&L	Internal Social Media
	3/31/2020	C&L	Internal Social Media
	4/7/2020	C&L	Internal Social Media
	4/10/2020	C&L	Taxpayer Advocate Service
	4/14/2020	C&L	Internal Social Media
4/21/2020	C&L	Internal Social Media	

IRS Source	4/27/2020	C&L	W&I completed provisions 1406 and 2007
	4/28/2020	C&L	Internal Social Media
	5/5/2020	C&L	Internal Social Media
	5/12/2020	Taxpayer Advocate Service (TAS)	Internal Social Media
	5/19/2020	CFO	Internal Social Media
	5/26/2020	C&L	Internal Social Media
	6/2/2020	C&L	Internal Social Media
	6/9/2020	C&L	Internal Social Media
	6/16/2020	C&L	Internal Social Media
	6/16/2020	C&L	TFA Overview presentation – iManage
	6/19/2020	C&L	TFA Overview presentation article
	6/23/2020	C&L	Internal Social Media
	6/30/2020	C&L	Internal Social Media
	7/7/2020	C&L	Internal Social Media
	7/14/2020	C&L	TFA Video: “We Heard You”
	7/14/2020	C&L	Internal Social Media
	7/21/2020	C&L	Internal Social Media
	7/28/2020	C&L	Internal Social Media
	8/3/2020	C&L	Internal Social Media
	8/10/2020	C&L	Internal Social Media
	8/17/2020	C&L	Internal Social Media
	8/21/2020	C&L	Internal Social Media
	8/31/2020	C&L	Internal Social Media
	9/7/2020	C&L	Internal Social Media
	9/14/2020	C&L	Internal Social Media
	9/21/2020	C&L	Internal Social Media
	9/28/2020	C&L	Internal Social Media
	10/5/2020	C&L	Internal Social Media
10/13/2020	C&L	Internal Social Media	
Leader’s Alert	10/8/2019	C&L	Taxpayer First Act Manager Toolkit is now available on iManage
	3/17/2020	C&L	Tools available to share feedback overview
	3/24/2020	CFO	Make sure your employees know about new budget guidance on TFA and Enterprise Case Management
	7/14/2020	C&L	TFA Update Package
	8/11/2020	C&L	Add the Taxpayer First Act Overview videos to your staff meetings
	9/10/2020	HCO	Leaders’ Alert: New interim guidance on rehiring former employees with prior misconduct issues

Newsletter	7/11/2019	Appeals	Taxpayer First Act
	11/6/2019	W&I	TFA: Exploring new possibilities as One IRS
	12/5/2019	Appeals	Reminder: Volunteers for Taxpayer First Act - Redaction Initiative
	12/20/2019	RPO	RPO Quarterly Newsletter - TFA Article
	1/6/2020	W&I	TFAO holds townhall with Brookhaven employees
	1/16/2020	W&I	Spreading the word on the W&I TFA survey at the campus
	1/17/2020	W&I	Deputy Commissioner for Services and Enforcement Sunita Lough visits Fresno
	2/3/2020	W&I	TFAO visits Ogden campus
	4/3/2020	Appeals	Get ready for the Taxpayer First Act Appeals Technical Employee training
	4/17/2020	Appeals	Get ready for the Taxpayer First Act Appeals Technical Employee training
	7/30/2020	Appeals	Coming in the fall: Taxpayer First Act training
	8/6/2020	Appeals	How do I name scanned files for Taxpayer First Act?
	8/20/2020	Appeals	Coming soon: Taxpayer Digital Communications secure messaging
	9/17/2020	Appeals	Taxpayer First Act training for Appeals
	9/30/2020	LB&I	IRS history in the making: The Taxpayer First Act and You
10/8/2020	Appeals	Taxpayer First Act training for Appeals	
PGLD 24/7	8/20/2020	Privacy, Government Liaison & Disclosure (PGLD)	The IRS Style Guide has been updated for e-signature
	8/20/2020	PGLD	PGLD 24x7: Taxpayer First Act: We Heard You video
	9/17/2020	PGLD	Privacy, Governmental Liaison and Disclosure completes provision 3002 of the Taxpayer First Act
Reader Poll	10/30/2019	C&L	What wide-ranging piece of IRS tax legislation includes provisions designed to improve taxpayer service and ensure the IRS continues to enforce tax law in a fair
	1/6/2020	C&L	The Taxpayer First Act Section 1206 changed the Notice of Contact of Third Parties to require the IRS to:
	1/9/2020	C&L	What notification process did Taxpayer First Act Section 1405 affect?

Reader Poll	3/16/2020	C&L	The Taxpayer First Act Section 1403 now requires Wage and Investment Field Assistance to provide public notification of Taxpayer Assistance Center closures:
	5/26/2020	C&L	TFAO gathered employee input on taxpayer experience...
	6/4/2020	C&L	Which external stakeholder did not share feedback?
	7/7/2020	C&L	Which business unit submitted over 40 TFA placemat responses?
	8/5/2020	C&L	How many provisions are part of TFA?
	9/11/2020	C&L	Which idea is part of the TFA Taxpayer Experience Strategy's Six Big Ideas?
	10/1/2020	C&L	Have you heard of the Enterprise Digitalization and Case Management Office?
	10/13/2020	C&L	What are some of the proposed capabilities that could improve the taxpayer experience?
SB/SE Executive Message	11/13/2019	SB/SE	SB/SE Executive TFA Commissioner's e-mail
SB/SE Headline News	7/12/2019	SB/SE	New law includes provisions to improve service, enforcement, modernization
	9/30/2019	SB/SE	Changes to OIC Low-Income Application Fee Process – Collection (10/20/2019)
	11/15/2019	SB/SE	SB/SE Commissioner message
	11/22/2019	SB/SE	Now is the time for SB/SE to shape its future
	1/24/2020	SB/SE	Implementation of the Tax Cuts and Jobs Act of 2017 and Taxpayer First Act of 2019 provisions
	2/21/2020	SB/SE	SB/SE answers call for feedback on TFA provisions
	3/13/2020	SB/SE	Articles highlight provisions of Taxpayer First Act: Taxpayer First Act restates how IRS responds to structuring and seizures; IRS increases penalty for improper disclosure connected to identity theft
	7/24/2020	SB/SE	Check out the Taxpayer First Act Update
	8/21/2020	SB/SE	SB/SE Commissioner message
	10/01/2020	SB/SE	Penalty Increase - Improper Disclosure Connected to Identity Theft
SET Message	1/27/2020	C&L	Innovation lab kick-off email to SET
Webbie	9/2/2020	C&L	Take six: Taxpayer Experience "Big Ideas" in six minutes

TABLE 9.4.2 INTERNAL OUTREACH ACTIVITIES

Internal Communication Vehicles	Publish/Completion Date	Business Operating Division	Title/Subject
Conference Call	11/18/2019	Research, Applied Analytics & Statistics (RAAS)	RAAS Manager TFA Feedback Session
	12/3/2019	RAAS	RAAS Employee TFA Feedback Session 1
	12/4/2019	RAAS	RAAS Employee TFA Feedback Session 2
	12/11/2019	W&I	W&I Executive TFA Overview
	2/26/2020	TFAO	IRS Employee Organizations
	3/4/2020	TFAO	NextGen
	3/10/2020	TFAO	Strategic Planning (CFO) Community of Practice
	3/16/2020	TFAO	Senior Commissioner Representative Annual Executive Meeting
	3/17/2020	TFAO	Refundable Credits Program Management
	3/19/2020	TFAO	TFA Overview draft for SB/SE Business Support Office
	3/23/2020	TFAO	Research Director's Coordinating Council Meeting
	3/25/2020	TFAO	IT User & Network Services
	4/15/2020	TFAO	Professional Managers Association/Formal Managers Association
	5/1/2020	TFAO	National Taxpayer Advocate / Taxpayer Advocate Service
	5/5/2020	TFAO	W&I Accounts Management
	5/5/2020	TFAO	Internal Management Document Community Virtual Conference
	5/14/2020	TFAO	Filing Season Readiness Executive Steering Committee
	5/19/2020	TFAO	Strategic Planning (CFO) Community of Practice
	6/10/2020	TFAO	LB&I Cross Border Activities Sr Mgrs and Executives.
	6/23/2020	TFAO	SB/SE Business Support Office Session
6/26/2020	TFAO	National Treasury Employees Union (NTEU)	

Conference Call	8/17/2020	TFAO	Chief Counsel Continuing Professional Education
	8/24/2020	C&L	Communications & Liaison Stakeholder Liaison leadership update
	8/26/2020	IT	Web Apps Executive Oversight Team
	9/22/2020	TFAO	SB/SE HCO Leadership Meeting
	9/23/2020	TFAO	Transformation Project Management Office (TPMO) Strategic Planning Workshop
Executive Office Strategy Sessions	11/14/2019	IT	IT Executive Offsite
Leadership Meetings	10/18/2019	TFAO	Innovation Advisory Council
	10/25/2019	TFAO	Innovation Advisory Council
	11/1/2019	TFAO	Innovation Advisory Council
	11/15/2019	TFAO	Innovation Advisory Council
	12/6/2019	TFAO	Innovation Advisory Council
	12/13/2019	TFAO	Innovation Advisory Council
	1/24/2020	TFAO	Innovation Advisory Council
	2/7/2020	TFAO	Innovation Advisory Council
	2/21/2020	TFAO	Innovation Advisory Council
	3/6/2020	TFAO	Innovation Advisory Council
	5/15/2020	TFAO	Innovation Advisory Council
	5/29/2020	TFAO	Innovation Advisory Council
	6/5/2020	TFAO	Innovation Advisory Council
	6/12/2020	TFAO	Innovation Advisory Council
	6/26/2020	TFAO	Innovation Advisory Council
	7/31/2020	TFAO	Innovation Advisory Council
	8/28/2020	TFAO	Innovation Advisory Council
	9/3/2020	TFAO	Innovation Advisory Council
	9/11/2020	TFAO	Innovation Advisory Council
	Talking Points	9/26/2019	TFAO
10/10/2019		C&L	IRS Leadership Update: Executives
10/15/2019		C&L	IRS Leadership Update: Managers
10/16/2019		C&L	IRS Leadership Update: Managers
1/30/2020		C&L	Innovation lab Commissioner talking points

Town Hall	10/2/2019	IT	CIO Town Hall
	10/7/2019	IT	CIO Town Hall
	10/7/2019	LB&I	LB&I all-managers town hall
	10/8/2019	IT	Chief Information Officer (CIO) Town Hall
	10/10/2019	LB&I	LB&I quarterly all-employees town hall
	10/21/2019	C&L	SB/SE Leadership Town Hall
	10/28/2019	TFAO	Manager Listening Session: Philadelphia Campus
	10/30/2019	TFAO	Manager Listening Session: Philadelphia Green Federal Office Building
	11/6/2019	IT	CIO Town Hall
	11/12/2019	TFAO	Ogden Site Visit
	11/19/2019	TFAO	Brookhaven & NYC Site Visit
	12/3/2019	TFAO	Fresno, Los Angeles, Glendale and El Monte Site Visits
	12/10/2019	IT	CIO Town Hall
	12/12/2019	TFAO	Taxpayer Assistance Center (TAC) Visit - Atlanta
	12/19/2019	TFAO	Interviews/Work Observations with RAs and ROs
	1/8/2020	TFAO	Stakeholder Partnership, Education & Communication (SPEC) /TAC Manager Listening Session
	1/31/2020	TFAO	Baltimore Accounts Management Call Site Session
	2/5/2020	LB&I	Quarterly LB&I all-managers town hall
	2/6/2020	LB&I	Quarterly LB&I all-employees town hall
	3/4/2020	TFAO	New Carrollton Federal Building Pop-Up session
	5/18/2020	LB&I	LB&I Town Hall
	5/20/2020	PGLD	IRS Privacy Council
	5/21/2020	LB&I	LB&I Town hall
	6/25/2020	TFAO	Change Management Community of Practice Town Hall
	8/13/2020	RPO	Return Preparer Office Virtual Town Hall
	8/17/2020	LB&I	LB&I All-Employee Town Hall (August 17 & 18)

DIAGRAM 9.4.3 INTERNAL COMMUNICATIONS AND OUTREACH ACTIVITIES ANALYSIS

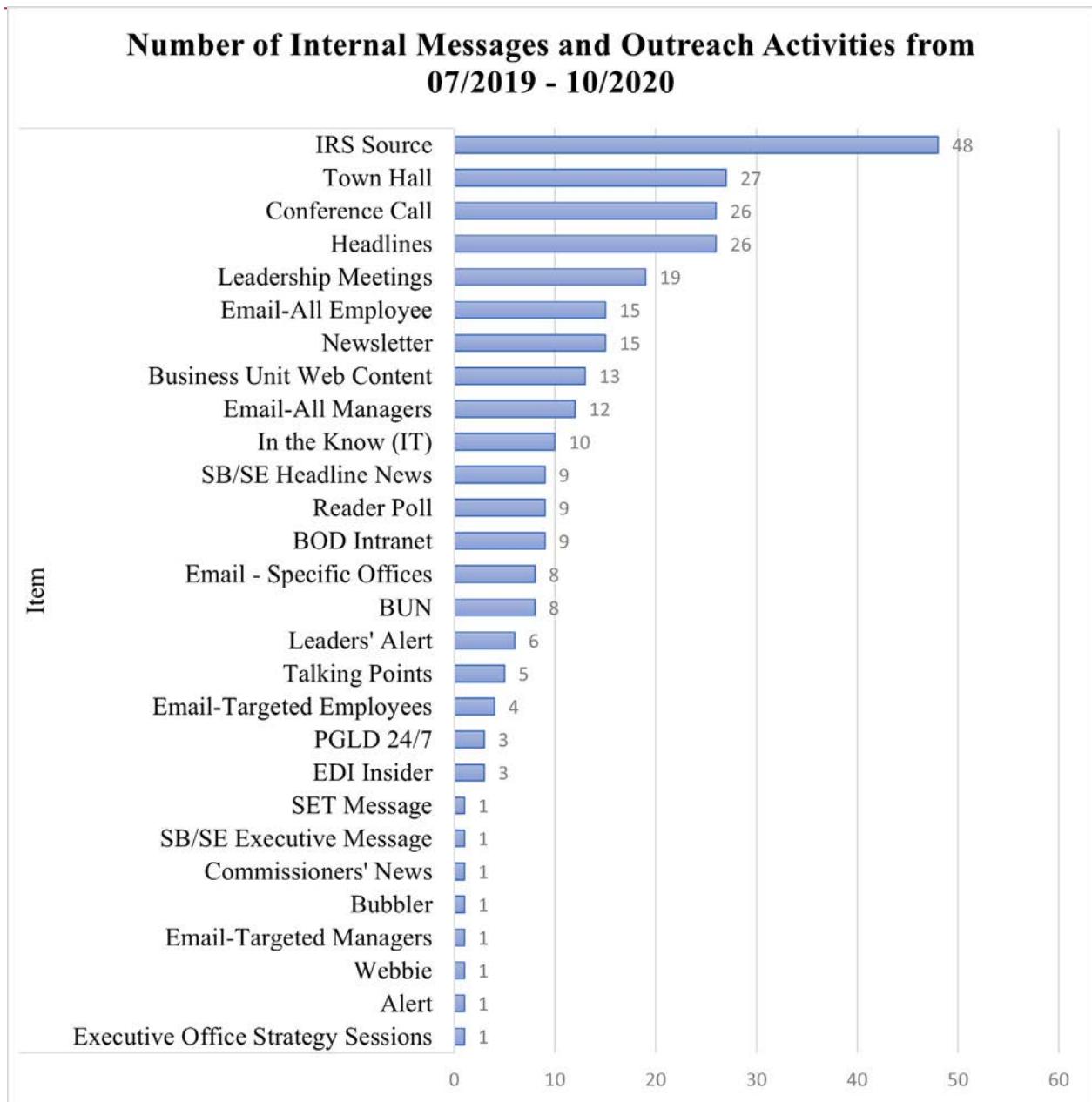


TABLE 9.4.4 EXTERNAL COMMUNICATION VEHICLES

Internal Communication Vehicles	Publish/Completion Date	Business Operating Division	Title/Subject
Congressional Update	8/1/2019	C&L	Whistleblower reforms under the Taxpayer First Act
	11/18/2019	TFAO	Info for Congressional Staff - Taxpayer First Act
	12/2/2019	C&L	We want your feedback
	1/6/2020	C&L	We want your feedback
e-News for Payroll Professionals	11/22/2019	C&L	IRS launches Taxpayer First Act webpage, email
e-News for Small Business	11/27/2019	C&L	IRS launches Taxpayer First Act webpage, email
e-News for Tax Professionals	11/22/2019	C&L	IRS launches Taxpayer First Act webpage, email
	1/3/2020	C&L	Recent legislation requires tax-exempt orgs to eFile forms
Fact Sheet	7/20/2020	C&L	Taxpayer First Act Taxpayer Experience Strategy
	7/20/2020	C&L	Taxpayer First Act Training Strategy
	7/20/2020	C&L	Taxpayer First Act Organizational Redesign Strategy
Instagram @ IRSNews	12/31/2019	C&L	TFAO mailbox promo
IRS Video Portal	11/20/2019	C&L	Taxpayer First Act Introductory Video
	1/14/2020	C&L	Tax Talk Today: TFA online series of educational programs for practitioners
	7/21/2020	C&L	Taxpayer First Act Overview
	7/21/2020	C&L	Taxpayer First Act Overview 2
	7/21/2020	C&L	Taxpayer Experience Strategy Overview
	7/21/2020	C&L	Training Strategy Overview
	7/21/2020	C&L	Organizational Redesign Strategy Overview

IRS.gov	11/13/2019	C&L	Taxpayer First Act Webpage
	11/21/2019	Taxpayer Advocate Service (TAS)	National Taxpayer Advocate (NTA) Blog: Highlights of the Taxpayer First Act and Its Impact on TAS and Taxpayer Rights
	9/1/2020	TAS	NTA Blog: Lessons Learned From COVID-19: The Critical Need to Improve IRS Digital Services
	9/2/2020	C&L	Created TFA Resources and Guidance webpage
New Release	12/13/2019	C&L	IRS: Recent legislation requires tax exempt organizations to eFile forms
	1/6/2020	C&L	IRS issues 2019 annual report; highlights program areas across the agency
	1/8/2020	C&L	National Taxpayer Advocate delivers Annual Report to the Congress focuses on Taxpayer First Act implementation, taxpayer service, and IRS funding
	2/3/2020	C&L	IRS launches Identity Theft Central
	3/13/2020	C&L	IRS announces waivers for Offer in Compromise applications
	5/15/2020	C&L	IRS expands partner materials for Economic Impact Payments (EIP); continues sweeping effort to share details in multiple languages
	5/20/2020	C&L	Andy Keyso named Chief of IRS Independent Office of Appeals
	6/29/2020	C&L	National Taxpayer Advocate Erin Collins delivers her first report to the Congress; identifies COVID-19 challenges, CARES Act, and Taxpayer First Act implementation as priority issues for taxpayers
	7/21/2020	C&L	IRS creates new Enterprise Digitalization and Case Management office; Smith, Abold-LaBreche to serve as co-directors
	8/17/2020	C&L	Now available: IRS Form 1040-X electronic filing
	8/24/2020	C&L	IRS updates procedures for designating taxpayer disputes for litigation, implementing provisions of Taxpayer First Act
	8/28/2020	C&L	IRS approves temporary use of e-signatures for certain forms
	9/10/2020	C&L	IRS adds six more forms to list that can be signed digitally; 16 now available

Podcast	1/23/2020	TFAO	Carolina Credit Union League Tax Fraud Update (SL)
Twitter @IRSNews	12/23/2019	C&L	TFAO mailbox promo
	12/24/2019	C&L	TFAO mailbox promo
Twitter @IRSSmallBiz	12/22/2019	C&L	TFAO mailbox promo

TABLE 9.4.5 EXTERNAL OUTREACH ACTIVITIES

Internal Communication Vehicles	Publish/Completion Date	Business Operating Division	Title/Subject
Congressional Meeting	10/9/2019	TFAO	TFA Congressional Briefing
	11/15/2019	TFAO	House Ways & Means Briefing
	11/22/2019	TFAO	Senate Finance Committee Briefing
	2/27/2020	TFAO	House & Senate Appropriations Briefing
	3/4/2020	TFAO	House Ways & Means Briefing
	3/5/2020	TFAO	Senate Finance Committee Briefing
	3/5/2020	TFAO	Senate Homeland Security & Govt Affairs Briefing
	4/22/2020	TFAO	Economic Impact Payment Hill Staff briefing
	9/16/2020	TFAO	House Ways & Means Committee Briefing
	9/17/2020	TFAO	Senate Finance Committee Briefing
Meeting	9/25/2019	TFAO	Electronic Tax Administration Advisory Committee (ETAAC) Listening Session
	10/9/2019	W&I	W&I Leadership & Council for Electronic Revenue Communication Advancement Board Meeting
	10/16/2019	TFAO	General Services Administration Engagement Session
	10/17/2019	TFAO	C&L National Public Liaison (NPL) Practitioner Meeting
	10/28/2019	TFAO	Philadelphia Tax Practitioners Listening Session
	11/4/2019	TFAO	Stockton University Veterans Resource Fair [via C&L Stakeholder Liaison (SL)]
	11/5/2019	TFAO	ETAAC Meeting
	11/12/2019	TFAO	Ogden Tax Practitioner Listening Session

Meeting	11/12/2019		Public Service Enterprise Group (PSEG) Social Service Professional Conference (SL)
	11/14/2019	TFAO	American Institute of Certified Public Accountants (AICPA) Advocacy & Relations Committee
	11/14/2019		Council for Electronic Revenue Communication Advancement (CERCA) Annual Meeting
	11/19/2019	TFAO	NYC Tax Practitioner Listening Session
	11/20/2019	TFAO	Long Island Tax Practitioner Listening Session
	11/21/2019	SB/SE	NPL Practitioner Meeting
	11/21/2019	TFAO	Tennessee Practitioner Liaison Meeting
	11/26/2019	TFAO	IRS National Security Awareness Week Roundtable - Brentwood (SL)
	12/2/2019	TFAO	Monday Tax Annual Update (SL)
	12/3/2019	TFAO	Arizona National Association of Tax Professionals (NATP) 2019 Tax Update - Tempe (SL)
	12/4/2019	TFAO	Practitioner Listening Session: El Monte, CA
	12/4/2019	TFAO	Taxpayer Advocacy Panel (TAP)
	12/5/2019	TFAO	Low Income Tax Clinic (LITC) Annual Conference
	12/6/2019	TFAO	Arizona NATP 2019 Tax Update - Tucson (SL)
	12/9/2019	TFAO	Ohio Society of Certified Public Accountant (CPA) Mega Tax Conference (SL)
	12/11/2019	SB/SE	Illinois Practitioner Liaison Meeting
	12/11/2019	TFAO	Illinois Practitioner Liaison Meeting (SL)
	12/19/2019	TFAO	NY Bar Assoc. & State Local Taxation Committee Meeting (SL)
	1/7/2020	TFAO	ETAAC Meeting
	1/7/2020	TFAO	United States Department of Veterans Affairs Meeting
	1/8/2020	TFAO	Chattanooga Tax Practitioners Meeting (SL)
	1/10/2020	TFAO	Guilford Tech Community College Annual Small Business Summit (SL)
	1/10/2020	TFAO	Univ of Findlay Annual Income Tax School
	1/11/2020	TFAO	CA Society of Tax Consultants Running Start 2020 (SL)
	1/11/2020	TFAO	NJ State Tax Update (SL)
	1/14/2020	SB/SE	Small Business Forum

Meeting	1/14/2020	TFAO	Association of Former IRS Executives (AFIRE) Conference Call
	1/14/2020	TFAO	AZ Association of Accounting and Tax Professionals 2019 Tax Updates (SL)
	1/14/2020	TFAO	Internal Revenue Service Advisory Council (IRSAC)
	1/14/2020	TFAO	Las Vegas Practitioner Liaison Meeting (SL)
	1/14/2020	TFAO	PA Society of Tax (SL)
	1/14/2020	TFAO	TFA Forums
	1/15/2020	TFAO	Ariz. Practitioner Liaison Meeting (SL)
	1/15/2020	TFAO	Connecticut Practitioner Liaison Meeting
	1/15/2020	TFAO	TFA Forums
	1/16/2020	TFAO	2020 NVCPA Las Vegas Monthly Meeting (SL)
	1/16/2020	TFAO	ABA (AICPA Mtg)
	1/16/2020	TFAO	AICPA Stakeholder Meeting
	1/16/2020	TFAO	Fresno Practitioner Liaison Meeting (SL)
	1/16/2020	TFAO	H&R Block Session
	1/16/2020	TFAO	Latino Tax Pros (AICPA Mtg)
	1/16/2020	TFAO	ME Practitioner Liaison Meeting (SL)
	1/16/2020	TFAO	National Association of Tax Professionals (AICPA Mtg)
	1/16/2020	TFAO	National Conference of CPA Practitioners (AICPA Mtg)
	1/16/2020	TFAO	National Society of Accountants (AICPA Mtg)
	1/16/2020	TFAO	National Society of Tax Professionals (NSTP)
	1/16/2020	TFAO	Nevada Small Business Roundtable (SL)
	1/16/2020	TFAO	NPL Practitioner Meeting
	1/16/2020	TFAO	Padgett Business Services (AICPA Mtg)
	1/16/2020	TFAO	Prosperity Now (AICPA Mtg)
	1/16/2020	TFAO	Tax Executives Institute, Inc. (AIPCA Mtg)
	1/21/2020	TFAO	Alabama Tax Pros Web Conference (SL)
	1/22/2020	TFAO	Meeting with Social Security Administration (SSA)
	1/22/2020	TFAO	Rhode Island Practitioner Liaison Meeting
	1/23/2020	TFAO	SC Dept of Revenue Employer Withholding Tax Workshop

Meeting	1/23/2020	TFAO	SL Local Practitioner Web Conference (N. Calif.)
	1/23/2020	TFAO	TAP Focus Groups - International Taxpayers
	1/24/2020	TFAO	PA Practitioner Liaison Meeting (SL)
	1/27/2020	TFAO	FTA Membership Meeting
	1/28/2020	TFAO	Accounting & Financial Women's Alliance Annual Tax Update (Ariz., SL)
	1/28/2020	TFAO	Stakeholder Liaison NY Practitioner Meeting
	1/29/2020	TFAO	Intuit Meeting
	1/29/2020	TFAO	NJ Practitioner Liaison Meeting (SL)
	1/30/2020	TFAO	Denver Practitioner Liaison Meeting (SL)
	1/30/2020	TFAO	Dollarhide Community Center Business Roundtable (Calif., SL)
	1/30/2020	TFAO	Jackson Hewitt Meeting
	1/31/2020	TFAO	Earned Income Tax Credit (EITC)/MCVET Event (Baltimore)
	1/31/2020	TFAO	CASH Campaign of MD- EITC Awareness Day Event - 10 AM - 11 AM / Maryland Center for Veterans Education and Training-McVet site - Baltimore Accounts Mgmt Visit
	2/3/2020	LB&I	Silicon Valley Tax Director's Group (SVTDG)
	2/3/2020	TFAO	Silicon Valley Tax Director's Group (SVTDG)
	2/5/2020	TFAO	AFIRE Feedback Session
	2/5/2020	TFAO	Partnership for Public Service Meeting
	2/6/2020	TFAO	Monthly Payroll Industry Call
	2/7/2020	TFAO	TX Society of CPAs Practitioner Liaison Mtg (SL)
	2/11/2020	LB&I	American Citizens Abroad Meeting (w/LB&I)
	2/11/2020	TFAO	Reporting Agent Forum
	2/11/2020	TFAO	American Citizens Abroad Meeting w/ LB&I
	2/12/2020	TFAO	2020 Long Island Tax Pros Symposium Planning (SL)
	2/13/2020	TFAO	NPL Practitioner Meeting
	2/24/2020	TFAO	2020 FTA Compliance Workshop
	2/25/2020	TFAO	Dept of Veterans Affairs
	2/25/2020	TFAO	Indian Tribal Governments
	3/4/2020	TFAO	The MITRE Corporation

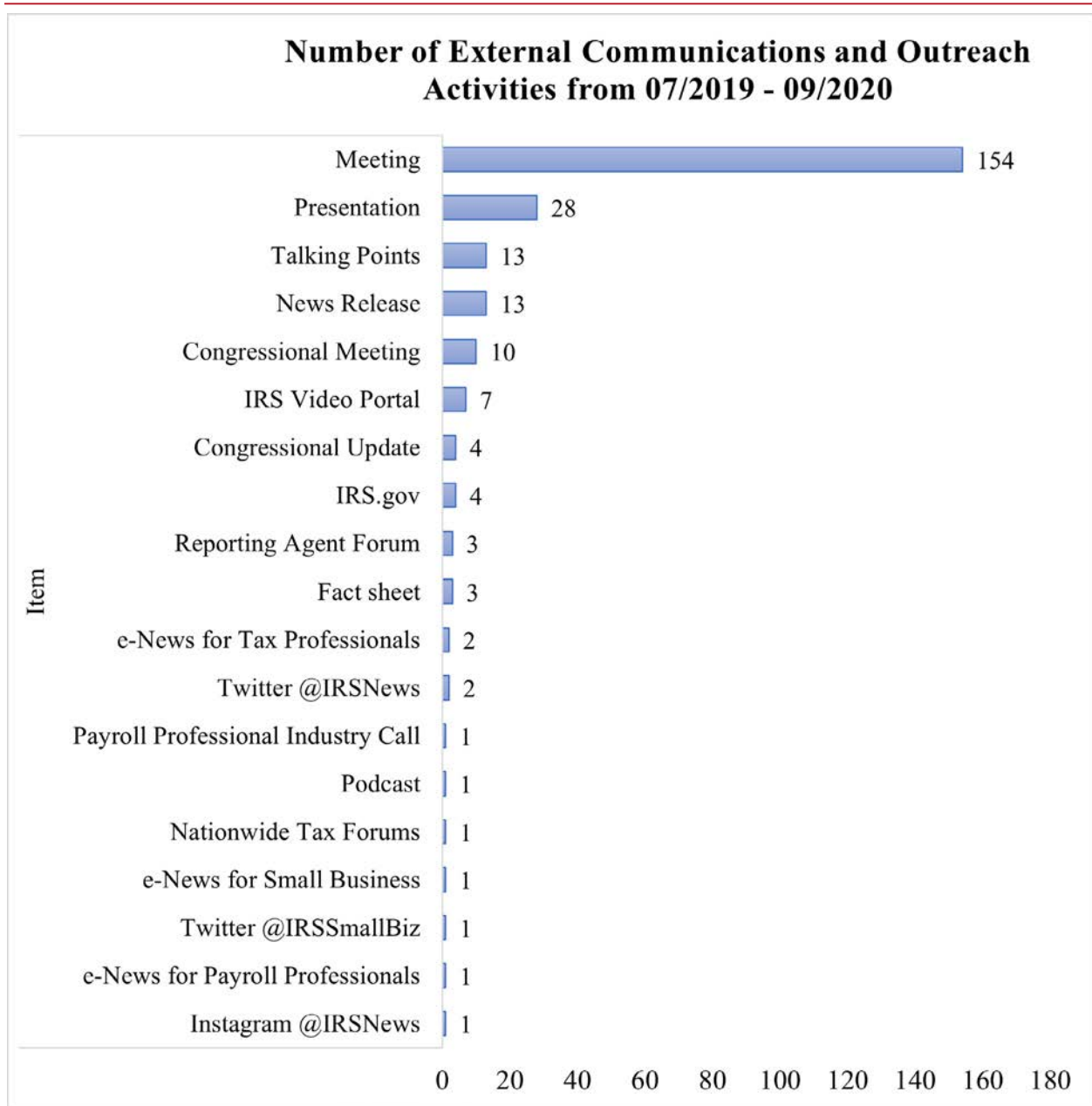
Meeting	3/5/2020	TFAO	American Escrow Association
	3/9/2020	TFAO	Former IRS Commissioner Rossotti
	3/10/2020	TFAO	Former IRS Commissioner Koskinen
	3/13/2020	TFAO	Financial Institutions Session
	3/13/2020	TFAO	Private Sector Outreach with Financial Institutions
	3/13/2020	TFAO	Financial Institutions
	3/13/2020	TFAO	Senior Commissioner's Representatives Annual Executive Meeting
	3/17/2020	TFAO	AARP
	3/18/2020	TFAO	American Bankers Association
	3/24/2020	TFAO	Former IRS Commissioner Gibbs
	3/25/2020	TFAO	Taxpayer Opportunity Network
	3/31/2020	TFAO	Amazon.com, Inc.
	4/6/2020	TFAO	Canada Revenue Agency
	4/16/2020	TFAO	EIP Government Partners COVID-19 Communications Forum
	4/17/2020	TFAO	EIP Health Resources and Services Administration - Office of Health Equity
	4/21/2020	TFAO	EIP National Association of Counties
	4/24/2020	TFAO	EIP National League of Cities
	4/29/2020	TFAO	Former IRS Deputy Commissioner for Services and Enforcement John Dalrymple
	4/29/2020	TFAO	Former IRS Commissioner Doug Shulman
	4/29/2020	TFAO	IRSAC
	4/29/2020	TFAO	Former IRS Commissioners - Koskinen, Rossotti, Gibbs, Shulman
	4/30/2020	TFAO	EIP NPL Practitioner Meeting
	5/5/2020	TFAO	Amazon.com, Inc.
	5/6/2020	TFAO	United States Office of Management and Budget (OMB)
	5/7/2020	TFAO	National Conference of CPA Practitioners (NCCPAP)
	5/14/2020	TFAO	EIP U.S. Conference of Mayors
5/15/2020	TFAO	United States Department of the Treasury (Treasury)	
5/19/2020	TFAO	Aspen Institute	

Meeting	5/20/2020	TFAO	OMB
	5/21/2020	TFAO	NPL Practitioner Meeting
	5/26/2020	SB/SE	ETAAC (SB/SE)
	6/2/2020	TFAO	Texas CPA Society (SL)
	6/9/2020	TFAO	IRS Security Summit
	6/10/2020	TFAO	OMB
	6/10/2020	TFAO	Amazon.com, Inc. Artificial Intelligence Demo
	6/19/2020	TFAO	Partnership for Public Service
	6/22/2020	C&L	TFA Forum "Save the Date"
	6/25/2020	TFAO	CERCA
	6/25/2020	TFAO	Consumer Financial Protection Bureau
	6/30/2020	TFAO	Treasury Assistant Secretary of the Treasury for Management
	6/30/2020	TFAO	US Patent and Trademark Office
	7/1/2020	TFAO	Civic Digital Fellows
	7/8/2020	TFAO	IRSAC
	7/9/2020	C&L	TFA Forum invitation
	7/15/2020	TFAO	TFA Forums
	7/16/2020	TFAO	TFA Forums
	7/22/2020	TFAO	IRS Geographic Leadership Communities
	8/6/2020	SB/SE	Payroll Industry Call (SB/SE)
	8/10/2020	SB/SE	"Hearing All Voices" Small Business Workshop and Listening Session
	8/12/2020	TFAO	Canada Revenue Agency
	8/12/2020	TFAO	Australian Tax Office
	8/18/2020	SB/SE	Utah State Tax Commission (Provision 2102)
	8/19/2020	SB/SE	Connecticut Department of Revenue Services (Provision 2102)
	8/26/2020	SB/SE	National Association of Computerized Tax Processors (Provision 2102)
	8/26/2020	TFAO	Colorado Taxpayer Advocate Service Group meeting
	9/9/2020	SB/SE	Pennsylvania Department of Revenue
9/10/2020	SB/SE	New Jersey Department of the Treasury	

Meeting	9/10/2020	TFAO	IRSAC
	9/2/2020	TFAO	Treasury ASM Briefing
	9/17/2020	TFAO	Software Developers Conference
	9/22/2020	TFAO	OMB
	9/24/2020	TFAO	Treasury Exec Secretariat Briefing
	9/24/2020	TFAO	NPL Practitioner Meeting
Nationwide Tax Forums	7/21/2020	TFAO	Virtual Nationwide Tax forums TFAO Booth 7/21/20 – 8/21/20
Payroll Professional Industry Call	2/6/2020	TFAO	Payroll Industry Call
Presentation	1/31/2020	TFAO	Hispanic Association of Professional Services Seminar (Calif., SL)
	2/3/2020	TFAO	PA Society of Tax Phila. Chapter Annual Tax Potpourri (SL)
	2/6/2020	TFAO	Asian Pacific Community Summit 2020 Seminar for Business Owners (Calif., SL)
	2/6/2020	TFAO	NJ Society of CPAs (SL)
	2/6/2020	TFAO	PICPA Greater Philadelphia Federal Tax Committee (SL)
	2/6/2020	TFAO	SC Business Collaborative (SL)
	2/11/2020	TFAO	Better Business Bureau Limited English Proficiency Event (Sacramento, SL)
	2/11/2020	TFAO	Georgia Association of CPAs (SL)
	2/12/2020	TFAO	Tax Tips for Small Businesses Workshop (Brooklyn, SL)
Reporting Agent Forum	11/13/2019	SB/SE	Reporting Agent Forum
	5/12/2020	TFAO	Reporting Agent Forum
	8/12/2020	TFAO	Reporting Agent Forum
Talking Points	10/8/2019	TFAO	Partnership for Public Service Keynote
	10/10/2019	IT	IT Industry Conference
	11/20/2019	SB/SE	Long Island Tax Professionals
	1/17/2020	C&L	Florida Institute of CPAs Tax Conference
	1/24/2020	C&L	University of California at Irvine Tax Symposium
	1/27/2020	C&L	USC Tax Institute

Talking Points	2/27/2020	C&L	International Fiscal Association Conference - US Branch
	3/19/2020	TFAO	Thank you note for former IRS Commissioners
	5/15/2020	C&L	National Tax Symposium
	6/26/2020	C&L	Texas State Bar Association Annual Meeting
	6/30/2020	C&L	IRS Commissioner: Senate Finance Committee Hearing
	7/15/2020	C&L	TFA forums CIR talking points
	8/10/2020	C&L	"Hearing All Voices" Small Business Workshop and Listening Session

DIAGRAM 9.4.6 EXTERNAL COMMUNICATIONS AND OUTREACH ACTIVITIES ANALYSIS



9.5 COSTING METHODOLOGIES AND DETAILED COSTS

The Costing Methodologies and Detailed Costs sections contain pricing information for each strategy.

9.5.1 COSTING METHODOLOGIES

The Costing Methodologies Section outlines the process for how TFAO developed the pricing estimates for the three TFA strategies and other relevant enterprise-wide initiatives.

9.5.1.1 TAXPAYER EXPERIENCE STRATEGY COSTING METHODOLOGY

To build a comprehensive cost estimate for the Taxpayer Experience Strategy the TFAO created six components with approximately 140 capabilities. Capabilities were assigned to specific out-years, as prescribed in the legislation.

The TFAO convened a workshop of subject matter experts from across the IRS to develop cost estimates spread over the 1–2, 3–5 and 10-year timeframes mandated by the Act. During the workshop, facilitators spent an equal amount of time presenting each of the six components and encouraged a two-way dialogue to ensure participants understood the scope and goals of each.

The IRS CFO leveraged the completed costing worksheets to compile the FY2022 budget and the TFAO reviewed the FY2022 budget for gaps, redundancies, applicability and cohesiveness. Additional meetings with business units were scheduled to clarify issues and adjust submissions. Once all content issues were settled, the CFO compiled the business unit submissions for this Report and the FY2022 Treasury submission. Due to the high degree of overlap between the Taxpayer Experience Strategy and the IRS Modernization Plan, care was taken to deconflict costs to ensure they were captured under one or the other, but never both. See Section 9.5.2.1 for detailed costs of the Taxpayer Experience Strategy.

9.5.1.2 TRAINING STRATEGY COSTING METHODOLOGY

The Human Capital Office worked with the TFAO to create a FY2022 budget and out-year costing using traditional methods and past practices to estimate labor, contractual support, and technology.

This same costing method was used for estimating the comprehensive Training Strategy's seven core capabilities that support a continuous learning environment and the implementation of the Taxpayer Experience Strategy.

Part of the Training Strategy costing includes enhancements needed to use the Treasury Integrated Talent Management System to implement new training technology and improve existing technology-based training. See Section 9.5.2 for detailed costs of the Training Strategy.

9.5.1.3 ORGANIZATIONAL REDESIGN STRATEGY COSTING METHODOLOGY

The Organizational Redesign Strategy outlined in Section 6 of this report is high-level, so the full scope and scale of TFA-related restructuring is unknown at this time. However, we determined that we could estimate the full-scope costs of this restructuring by researching the costs associated with a previous IRS restructuring effort, the IRS Restructuring and Reform Act of 1998 (RRA '98). The TFAO and CFO worked together to conduct the research and analysis of RRA '98 to produce the initial cost assessment. These estimates adjust for inflation as well as the relative scope and scale of RRA '98 to our current efforts.

Our current assumptions for the Organizational Redesign Strategy scope include that it will be a multi-stage reorganization and will be implemented over the course of five years starting in FY2021. Estimated costs include drafting implementation plans, executing implementation plans, and IT costs. See Section 9.5.2.3 for detailed costs of the Organizational Redesign Strategy.

9.5.1.4 OPERATING DIVISION STRATEGY COSTING METHODOLOGY

The CFO gathered estimates from the operating divisions on the costs to implement ten of the remaining 42 TFA Provisions, outside of the Taxpayer Experience Strategy, Comprehensive Training Strategy, and Organizational Redesign Strategy (See Section 9.3 for details on the Operating Divisions Provisions). Seventeen of the 42 provisions incurred additional costs to the IRS. IT Operation and Maintenance (O&M) and Program Support were also required. Provision 2201 was self-funded with user fees.

Many of the TFA requirements introduced significant changes to IT systems. The CFO has worked extensively with IT and the other business units to deploy and analyze the appropriate costing and operational strategies. The CFO and operating divisions utilized the unit cost rate calculator for labor requirements and estimated non-labor projections based on previous years' actuals to generate a three-year costing plan to fully implement the TFA Provisions. See Section 9.5.2.4 for detailed costs for the Operating Divisions Provisions.

9.5.2 ESTIMATED COSTS

The Estimated Costs Section outlines the estimated cost of the Taxpayer Experience, Training and Organizational Redesign Strategies from FY2021- FY2025. This Section also includes estimated costs of the Operating Division Provisions from FY2020-FY2025.

9.5.2.1 TAXPAYER EXPERIENCE STRATEGY DETAILED COSTS

Taxpayer Experience Strategy⁴⁸ <i>Thousands of Dollars</i>	FY2021-FY2025 TFA Costs
Expand Digital Services	337,000
Seamless Experience	378,000
Proactive Outreach & Education	149,000
Community of Partners	68,000
Focused Strategies for Reaching Underserved Communities	54,000
Enterprise Data Management & Advanced Analytics	241,000
Totals	\$1,227,000

⁴⁸ Cost estimates were formulated prior to enactment of 2021 appropriations

9.5.2.2 TRAINING STRATEGY DETAILED COSTS

Training Strategy <i>Thousands of Dollars</i>	FY2021-FY2025 TFA Costs
Training on Organizational Awareness	7,000
Training Tied to Career Paths	13,000
“People First” Training	7,000
Employee Online Forum	13,000
Organization Liaisons to Discuss Common Problems	8,000
Internal Concierge Service	17,000
Enhance Training Technology & Strategy Implementation	58,000
Totals	\$123,000

9.5.2.3 ORGANIZATIONAL REDESIGN STRATEGY DETAILED COSTS

Organizational Redesign Plan/ TFAO Operations <i>Thousands of Dollars</i>	FY2021-FY2025 TFA Costs
TFAO	36,000
Planning	10,000
Implementation	70,000
IT - Planning	20,000
IT - Execution	80,000
Totals	\$216,000

9.5.2.4 OPERATING DIVISION PROVISION DETAILED COSTS

Legislatively Mandated Provision <i>Thousands of Dollars</i>		FY2020 TFA Costs	FY2021- FY2025 TFA Costs⁴⁹	Total TFA Costs
1001	Establishment of IRS Independent Office of Appeals	3,055	42,000	45,055
1205	Private Debt Collection and special compliance personnel program	495	-	495
1206	Reform of notice of contact of third parties	448	-	448
1401	Return preparation programs for applicable taxpayers	387	-	387
1405	Whistleblower reforms		6,000	6,000
1406	Customer Service Information	113	-	113
2004	Compliance by contractors with confidentiality safeguards	-	4,000	4,000
2005	Identity protection personal identification numbers	49	223,000	223,049
2101	Management of IT Information	5,425	-	5,425
2102	Internet platform for Form 1099 filings	8,736	58,300	66,736
2201	Disclosure of taxpayer information for third-party income verification	17,527	-	17,527
2301	Electronic filing of Returns	34	-	34
2302	Uniform standards for the use of electronic signatures	8,492	14,000	22,692
2303	Payment of taxes by debit and credit cards	-	6,000	6,000
2304	Authentication of users of electronic services accounts	-	6,000	6,000
3101	Mandatory e-filing by exempt organizations	3,127	21,000	24,127
3201	Increase in penalty for failure to file	30	-	30
n/a	IT TFA Program Management Office	13,736	10,000	23,736
n/a	IT Operations and Maintenance	-	148,000	148,000
n/a	Misc non-IT costs	5,823	11,000	16,823
Totals		\$67,477	\$549,300	\$616,182

⁴⁹ Details do not add due to rounding.

9.6 TAXPAYER EXPERIENCE

ADDITIONAL INFORMATION

This Section includes additional information including the Taxpayer Experience Strategy strategic goals, capability groups and specific capabilities.

Comprehensive Taxpayer Experience Framework
Goals, Objectives, and Capability Descriptions



Core Principles of the Comprehensive Taxpayer Experience Framework:

1. Put Taxpayers First
2. Facilitate Compliance and Ensure Fairness

9.6.1 STRATEGIC GOAL: UNDERSTAND, INFORM AND EDUCATE TAXPAYERS

9.6.1.1 OBJECTIVE: PROVIDE CLEAR AND TIMELY COMMUNICATIONS

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Provide Proactive Outreach and Education

1. **Year-Round Communications:** Communicate to taxpayers tax law changes, requirements, guidance and impacts as well as send reminders during pre-filing, filing, and post filing activities (e.g., student aid and charity).
2. **Share Success Stories:** Showcase IRS successes through various communication channels.
3. **Social Media Strategy:*** Use multiple social media platforms to share IRS news and educational updates that are customized based on demographics and other taxpayer behavioral information. Social media will be used to engage taxpayers, guide them to the appropriate channel for service and communicate in a voice and style consistent with the respective platform.
 - **Diversity:** Integrate a diverse array of taxpayers into communications.
 - **Life Event-Specific Content:** Create content specific to taxpayer life events (first employment, marriage, retirement).
 - **Journey Mappings:** Develop use cases and focus on types of taxpayer’s experiences.
4. **Announce Issue Campaigns:** Proactively publicize common issues (e.g., non-compliance).

5. **Personalized Tax Updates:*** Through online accounts, allow taxpayers to opt in to receive personalized notifications about changes to their tax situation, filing reminders or status updates for refunds, audits, and payments. Further developing online accounts, increasing digital correspondence and providing more electronic reminders and notices will help ensure taxpayers have up-to-date information to comply with their tax obligations.
 - **Personalized Information:** Provide taxpayer notices and education related to their individual tax status or circumstances. Allow taxpayer to save and use information specific to their personal situation.
 - **Tax Health Check:** Leverage data to notify taxpayers of specific tax campaigns and proactive alerts to potential non-compliance e.g. EITC, withholding changes, updates to tax calculators, identify upcoming status changes that may impact taxpayer filing.
6. **Service Channel Awareness:** Provide taxpayers with information on what service tools are available to them and how to access them.

Capability Group: Use Language Taxpayers Understand

7. **Plain Language Communications:*** Redesign notices and standardize correspondence across the agency to simplify the format, educate and provide information to taxpayers in a manner that is easy to read and eliminate unnecessary legal language. Provide clear information and plain instructions to the taxpayers about why they are receiving the communication from us, and what actions they need to take. This may also include instructions for using online accounts for more detailed account information.
8. **Improve Counsel Guidance:** Provide timely Counsel guidance in plain language.
9. **Simplified Notices and Correspondence:*** Analyze and use data to identify necessary language translations for our notices and correspondence. Use data to improve the effectiveness of our communications in various taxpayer segments.
10. **Multi-Language Communications:** Expand multi-language options for IRS communication channels and correspondence (e.g. forms, pubs, notices, letters, social media, emails, web content, phone, and web chat).

9.6.1.2 OBJECTIVE: UNDERSTAND TAXPAYER NEEDS

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Reach Underserved Segments

11. **Multilingual Strategy:*** Develop customized strategies based on focused research that will improve outreach, education, communications, and services to support taxpayers with limited English.
 - **Translate Forms, Publications and Notices:** Increase the languages available for most widely used forms, publications and notices.
 - **Digitally Aided Translation and Interpretation:** Translate documents and phone conversations to other languages.
 - **Recruitment:** Increase incentives for prospective bilingual / multilingual employees’ and specify the languages we are looking for during hiring.
 - **Leverage Employee Multi-lingual Skills:** Incentivize employees to be certified as multi-lingual and recruit these employees to provide multi-lingual assistance and services.
 - **Translation App:** Enable better communication between field employees and taxpayers in their preferred language using a new translation application for mobile devices.
12. **Armed Forces Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications, and services to support active duty Armed Forces, reservist, and veteran taxpayer’s needs. Leverage partnerships and initiatives like W&I’s ‘adopt-a-base’ to expand access to service.
13. **International Strategy:*** Develop customized strategies based on focused research that will improve outreach, education, communications, and services to support International taxpayers’ needs. Create new mechanisms and channels to provide service and communication options for individual and business taxpayers operating internationally.
 - **International Online Account Authentication:** Expand online account authentication to international taxpayers to provide access to additional self-service channels including the expanded digital tools and seamless experience described above.
 - **Focused Promotion of IRS eFile:** Continue promoting IRS eFile to increase electronic filing, expedite the filing process and reduce errors, ultimately improving the taxpayer experience for international taxpayers.
 - **Virtual Face-to-Face:** Provide the ability for taxpayers to have a scheduled video chat with an IRS employee, using computer, tablet or mobile phone.

- **Virtual Discussion Forums:** Facilitate a new virtual discussion forum where taxpayers can initiate discussions around filing requirements, rules, procedures and other topics. The forums will provide a moderated outlet for asking questions and sharing answers. International taxpayers will also have the ability to be a part of virtual one-on-one or group conference via the forums.
14. **Native American Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications and services to support Native American taxpayer's needs.
 15. **Persons with Disabilities:** Develop customized strategies based on focused research that will improve outreach, education, communications and services to support taxpayers with disabilities.
 - **Expanding Adaptive Services:** Braille, sign language and other adaptive technologies.
 16. **Elderly Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications and services to support elderly taxpayer's needs.
 17. **Low-Income Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications and services to support low-income taxpayer's needs.
 18. **Rural Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications and services to support rural taxpayer's needs.

Capability Group: Leverage Taxpayer Feedback

19. **Continuous Feedback Loop:** Expand avenues to collect real-time feedback from taxpayers as they interact with all service channels to improve IRS products and services including:
 - Internal and External Feedback Mechanisms
 - All phone calls, including those that do not result in Assistor Support
 - Website
 - Online Applications (Online Account, Tax Professional Online Account)
 - IRS2GO Mobile App
 - Examinations
 - Collections
 - Appeals
 - Litigation
20. **Expand and Enhance Survey Capabilities:** Give all taxpayer segments the opportunity to communicate feedback in real time via surveys on all IRS service channels to align with PMA CAP CX Goal.
21. **Employ Taxpayer-Centric Design:** Develop or leverage group(s) of volunteer taxpayers (e.g., Taxpayer Advocacy Panel (TAP)) to review all products and services at the idea, prototype, development, and test stages to provide usability and adoption feedback.

22. **Leverage Taxpayer Advisory Panels:** Expand the engagement and use of the Taxpayer Advocacy Panel (TAP) or create new taxpayer advisory panels to collect taxpayer feedback on new and enhanced IRS products and services.

9.6.1.3 OBJECTIVE: BUILD TRUSTING RELATIONSHIPS AND PARTNERSHIPS

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Expand Federal Partnerships

23. **Co-Located Federal Government Services:*** Partner with other federal agencies to allow the IRS to provide co-located services (e.g., post offices, U.S. embassies, etc.). These partnerships could apply to both service and compliance interactions.
24. **Data Sharing Opportunities:*** Ensure secure and authorized information-sharing with federal and state agencies, Security Summit participants and other third parties within the boundaries of the established law to allow us to incorporate new sources of information from a secure network to drive enforcement decisions, combat identify theft and improve the taxpayer experience.
25. **Federated Authentication:** Simplify identity proofing and authentication for taxpayers by unifying authentication across more agencies.
26. **Leverage Customer Service Best Practices:** Work with our partners to develop and share customer service research and best practices.
27. **Leverage Community Outreach Best Practices:*** Work with our partners to benefit from their experience in developing community partnerships, such as joining with other agencies to learn how they access hard-to-reach communities.

Capability Group: Expand Community Presence and Industry Partnerships

28. **Expand VITA and TCE Partnership:*** Expand and promote the Volunteer Income Tax Assistance (VITA) and Taxpayer Counseling for the Elderly (TCE) programs including geographic presence, availability (dates which they are open), scope of supported issues and taxpayers that qualify.
29. **Tax Education in Schools:** Partner with education institutions to develop, deliver, and promote tax education using tools like the Understanding Taxes Simulator.
30. **Expanding Community Presence:*** Cultivate trusted relationships with local leaders, community centers, cultural and faith communities and organizations and chambers of commerce to help us provide outreach, education and other services. This collaboration will also help us better reach populations that may be underserved or under-represented.
31. **Building and Expanding Trusted Stakeholder Network:*** Use existing partnerships and develop new ones to improve information-sharing between organizations and collaborate on solving common problems.

32. **Expand LITC Partnerships:** Expand and build partnership with LITC to find new and better way to serve Low Income Taxpayers.

Capability Group: Improve IRS Image

33. **Improve Image:** Improve the perception of the IRS by highlighting both taxpayer service and enforcement activities.
34. **Establish Broader Organizational Goals and Metrics:** Develop measures that span across the organization.
35. **Customer Service Tied to Performance Measures:** Implement additional executive, management and employee performance measures tied to taxpayer experience outcomes.
36. **Celebrate and Award Excellent Customer Service:** Create additional program that recognizes and awards excellent customer service. Share these stories both internally and externally.
37. **Share Improvements Publicly:** Share improvements with the public and explain what they mean for the taxpayer experience.
38. **Raise Public Awareness of CI Outcomes:** Expand communications and public awareness of criminal investigation cases to demonstrate a fair and just tax system.

9.6.2 STRATEGIC GOAL: PROVIDE A SEAMLESS TAXPAYER EXPERIENCE

9.6.2.1 OBJECTIVE: INCREASE ACCESS AND PROMOTE TRANSPARENCY

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Enhance Self Service

39. **Improve Search-Driven Website:** Use search-optimized content and natural language processing (NLP) to understand questions framed by taxpayers.
40. **Enhanced FAQ Page:** Leverage taxpayer data to personalize FAQ recommendations.
41. **Forms Database:** Improve interface for locating forms with robust search and tags.
42. **Forms Engine:** Implement technology on IRS.gov that recommends and locates applicable forms and publications for the taxpayer.
43. **Mobile Phone Push Notifications:** Provide opt-in mobile phone push notifications from the IRS for MeF return filing, “Where’s My Refund,” ECM case status, etc.
44. **IRS2GO Full-Functionality of Online Account:** Increase the functionality of Online Account through the IRS2GO app.

45. **Change Account Information (“Self-Correct Entity”):*** Allow taxpayers to update their contact information and other key details.
46. **Taxpayer View History:*** Allow taxpayers to see information about their tax histories (e.g. refunds, payments received, amounts owed, returns filed, etc.) through their online accounts to ensure transparency and accessibility of records.
47. **Digital Amended Returns:** Allow taxpayers to amend their returns online after receiving notifications on required updates or errors; possibly align with digital notices with click-to-correct capabilities.
48. **Improve Online Installment Agreements:** Provide taxpayers with an improved mechanism for setting up a payment plan they are eligible for within their Online Account.
49. **Integrate Refund Tracking:** Integrate “Where’s My Refund” into online accounts and IRS2GO app.
50. **Issue Resolution Tracking:** Create an automated tool that provides current status and next steps of any issue or case.
51. **Link a Bank Account:** Enable taxpayers to link their bank accounts to their Online Account giving them the ability to seamlessly send or receive money from their checking or savings account.
52. **Expand Payment Options:** Provide taxpayers, businesses and tax professionals the ability to make payments through all channels including telephone, online accounts, mobile apps and walk-in assistance. Electronic Funds Transfer (EFT) and credit and debit cards interactions will remain available as well.
53. **Expand Electronic Distribution of Refunds:** Add more options to deliver tax refunds electronically with the goal of eliminating paper checks.
54. **Digital Notifications:*** Generate customized taxpayer notices and letters accessible through online accounts. Taxpayers will be able to opt in to receive personalized notifications about changes to their tax situation, payment reminders and status updates on refunds or audits.
55. **Subscription Service to Opt-In to Receive Notifications:** Allow taxpayer to enable and receive notifications to their email account and/or mobile devices.
56. **Connection to Tax Pro Account:** Allow taxpayers to grant accountants, tax preparers and other third parties access to their Online Account.

Capability Group: Enhance Assisted Services

57. **Wait Time Transparency:*** Provides taxpayers estimated wait times to inform their decision on whether to remain on hold, opt for a call back or seek information on IRS.gov.
58. **Expand Automated Callback:*** Allows taxpayers to provide their telephone number and opt for an IRS employee to call them back instead of waiting on hold.
59. **Improved Menu System and “Phone Tree”:** Provide taxpayers with an easy to use phone tree including simplified menu options.
60. **Human Phone Voice (for IVR Phone Menu System):** Use an AI representative to enable a more consistent, authentic and less robotic automated system with greater agility to make changes.

61. **Language Options for Phonenumber:** Offer easily accessible multi-language options to callers.
62. **Improved Service on Practitioner Priority Line:** Monitor and add resources as necessary to improve service at peak times.
63. **Voice Bot:** Leverage AI solutions to recognize human language to provide solutions and digital telephonic assistance.
64. **Notice Access:** Provide employees the ability to see all notices for the taxpayer they are assisting.
65. **Expand Digital Kiosk:** Provide access to IRS Online Self-Service Tools at all TACs, federal buildings and partners:
 - **Live Assistor:** Passive staffing (e.g. receptionist) to handle questions if needed, video conference capability.
 - **In-Person Authentication:** Allow in-person authentication in cases where online authentication is unsuccessful.
 - **Printer Connection:** Enable printer connection for printing of transcripts, notices, etc.
 - **Credit Card Payments:** Accept credit card payments with no fees.
66. **Virtual Face-to-Face:** Provide the ability for taxpayers to have a scheduled video chat with an IRS employee, using computer, tablet, or mobile phone.
67. **Click to Call-VOIP:** Create the ability for a taxpayer that is having difficulty resolving an issue in the web environment to connect to an IRS employee with one click.
68. **Counsel Settlement Day:** Invite Appeals, Collection and TAS to provide one stop resolution for taxpayers.

Capability Group: New Service Channels

69. **Tax Professional Online Account:*** Provide online accounts for tax professionals, which allow eligible representatives to access client information and services.
 - **Add Authorization and POA/Fully Digital CAF:** Enable e-Signature for real-time approval of Authorization and POA.
 - **Update/Remove Authorization and POA:** Create the ability to add and remove client authorizations and POA.
 - **List of Clients with Access to OLA:** Develop an aggregated list of clients that a POA has authorization to represent during a specified tax period.
 - **Access to Taxpayer Notices History:** Allow tax professionals to view all client notices.
 - **Practitioner Premium Access:** Offer live chat, digital request for callback and other communication tools.
 - **Act on Behalf of Client:** Enable Tax Pros to view information and take any actions that their clients can take in their individual OLA.
70. **Digital Newsroom:** Develop a digital newsroom that provides regular updates about legislative and tax code changes to tax pros. This newsroom will enable IRS partners to anticipate and answer taxpayer questions in a way that is consistent with IRS language and expectations.

71. **APIs for Third Parties:** Develop capability for third parties (e.g., software providers) to interface and share data with IRS such as:

- Refund Status: Push notification from “Where’s My Refund”
- Realtime Transcript Access: e-Signature for authorization for a new taxpayer client built-in
- Case Status: Push notification from ECM
- Payment API: Leverage payment options for the taxpayer

72. **Business Online Account:** Provide online accounts and services for businesses.

Capability Group: Enable Omnichannel Experience

73. **Concierge Navigation Support:*** Gives taxpayer-facing IRS employees the ability to provide taxpayers with the information they need or personally connect them with a subject matter expert who can assist. Each employee will receive calls and handle contacts based on the nature of the issue identified in the web chat, through topic-based routing on the phone or during casework contacts. The employee will resolve all issues within the scope of their training and expertise. If the initial employee cannot provide the assistance the taxpayer is looking for, the employee will smoothly transition the taxpayer to a subject matter expert with the knowledge and authority to handle the type of taxpayer assistance required.

74. **Assistor-Powered Chat:** Expand the ability for an employee to web chat with taxpayers.

75. **Web and Mobile Video Chat:** Launch a virtual face-to-face video chat option with IRS employees to simulate an in-person appointment for those that require a human touch point but are unable to or prefer not to meet in person.

76. **Artificial Intelligence (AI)-Powered Informational Web Chat (Virtual Assistance):*** Allows for an AI-powered chat bot to attempt to answer questions or direct the taxpayer to helpful information on IRS.gov or to their online account based on a taxpayer’s browsing preferences on IRS.gov. Chat bots will also be able to connect taxpayers to an IRS assistor for a web chat or voice call. The chatbot will improve over time as the knowledge base expands and more taxpayer experience feedback becomes available. If the chatbot cannot resolve a taxpayer’s issue, contact routing will guide the taxpayer to live support from an IRS employee.

77. **AI Engages IRS Assistor:** Alert IRS employees and launch web chat with taxpayers when an issue is not resolved by chat bot.

78. **AI-Powered Transactional Chat:** Bot supports the taxpayer in performing tasks such as making payments, filling out forms, scheduling callbacks, schedule virtual or face-to-face appointments.

79. **AI-Powered Digital Appointments:*** Allows taxpayers to speak with an assistor or schedule an appointment if the chatbot is unable to resolve a taxpayer’s issue. Taxpayers will also be able to schedule AI-Powered appointments with employees in other IRS organizations, like exam and collection. The chatbot will be able to determine if an assistor is needed and either “introduce” the caller to an assistor or schedule an appointment with an employee for a later time. The appointment could be with a service or compliance employee and can be in-person, telephonic, or via secure video chat.

- 80. **Virtual Assistant Optimized Content:** Make content from IRS.gov searchable by Virtual Assistants (VAs) like Alexa, Siri, or Cortana using artificial intelligence. Taxpayers would be able to ask the VA their tax questions and it would use natural language processing (NLP) and AI to answer questions based on information from IRS.gov.
- 81. **Seamless Phone Assistor Transfer:** Case details and conversation history travel with the taxpayer from employee to employee as they are transferred to enable seamless phone transfers.
- 82. **Enhanced Tiered Support:** Provide tiered levels of support and training. Tier two employees address more complicated out of scope questions during filing season. Tier three employees are subject matter experts ready to address more difficult or unique taxpayer questions. Skill codes identify SMEs by topic.
- 83. **Expand Use of Scheduling Tool:** Provide all employees with the ability to make an appointment for the taxpayer with another employee/SME.

9.6.2.2 OBJECTIVE: SIMPLIFY THE TAX PROCESS

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Expand Digital Filing

- 84. **Promote Free File:** Promote the free file program in LITCs, TACs, community centers, schools, and other community presence expansion efforts.
- 85. **Digitize All Tax Forms:** Continuously increase toward goal that all forms are digital.
- 86. **Expand eFile options:** Further expand the opportunity for taxpayers to file forms electronically.
- 87. **Digital Signatures:*** Allow authenticated individual taxpayers and representatives to submit electronic signatures via online accounts.
- 88. **Tax Credit Estimator:** Develop a calculator tool to determine which tax credits taxpayers qualify for and estimate what amount of credit taxpayers might expect (e.g., Digital versions of Schedule R, Schedule 8812, Schedule H, or other Schedules).

Capability Group: Resolve Issue Timely

- 89. **Secure Document Exchange:*** Allow taxpayers, businesses, tax professionals and IRS employees to securely upload and access documents in a centralized repository.
- 90. **Errors, Next Steps and POC Addition:** Provide an explanation for the correspondence or audit with clear actions for taxpayer to follow, as well as resources if the taxpayer needs help, including a designated point of contact.
- 91. **Confirmation Number/Barcode on Notices:** All notices include a confirmation number linked to the taxpayer’s case file to speed up the assistance process and a QR code that can be scanned to access additional information about the circumstance that generated the notice.
- 92. **Including Relevant Links:** Include specific links to relevant online resources in all IRS electronic notices.

93. **Reduce Time Between Filing and Audit:** Reduce the length of time between when a taxpayer files and if they are audited.
94. **Secure One-Way Messaging:** Notify taxpayers of upcoming deadlines, filing errors, and balance due situations. Taxpayers would receive an email prompting them to log in to their Online Account to review the new messages.
95. **Secure Two-Way Messaging:*** Give taxpayers the ability to communicate with IRS employees through their online accounts.
96. **Consistent Audit Steps for Same Issue:** Ensure the taxpayer gets consistent service across audits.
97. **Provide Account Managers to Large Businesses:** Provide a dedicated account manager for large business taxpayers or dedicated access points for general service inquiries.
98. **New Processes to Achieve Early Tax Certainty:** Develop processes for the IRS to provide large businesses earlier tax certainty.
 - *Create additional opportunities for taxpayers from large business to resolve compliance issues outside the audit process. Send closing letters/messages when audit complete, similar to estate tax audits.*
99. **Improve Issue Routing:** Streamline the assignment and routing of issues to eliminate gaps in the IRS process
100. **Post-File Issue Resolution Program:** Develop processes for large business to resolve issues outside of the audit process.

9.6.3 STRATEGIC GOAL: EMPOWER, EQUIP & ENABLE WORKFORCE

9.6.3.1 OBJECTIVE: INCREASE EMPLOYEE KNOWLEDGE AND EXPERIENCE

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

*Capability Group: Enhance Employee Training*⁵⁰

101. **Training on Organizational Awareness:** All employees should be given initial and periodic organizational training to reduce the knowledge gap as to what goes on in different organizational units.

⁵⁰ These are capabilities specifically identified during listening sessions where we heard that focused training is needed in support of pursuing a better taxpayer experience. These capabilities are also included as a part of our overall Training Strategy detailed in Section 5 of this Report.

102. **Training Tied to Career Paths:** Align training opportunities and career goals to empower employees to advance in their career.
103. **“People First” Training:** Train employees to incorporate plain language, civility and empathy when speaking with taxpayers.
104. **Employee Online Forum:** Create collaborative digital platform to share best practices and answers to both common and unique problems. Employees can ask questions and seek answers from other IRS colleagues, and solicit knowledge across the organization leading to improved knowledge management across the IRS.
105. **Organization Liaisons to Discuss Common Problems:** Establish subject matter experts that represent parts of the IRS and collaborate to resolve internal process and procedural issues as well as taxpayer issues (e.g. expand W&I’s CEWS system).
106. **Internal Concierge Service:** Create internal concierge service to help guide employees to the appropriate resource in the IRS (e.g. Ask Audrey concept).

9.6.3.2 OBJECTIVE: EQUIP EMPLOYEES WITH THE TOOLS NECESSARY TO PROVIDE EXCELLENT TAXPAYER SERVICE

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Provide Concierge Service

107. **360 Degree View of Taxpayer Accounts:*** Provides IRS employees with a global view of each taxpayer account and gives them access to taxpayer records in real-time, including interaction history, appointment schedules, etc. This will be available through an ECM system.
108. **Ability for Two Assistors to View Info When Transferring Taxpayer:** Ability for IRS employees to see real-time taxpayer interactions that flow with them as they move from one-channel to another, including transfers.
109. **Accessible Analytics Reports on Taxpayers:** Data on taxpayers is accessible for reporting. Employees can create customized, cross-functional reports for assisting and improving their taxpayer service.
110. **AI-Powered Employee Assistant:*** Supports IRS employees when answering taxpayers questions with an AI-powered knowledge base that will make suggestions based on a taxpayers experience, questions or pages visited on IRS.gov.
111. **Robust Analytics on Digital Interactions:** Track taxpayer interactions from IRS.gov to online accounts to reveal taxpayer behavior online, where they engage, and where they disengage. Will inform Outreach content strategy.

112. **Record Entire Taxpayer Experience for Analysis:** Accumulate the data to provide an accurate representation of the entire taxpayer experience and then use the analysis to keep improving customer service.
113. **Knowledge Base:** Provide an expansive knowledge base for IRS employees, which will include videos, interactive learning, guidance and best practices (could tie to AI Employee Assistant).
114. **Resolution Guides:** Employees have access to “Micro Trainings” and interactive guided resolution tours to help taxpayers resolve specific issues.

9.6.3.3 OBJECTIVE: EMPOWER EMPLOYEES TO RESOLVE TAXPAYER ISSUES

Please note that the asterisks indicate “key capabilities” that are featured in the Taxpayer Experience.

Capability Group: Simplify Internal Processes and Procedures

115. **Improve the Clarity and Usability of Internal Guidance:** Review and revise IRMs to use plain language and eliminate IRM-to-IRM conflicts.
 - **Re-engineer the IRM:** Conduct an analysis to identify opportunities and establish improved methods for how the IRM is developed, updated and distributed.
 - **Remove Inconsistencies and Conflicts:** Review all IRMs end-to-end and remove inconsistencies and conflicts that inhibit a seamless taxpayer experience.
 - **Centralize and Streamline IRM Access and Publication:** Modify Publishing Processes to Allow for More Rapid Updates/Corrections.
 - **Centralize IRM Feedback Process:** Develop an IRM feedback process allowing transparency and responsiveness.
 - **Internal Plain Language Communications:** Establish organizational plain language reviewers to ensure content is clear and understandable.
 - **Identify SMEs/Authors:** Identify SMEs and Authors internally to facilitate making modifications when necessary.
116. **Streamline New Changes to Pubs, Letters, Notice, and Forms:** Create more agility in ability to change pubs, letters, notices and forms.

Capability Group: Increase Employee Authority to Resolve Issues

117. **Redesign Position Descriptions and Core Job Elements for Workforce:** Update position descriptions and core job elements to embrace taxpayer first and emphasize earliest resolution of issues.
118. **Adjust Quality Review Process:** Currently some employees get quality errors for answering out of scope questions and providing service that is provided by another segment of the organization. Shift to rewarding employees for resolving taxpayer issues rather than penalizing them.

119. Issue De-Escalation Process: Create informal review process for taxpayers to pursue before taking next steps in a formal process (e.g., exam/appeals).

Capability Group: Provide Clear Point of Escalation and Resolution to Taxpayer

120. Dispute Resolution Process: Identify IRS employees that have the capability and authority to resolve any taxpayer issue before going to Appeals or Taxpayer Advocate Service.

121. Clear Identification of SMEs to Escalate Issues: Provide a clear process of where and who to route cases to if there is an issue.

122. Reimplement Problem Resolution Day: Create specific days during which taxpayers can bring in (virtually or in person) complex, multifunctional issues. IRS will have a set of SMEs available in person or virtually to resolve issues collaboratively in real time.

Capability Group: Improved Data Analytics

123. Capturing a Comprehensive Set of Data Assets:* Advance data access, usability, and governance to inform decision making and improve operational outcomes across the enterprise. To make this happen, the IRS will iteratively expand its data environment, to include making data more readily accessible through transition from paper to digital environment, allowing analysts to solve data-driven problems faster. This comprehensive data repository will be built on fundamental data collection principles of gathering, defining, perfecting, and storing information. This will inform better compliance enforcement decisions, which will in turn reduce the burden on compliant taxpayers and direct IRS enforcement resources more strategically.

124. Employing Advanced Data Analytics:* Analyze behavioral research and other data to better identify and separate taxpayers who are trying to comply from those who are intentionally violating our tax laws, minimizing compliance contacts where direct enforcement activity wouldn't be necessary. This will also help us avoid placing compliant taxpayers into compliance treatments while enhancing detection of non-compliant taxpayers so we can respond appropriately to encourage compliant behavior.

9.6.4 ENABLERS

The following enablers list the resources necessary to implement the Taxpayer Experience Strategy and ensure success:

- **Funding:** Costing will be reflected in the report at various level of detail and appropriation requests will reflect specific capabilities and initiatives needed to advance the Taxpayer Experience Strategy. Changes to the current appropriation process would facilitate implementation of capabilities that extend beyond a single fiscal year and bridge across service enforcement and support areas.
- **Culture Transformation:** As IRS has a mission culture in some cases this has resulted in siloed operation and a lack of enterprise-wide strategies. Implementing Taxpayer Experience Strategy, Training Strategy, and necessary changes to organizational structure will require significant change leadership.
- **Policy Changes such as IRM Changes:** Many of the aspects of the strategy will require policy and procedural changes. We have also identified an opportunity for the agency to become nimbler in adopting changes to policy and procedure.
- **Organizational Redesign:** Several components of the Taxpayer Experience Strategy will only be effective when coupled with organizational change details discussed in the Organizational Redesign Section.
- **Training:** There are training aspects to all components of the Taxpayer Experience Strategy. Training Strategy is discussed in detail in the report.
- **Hiring and Talent:** The IRS must identify and develop/acquire appropriate staffing resources to fill the gaps identified in the Taxpayer Experience Strategy.
 - e-Signature
 - Content Management Platform (UNS CCSD Customer Contact Center)
 - Agile Development
 - Human Centered Design
 - Enterprise Case Management (ECM)
 - Digital Communications Platform
 - Authorization Framework
 - API Platform
 - Full Integration of Data for Digital Applications
 - Central Data Repository
 - Robotics Process Automation
 - Cloud Execution
 - Business Process Re-engineering

9.6.5 INTERNAL REVENUE MANUAL ADDITIONAL INFORMATION

Updating appropriate IRM Sections will include the following components:

1. Review capabilities, priorities and organizational changes in the Taxpayer Experience and Training Strategies
2. Coordinate work to ensure all relevant IRM Sections are identified for revisions and updates
3. Consult with executives, subject matter experts and appropriate stakeholders on necessary program changes for required IRM Sections
4. Reach agreement with all parties on detailed procedural, program, or operational changes associated TFA capabilities, priorities and organizational changes
5. Develop necessary content, including interim guidance, for required IRM Sections
6. Write, revise and edit the new content following established plain language standards
7. Ensure new content aligns and does not create conflicting guidance
8. Ensure all revised IRM Sections contain management and internal controls
9. Update IRM Section dates to notate revised content
10. Ensure all clearance, approval and publishing activities are successfully completed

9.7 ORGANIZATIONAL REDESIGN

ADDITIONAL INFORMATION

This Section includes additional information on the Organizational Redesign Strategy, such as the major structural changes' alignment to oversight recommendations.

Overview of Oversight and Advisory Organizations

The Treasury Inspector General for Tax Administration (TIGTA) represents the executive branch of Federal Government within the Department of Treasury by providing audit and investigative services that promote economy, efficiency and integrity in the administration of the internal revenue laws. As part of the IRS Restructuring and Reform Act of 1998, TIGTA was established to provide independent oversight of IRS activities. TIGTA's focus is devoted entirely to tax administration.⁵¹

The Government Accountability Office (GAO), representing the legislative branch of government, is an independent, non-partisan Agency that works for the Congress. GAO acts as investigative arm of the Congress by studying the programs and expenditures of the Federal Government. GAO performs their audits at the request of Congressional committees or subcommittees or a mandate by public laws or committee reports.⁵² Like TIGTA, GAO is also granted authority to conduct audits and review IRS programs and business processes.

The Office of Management and Budget (OMB) assists the President in the development and implementation of budget, program, management, and regulatory policies. It conducts in-depth regulatory review of significant rules proposed by federal agencies as well as promotes best practices management across the Federal Government. OMB provides guidance on preparation, submission, and execution of the IRS budget.⁵³

The Taxpayer Advocate Service (TAS) is an independent office within the IRS, led by the National Taxpayer Advocate (NTA). Its main purpose is to protect taxpayers' rights and help taxpayers resolve problems with the IRS. The NTA presents an Annual Report to Congress highlighting the 10 most serious problems facing taxpayers as well as administrative and legislative recommendations to mitigate those problems.⁵⁴

⁵¹ Treasury Inspector General for Tax Administration, About TIGTA.

⁵² U.S. Government Accountability Office, About GAO.

⁵³ Office of Management and Budget, About Office of Management and Budget.

⁵⁴ National Taxpayer Advocate, Taxpayer Advocate Service, About TAS.

The Electronic Tax Administration Advisory Committee (ETAAC) conveys the public's perceptions of the IRS electronic tax administration activities, offers constructive observations about current or proposed polices, programs, and procedures, and suggests improvements. ETAAC provides an annual report to the Congress on IRS progress in support of the overriding goal that paperless filing should be the preferred and most convenient method of filing tax and information returns.⁵⁵

The Internal Revenue Service Advisory Council (IRSAC) advises the IRS on issues that have a substantive effect on federal tax administration. The IRSAC reviews existing practices and procedures and makes recommendations on both existing and emerging tax administration issues. The IRSAC provides an annual public report that 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.⁵⁶

The Taxpayer Advocacy Panel (TAP) listens to taxpayers, identifies taxpayers' issues and makes suggestions for improving IRS service and customer satisfaction. The TAP acts as a two-way channel between the IRS and the general public by sharing taxpayer feedback and working closely with IRS employees to resolve issues and monitoring progress in implementing solutions.⁵⁷

The IRS Oversight Board was created by the Congress under the IRS Restructuring and Reform Act of 1998. The Oversight Board is a nine-member independent body charged to oversee the IRS in its administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws and to provide experience, independence, and stability to the IRS so that it may move forward in a cogent, focused direction. The Oversight Board does not currently have enough members confirmed by the U.S. Senate to make up a quorum and as a result has suspended operations.⁵⁸

⁵⁵ IRS.gov, Electronic Tax Administration Advisory Committee (ETAAC).

⁵⁶ IRS.gov, Internal Revenue Service Advisory Council (IRSAC).

⁵⁷ Taxpayer Advocacy Panel, About Us.

⁵⁸ IRS Oversight Board, About Us.

9.7.1 COMMISSIONER DIRECT REPORTS ALIGNMENT TO OVERSIGHT RECOMMENDATION

Throughout this process, we have gathered significant research, feedback, and insights to help inform our proposed strategy. As we analyzed the tremendous amount of information gathered, we also reviewed historical documents and previous recommendations from the Chief Risk Officer, oversight audits, and our stakeholders to ensure that we considered past learnings and critical challenges. This Section elaborates on the details of the Commissioner Direct Reports found in Section 6.3 and describes the strategy's alignment to oversight recommendations.

- **Enabling a Cultural Shift and Innovation:** The National Taxpayer Advocate's 2019 Annual Report to Congress⁵⁹ recommended that the IRS consider its internal culture and how a culture shift could better enable the IRS to improve customer service. Revitalizing the Commissioner's reporting structure and the way the IRS internally operates is a large-scale attempt at rejuvenating the way we interact and consider how we engage with taxpayers. It requires a massive cultural shift that will ultimately enable better outcomes for taxpayers and facilitate internal innovation across the enterprise.
- **Elevating Voice of the Taxpayer:** In a 2016 Government for the People Report,⁶⁰ the Partnership for Public Service recommended that federal agencies should "consider establishing a chief customer officer who reports to the head of the organization and has enough funding and staff to succeed. This could help instill a customer focus and ensure a single Agency leader has the expertise, insight, authority and responsibility to address complex customer experience issues that cross Agency divisions or offices." Additionally, the President's Management Agenda, CAP Goal #4: Improving Customer Experience with Federal Services⁶¹ describes what success looks like for a Federal Agency in this area. One description stated, "A modern, streamlined and responsive customer experience means: Providing the structure and resources to ensure customer experience is a focal point for Agency leadership." Furthermore, The National Taxpayer Advocate's 2019 Annual Report to Congress⁶² recommended that the IRS appoint a Chief Customer Experience Officer, reporting to the Commissioner or Deputy Commissioner, to unify all taxpayer initiatives across different functions. The Chief Taxpayer Experience Officer, as a direct report to the Commissioner, will be positioned to work across the agency to identify changing taxpayer needs and requirements, and ensure that the taxpayer's voice is at the forefront of organizational strategic planning and decisions.

⁵⁹ National Taxpayer Advocate, Annual Report to Congress 2019.

⁶⁰ Partnership for Public Service, Government for the People: Profiles on the Customer Experience 2016.

⁶¹ 2018 President's Management Agenda, Cap Goal 4, Improving Customer Experience with Federal Services.

⁶² National Taxpayer Advocate, Annual Report to Congress 2019.

⁶³ GAO, GAO-19-157SP, High-Risk Series, Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas.

- **Coordinated Responses to Key Challenges:** A March 2019 GAO report⁶³ focused on high-risk areas across the Federal Government identified the IRS’s challenges on addressing the tax gap and combating identity theft refund fraud. The report recognizes the agency’s willingness to address these challenges, but mentions we “could do more to identify specific efforts for improving compliance in [our] strategic plan, measure the effects of compliance programs—such as those used for large partnerships—and develop specific quantitative goals to reduce the tax gap.” As it relates to identity theft refund fraud, GAO mentions we, “need to re-establish goals for improving voluntary compliance and develop and document a strategy that outlines how we will use [our] data to help address this issue.” By coordinating annual strategic planning with key operational stakeholders to ensure ongoing and new initiatives prioritize addressing these risks the Enterprise Change and Innovation Office will help mitigate both of these areas, while also keeping the Commissioner informed on agency-wide progress.
- **Increased Transparency for Appeals:** Establishing an Independent Office of Appeals, and the associated appeals process improvement guidelines written within the TFA, are directly in line with the GAO recommendation (in GAO-18-659)⁶⁴ that the appeals process be more transparent and accessible for taxpayers, specifically in support of the recommendation “Commissioner of Internal Revenue take action to make Appeals customer service standards and performance results more transparent to the public.” The Independent Office of Appeals will promote consistency in appeals processes and resolutions, therefore increasing public confidence when engaging with the IRS to address tax compliance issues.

⁶⁴ GAO, GAO-18-659, Opportunities Exist to Improve Monitoring and Transparency of Appeal Resolution.

9.7.2 RELATIONSHIPS AND SERVICES DIVISION ALIGNMENT TO OVERSIGHT RECOMMENDATIONS

This Section elaborates on the details of the Relationships and Services Division found in Section 6.4 and describes the strategy's alignment to oversight recommendations.

- **Seamless Experience:** In December 2019, GAO-20-71 recommended that the IRS ensure that it collects information on taxpayers' experiences with all online services and the extent to which the services are meeting taxpayers' needs.⁶⁵ Divisions explicitly responsible for taxpayer services (e.g., Digital Services Office) will enable a seamless experience for all taxpayers (regardless of taxpayer segment) and ensure that their information is accurate and available when interacting with agents.
- **Improvements in Taxpayer Compliance:** GAO-20-55 interviews⁶⁶ found that responding to taxpayer inquiries improves and encourages compliance with the tax code, which can reduce the tax gap (the difference between taxes owed and taxes paid). By dedicating resources to outreach and education, the IRS would enable improvements in taxpayer compliance and reductions in the tax gap.
- **Streamline Operations / Fraud Prevention for Taxpayers:** There have been numerous reports and guidance put forth from oversight organizations over the last several years related to taxpayer fraud and identity theft.
 - The Fraud Reduction and Data Analytics Act of 2015 (FRDAA)⁶⁷ requires federal agencies to identify and assess fraud risks in alignment with the GAO Framework for Managing Fraud Risks in Federal Programs (GAO Fraud Risk Framework).
 - OMB's Circular No. A-123⁶⁸ outlines guidance on how agencies should work to combat fraud and preserve integrity within their organizations.
 - TIGTA's FY2020 Management & Performance Challenges Report issued guidance around identity theft across multiple challenge areas. TIGTA states that it is critical "that the IRS has strong authentication controls to ensure the validity of each payer's identity prior to submission of information returns that are then used for return validation, compliance matching, and fraud detection purposes."
 - In January 2020, GAO-20-174⁶⁹ recommended that the IRS "designate a dedicated entity to provide oversight of Agency-wide efforts to detect, prevent, and resolve business Identity Theft." In this report GAO also recommended the Commissioner of the IRS "develop, document and implement a strategy for addressing fraud risks that would be identified in a fraud risk profile."

⁶⁵ GAO, GAO-20-71 Taxpayer Input Could Strengthen IRS's Online Services.

⁶⁶ GAO, GAO-20-55 IRS Successfully Implemented Tax Law Changes but Needs to Improve Service for Taxpayers with Limited-English Proficiency.

⁶⁷ Fraud Reduction and Data Analytics Act of 2015.

⁶⁸ Office of Management and Budget, OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

⁶⁹ GAO, GAO-20-174 Identity Theft: IRS Needs to Better Assess the Risks of Refund Fraud on Business-Related Returns.

9.7.3 COMPLIANCE DIVISION ALIGNMENT TO OVERSIGHT RECOMMENDATIONS

This Section elaborates on the details of the Compliance Division found in Section 6.5 and describes the strategy's alignment to oversight recommendations.

- **Promoting Efficiencies / Reducing Fragmentation:** The FY2020 TIGTA Management & Performance Challenges Report⁷⁰ and National Taxpayer Advocate's 2019 Annual Report⁷¹ highlighted the importance of focusing on ensuring that taxpayers are properly educated and understand their filing requirements to avoid unintentional errors and noncompliance. Centralizing exam functions would further develop areas of employee expertise and enable the IRS to identify and track common errors across taxpayer segments. Additionally, this would enable better coordination between taxpayer segments, leading to increased knowledge of relationships and interactions between taxpayers, increased efficiencies throughout exam functions, and a more holistic picture of the financial enterprise. This knowledge and information would then be used to inform outreach and education efforts within the Relationships and Services Division.
- **Streamline Compliance Data:** In GAO-19-558T,⁷² in reference to reducing taxpayer noncompliance, GAO recommended "developing and documenting a strategy that outlines how IRS will use data to update compliance strategies could help address the tax gap." This recommendation requires dedicated resources to gather, analyze, and use data to update compliance approaches and programs. Chief Compliance Officer would work amongst the existing governance bodies / executive steering committees dedicated to furthering the IRS's ability to leverage data (e.g., Data Analytics Advisory Group, Data and Analytics Strategic Integration Board) as well as the Chief Data Officer, to develop and improve compliance strategies in a data-driven manner.
- **Address High Income Nonfilers:** In a May 2020 TIGTA Audit Report,⁷³ TIGTA highlighted concerns related to how the IRS is addressing high-income nonfilers, and if nonfiler strategies and related plans sufficiently include that specific segment of non-filers:
 - One of the specific recommendations included was to "Consider a reallocation of resources in the Collection and Examination functions (along with support from Criminal Investigation) to ensure that most, if not all, high-income nonfilers are subject to enforcement action." Through a centralized compliance and enforcement organization, the agency will more effectively be able to create and implement compliance strategies that focus on specific (e.g. high-income) nonfiler groups.

⁷⁰ TIGTA, Management and Performance Challenges Facing the Internal Revenue Service for Fiscal Year 2020.

⁷¹ National Taxpayer Advocate, Annual Report to Congress 2019.

⁷² GAO, GAO-19-558T, Multiple Strategies Are Needed to Reduce Noncompliance.

⁷³ TIGTA, 2020-30-015, Income Nonfilers Owing Billions of Dollars Are Not Being Worked By The Internal Revenue Service.

- This audit also recommended that “more significant restructuring and accountability is required” in response to a previous recommendation to “designate a senior management official with appropriate resources and specific nonfiler duties to address nonfiling, including high-income taxpayers and repeat nonfilers.” The addition of the Chief Compliance Officer addresses this recommendation and provides an executive who has the resources and authority to effectively design, implement, and drive targeted nonfiler strategies.

9.7.4 ENTERPRISE CHANGE AND INNOVATION DIVISION ALIGNMENT TO OVERSIGHT RECOMMENDATIONS

This Section elaborates on the details of the Enterprise Change and Innovation Division found in Section 6.6 and describes the strategy’s alignment to oversight recommendations.

- **Protecting Taxpayer Data:** The FY2020 TIGTA Management & Performance Challenges Report highlighted the importance of ensuring that data within the IRS remains protected from fraud, third parties, and internal threats. The addition of a Data Office will assist in securing threats, preventing unauthorized data disclosure, and ensuring that data practices throughout the organization are held to IRS standards. It will also show the Agency’s oversight organizations, as well as taxpayers, that the agency is committed to protecting taxpayer data.
- **Increased Data Sharing:** According to the 2018 National Taxpayer Advocate Report to Congress⁷⁴, a common theme among the IRS’s ‘Most Serious Problems’ is limited data sharing. For example, Most Serious Problem #15, Economic Hardship, specifies that “The IRS Does Not Proactively Use Internal Data to Identify Taxpayers at Risk of Economic Hardship Throughout the Collection Process.” The implementation of a Data Office, and an accompanying enterprise-wide data strategy, will help the IRS identify areas in which data could be more proactively utilized or shared to improve taxpayer service.
- **Establishing a “Paper-Free” Environment:** There have been numerous pieces of guidance put forward from oversight organizations in recent years related to government agencies’ necessity to digitize its communication channels with its constituents and streamline digitalization efforts:
 - OMB’s M-19-21 guidance⁷⁵ mandates that by December 31, 2022 all permanent federal records be managed electronically with the appropriate metadata and that

⁷⁴ National Taxpayer Advocate, Annual Report to Congress 2018.

⁷⁵ OMB, M-19-21, Memorandum For Heads Of Executive Departments And Agencies, Transition to Electronic Records.

after December 31, 2022, the National Archives and Records Administration (NARA) will no longer accept the transfer of permanent records in analog formats.

- The 2018 President’s Management Agenda Cross Agency Priority Goals⁷⁶ established a long-term vision for modernizing the Federal Government to improve delivery of mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people, including “paperless government” as a tool for transformation.

9.7.5 OPERATIONS MANAGEMENT DIVISION ALIGNMENT TO OVERSIGHT RECOMMENDATIONS

This Section elaborates on details of the Operations Management Division found in Section 6.7 and describes the strategy’s alignment to oversight recommendations.

- **Elevation of Equity, Diversity, and Inclusion:** In the 2016 Government-wide Inclusive Diversity Strategic Plan,⁷⁷ the Office of Personnel Management (OPM) stated that one of the goals for federal agencies should be to “Diversify the Federal Workforce through Active Engagement of Leadership.” More specifically, OPM recommends that “Leaders must emphasize the importance of inclusive diversity by integrating the value of inclusive diversity within all forms of Agency communications to include social media channels, Agency websites, and inter office correspondence. Possible effective communications should be cascaded from senior leadership through to first line supervision.” By establishing a dotted-line relationship and consistent communication between the Diversity Office and the Commissioner, the agency is achieving this goal and enabling key messaging about diversity programs and policies to come directly from the Commissioner.

9.7.6 INFORMATION TECHNOLOGY DIVISION ALIGNMENT TO OVERSIGHT RECOMMENDATIONS

This Section elaborates on details of the Information Technology Division found in Section 6.8 and describes the strategy’s alignment to oversight recommendations.

- **Promoting Efficiencies / Reducing Fragmentation:** TIGTA’s October 2019 Report⁷⁸ on the IRS’s most pressing management challenges highlighted “Security Over Taxpayer Data and Protection of IRS Resources” as the Agency’s number one challenge. Specifically, TIGTA identified challenges related to protecting taxpayer data. The centralized Cybersecurity

⁷⁶ Executive Office of the President and President’s Management Council, 2018 President’s Management Agenda.

⁷⁷ OPM, Executive Order 13583, Governmentwide Inclusive Diversity Strategic Plan 2016.

⁷⁸ TIGTA, Management and Performance Challenges Facing the Internal Revenue Service for Fiscal Year 2020.

Office within the Technology / Innovation Division will help to address this challenge in that it combines various cyber activities occurring across the Agency that will streamline the IRS's response to cybersecurity threats. This hybrid Cybersecurity Office will include technology, cyber, and data security, policy and procedures, technical and relational research, as well as other facets of cybersecurity program planning.

- **Safeguarding Sensitive Personal Data or Information Systems:** “Securing IRS systems and protecting taxpayer information” will be a top priority of the cybersecurity organization which is in alignment with the Consolidated Appropriations Act, 2020 (Public Law 116-93).⁷⁹

9.7.7 CRIMINAL INVESTIGATION

This Section provides additional details to Section 6.5 and the rationale for the reporting structure of Criminal Investigation.

The IRS conducted an analysis of our current Criminal Investigation (CI) organizational structure to specifically evaluate the placement of Criminal Investigation as a direct report to the IRS Commissioner as part of the TFA. During this analysis, we considered the rationale for maintaining the current reporting structure and the rationale for reporting directly to the Commissioner. We conducted interviews with CI personnel, including the Chief and Deputy Chief, stakeholders inside and outside the IRS, and reviewed prior recommendations such as those recommended in the April 1999 Webster Report, “Review of the Internal Revenue Service Criminal Investigation Division.” Based on our comprehensive analysis, we have determined that transitioning to a structure where the Criminal Investigation Office reports directly to the Commissioner would pose challenges and bring additional risk to the agency. Therefore, our conclusion is that the Chief of Criminal Investigation should not report directly to the IRS Commissioner.

Background

The Criminal Investigation Office was established in its first form in 1919 as the Intelligence Unit in response to widespread allegations of tax fraud. In 1962, the Congress gave the IRS Inspection Service and IRS Criminal Investigation statutory law enforcement authority, including the authority to execute and serve search and arrest warrants, serve subpoenas and summonses, and to make arrests without warrant for any offense against the United States relating to the Internal Revenue laws. In 1978, the Intelligence Unit changed its name to Criminal Investigation Division (CID) and again changed to Criminal Investigation around 2001. Over the years, Criminal Investigation's statutory jurisdiction expanded to include money laundering, global terrorism, and currency violations, in addition to its traditional role in investigating tax violations. Currently, Criminal Investigation resides within Services and Enforcement (S&E) and reports to the Deputy Commissioner of Services and Enforcement (DCSE). The DCSE, a Senior Executive Service career position, is a direct report to the IRS Commissioner.

⁷⁹ H.R. 1158- Consolidated Appropriations Act, 2020 (Public Law 116-93).

Rationale For Maintaining The Existing Reporting Structure

Transitioning to a structure where the Criminal Investigation Office reports directly to the Commissioner would pose challenges and bring additional risk to the agency. These concerns are identified below.

Association with a Political Position

The Commissioner role is a presidentially appointed position. The Criminal Investigation Office aligned as a direct report to the Commissioner may create the perception that the Criminal Investigation Office is susceptible to political influence. Currently, Criminal Investigation reports to the Deputy Commissioner of Services and Enforcement. This position provides the appearance of separation and that Criminal Investigation is given an added layer of protection from political influence.

The IRS is often under public scrutiny given the complex nature of tax legislation. Continued reporting to a non-political appointee will help reduce the risk of public perception that the outcome of criminal investigations may be politically influenced.

Furthermore, as the Commissioner role changes with different administrations, each Commissioner may have a different perspective on how to best utilize the capabilities of the Criminal Investigation Office. The fluctuation of Commissioners could potentially mean frequent changes in scope for the unit, ultimately influencing the unit's long-term planning and ability to achieve its long-term goals. In the organizational structure presented within this report, the Chief of Criminal Investigation will report to the Assistant Commissioner of Compliance. As the Assistant Commissioner of Compliance is not subject to change with each new administration, they are better positioned to provide additional stability, continuity, and long-range strategic planning for the division and the critical compliance programs they lead.

Privacy of Taxpayer Information

The role of the Commissioner requires frequent public engagement with the Congress and other external stakeholders, during which they are required to speak on behalf of the agency. Having the Criminal Investigation Office as a direct report could place the Commissioner in a delicate position when speaking publicly, especially if faced directly with questions concerning sensitive or protected taxpayer information. The Assistant Commissioner of Compliance provides an additional layer of security to protect sensitive information and insulate the Commissioner from potentially difficult legal entanglements, while still allowing for the communication of key risks, challenge areas and progress of the Criminal Investigation Office.

Commissioner Bandwidth

In our proposed organizational structure, the Commissioner has ten direct reports, which includes Counsel, Taxpayer Advocate Service, Independent Office of Appeals, Communications, Enterprise Change and Innovation, Taxpayer Experience, Operations Management, Information Technology, Compliance and Relationships and Services.

The operational bandwidth of the Commissioner is naturally limited due to the external obligations required by the office (e.g., frequent public-facing hearings, testimonies, speaking engagements, and other external events) in addition to presiding over the nation's tax administration.

In our proposed structure, the Criminal Investigation Office would report to the Assistant Commissioner of Compliance. In this structure, the Assistant Commissioner of Compliance would have greater bandwidth to focus on and accommodate the needs of Criminal Investigation. Having an executive that oversees all enforcement activities, both civil and criminal, allows for a more integrated and comprehensive compliance strategy. This also allows for a more balanced perspective on the agency's enforcement challenges and allows for more effective prioritization and communication of key issues to the Commissioner or other senior executives. It also allows for the appropriate level of focus and jurisdiction without the potential for undue political pressure or marginalization. This executive position would facilitate additional collaboration and integration between the enforcement organizations within the agency.

Lastly, as an agency we respond to many legislative mandates, seemingly annually (e.g., Coronavirus Aid, Relief, and Economic Security (CARES) Act; Tax Cuts and Jobs Act (TCJA)). The likelihood that the Commissioner would need to focus attention on these activities versus the daily activities of the Criminal Investigation function is high. Having Criminal Investigation reporting to the Assistant Commissioner of Compliance would help ensure additional attention is paid to the unit. If the Commissioner would need to prioritize other services or initiatives due to extenuating circumstances, reporting to the Assistant Commissioner of Compliance would allow for the appropriate emphasis and focus on Criminal Investigation operations.

Collaboration

One factor of the Criminal Investigation Office's success is the ability to work with the other business units. Maintaining the same reporting level as the other business units encourages and allows for stronger working relationships and a faster transfer of information. Currently, reporting to the Deputy Commissioner for Services and Enforcement enables the Criminal Investigation Office to effectively work across each of the business units to gather necessary information or receive referrals on cases without coordinating through an additional executive. The Criminal Investigation Office's current placement at the business unit level encourages open and candid communication with the other organizations across the agency because by appearances they are all on the same level.

While an open line of communication between the Criminal Investigation Office and the Commissioner is undoubtedly important, it is achieved by the current monthly and/or quarterly meetings in addition to all ad hoc meeting requests made. As a direct report to the IRS Commissioner, there is a risk that the Criminal Investigation Office could wield undue influence over the other IRS compliance operations. Therefore, the Criminal Investigation Office and other IRS compliance programs will benefit from reporting to an Assistant Commissioner.

A major focus for IRS criminal investigators over the past several years has been cases involving international tax enforcement, employment tax, tax refund fraud and tax-related identity theft. As financial crimes have evolved and proliferated around the world, so have the IRS Criminal Investigation Office special agents and their abilities to track the proceeds of financial crimes. The IRS has been instrumental in investigating instances of public corruption, cybercrime, terrorist financing and money laundering. Housing the Criminal Investigation Office within the Compliance Division will allow the office to continue to do the very important and high-profile work associated with cross-jurisdictional cases related to money-laundering, human trafficking, and global terrorism. It will also allow for efficient administration of the Criminal Investigation Office programs and to emphasize the office's primary goals of compliance strategy and enforcement oversight while formulating a joint compliance strategy for the agency.

While the TFAO and current Criminal Investigation leadership considered the rationale for both maintaining a similar reporting structure to the current structure and reporting directly to the Commissioner, ultimately, we determined that the Criminal Investigation Office should not report directly to the Commissioner. In our proposed structural reorganization for the agency, the Chief of Criminal Investigations will report to the Assistant Commissioner of Compliance.

9.7.8 CYBERSECURITY

This Section provides additional details to Section 6.8 and the rationale for the reporting structure of the Cybersecurity Office.

Cybercrime impacts companies in the United States and internationally daily. Over the past several years, the IRS has taken measures to anticipate cyber threats, strengthen and enhance our defenses, improve our technology infrastructure, improve our governance and accountability and collaborate with external stakeholders to share information regarding potential threats, fraud, and identity theft. These efforts yielded impressive results; however, there is more to do. The cyber landscape constantly evolves, and we continue to experience increasingly frequent and sophisticated efforts by cybercriminals to steal taxpayer data, file fraudulent refunds, and infiltrate our systems.

To determine how best to position IRS to combat cybersecurity threats, a thorough examination of our current cybersecurity operations was completed. Key stakeholders were interviewed in the areas of cybersecurity, fraud, and identity theft. We also examined the FY2020-FY2022 IT Security Program Plan, which focused on key aspects of our current and future cybersecurity landscape. Further, we reviewed the Cybersecurity Five-Year Strategic Plan, IRS Strategic Plan and IT Modernization Plan. We also reviewed operational models of other organizations (e.g. Department of Agriculture, Energy Sector, State Departments of Revenue), evaluated industry research from academia (Carnegie Mellon University) and inputs from IRS subject matter experts.

In our research, we sought to determine the most effective alignment for our agency to make continual improvement. There are varying schools of thought around the most effective approach for cyber organizations. Some research indicates that 54% of senior information security leaders report directly to CIO/IT Executive.⁸⁰ This role cannot be done by a technology professional with technology training alone. In-house IT professionals spend most of their time managing their network and driving new solutions for the business, leaving very little time for security – which requires its own set of niche skills. A review of research conducted at Carnegie Mellon University involving an examination of the cyber intelligence practices of 30 organizations (6 from government and 24 from industry), also provided information specifically around their strategic approaches to cyber intelligence, focused on identifying the methodologies, processes, tools and training that shaped how organizations assessed and analyzed cyber threats. Info-Security magazine indicates that traditionally, the cybersecurity function within a business sat in the IT team, overseen by a Chief Technology Officer or Chief Information Officer. Now, as businesses react to these changes in the digital landscape - broadly known as digital transformation - we're seeing a flatter style of cybersecurity team. Businesses are hiring employees that specialize

⁸⁰ Gartner, Survey Analysis: Information Security Governance.

in the different types of security which reflect the ever-increasing ways businesses connect to the online world. In tandem, they are seeking employees to effectively operate in the cyber environment that can lead from both a strategic standpoint, as well as being able to understand the technical side of security as an enterprise.

Under the current IRS structure, Cybersecurity falls under the Chief Information Officer (CIO) and the Chief Information Security Officer (CISO). The Federal Information Security Modernization Act of 2014 (FISMA) states under § 3554 the head of each agency shall be responsible for:

- A. Providing information security protections commensurate with the risk and magnitude of the harm resulting from unauthorized access, use, disclosure, disruption, modification, or destruction of—
 - information collected or maintained by or on behalf of the agency; and
 - information systems used or operated by an agency by a contractor or other organization on behalf of an agency
- B. Ensuring that information security management processes are integrated with agency strategic, operational, and budgetary planning processes.

In general, the CIO has the authority to ensure compliance with the requirements imposed on the Agency under FISMA. The CIO has a legislative mandate to maintain and improve the security of their agency's information and information systems. IRS's current internal policies delegate management of the agency's information to the CIO. Under FISMA, the CIO delegates tasks related to information security to the senior agency information security officer (often referred to as CISO).

Under this structure, we have been successful in performing security functions and governance at the organizational level. Our cybersecurity units protect our systems and data, while continuing to advance capabilities to defend the agency against cyber-attacks from nation states, cyber criminals, cyber activists and hacktivists. Cybersecurity also protects IRS assets (technology, information and people) from theft, malicious damage to hardware, software and electronic data security. The agency has continued to enhance cybersecurity monitoring and data protection capabilities. We have implemented layered controls and established an incident response capability that performs around-the-clock intrusion and fraud analytics to identify, respond to, and mitigate emerging threats or fraudulent access/transactions. Cyber also monitors the IRS enterprise to proactively identify possible insider threats and take action against confirmed threats. This serves to protect the IRS from threats and attacks while maintaining necessary information availability, confidentiality, and integrity so that we can continue to serve the people of the United States. Although we have made great strides in cybersecurity, we can continue to improve. Because cyber is currently under the direction of the Chief Information Officer, as identified in our research, many times, this creates a structure where the information technology and systemic infrastructure work has a strong focus. With

smaller staffs, this sometimes leaves less time to focus on incoming intelligence, data sharing, or emerging trends and threats that require more analytical or operational research and action. In addition, Direct Hire Authority for cybersecurity positions remains available, but due to hiring constraints, the IRS cannot sustain or grow its cybersecurity workforce.

In the future, the Assistant Commissioner Chief Information Officer, as a direct report to the Commissioner, will refocus the expectations of the Cyber Office to strengthen our ability to address fraud risks and utilize fraud data, while ensuring that the agency infrastructure and digital technology are strong. Strengthening relationships with the operating divisions will allow for more effective and timely utilization of information to reduce redundancies. This will serve to provide IRS employees and taxpayers with the necessary systemic solutions to effectively manage tax administration. A reimagined strategy will help to reduce redundancies in identification and treatment of cyber incidents, improve efficiency, streamline data sharing and treatment, and improve agency-wide oversight of cyber incidents from an operational and technological perspective.

The Information Technology Division through the Cybersecurity Office will ensure that systemic solutions to protect data are tightly integrated across all aspects of the agency from systems and technology to operations and data sharing. Fully staffing with a diversely skilled, multi-talented, and effective workforce that can address the technical and operational aspects of cyber security will be crucial to continued success in the rapidly evolving landscape.

Based on our extensive research, we will take a holistic approach and continue to refine and expand plans outlined in the FY2020-2022 IT Security Program Plan. This approach must be combined with a vigilant dedication to continuously evolving and developing new methods to stay ahead of the cyber attackers. We will ensure that any gaps that create duplicative processes or inefficiencies are adequately addressed in the Information Technology Division.

The Cybersecurity Office will work closely with the Data Office and operating divisions to continue to effectively realize the cyber goals identified in the plan:

- Goal 1: IRS uses security to be a trusted business enabler
- Goal 2: IRS has a world class cybersecurity workforce
- Goal 3: IRS drives security innovation throughout the enterprise
- Goal 4: IRS has full visibility and control of its security delivery lifecycle
- Goal 5: IRS has accurate threat vulnerability and impact insights through its security ecosystem
- Goal 6: IRS makes risk-informed, data driven security decisions and proactively prevents incidents

Ultimately, we want to have the strongest, most effective, and agile organization to move us into the next decade. Regardless of structure, our governance bodies, working groups,

cross-functional teams, and information sharing processes must be designed to ensure that Information Technology, cyber security, and Business Units are aligned and in lock-step to combat cyber threats. This will be accomplished through consistent monitoring of suspicious behavior, clear communications, effective technology, cross-organization collaboration, essential data sharing, and policy adherence across the Agency and with stakeholders.

Moreover, with the continuous disruption of emerging technologies, cyber criminals never rest. In alignment with the TFA and the strategies outlined for the Taxpayer Experience, Training, and the Organizational Redesign Strategies, we must continue to evolve. To streamline our cyber approach, reduce duplication of efforts, ensure appropriate level of oversight, and address emerging concerns, we must continue to have an Agency-wide, proactive approach. Due to the spread of sophisticated threats and the sensitive taxpayer information contained in our systems we plan to ensure that we continuously seek cutting edge information and tools. Our approach includes technology, cyber and data security, policy and procedures, technical and relational research, as well as other facets of cyber security program planning. We know that cybersecurity team members need to have clear lines of communication to key business executives, with standardized ways of presenting data. They need expanded access to business support applications, analysis tools, data repositories, analysts and more.

Investment in additional tools, technology, and processes is necessary to defend against cyber threats and stay current with changing National Institute of Standards and Technology (NIST) guidelines. These NIST guidelines are intended to guide how federal agencies implement digital identity services, along with how potential fraud, security, user and customer experience are addressed, which are key components of overall cyber operations. A reimagined focus on these cyber activities will allow the IRS to continuously strengthen our cyber position. Refocusing IT cybersecurity initiatives to provide a single point of coordination with a clear mission from which IRS mitigates risk in an organized and efficient manner is key. It will further help to ensure the entire Agency is prepared, well informed, and knowledgeable about cyber activities and any operational impacts.

Moving forward, we will remain vigilant on the fundamentals of cyber security including malware outbreaks, data breaches, and protection of IRS systems and data. Continuing to advance our capabilities to defend the Agency against cyber-attacks from cyber criminals, cyber activists and hackers. Active defense of IRS's information and systems are key to successfully meeting the TFA objectives.

9.7.9 POLICY AND LEGISLATION

This Section outlines recommendations for policy and legislation aligned to our Organizational Redesign Strategy in Section 6.0.

Background

The IRS took steps to identify policy and legislation recommendations necessary for successful execution of the TFA strategies. Currently, there are aspects of current policies and laws that constrain the IRS's ability to deliver the best possible taxpayer experience.

To assess the current state and provide recommendations, we took the following steps:

- Reviewed current processes for implementing policies, guidance, and legislation
- Identified best practices for future implementation of legislative changes
- Identified legislative changes necessary to support the organizational redesign, taxpayer experience, training and IT strategies
- Reviewed prior legislative recommendations by the IRS and the National Taxpayer Advocate (NTA) that may support or impact the strategies developed as part of the TFA

Based on the current state assessment, included within this Section are the policy and legislative recommendations that will enable us to successfully implement all components included within the TFA strategies.

Recommended Legislative Changes

Legislative requirements set out standards, procedures, and principles that must be followed and guide the development of internal policy. Provisions or components within legislation may impact taxpayer interactions and challenge IRS efficiency.

The FY2021 President's Budget proposed the following legislative priorities to improve tax administration and taxpayer service:

- Provide the IRS with greater flexibility to address correctable errors - the proposal makes it easier for the IRS to correct clear taxpayer errors, directly improving tax compliance and reducing EITC and other improper payments, and freeing IRS resources for higher-valued enforcement activities.
- Increase oversight of paid tax return preparers - to promote high-quality services from paid tax return preparers, the proposal would explicitly provide the Secretary of the Treasury with the authority to regulate all paid tax return preparers.
- Improve clarity of worker classification and information reporting requirements - the proposal increases clarity in the tax code, reduces costly litigation, and improves tax compliance.

The following two proposals would enhance the IRS's enforcement programs and make IRS operations more efficient, and its program spending more transparent:

- Authorize a Program Integrity Cap adjustment as proposed in the FY2021 President's Budget.
 - Allows the Financial Services and General Government Subcommittee to appropriate additional funds beyond their 302(b) allocation for enforcement activities that will have a net positive return on investment for the government.
 - Would generate \$4.6 billion in revenue per year once new hires are fully trained, with a return on investment of \$1 to \$8.
- Establish IRS Centralized Services.
 - This proposal expands on the Nonrecurring Expenses Fund proposed in the FY2021 President's Budget.
 - Nearly 100% of Operations Support expenses would be paid for through the IRS Centralized Services.
 - Expenses initially would be budgeted as a component of an IRS program based on employee square footage occupancy by building. During the budget year, the expenses would move to the IRS Centralized Services for execution.
 - Increased transparency of the full cost of IRS programs would create incentives for efficiencies and allow for self-funding of special projects as well as other centralized shared services and technology.

9.7.10 EXTERNAL OVERSIGHT AND ADVISORY

As part of conducting activities related to optimizing our organizational structure, we also identified recommendations for achieving additional benefits while working with our external oversight and advisory organizations. These partnerships are critical in our ability to effectively provide us with an objective point of view on how well we are executing on our mission and meeting the needs of taxpayers.

Overall, the IRS receives substantial oversight and guidance from several federal organizations, external committees and advisory boards (a comprehensive list of these organizations and more detail about how we work with them is provided in Appendix 9.7.0). Despite the benefits gained from receiving guidance from these partners, the IRS is faced with numerous challenges as part of interaction with these organizations (e.g., significant financial costs, dedicated work hours responding to corrective actions).

Coordination Across Oversight Entities:

The Taxpayer Advocate Service (TAS) and external advisory boards, such as Electronic Tax Administration Advisory Committee (ETAAC) and Internal Revenue Service Advisory Council (IRSAC), help highlight process improvements and opportunities for administrative tax policy enhancements. The National Taxpayer Advocate (NTA) provides an Annual Report to Congress that features the ten most serious problems encountered by taxpayers. The IRS provides a response to the Annual Report. Although there is not a direct relationship between the most serious problems highlighted by TAS and the subject of TIGTA and GAO audits, they are indirectly related in the types of IRS processes and programs we need to improve.

Overall, the IRS welcomes input from our oversight and advisory partners and recommends that this input is better coordinated, both internally by the IRS and externally by our partners. We recommend that our partners collaborate more to leverage each other's pre-existing work and avoid opening audits or other engagements where another body is already engaged. We invite oversight bodies to provide practical recommendations acknowledging holistic resource allocations – but we often receive multiple, competing recommendations that the IRS should simply allocate more resources to specific programs, which are not helpful. Without acknowledging in each report the difficult task of allocating limited resources, the recommendations present an unrealistic picture of the issue and oversimplify its possible solution. This misleads both the public and policy makers into possibly believing that such compliance and enforcement issues can be easily resolved. We are committed to leveraging the positive aspects the oversight bodies and advisory committees provide and intend to continue to work with these groups to identify process efficiencies during implementation of the Taxpayer Experience Strategy, Organizational Redesign Strategy, and Training Strategy. We suggest that GAO conduct an annual audit of TFA strategy execution to provide oversight and an objective view of our progress during implementation.

9.7.11 GOVERNANCE

This Section outlines governance recommendations aligned to our Organizational Redesign Strategy in Section 6.0.

Throughout our research phase we identified non-structural components of an organization that enable efficient and agile operations. Recognizing that effective governance is a key factor for organizational change, we conducted an internal analysis of our current governance processes to identify areas for improved decision-making. Our analysis consisted of internal reviews of governance documentation (e.g., governance board charters) and interviews with members of our Senior Leadership Team, which serves as the overarching advisory body for the IRS. Our findings indicated there are four main areas for improvement within the current governance process.

Current State Challenges and Opportunities

Our analysis of current governance processes revealed the following challenges and opportunities related to agency-wide decision-making.

- **Accountability:** Improve clarity of decision-making to support success of key strategic and innovative projects.
- **Prioritization:** Enhance identification and allocation of resources to enterprise-wide priorities and improve communication at both the senior executive level and lower levels of leadership.
- **Governance Structure:** Refine the size and number of governance organizations to reduce bottlenecks and can slow down decision making. The current structure consists of numerous governing boards and committees, some of which consist of 50+ members.
- **Processes and Transparency:** Standardize decision-making processes across governing committees to clarify how and when decisions should be made. Ensure decision-making authority is clearly identified across governing tiers. Utilize forums for deciding upon key issues rather than for information-sharing.

Recognizing these challenges, we have made progress in recent years to standardize our approach for organizational governance and streamline our governance boards. Our governance maintenance process, signed by the Deputy Commissioner for Services and Enforcement (DCSE), the Deputy Commissioner for Operations Support (DCOS), and the IRS Chief of Staff in early 2018, defines a process for governance standardization, chartering, and implementation of best practices. Additionally, we have reduced our intra-agency governance boards and ESCs from over 140 in FY2018 to under 70. Governance liaisons within each business unit also work to ensure boards are active and continuously review their charters.

We have also made progress in recent years related to furthering our ability to effectively prioritize enterprise-wide decisions, specifically related to our broader organizational goals outlined within the FY2018-FY2022 IRS Strategic Plan. In FY2019, IRS leadership across the agency discussed their shared goals, objectives, and key projects. From these discussions, the leadership team developed a series of agency-wide priorities aligned to each of the Strategic Plan's goals and objectives. A strong foundational governance and communication model was necessary to execute upon this effort and its successful implementation highlights how we continue to refine our governance process.

Regardless of these recent achievements over the last several years, we will continue to improve. We recognize there is tremendous value in conducting additional activities related to our governance procedures and these will continue to occur over the coming months to ensure a successful implementation of the strategies outlined within this report as well as the way we prioritize projects that span the enterprise.

An initial summary list of activities on how we will continue to improve upon our governance are described below and will continue to be developed and iterated upon in the future.

Accountability Recommendations

Leadership accountability will play a role in the effective administration of the strategies outlined within this report. Additionally, improved transparency innately fosters an environment of accountability. Clearly communicating and documenting decisions will enable all stakeholders to maintain awareness of current operations, accountable parties, and agency decisions.

Improvements are required from the top down and the governance structure must reflect that. Therefore, the current Senior Leadership Team must be reformed and re-tasked as the smaller and more effective governing body. The Senior Leadership Team will be compromised solely of Commissioner direct reports. This much smaller governing body will direct all Executive Steering Committees (ESC) with documented decisions and assigned responsibilities and commitments. It will also provide a clear escalation path for cross-functional governance boards and settle disputes between organizations. The Commissioner will have final say in decision making. If the Commissioner disagrees with the majority of the board, that vote will be documented, but the Commissioner will still have the authority to direct subordinate ESCs and direct reports.

Governance Prioritization Recommendations

We also commit to institutionalizing an intermediary, to help reconcile and manage priorities, allocate budget and escalate cross-functional issues to the Deputy Commissioner or the Commissioner. This function will sit within the Enterprise Change and Innovation Division, and will focus on transparency, accountability, communication, and the prioritization of all key enterprise initiatives. This office will also continue the maintenance and knowledge management efforts currently carried out in the CFO's Office of Strategic Planning.

Our current governance structure is divided among two distinct tiers – top level governing boards and business / functional boards. These two tiers differ in the amount of responsibility and level of impact their decisions have on Service-wide issues. The current governance maintenance process does not outline how issues should be elevated from a business/functional board to a top-level governing board. Moving forward we will define a clear escalation path and will outline the conditions in which decisions can be made at lower tiers.

Governance Structure Recommendations

Using our governance maintenance process, we will continue to review the number and size of our governance boards. While many of our governance boards have a unique and important role in the implementation of our mission, we discovered that there is not a concerted effort to ensure consistent application, and that the IRS governance structure should be designed to ensure the basic functions of the IRS are holistically addressed.

For example, the Filing Season Readiness Executive Steering Committee (ESC) manages the enterprise-wide preparation for the annual filing season, consisting of over 33 standing organizations and members, as well as an additional 14 ad-hoc organizations and members. This Governance Board is a strong indicator of how cross-organizational governance can be successful (this ESC currently consists of members from both DCSE and DCOS). While the Filing Season Readiness ESC meets critically important objectives each year to prepare for each Filing Season, its authority ends with the start of Filing Season and the IRS moves back to siloed and parochial management of Filing Season. The IRS needs an ESC that continues to manage Filing Season, not just the preparation for Filing Season. There is no effective or clear escalation path that addresses the concerns of all stakeholders in the most critical function and time period of the IRS. Effective governance is needed to support any organizational structure.

The Senior Leadership Team will approve a redesigned IRS governance structure within one year of submission of this report. Furthermore, the Senior Leadership Team will also approve the addition or removal of future governance boards. This change will ensure that IRS governance, once modernized, will remain focused on delivering the goals of the Agency while minimizing redundancies, unnecessary levels of management, and ensure all cross functional operations address all stakeholders are managed with effective governance.

Governance Process and Transparency Recommendations

As part of our research, we found that in some cases, decisions made in various governance and executive steering committee forums were not clearly and consistently documented and communicated. Consistent governance will create standardization and clear guidelines. Moving forward, we plan to emphasize consistent documentation and communication of decisions – and the basis for decisions – throughout the Agency.

Currently, our Governance Virtual Library houses documentation related to governing body charters, governance best practices, and business unit governance points of contact. In order to improve transparency, we will use this electronic medium to house key decision-making documentation such as meeting notes, agendas, and key decision points themselves.

In reviewing our Governance Virtual Library we analyzed the charters, mission statements, and scopes of work of the 68 currently established IRS governance boards. Our findings concluded that many governance boards work on tasks that may overlap with other boards, resulting in duplicative efforts or misalignment in certain focus areas (e.g., data management, financial management, human capital). We believe there could be opportunities to optimize efficiencies through consolidating and reviewing these governance boards to minimize duplicative efforts across the agency.

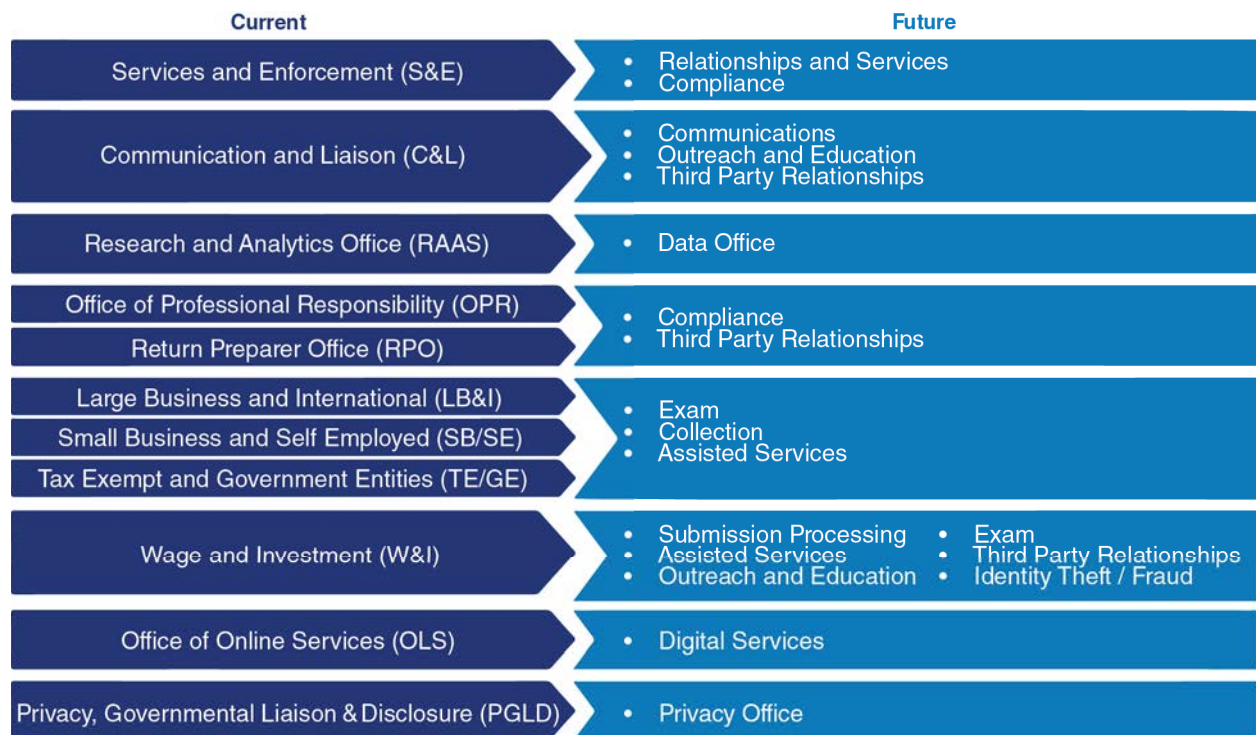
Through our interviews we also discovered that many of our governance boards operate primarily as information-sharing sessions as opposed to decision-making forums. While information sharing plays an important role, the purpose of top-level governance boards is to be

either advisory or decisional. Considering this, we will aim to make future governance boards focused on topics requiring input or decisions. Furthermore, we will institute a standardized voting process for key decisions or recommendations within all governance boards and ESCs in order to help clarify how decisions are made and ensure a uniform approach to all Agency decisions. We will also emphasize the importance of escalating and documenting decisions through our defined governing bodies to ensure consistent decision making.

Lastly, we commit to reaching decision points through clearly identified roles and responsibilities across our governing bodies. Moving forward, governing body members will know who is responsible for making final decisions versus those that assume an advisory role through clearly defined charters and outlined chairs. In addition, structured, pre-set agendas and active facilitation from key decision-makers will be essential in ensuring prompt decision-making.

9.7.12 CURRENT TO FUTURE ORGANIZATIONAL STRUCTURE CROSSWALK

The TFAO developed a crosswalk of the current and future structure of the IRS offices. This is not a comprehensive list of offices and may change as we dive deeper into the detailed organizational chart and operating model.



9.8 FUNDING ALIGNMENT

This Section addresses inconsistencies between the current IRS funding structure and the proposed future organizational structure.

9.8.1 NEW APPROPRIATIONS STRUCTURE

This report recommends the authorization of an IRS Centralized Services (ICS) fund. To illustrate approximate funding levels, the following table allocates the FY2020 enacted budget across the existing appropriations accounts and the newly proposed fund.

**Illustrative Centralized Service
Allocation using FY2020
(non-supplemental)
Appropriations levels**

<i>Millions of Dollars</i>	FY2020 Enacted	Notional Budget	ICS Allocation	As Executed
Taxpayer Services	2,512	4,763	(1,961)	2,832
Enforcement	5,010	6,468	(1,945)	4,523
Operations Support	3,808	69	(15)	53
<i>IRS Centralized Services</i>	na		3,921	3,921
Business System Modernization	180	180		180
Totals	\$11,510	\$11,510	-	\$11,510

As the example illustrates, the Taxpayer Services, Enforcement, and Operations Support accounts would pay for the direct costs of mission activities and, via a cost allocation, pay for the centralized services necessary to support them.

The proposed structure provides several immediate benefits. With the Taxpayer First Act, the Congress directed the IRS to reorient itself to be more taxpayer-focused. The reorganization and attendant financial restructuring implements that direction. It provides the Congress and the Administration a clear view of how appropriations fund major IRS activities, including support activities. Using the IRS Centralized Services fund also encourages IRS operating units to become more efficient with their use of support services because they would have to pay for more costly support from their own funds and conversely would accrue the benefit of cost savings.

Basic IRS operations increasingly rely on information technology and innovation. The proposal identifies these key areas as activities in the allocation fund. Placing them in the fund would allow operating units to apply technology solutions to problems as they emerge, even if the funding had not been included in the initial allocation.

The ICS would be a revolving fund modeled on the General Service Administration's Working Capital Fund. Like the GSA's fund, it would be funded solely by its customers and not require direct appropriations. It would centralize the funding of a wide range of support activities, most of which are currently funded in the Operations Support appropriation. The IRS proposes authorizing legislation that would allow the allocation fund to be available for technology and other centralized services. Customer agreements between the operating units would dictate service levels in exchange for funding allocations.

The IRS would allocate costs using simple methods such as FTEs, direct usage, budget dollars managed, etc. For example, for facilities costs, the IRS would use a model of employee square footage occupancy by building, allowing for precise accounting of facility costs by financial plan. The first year of the fund, the IRS would baseline cost allocations. After the "baseline" year, changes in later years – beyond inflationary increases – would be the responsibility of the business unit, which would bear the cost of increases and benefit from any savings achieved. By embedding support costs within the program budget activities, the proposal creates visible incentives for business units to reduce support expenses. The allocation fund also provides a mechanism for business units to self-fund critical projects that emerge after the budgets were set, subject to established standards.

9.8.2 ORGANIZATIONAL ALLOCATION OF FUNDING

To illustrate funding levels, the table below allocates the FY2020 enacted budget across the proposed organizational structure. It approximates the fund allocation by using a simple FTE-based approach. As IRS implementation of the Taxpayer First Act continues and cost attribution estimates become more refined, a re-examination of the IRS appropriation account structure should also be considered.

Illustrative Allocation of FY2020 Funding By Proposed Business Functions

<i>Millions of Dollars</i>	Gross Funding	ICS Cost Allocation	Funding Levels
Taxpayer Services	3,423	(1,362)	2,061
Submission Processing	1,039	(498)	541
National Taxpayer Advocate	332	(102)	230
Taxpayer Services	4,793	(1,961)	2,832
Examination & Determinations	3,985	(1,218)	2,767
Criminal Investigation	829	(183)	647
Collection	945	(355)	589
Appeals	253	(80)	173
Chief Counsel	456	(109)	347
Enforcement and Compliance	6,468	(1,945)	4,523
Office of the Commissioner	69	(15)	53
<i>CIO</i>	-	2,078	2,078
<i>Facilities</i>	-	882	882
<i>Facilities Management</i>	-	120	120
<i>Human Capital Organization</i>	-	294	294
<i>Enterprise Change and Innovation</i>	-	161	161
<i>Chief Financial Officer</i>	-	68	68
<i>Procurement</i>	-	66	66
<i>Communications</i>	-	28	28
<i>Printing, Postage and Other Shared Services</i>	-	226	226
IRS Centralized Services	-	3,921	3,921
Business System Modernization	180		180
Totals	\$11,510	-	\$11,510

The Bibliography Section includes documents used to develop the Taxpayer Experience, Training and Organizational Redesign Strategies such as oversight reports, testimonies and recommendations, customer satisfaction survey results, publications, studies, briefings and statutes.

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“ *In every interaction, we need to be thinking about the taxpayer and how to work with them. Every interaction with each and every taxpayer and representative is important on both an individual and a global basis. Providing high-quality, personalized service is a critical component in helping taxpayers understand and comply with their filing and reporting obligations.* ”

— **Charles Rettig**
IRS Commissioner

