



Treasury Inspector General for Tax Administration Office of Audit

PROCESSES TO DETERMINE OPTIMAL FACE-TO-FACE TAXPAYER SERVICES, LOCATIONS, AND VIRTUAL SERVICES HAVE NOT BEEN ESTABLISHED

Issued on June 27, 2014

Highlights

Highlights of Report Number: 2014-40-038 to the Internal Revenue Service Commissioner for the Wage and Investment Division.

IMPACT ON TAXPAYERS

The IRS provides taxpayers with face-to-face tax assistance at 386 Taxpayer Assistance Centers. The taxpayers most likely to visit Taxpayer Assistance Centers include low-income, elderly, and limited-English-proficient taxpayers who seek assistance in complying with the tax laws. Evaluating the burden and impact that service cuts at Taxpayer Assistance Centers could have before taking action is important because many taxpayers rely on these Centers to help them understand and meet their tax obligations.

WHY TIGTA DID THE AUDIT

The IRS faces many challenges in providing services to taxpayers in its Taxpayer Assistance Centers. One of its most significant challenges is meeting demand for those services with a reduced budget and staffing. This audit was initiated to assess the IRS's ability to provide effective and efficient service to taxpayers through its Taxpayer Assistance Center Program.

WHAT TIGTA FOUND

As part of its Fiscal Year 2014 Service Approach, the IRS eliminated or reduced tax return preparation, tax law assistance, refund inquiries, and transcript request services. However, prior to developing this plan, the IRS did not evaluate the burden each service change will have on taxpayers who visit Taxpayer Assistance Centers.

In addition, the IRS has not established processes to identify optimal locations to provide face-to-face services or to identify underserved areas that would benefit from virtual service (through computer video). Moreover, the data provided to management for use in assessing potential site closures are based on incomplete information.

The IRS has not adequately addressed two recommendations from previous TIGTA reports. It has not developed sufficient measures and goals for Facilitated Self-Assistance in the Taxpayer Assistance Centers. In addition, controls to ensure that data are entered accurately into management information systems and reviewed were not implemented until after our review.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the IRS ensure compliance with its procedures which require service-related decisions be based on informed research; develop steps to be taken to collect data to monitor, measure, and adjust service changes; complete efforts to obtain data on the services that are most important to taxpayers; establish a methodology to identify the optimal locations for providing face-to-face assistance to the most taxpayers; develop and implement documentation requirements to support data analyses; establish a process to identify the best locations for virtual face-to-face services; and quantify the cost savings and benefits related to Virtual Service Delivery.

The IRS agreed with or indicated completion of four recommendations and disagreed with three recommendations. For certain corrective actions that the IRS proposed or stated were already implemented, TIGTA believes the actions are insufficient. The lack of sufficient corrective action could, in turn, increase the burden on taxpayers who seek face-to-face assistance at the Taxpayer Assistance Centers such as low-income, elderly, and limited-English-proficient taxpayers. The IRS did not gather the necessary data and perform the required analysis to reduce the impact of service eliminations and reductions on these taxpayers.

READ THE FULL REPORT

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

<http://www.treas.gov/tigta/auditreports/2014reports/201440038fr.pdf>.