

## Highlights of Statements - 2006

### Panel 1

#### National Council for Taxpayer Advocacy

##### *Primary Issues:*

- Service should be the foundation of our voluntary tax system. Budget constraints notwithstanding, in a democracy we will not achieve broad based tax compliance without having service as the primary mission of the tax administration agency.
- The belief that the Internal Revenue Service is a tax collection agency is a myth. The Internal Revenue Service is a tax receiving agency. The major portion of the tax revenues of our nation is collected by employers who are required by law to withhold taxes from the wages of their employees
- Good Customer Service: Most taxpayers, with the help of practitioners early or timely file tax returns indicating overpaid taxes. These citizens deserve the service of rapid processing and prompt refund of their money.
- Also deserving good customer service are the several million employers who, with the help of practitioners, have actually collected the tax from their employees. These non paid 'tax collectors' deserve service in the form of easy deposit systems; accurate accounting for receipts; trouble-free information return procedures and straight forward, post-filing resolution of problems.
- What services are not sufficiently valuable to justify their continued existence? The Internal Revenue Code provides for extensions of time to pay tax liabilities in full, provides for the partial payment of tax liabilities in installments, and provides for the compromise of tax liabilities based on inability to pay in full. Congress legislated the Offer in Compromise (OIC) program years ago and recently directed the IRS to make it available to more taxpayers by liberalizing it. In response, the IRS created an obtuse and unrealistic program. It is so flawed that many practitioners have removed it from the box of tools they use to try to obtain relief for taxpayer's problems.
- An organization dedicated to a mission of service would have a robust training and education program at every level. Problem solving by under trained staff is preventing both compliant and out-of-compliance taxpayers from effectively resolving their issues efficiently. A service mission requires that IRS staff at all levels be involved in a continuous training program to bolster their abilities to perform their functions with a perspective of the real world built on a foundation of technical knowledge. The Committee Report from RRA '98 stated: "The bill requires the IRS to place a high priority on employee training and to adequately fund employee training programs..."

- The Service refuses access to electronic account resolution (EAR) services unless applicants file five electronic returns a year. Many Enrolled Agents do not prepare tax returns, but specialize on representing taxpayers before the various divisions of the IRS. These are the professionals who need the EAR system more than any other. The IRS has lost an opportunity to provide rapid access for account resolution to the most capable account resolvers.