





Updates to IRS operational status and enforcement priorities

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With you today



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Agenda

Topic	Time
I. Improving taxpayer experience	10 min
II. Faster issue resolution	10 min
III. Smarter enforcement	10 min
IV. Advanced technology & analytics	10 min
V. Empowered employees	10 min

Learning objectives

By the end of this presentation, participants will be able to:

1. Understand the IRS's strategic operating plan
2. Explain how the IRS selects cases for examination
3. Learn how to prepare for an IRS examination
4. Understand the exam process of ERC claims, moratorium on processing ERC claims. Claim withdrawal and settlement procedures.

IRS Strategic Operating Plan

SOP objectives

1. Improving taxpayer experience
2. Faster issue resolution
3. Smarter enforcement
4. Advanced technology & analytics
5. Empowered employees



Improving taxpayer experience

The goal is for taxpayers to be able to:

- Securely file documents, exchange correspondence electronically
- Digitalize the paper filed tax forms, returns, application, correspondence
- Ability to provide the public with accurate wait time estimates
- Staff customer service functions to meet demands
- Improve appointment scheduling function
- More self-service options and multichannel customer assistance
- More guidance interpreting the tax law

Already achieved

- Sole proprietors can access certain information through IRS online portal
- Individuals and tax practitioners can have on-line accounts and access tax account/return transcripts, monitor Power of Attorney (POAs), ID theft verification for individuals

Faster issue resolution



The goal is:

- To build internal analytics to identify issues of non-compliance sooner, as well as detect non-filers sooner;
- To develop taxpayer-centric notices.
- To develop issue resolution programs.
- To notify taxpayers of the potential issues and allow them to make corrections at the point of filing;
- To reject fewer tax returns and thus send less tax returns to error resolution
- To provide tailored contacts to taxpayers' past-due balances to avoid additional penalties and interest and only escalate enforcement when appropriate.

Goals already achieved

- Taxpayers are informed about mismatches on simple types of income and processing errors (W-2 and 1099s)
- Various treatment streams (soft notices, correspondence/field audits)

Smarter enforcement



Agency wide focus

- Expand enforcement for large corporations (examination rates depending on the size of the balance sheet assets dropped by 50-60% between 2010 and 2018)
- Expand enforcement for large partnerships (examination rates dropped by over 70% between 2010 and 2018. Exam rate for 2019 was .1%.
 - The number of Partnerships increased 32% in a decade. Many Partnerships are complex.
 - For LB&I, Partnerships constitute the largest portion of taxpayer population
- Expand enforcement for high-income and high wealth individuals

Source: IRS Data Book, 2022, Table 17

ERC claims – processing moratorium and withdrawal

September 14, 2023, the IRS announced moratorium on processing ERC refund claims until December 31, 2023

October 19, 2023, the IRS announced ERC claim withdrawal process

- Allows to avoid potential penalties and interest
- Simplified withdrawal procedure requires submission of the request via fax
- Eligible taxpayers are those that have not received an ERC refunds yet, even if under IRS exam
- Employers who received refunds and cashed refund checks but were not eligible for refunds and were victims of aggressive marketers maybe eligible to enter into a settlement program that will be announced later this year

Advance technology & analytics

Empowered employees

The IRS is Hiring

- The IRS is hiring tax professionals in all priority areas
- YouTube videos:
 - <https://www.youtube.com/watch?v=Xvs1F3LVbe0>
 - <https://www.youtube.com/watch?v=mejZ9Xunrp0>
- Hiring opportunities are open now.



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ATTENTION



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