

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



FISCAL YEAR 2026 PROGRAM PLAN





TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

Our Annual Program Plan lists our ongoing and planned projects for Fiscal Year 2026. Annually, we conduct a strategic planning process designed to identify high-risk or emerging issues impacting federal tax administration and the Internal Revenue Service (IRS). We adjust our program plan accordingly to respond to congressional requests or new issues.

Our plan is a mix of discretionary and statutorily mandated reviews. We consider several factors when selecting which areas of IRS programs and operations to review. For example, we consider referrals from our Office of Investigations, findings from previous work, requests made by Congress, and input from IRS and Treasury Department leadership.

We are committed to conducting our critical work on behalf of the American people to improve the economy, efficiency, and effectiveness of the IRS, while preventing and detecting waste, fraud, and abuse.

Several of our reports are follow-ups to previous reports we published. If you would like a copy of any of these reports, please email our Office of Communications (tigtacommunications@tigta.treas.gov).

A handwritten signature in black ink, reading "Diana M. Tengesdal".

Diana M. Tengesdal
Deputy Inspector General for Audit

A handwritten signature in black ink, reading "Nancy LaManna".

Nancy LaManna
Deputy Inspector General for Inspections and Evaluations

Table of Contents

Fiscal Year 2026 List of Planned Projects

Managing a Reduced Workforce and Budget.....	1
Improving Operational Efficiencies.....	2
Protecting Taxpayer Data	5
Implementing Tax Law Changes.....	7
Improving Taxpayer Service & Protecting Taxpayer Rights	8
Modernizing Information Technology.....	12
Ensuring Tax Compliance	13

Managing a Reduced Workforce and Budget

Interim Results of the 2026 Filing Season

(Project Number 2026400002)

Provide select information related to the IRS during the 2026 Filing Season.

Final Results of the 2026 Filing Season

(Project Number 2026400003)

Evaluate whether the IRS timely and accurately processed individual paper and electronically-filed tax returns during the 2026 Filing Season.

Snapshot: IRS Workforce Reductions

(Project Number IE-26-002)

Provide periodic updates on IRS efforts to downsize its workforce.

Snapshot: Use of Inflation Reduction Act Funding

(Project Number IE-26-003-I)

Provide periodic assessments of the IRS's use of the Inflation Reduction Act of 2022 (IRA) funding.

Improving Tax Compliance in the Collection Function with a Reduced Workforce

(Project Number 2026300007)

Determine the IRS's plan to improve the efficiency and effectiveness of the collection function with fewer employees using enhanced technology.

Improving Tax Compliance in the Examination Function with a Reduced Workforce

(Project Number 2026300008)

Determine the IRS's plan to improve the efficiency and effectiveness of the examination function with fewer employees and enhanced technology.

Potentially Dangerous Taxpayer and Caution Upon Contact Program

(Project Number IE-25-021-I – this is a follow-up report)

Assess processes to monitor taxpayers posing a threat to Internal Revenue Service (IRS) employees and assess the IRS's actions from a prior evaluation.

Impact of Workforce Reductions on Overtime and Premium Pay

(Project Number IE-26-001)

Assess whether workforce reductions have impacted IRS employee use of overtime, compensatory time, and other premium pay.

Monitoring and Reporting on Use of Premium Pay During the Filing Season

(Project Number 2026100004)

Assess the effectiveness of the IRS's controls over and use of premium pay, including mandatory overtime, during the filing season.

IRS's Drug-Free Workplace Program

(Project Number 2025100015 – this is a follow-up report)

Assess if the IRS effectively identifies and tests its employees for illegal drug use.

IRS Employee Non-tax Debts

(Project Number 2026100003 – this is a follow-up report)

Determine whether collection processes for IRS employee non-tax debts, such as advanced leave and salary overpayments, are timely and effective.

Impact of Criminal Investigation Division's Diminished Resources on Tax Administration

(Project Number 2026300009)

Evaluate the impact on tax administration of the Criminal Investigation Division's loss of personnel and reallocation of resources away from tax-related crimes.

Improving Operational Efficiencies

Snapshot: Elimination of Paper Checks

(Project Number IE-26-004)

Provide an update on the IRS's efforts to phase out the distribution and receipt of paper checks.

Compliance With Return to Office Requirements

(Project Number IE-25-035)

Assess the IRS's compliance with the requirement for employees to return to the office full-time.

Actions Taken to Address Facility Security Deficiencies

(Project Number IE-25-015-I – this is a follow-up report)

Assess IRS actions to address prior recommendations on select facility security deficiencies.

Unauthorized Use of Mobile Devices Overseas

(Project Number IE-25-017)

Assess efforts to identify IRS-owned devices used in foreign countries without authorization.

National Distribution Center

(Project Number IE-25-027)

Assess the efficiency and effectiveness of IRS operations at the National Distribution Center which distributes forms and publications to internal and external customers as well as correspondences to taxpayers.

Public Transportation Subsidy Program

(Project Number IE-26-005)

Assess whether only eligible IRS employees receive the Public Transportation Subsidy.

Evaluating IRS Research Initiatives That Can Improve IRS Collection, Customer Service, and Taxpayer Privacy

(Project Number 20253S0004)

Determine if the IRS could further the Treasury Secretary's priorities of collection, privacy, and customer service by evaluating unimplemented recommendations from IRS research projects completed within the last five years.

Excise Tax Collections and Distributions

(Project Number 20264S0004)

Determine whether the IRS timely and accurately processes Excise Tax returns for purposes of collecting and distributing revenue to trust funds for projects related to the taxed product or service, such as highway or airport improvements, and the general fund as general revenue to the government.

Required by Statute:

Compliance with the Improper Payment Reporting Requirements

(Project Number 2026400001)

Determine whether the IRS complied with the annual improper payment reporting requirements for Fiscal Year 2025.

Government Charge Card Abuse Prevention Act of 2012 Semiannual Mandatory Review Covering the Period of April 1, 2025 through September 30, 2025

(Project Number 20251S0004)

Assess the IRS's continued compliance with the Government Charge Card Abuse Prevention Act of 2012¹ requirements for the period of April 1, 2025, through September 30, 2025.

Government Charge Card Abuse Prevention Act of 2012 Semiannual Mandatory Review Covering the Period of October 1, 2025, through March 1, 2026

(Project Number 20261S0002)

Assess the IRS's continued compliance with the Government Charge Card Abuse Prevention Act of 2012 requirements for the period of October 1, 2025, through March 31, 2026.

Attestation Review of the IRS's Fiscal Year 2025 Annual Accounting of Drug Control Funds

(Project Number 2026100001)

Perform an attestation review of the reliability of assertions made in the IRS's Fiscal Year 2025 Office of National Drug Control Policy Detailed Accounting and Budget Formulation Reports.

¹ Pub. L. No. 112-194, 126 Stat. 1445 (codified as amended at 5 U.S.C. § 5701 note, 10 U.S.C. § 2784, and 41 U.S.C. § 1909).

Protecting Taxpayer Data

Access to Sensitive Systems

(Project Number IE-25-032 – this is a follow-up report)

Determine whether the IRS has taken appropriate corrective actions to ensure that users are properly vetted before gaining access to sensitive systems and that sensitive system access is timely removed for all users who separate from the IRS.

Federal Tax Information Provided to External Entities

(Project Number IE-25-012-I)

Evaluate the process the IRS uses to provide and monitor external entities' access to federal tax information.

Sharing Federal Tax Information With State and Federal Agencies via Disclosure Agreements

(Project Number 2026200006)

Assess the compliance and security of information technology systems that share federal tax information with state and federal agencies via disclosure agreements.

Implementation of the Data Sharing Agreement with the Department of Homeland Security

(Project Number IE-25-037)

Evaluate the process and procedures for implementing the data sharing agreement between the Department of the Treasury (IRS) and the Department of Homeland Security (Immigration and Customs Enforcement).

Safeguarding of Sensitive Tax Information at Contractor Sites

(Project Number IE-26-006)

Assess the physical security over taxpayer data at select contractor sites who are scanning paper documents into digital form.

Zero Paper Initiative Information Security

(Project Number 2026208008)

Evaluate information security standards for the Zero Paper Initiative.

Cloud-Based Systems Data Protection and Exit Strategy

(Project Number 2025200004 – this is a follow-up report)

Determine the effectiveness of cloud-computing security controls at protecting sensitive taxpayer data, including corrective actions to address our prior recommendations, and evaluate whether exit strategies are included in cloud-managed contracts.

Information Technology Hardware Asset Inventory Controls

(Project Number 2025208014)

Evaluate the IRS's oversight of the information technology hardware asset inventory for separated employees.

Continued Implementation of the Enterprise Physical Access Control System

(Project Number 2026200002 – this is a follow-up report)

Evaluate the continued implementation of the Enterprise Physical Access Control Systems, including physical access controls and determine whether recommendations from the prior audit were effectively implemented.

Implementation of Artificial Intelligence

(Project Number 2026208003)

Evaluate the continued implementation of artificial intelligence, including the effectiveness of governance and security.

Insider Threat Risks

(Project Number 2026200004)

Determine whether the IRS is managing its insider threat program effectively to detect, prevent, mitigate, and contain insider threat incidents.

IRS Phishing Protection

(Project Number 2026200005)

Assess the IRS's policies and procedures related to phishing attacks protection.

Unified Application Programming Interface

(Project Number 2026208007)

Assess IRS's efforts to implement the unified application programming interface as a core part of its modernization efforts.

Effectiveness of Unauthorized Access, Attempted Access or Inspection of Taxpayer Records Program

(Project Number 2026300010)

Assess the efficiency and effectiveness of the IRS's Unauthorized Access (UNAX) Program, including whether impacted taxpayers are appropriately notified about violations and whether all unauthorized access cases are appropriately provided to TIGTA's Office of Investigations.

Required by Statute:

Federal Information Security Modernization Act Evaluation

(Project Number 2026200001)

Assess the effectiveness of the IRS's information security program.

Implementing Tax Law Changes

Review of Guidance and Compliance Plans for Select Provisions of the One Big Beautiful Bill Act

(Project Number 2026300011)

Evaluate the guidance and strategy used by the IRS to ensure taxpayers meet their federal tax obligations for select provisions of the One Big Beautiful Bill Act.

Implementation of Recently Enacted Tax Provisions to Remove Tax Benefits for Non-Citizens

(Project Number 2026400006)

Determine the IRS's strategy and implementation of recently enacted tax provisions to remove or restrict access to certain tax benefits and health-related tax credits for non-citizens.

Compliance with Requirements Related to Direct File

(Project Number 2026400007)

Assess if the IRS met all legislative requirements related to Direct File in the One Big Beautiful Bill Act.

Duplicate Dependent Claims

(Project Number IE-26-007)

Assess the impact of the IRS allowing duplicate dependent claims with a valid identity protection personal identification number.

Casualty Loss Deduction for Disaster Related Personal Losses

(Project Number 2026400005 – this is a follow-up report)

Assess the controls in place to ensure that eligible taxpayers can claim the Casualty Loss for Disaster Related Personal Losses deduction for Tax Year 2025.

Improving Taxpayer Service & Protecting Taxpayer Rights

Taxpayer Experience of Telephone Service During and After the Filing Season

(Project Number IE-26-008)

Evaluate the experience taxpayers receive when calling a select number of IRS telephone lines during and after the filing season.

Quality and Accuracy of Telephone Assistance

(Project Number 2025100009)

Assess the quality and accuracy of IRS telephone assistance provided to taxpayers.

Improving Customer Service Through Enhanced Telephone Call Analytics

(Project Number 2026300013)

Assess whether the IRS can benefit from adopting customer analytics tools, including artificial intelligence, used by private collection agencies to improve efficiency and effectiveness of telephone customer service.

Electronic Filing Identification Number Program

(Project Number IE-25-033)

Determine whether the IRS has effective processes and procedures in place to assign and prevent the unauthorized use of Electronic Filing Identification Numbers (a unique number issued by the IRS to firms and individuals who are approved to electronically submit tax returns on behalf of clients).

Preparer Tax Identification Number Requirements

(Project Number IE-25-034)

Assess compliance and control measures used to issue and authorize new and renewed Preparer Tax Identification Numbers (a unique, nine-digit identification number issued by IRS to all paid tax preparers).

Processing of Power of Attorney Forms

(Project Number IE-26-009)

Evaluate the timeliness of processing Power of Attorney Forms.

Chatbot and Voice bot Customer Service Metrics

(Project Number 2026108006)

Evaluate how Taxpayer Services monitors the performance metrics for Accounts Management chatbots and voice bots and uses the metrics to improve taxpayer service.

Efforts to Improve Services for Taxpayers in Federally Declared Disaster Areas

(Project Number 2026100007)

Assess the IRS's federally declared disaster area tax relief program.

IRS User Fees

(Project Number 2026100008)

Determine whether user fees are accurately charged and efficiently collected by the IRS.

Taxpayer Protection Program

(Project Number 2026100009)

Determine the effectiveness of the Taxpayer Protection Program in accurately resolving suspected identity theft cases.

The Effectiveness of International U.S. Taxpayer Customer Service

(Project Number 2026100010)

Assess the IRS's efforts to help U.S. taxpayers residing outside the U.S. and its territories understand and comply with their tax obligations.

Customer Service Strategy

(Project Number 2026300012)

Determine whether the IRS has established an effective customer service strategy that uses data to understand and meet taxpayer expectations.

Employment-Related Identity Theft Victim Assistance

(Project Number 2026400008 – this is a follow-up report)

Assess the effectiveness of processes and procedures to identify and assist individuals whose Social Security Numbers are used without their knowledge to gain employment.

Efforts to Improve the Accuracy of the Centralized Authorization File and Increase the Use of the Tax Pro Account System

(Project Number 2026400010)

Assess IRS controls to authenticate third-party authorization requests such as a power of attorney and efforts to increase use of the online Tax Pro Account System in lieu of filing requests on paper.

Use of Multilingual Services to Improve Taxpayer Service

(Project Number 20264S0011)

Evaluate the IRS's efforts to assist taxpayers with limited English proficiency in meeting their tax obligations.

Required by Statute:

Mandatory Review of the Compliance with the Freedom of Information Act

(Project Number 2025100017)

Determine whether the IRS improperly withheld information requested by taxpayers in writing based on certain Freedom of Information Act and Internal Revenue Code exemptions, for cases closed from April 1, 2024 through March 31, 2025.

Assessment Statute Extension Dates

(Project Number 20251S0007)

Determine whether the IRS is properly notifying taxpayers of their right to decline to extend the assessment statute of limitations.

Statutory Review of Compliance With Legal Guidelines When Conducting Seizures of Taxpayers' Property

(Project Number 2025300036)

Determine whether seizures were conducted in accordance with Internal Revenue Code (I.R.C.) §§ 6330-6344, Treasury Regulations, and IRS procedures.

Statutory Review of Levies

(Project Number 2025300037)

Determine whether levies issued by the IRS complied with Collection Due Process provisions of I.R.C. § 6330 and related Treasury Regulations.

Statutory Review of Lien Filings

(Project Number 2026300001)

Determine whether liens issued by the IRS complied with the Collection Due Process provisions of I.R.C. § 6320 and related Treasury Regulations.

Statutory Review of Compliance with Restrictions on the Use of Enforcement Statistics

(Project Number 2026300002)

Determine whether the IRS complied with restrictions on the use of enforcement statistics to evaluate employees as set forth in the IRS Restructuring and Reform Act of 1998 § 1204.

Statutory Review of Restrictions on Directly Contacting Represented Taxpayers

(Project Number 2026300003)

Determine whether the IRS complied with legal guidelines addressing the direct contact of taxpayers and their representatives as set forth in I.R.C. § 7521(b)(2) and (c) and the Fair Tax Collection Practices set forth in I.R.C. § 6304(a)(2).

Statutory Review of Disclosure of Collection Activity with Respect to Joint Return Filers

(Project Number 2026300004)

Determine whether the IRS complied with provisions of I.R.C. § 6103(e)(8) as related to the disclosure of collection activities to joint return filers.

Statutory Review of Fair Tax Collection Practices Violations

(Project Number 2026300005)

Obtain information on any reported violations of Fair Tax Collection Practices (I.R.C. § 6304) by IRS employees and on any reported or potential violations of the Fair Debt Collection Practice Act by private collection agency employees, including any related administrative or civil actions resulting from those violations.

Biannual Independent Assessment of Private Collection Agency Performance

(Project Number 2026300006)

Independently evaluate the performance of Private Collection Agencies.

Review of Illegal Tax Protestor and Similar Designations

(Project Number 20263S0017)

Determine whether the IRS complied with guidelines that prohibit IRS officers and employees from referring to taxpayers as illegal tax protestors or any similar designation.

Modernizing Information Technology

Procurement Hub Platform

(Project Number 2025200018)

Evaluate the implementation and oversight of the Procurement Hub platform used by the IRS to administer its contract rationalization project.

Compliance and Use of Information Technology Bridge Contracts

(Project Number 2025200019)

Assess whether the IRS's use of bridge contracts for information technology acquisitions met the requirements of noncompetitive contracts.

Enterprise Data Platform

(Project Number 2025208016)

Evaluate the Enterprise Data Platform governance and management framework to determine if it ensures data quality and accuracy, complies with regulatory requirements and policies, and protects sensitive information.

Customer Account Data Engine 2 – Individual Tax Processing Engine Implementation Progress

(Project Number 2026208009 – this is a follow-up report)

Evaluate the progress of the Customer Account Data Engine 2 (CADE 2) Individual Tax Processing Engine Project implementation.

Enterprise Data Platform Data Quality

(Project Number 2026208010)

Evaluate the quality of information in the Enterprise Data Platform, the IRS's data management platform.

Impact of Using Compliance Data Warehouse Data for Artificial Intelligence

(Project Number 2026208011)

Determine whether data within Compliance Data Warehouse is sufficiently reliable to support the use of artificial intelligence.

Information Returns Intake System Modernization – Follow-Up

(Project Number 2026400009 – this is a follow-up report)

Evaluate the performance of the Information Returns Intake System with increased usage and ensure that the System consistently aligns with legacy processing of information returns to ensure fair and equitable treatment.

Ensuring Tax Compliance

Management and Oversight of Seized Property

(Project Number IE-26-010)

Assess the IRS Criminal Investigation's management and oversight of seized property.

Trends in the Tax Exempt and Government Entities Division Through Fiscal Year 2025

(Project Number 20251S0001)

Provide various statistical information related to the activities of the Tax Exempt and Government Entities Division.

Trends in Compliance Activities Through Fiscal Year 2025

(Project Number 20253S0001)

Provide various statistical information regarding the Collection and Examination functions' activities related to bringing taxpayers into compliance with their tax obligations.

Tax Issues Related to Name, Image, and Likeness Organizations

(Project Number 2025300015)

Evaluate the IRS's guidance and enforcement strategy for Name, Image, and Likeness income for student athletes, including the use of nonprofit organizations and other entity types to facilitate these payments.

Enforcement Efforts on Return Preparers Who Claim Ineligible Earned Income Tax Credits

(Project Number 2025300029)

Assess the efficiency and effectiveness of enforcement efforts on unscrupulous tax return preparers who fraudulently or negligently claimed the Earned Income Tax Credit on behalf of ineligible taxpayers.

Earned Income Tax Credit Bans

(Project Number 2026400013)

Determine whether the IRS's processes and controls for identifying and placing a ban on individuals previously determined to have filed reckless or fraudulent Earned Income Tax Credit claims are effective and applied consistently.

Effectiveness of Identifying and Addressing Nonfilers With Significant Form 1099 Income

(Project Number 2025300031)

Evaluate the IRS's efforts to identify taxpayers with significant Form 1099 income who do not file tax returns.

Foreign Business Nonfilers

(Project Number 2025300033)

Assess how the IRS addresses foreign corporations with the requisite presence in the United States that do not file the required income tax returns.

Enforcing Filing Compliance Using the Foreign Investment in Real Property Tax Act Information (FATCA) Returns

(Project Number 2025300034)

Determine whether the IRS uses information returns to identify foreign investors that sold their U.S. real property and did not file their required income tax returns.

Effectiveness of Identifying and Addressing Nonfilers With Significant Schedule K-1 Income

(Project Number 2025300038)

Determine whether the IRS uses Schedule K-1 data effectively to identify and address taxpayers who participate in partnerships but who do not file required income tax returns.

Federal Employee Delinquency Initiative

(Project Number 20253S0005)

Identify current trends in federal employee tax delinquencies and evaluate the IRS's efforts in addressing federal employees who fail to file their tax returns or pay their balance due.

Automated Substitute for Return Program

(Project Number 2026300014)

Assess the efficiency and effectiveness of the Automated Substitute for Return Program at assessing and collecting taxes.

Protecting Against Conflicts of Interest

(Project Number 2026300015)

Assess the policies and practices for identifying and addressing possible conflicts of interest by key IRS personnel.

Processes for Evaluating Tax Returns Using Questionable

Social Security Numbers

(Project Number 2026300016)

Determine if the IRS has processes in place to evaluate the legitimacy of tax returns with questionable Social Security Numbers (*e.g.*, numbers that are used on tax returns but do not match IRS records).

Business Identity Theft

(Project Number 2026400012 – this is a follow-up report)

Evaluate the IRS's continued efforts to detect and prevent business identity theft.

Procedures for Identifying Potentially Fraudulent Authenticated Tax Returns

(Project Number 2026400014)

Evaluate processes and procedures to prevent the issuance of potentially fraudulent refunds for tax returns that have been authenticated as not being identity theft but contain questionable claims.

U.S. Residency Certification Program

(Project Number 2026400015)

Assess the U.S. Residency Certification Program to ensure that taxpayers comply with the filing requirements and the IRS collects fees before issuing certificates.