



## Treasury Inspector General for Tax Administration Office of Audit

### THE INTERNAL REVENUE SERVICE IS TAKING SEVERAL ACTIONS TO IMPROVE ITS TOLL-FREE TELEPHONE PERFORMANCE FOR THE 2010 FILING SEASON

Issued on March 2, 2010

## Highlights

Highlights of Report Number: 2010-40-031 to the Internal Revenue Service Commissioner for the Wage and Investment Division.

### IMPACT ON TAXPAYERS

The Internal Revenue Service's (IRS) toll-free telephone system planning is on course for the 2010 Filing Season; however, taxpayer call demand may exceed projections if planned actions are not implemented on schedule. For example, if the expected assistors are not hired and trained before the filing season, taxpayer access will be lower and wait times will be longer for those waiting to speak with an assistor. Also, if the Web-based and telephone applications for the Electronic Filing Personal Identification Number are not completed on time, taxpayers will need to call the IRS or visit a Taxpayer Assistance Center. The IRS received almost 5 million prior year Adjusted Gross Income calls in the 2009 Filing Season. Customer service would be significantly affected if the volume of these calls is the same or more during the 2010 Filing Season.

### WHY TIGTA DID THE AUDIT

Each year, millions of taxpayers contact the IRS by calling its various toll-free telephone assistance lines to seek help in understanding tax laws and meeting their tax obligations. The objective of this audit was to determine if the IRS adequately planned for the 2010 Filing Season, including the effect of legislative and other events on toll-free telephone access and customer service.

### WHAT TIGTA FOUND

For the last two filing seasons, the toll-free Level of Service has been decreasing and the time to respond to calls has been increasing. The Economic Stimulus Act of 2008 affected toll-free telephone access and performance measures for both the 2008 Filing Season and Fiscal Year 2008. Calls regarding the prior year Adjusted Gross Income, the Recovery Rebate Credit, and the American Recovery and Reinvestment Act of 2009 (Recovery Act) affected the 2009 Filing Season.

Email Address: [inquiries@tigta.treas.gov](mailto:inquiries@tigta.treas.gov)  
Web Site: <http://www.tigta.gov>

Many of the provisions in the Recovery Act will also affect Tax Year 2009 returns that will be filed during the 2010 Filing Season.

The IRS is taking several actions to help ensure it will be able to provide a 71.2 percent Level of Service for the 2010 Filing Season. To reduce the burden on telephone assistors and improve taxpayer service, the IRS is taking the following actions/initiatives for this filing season:

- Increasing the number of assistors available during the fiscal year.
- Establishing six applications to handle Recovery Act call volume.
- Developing a Web-based application for taxpayers who do not have their prior year Adjusted Gross Income or Personal Identification Number.

However, delays to any of the initiatives listed above would pose significant risk for delivering a successful filing season. Furthermore, the effects of existing and new legislation may increase the volume of calls received during the 2010 Filing Season. For example, millions of taxpayers may be negatively affected by the reduced withholding associated with the Making Work Pay Credit and unexpectedly owe taxes. In addition, the Worker, Homeownership, and Business Assistance Act of 2009 was signed into law on November 6, 2009. This newly enacted law has several provisions that affect tax law, thereby affecting taxpayer call demand.

### WHAT TIGTA RECOMMENDED

TIGTA did not make any recommendations in this report.

In their response to the report, IRS management stated that all three initiatives listed in our report were successfully and timely deployed.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2010reports/201040031fr.pdf>.

Phone Number: 202-622-6500