

STATEMENT  
OF THE  
NATIONAL COUNCIL FOR TAXPAYER ADVOCACY  
BEFORE IRS OVERSIGHT BOARD

MARCH 7<sup>TH</sup>, 2007

**William Stevenson, EA**  
**Spokesperson for the National Council for Taxpayer Advocacy**

*The Board is convinced that the Administration, Congress and other stakeholders can find a common ground and work together to reduce the tax gap in a meaningful way that gets real results. However, this will require the efforts and cooperation of everyone involved in tax administration — from the Executive Branch to Congress and to the larger tax community. But it is an effort that is clearly in the Nation's best interest,"* — Board Chairman Jones.

The Council agrees with Chairman Jones and can contribute to efforts to reduce the tax gap by championing a **Compact** or agreement between practitioners and their professional organizations and the IRS and its operating officials that sets forth mutually agreeable principles and best practices. Such a compact would contribute to increased taxpayer compliance with the law and a concomitant reduction in the tax gap by improving the relationship between those who enforce the law and those who assist taxpayers in complying with the law.

Such a compact would enhance the relationship between IRS officials and practitioners by subordinating the parochial views of practitioner and IRS officials to a higher view that promotes fairness, increased compliance and respect for our tax law.

Compacts are voluntary agreements between individuals or entities that function best with mutual cooperation. This following example of an IRS Tax Practitioner Compact illustrates what the Service and practitioners could voluntarily decide to adopt for their mutual benefit.

The following is a prototype that could serve as a point of beginning for discussion by potential subscribers:

INTERNAL REVENUE SERVICE - Tax Practitioner COMPACT

As partners, we agree to the following:

Preamble:

- § Respect for one another is the foundation for positive and productive professional relationships.
- § The protection of the privacy of taxpayers' information is a sacred trust and the law.
- § Technology maximizes productivity and enhances efficiency.
- § Tax law compliance is built on a foundation of service.

§ Education and training help build and IRS work force and a practitioner cadre capable of achieving a high level of confidence and fairness in the administration of our laws.

§ Sensitivity and an understanding of cultural, racial and language diversities enhances communications and leads to a greater level of compliance.

**As an IRS official, I will:**

1. Respect the rights of taxpayers and their representatives according to the letter and the spirit of the law.
2. Communicate understandably, timely, responsively and substantively with taxpayers and their representatives.
3. Respect the taxpayer's desire for prompt resolutions by being prepared completely for all necessary interviews with taxpayers or their representatives.
4. Negotiate in good faith with flexibility being mindful of limitation of authority and the law.
5. Resolve issues in the most reasonable and realistic manner utilizing flexibility while recognizing the unique set of facts and circumstances of each taxpayer.
6. Etc., etc.

**As a Tax Practitioner, I will:**

1. Respect the rights and responsibilities of IRS employees according to the letter and spirit of the law.
2. Communicate understandably, timely responsively and substantively with IRS employees.
3. Respect the IRS interest in prompt resolutions by being prepared completely for all necessary interviews with IRS officials.
4. Negotiate in good faith and with flexibility being mindful of limitations of authority and the law.
5. Resolve issues in the most reasonable and realistic manner utilizing flexibility while recognizing the unique set of facts and circumstances of each taxpayer.
6. Etc., etc.

Each of the points should produce discussions and commitments to each specific type of action. In other words, if we adopt the guide that we should take advantage of 21<sup>st</sup> century technology, we need to express how that commitment is manifest. This is serious business and everyone who signs on should have their feet held to the fire. If not, we would be wasting our time with a 'feel good' exercise.

The National Council for Taxpayer Advocacy invites and challenges all who are involved in the administration of our tax laws to improve the 'Compact' and then join together to make it work. We believe the process is as important as the final product.

William Stevenson, EA, Spokesperson  
Bryan Gates, EA, Founder  
February 20, 2007