

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Services to Underserved Communities Have Been Ongoing; However, an Agencywide Strategy Has Not Been Developed

May 31, 2023

Report Number: 2023-15-027

HIGHLIGHTS: Services to Underserved Communities Have Been Ongoing; However, an Agencywide Strategy Has Not Been Developed

Final Audit Report issued on May 31, 2023

Report Number 2023-15-027

Why TIGTA Did This Audit

In July 2019, Congress enacted the Taxpayer First Act (TFA) to re-imagine and enhance the way the IRS serves taxpayers, enforces the tax laws, and trains its employees. The TFA consists of 45 provisions, including one provision that requires the IRS to develop the Taxpayer Experience Strategy (TXS). The TXS outlines six key focus points, including focused strategies to engage with underserved communities. This audit was initiated to determine the progress made in implementing service improvements to taxpayers in underserved communities as described in the TXS.

Impact on Tax Administration

The goal of the TXS is for the IRS to provide interactions that are efficient, informative, personalized, and convenient and to ensure that taxpayers have the information they need to understand and comply with their tax obligations.

The TXS identifies the following eight underserved communities:

- Limited English proficiency
- Native American communities
- Armed forces members
- Taxpayers with disabilities
- Elderly taxpayers
- Low-income taxpayers
- Taxpayers living in rural communities
- International taxpayers

What TIGTA Found

The IRS has long recognized that improving customer service to taxpayers in underserved communities is a key component of a voluntary tax system and began taking steps to make improvements as an organizational priority before the enactment of the TFA. Some of these efforts were designed to assist taxpayers in specific underserved communities, while other efforts are more broadly focused on larger segments of the taxpayer population, which often include taxpayers in underserved communities. The IRS engages with a community of more than 16,000 partners to help deliver services and assistance to taxpayers.

The TXS included details about how the IRS would implement service improvements for two of the eight underserved communities, but the IRS has not yet developed detailed plans to address the other six communities, nor has it created a comprehensive agencywide strategy to implement and monitor service improvements. The TXS included service improvement strategies for taxpayers with limited English proficiency and international taxpayers. However, the TXS strategies for the remaining six communities were all similarly generically worded to conduct focused research to learn more about the communities and to work with partners.

In addition, the IRS has not yet defined the underserved communities or identified their populations. Many underserved communities overlap with each other, so defining the populations would allow for more efficient use of IRS resources. The TXS requires the IRS to develop customized strategies for each underserved community based on focused research that will improve outreach, education, communications, and services to support taxpayers. Focused research should include establishing the definitions and populations of each underserved community.

There is a risk that the IRS will not use resources optimally when assisting underserved communities because the IRS could duplicate its efforts if it does not determine how communities overlap. Additionally, initiatives focused solely on specific underserved communities may not be as effective in increasing voluntary compliance or reducing taxpayer burden because they may address only one particular topic for taxpayers that potentially have multiple concerns.

What TIGTA Recommended

TIGTA recommended that the Chief Taxpayer Experience Officer work with other IRS functions to define and identify the populations of each underserved community, and to develop and implement a comprehensive agencywide strategy to improve programs, products, and services for underserved communities when the Taxpayer Experience Office is fully operational. The IRS partially agreed with this recommendation.



TREASURY INSPECTOR GENERAL
FOR TAX ADMINISTRATION

U.S. DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20024

May 31, 2023

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

Heather Hill

FROM: Heather M. Hill
Deputy Inspector General for Audit

SUBJECT: Final Audit Report – Services to Underserved Communities Have Been Ongoing; However, an Agencywide Strategy Has Not Been Developed (Audit # 202210534)

This report presents the results of our review of the progress made in implementing service improvements to taxpayers in underserved communities as described in the Taxpayer Experience Strategy. This review is part of our Fiscal Year 2023 Annual Audit Plan and addresses the major management and performance challenge of *Improving Taxpayer Service*.

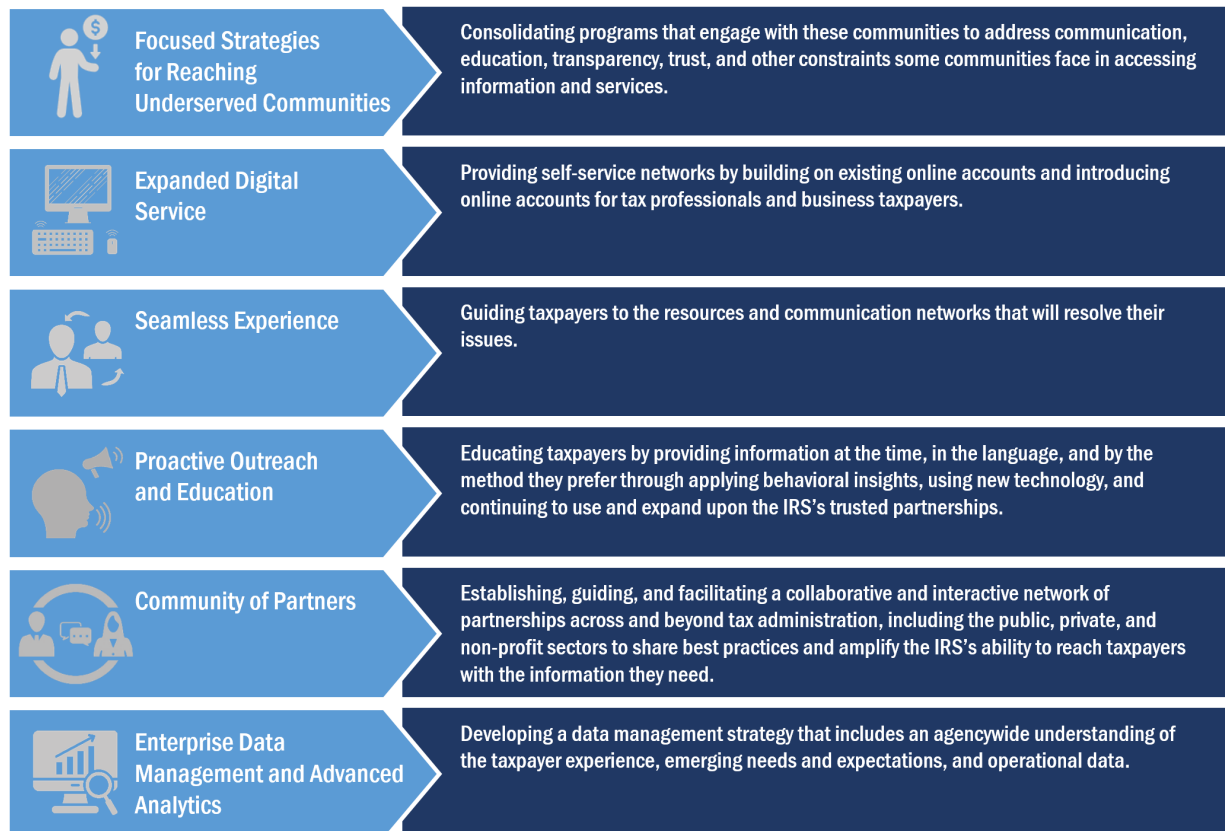
Management's complete response to the draft report is included as Appendix II. If you have any questions, please contact me or Bryce Kisler, Assistant Inspector General for Audit (Management Services and Exempt Organizations).

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Background

In July 2019, Congress enacted the Taxpayer First Act (TFA) to re-imagine and enhance the way the Internal Revenue Service (IRS) serves taxpayers, enforces the tax laws, and trains its employees.¹ The Act consists of 45 provisions, including one provision that requires the IRS to develop a comprehensive customer service strategy [hereafter referred to as the Taxpayer Experience Strategy (TXS)], which includes proposals to improve customer service in the short-term (current and following fiscal year), medium-term (approximately three to five fiscal years), and long-term (approximately 10 fiscal years).² The goal of the TXS is to provide taxpayer interactions that are efficient, informative, personalized, and convenient, and to ensure that taxpayers have the information they need to understand and comply with their tax obligations. The TXS outlines six key focus points:



Taxpayers in underserved communities may also benefit from the other focus points in the TXS.

The TXS requires the IRS to develop an agencywide strategy to enhance existing programs, products, and services for underserved communities. Working with partners such as the Taxpayer Advocate Service; Low Income Tax Clinics; Taxpayer Advocacy Panel; the Equity, Diversity, and Inclusion Office; and the Wage and Investment (W&I) Division's Customer Assistance, Relationships, and Education (CARE) function, the IRS plans to learn more about the

¹ Pub. L. No. 116-25, 133 Stat. 981 (2019).

² A fiscal year is any yearly accounting period, regardless of its relationship to a calendar year. The Federal Government's fiscal year begins on October 1 and ends on September 30.

unique needs of each underserved segment. The IRS also plans to identify best practices to customize its approach to meet each segment’s specific needs, and to provide personalized education and outreach through the service networks and in the languages preferred by these taxpayers. Figure 1 lists the underserved communities identified in the TXS.

Figure 1: TXS Underserved Communities



Source: TFA Report to Congress.

Results of Review

Improving Customer Service to Taxpayers in Underserved Communities Has Been a Continuing Priority

The IRS has long recognized that improving customer service to taxpayers in underserved communities is a key component of a voluntary tax system and began taking steps to make improvements as an organizational priority well before the enactment of the TFA. Some of these efforts were designed to assist taxpayers in specific underserved communities, while other efforts are more broadly focused on larger segments of the taxpayer population, which often include taxpayers in underserved communities. For example, although veterans are not included in the IRS’s list of underserved communities, veterans could be members of underserved communities such as elderly taxpayers, and these elderly taxpayers could potentially benefit from veteran-focused initiatives.

³ The taxpayers with disabilities community includes taxpaying populations needing special assistance due to sight, hearing, dexterity, limited mobility, and cognitive challenges.

⁴ The IRS defines elderly taxpayers as those who are age 60 or older.

⁵ Low-income taxpayers generally make \$60,000 or less per year.

⁶ Rural communities are populations of 500 or less persons per square mile.

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The IRS's mission is to provide taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all. Taxpayers have the right to know what they need to do to voluntarily comply with the tax laws. They are entitled to clear explanations of the laws and IRS procedures in all tax forms, instructions, publications, notices, and correspondence. The IRS engages with a community of more than 16,000 partners to help deliver services and assistance to taxpayers, including those in underserved communities.



Strategies and efforts initiated prior to the TFA

The IRS has been taking actions to help taxpayers in underserved communities for years. For example, the Volunteer Income Tax Assistance (VITA) Program was established in Calendar Year 1969, and it uses IRS-certified volunteers to provide free tax preparation assistance for low-to-moderate income taxpayers who need assistance preparing their tax returns. In addition, the Tax Counseling for the Elderly Program was established in Calendar Year 1978, and it offers similar free tax assistance to individuals who are age 60 or older. Additional initiatives and strategies in place before the TFA include:

- **Low Income Tax Clinics** – Assists low-income individuals who have a tax dispute with the IRS and provides education and outreach to individuals who speak English as a second language.
- **Disability Program** – Educates disabled individuals about specific tax credits and deductions, offers them free tax return preparation, and provides asset building strategies.⁷
- **Native American Initiative** – Partners with Native American organizations intended to increase access to tax services and benefits throughout Native American communities.
- **High School, College, and University Initiative** – Expands VITA participation into high schools, colleges, and universities nationwide to increase tax return preparation in difficult to reach communities.
- **Earned Income Tax Credit Awareness Day** – Engages with partners nationwide to increase awareness among taxpayers potentially eligible for the Earned Income Tax Credit.⁸
- **Rural Strategy** – Expands IRS programs and partner services to underserved geographic rural areas across the country.

⁷ Asset building strategies include services such as income support, debt and credit counseling, financial education training, banking education, home ownership, and small business management.

⁸ A refundable tax credit for low-income to moderate-income workers.

Actions taken since the enactment of the TFA

After the TFA was passed in July 2019, the IRS expanded services and assistance to taxpayers in underserved communities. These include:

- **Indian Tribal Government Online Videos** – The IRS's Office of Indian Tribal Governments created three new online videos intended to help Indian Tribal Government customers: 1) search for available online IRS resources, 2) avoid employment tax penalties, and 3) know who to telephone for information.
- **Housing and Urban Development Initiative** – The IRS partnered with the Department of Housing and Urban Development to provide low-income individuals and families free tax preparation, electronic filing, educational outreach, and asset building assistance.
- **Orphaned Children Initiative** – The IRS works with partners, including adoption and foster agencies, schools, and senior citizen associations, to educate taxpayers about tax credits that may be available to them if they have dependent children.
- **Domestic Violence Shelters Initiative** – The IRS works with partners to distribute information about eligible credits, offers in compromise, and innocent spouse relief to taxpayers housed in shelters.
- **Homeless Youth Initiative and Former Foster Children** – The IRS works with partners to provide tax credit information to taxpayers experiencing homelessness or who were formerly fostered youth.
- **Lifting Communities Up Initiative** – The IRS helped with efforts to rebuild underserved communities by creating IRS jobs and careers for people in these communities. For example, in May 2022, the Mississippi Delta Program hired collection contact representatives in Clarksdale, Mississippi, to staff an IRS Automated Collection System site, in which they will answer calls from taxpayers to help them resolve their tax-related issues.⁹
- **Veteran's Program** – The IRS has a partnership with the Department of Veterans Affairs to provide tax education, free tax preparation, and financial education/asset building to veterans and their families.
- **Unemployment Outreach Initiative** – The IRS works with partners to educate taxpayers about the taxability of unemployment benefits.
- **Puerto Rico Initiative** – The IRS offered assistance through Taxpayer Experience Day events held in June and August 2022 for Puerto Rico taxpayers after the Child Tax Credit became available to them.¹⁰

⁹ The Treasury Inspector General for Tax Administration's (TIGTA) Office of Inspections and Evaluations is conducting a review of the Lifting Communities Up Initiative in Fiscal Year 2023 (Project # IE-23-018, *Improving Tax Administration - Lifting Communities Up Initiative*).

¹⁰ The Child Tax Credit is a tax credit for families with qualifying dependent children. Taxpayer Experience Days are nationwide events at selected Taxpayer Assistance Centers, *e.g.*, IRS locations that provide comprehensive face-to-face assistance to taxpayers, that provided expanded opportunities for face-to-face services outside of the normal operating hours with an emphasis on assisting taxpayers with refundable credits, transcript requests, obtaining Individual Taxpayer Identification Numbers, balance due inquiries, *etc.*

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However, CARE management stated that many of these initiatives were planned before the TFA, and they have not yet initiated any new efforts as a direct result of the TFA.

Future plans to improve services to underserved communities

According to CARE management, the IRS is planning new initiatives that it anticipates will further benefit taxpayers in underserved communities. For example:

- **Community Assistance Visits Initiative** – An expansion of taxpayer services to areas without a Taxpayer Assistance Center or with limited Internet to facilitate access to taxpayers in remote parts of the country. The IRS planned to pilot this program for the 2020 Filing Season; however, the events were cancelled and nothing was planned for the 2021 or 2022 Filing Seasons because of the Coronavirus Disease 2019 pandemic.¹¹ The IRS is in the process of implementing the Community Assistance Visits Initiative, and visits will begin after the 2023 Filing Season.
- **Expanded VITA Self-Employed Pilot Initiative** – A collaboration between the VITA Program and New York City partners that will focus on the promotion of educational outreach, financial education, and asset building as well as free quality tax preparation for self-employed taxpayers who are part of the gig economy.¹² The Expanded VITA Self-Employed Pilot Initiative plans to begin providing services when the participating partners' sites open for the 2023 Filing Season.

A Comprehensive Agencywide Strategy to Improve Initiatives, Products, and Services for Underserved Communities Has Not Been Developed

The IRS has not developed a comprehensive agencywide strategy for underserved communities to enhance initiatives, products, and services. In addition, the IRS has not defined or identified the underserved communities and their populations. The TXS requires the IRS to develop customized strategies for each underserved community based on focused research that will improve outreach, education, communications, and services to support taxpayers. Focused research should include establishing the definitions and populations of each underserved community.

¹¹ The Filing Season is the period from January 1 through mid-April when most individual income tax returns are filed.

¹² The gig economy is comprised of online platform companies such as rideshare providers, e-commerce marketplaces, *etc.*

A comprehensive agencywide strategy has not been developed

The TXS included details about how the IRS would implement service improvements for two of the eight underserved communities, but the IRS has not yet developed detailed plans to address the other six communities, nor has it created a comprehensive agencywide strategy to implement and monitor service improvements.

The TXS included service improvement strategies for taxpayers with limited English proficiency and international taxpayers. For example, the TXS's multilingual strategy includes a five-year plan to expand notices and letters into 20 languages including Spanish, Chinese, Russian, and Korean.¹³

Its international strategy includes new mechanisms and networks to provide service and communicate with international taxpayers, such as virtual face-to-face options. However, the strategies for the remaining six communities were all similarly generically worded to conduct focused research to learn more about the communities and to work with partners. For example:

- **Elderly Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications, and services to support elderly taxpayers' needs.
- **Low-Income Strategy:** Develop customized strategies based on focused research that will improve outreach, education, communications, and services to support low-income taxpayers' needs.

In addition, TFA § 1302, Modernization of IRS Organizational Structure, mandates the IRS to develop an organizational redesign strategy that prioritizes the taxpayer experience to ensure that taxpayers can easily and readily receive the help they need. The TFA Report to Congress proposed the development of the Taxpayer Experience Office (TXO) and the Relationships and Services Division. According to the TFA Report to Congress, the TXO was created to drive the strategic direction for improving the taxpayer experience across the IRS. The TXO has responsibility for overseeing, monitoring, tracking, and reporting the progress in implementing the TXS.¹⁴ By February 2023, the IRS filled 103 (76 percent) of the 135 approved TXO positions throughout all six of the offices within the TXO, with the goal to fill the remaining positions by the end of Calendar Year 2023. On December 18, 2022, the TXO filled the Deputy Chief Taxpayer Experience Officer position; however, the Chief Taxpayer Experience Officer remains in a dual role while also serving as the Commissioner, W&I Division. The TXO leadership structure is still being established, and the TXO's Insights and Analytics management told us

The TXS requires the IRS to develop customized strategies for each underserved community based on focused research that will improve outreach, education, communications, and services to support taxpayers.



The IRS has not developed a comprehensive agencywide strategy for underserved communities to enhance initiatives, products, and services.

¹³ In Fiscal Year 2021, TIGTA conducted an audit to assess the IRS's strategy to assist taxpayers with limited English proficiency and disabilities in meeting their tax obligations. TIGTA, Report No. 2022-40-008, *Increased Availability of Tax Resources and Information for Limited English Proficient and Visually Impaired Taxpayers Has Enhanced Assistance, but Additional Improvements Are Needed* (Dec. 2021).

¹⁴ In Fiscal Year 2023, TIGTA conducted an audit to determine what progress the IRS has made towards planning and implementing its TXS. TIGTA, Report No. 2023-15-028, *Plans Were Made to Implement the Taxpayer Experience Strategy, but Progress Is Not Monitored* (May 2023).

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that they were still unsure of what their roles would be in supporting the TXS. Additionally, TXO management advised us that the TXO's future direction could change as IRS management determines how the organization will implement the Inflation Reduction Act of 2022.¹⁵

The Relationships and Services Division was proposed to work with the Strategic Planning and Legislative Implementation Office and the TXO to implement the TXS. With all taxpayer-facing service networks under one division, the Relationships and Services Division would be uniquely suited to oversee implementation of a service delivery model that integrates digital, telephone, virtual, and face-to-face networks seamlessly. The division would deliver the services to taxpayers across all networks in accordance with the strategic direction set out by the TXO and agency leadership.

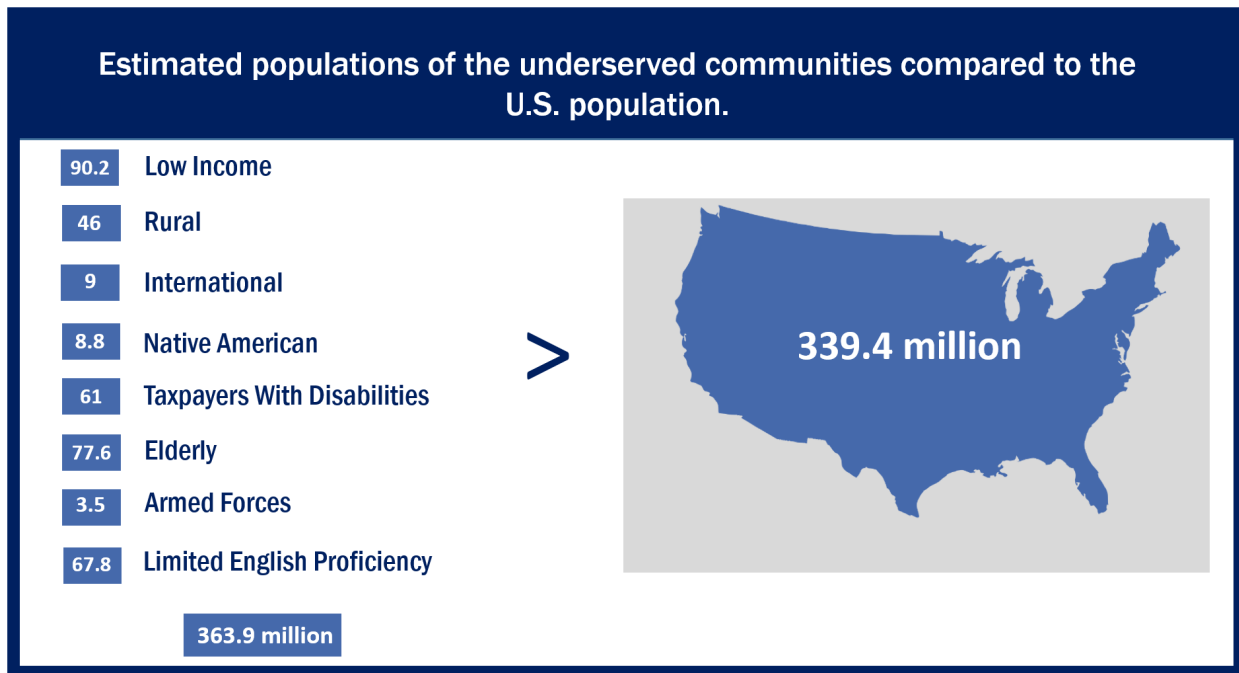
However, the organizational chart published in the IRS Strategic Plan for 2022 – 2026 described changes to the proposed organizational structure of the IRS. The plan includes a strategic objective to review the IRS's organizational design to increase collaboration and maximize efficiencies, but it excluded the Relationships and Services Division. W&I Division management stated that they are unsure if this division will be established because of other priorities in the organizational redesign and responses to additional tax law changes, including the Inflation Reduction Act. TXO management is not sure who will assume the responsibilities of the Relationships and Services Division if it is not established as described in the TFA Report to Congress, but most of the work is already being performed in the W&I Division and other business units. TXO management also stated that decisions about the agency's structure and assignment of responsibilities were made outside the purview of TXO staff, who only recently on-boarded.

The IRS has not defined or identified the populations of the underserved communities

The IRS has not yet defined the underserved communities or identified their populations. For example, the TFA Report to Congress included Native Americans as an underserved community, but the IRS has not yet determined if this community is comprised of only Federally recognized tribal governments or if it also includes Hawaiians. Furthermore, many underserved communities overlap with each other, so defining the populations would allow for more efficient use of IRS resources. For example, some low-income taxpayers could also be considered elderly or disabled. Figure 2 shows that when counted separately, the populations of underserved communities combined exceed the population of the entire country, highlighting the potential for overlap among underserved communities.

¹⁵ Pub. L. No. 117-169, 136 Stat. 1818 (2022).

Figure 2: Estimated Populations of Underserved Communities¹⁶



Sources: U.S. Census; U.S. Department of Agriculture; Centers for Disease Control and Prevention; Military One Source; IRS.gov/statistics; World Population Review; and U.S. Department of State.

CARE management stated that the IRS does not have definitions or populations of the underserved communities because they are continuously changing and evolving mainly due to changes in the law.

There is a risk that the IRS will not use resources optimally when assisting underserved communities because the IRS could duplicate its efforts if it does not determine how communities overlap. Additionally, initiatives solely focused on specific underserved communities may not be as effective in increasing voluntary compliance or reducing taxpayer burden because they may address only one particular topic for taxpayers who potentially have multiple concerns.

Recommendation 1: The Chief Taxpayer Experience Officer should work with other IRS business units to define and identify the populations of each underserved community, and to develop and implement a comprehensive agencywide strategy to improve programs, products, and services for underserved communities when the TXO is fully operational.

Management's Response: The IRS partially agreed with the recommendation. The TXO, in coordination with the Chief Transformation and Strategy Officer, will work with the other operating divisions throughout the IRS to implement the IRS Inflation Reduction Act Strategic Operating Plan to dramatically improve taxpayer services for all taxpayers, including those who are underserved. The new Strategy Operating Plan was built off the foundations of the TXS and includes several strategic initiatives to help improve service to underserved communities, including but not limited to Initiatives 1.1 –

¹⁶ Third-party sources were used to identify the populations of the underserved communities, and the sources are from different time frames. We did not attempt to validate the accuracy of these estimates.

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Improve the availability and accessibility of customer service, 1.3 – Ensure employees have the right tools, 1.9 – Help taxpayers understand and claim appropriate credits and deductions, 2.2 – Deliver early and appropriate treatment of issues, and 2.3 – Develop taxpayer-centric notices.

Office of Audit Comment: While Management’s response addresses the IRS’s efforts to develop an agencywide strategy to improve programs, products, and services for underserved communities, it does not commit to defining and identifying the populations of each underserved community. Defining and identifying the populations of each underserved community is important to ensure the IRS uses resources optimally when assisting the underserved communities.

Appendix I

Detailed Objective, Scope, and Methodology

The overall objective of this audit was to determine the progress made in implementing service improvements to taxpayers in underserved communities as described in the TXS. To accomplish our objective, we:

- Determined how the IRS identified and defined the underserved communities outlined in the TXS.
 - Obtained and reviewed the TXS reported in the TFA Report to Congress.
 - Identified and reviewed the data sources and methodology used to identify the populations of the underserved communities in the TXS.
- Determined the progress made on the established strategies for reaching the underserved communities described in the TXS.
 - Obtained and reviewed documentation showing the IRS's progress in serving the underserved communities.
 - Evaluated the IRS's progress in serving underserved communities.
 - Interviewed W&I Division and TXO officials to identify and obtain other information sources showing the IRS's progress in serving underserved communities.
 - Interviewed IRS employees who developed and are developing actions/materials to better serve the underserved communities.

Performance of This Review

This review was performed with information obtained from the TXO and the W&I Division located in Atlanta, Georgia, during the period of May 2022 through March 2023. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major contributors to the report were Bryce Kisler, Assistant Inspector General for Audit (Management Services and Exempt Organizations); Carl Aley, Director; David Bueter, Audit Manager; Allison Sollisch, Lead Auditor; and Nicole Pangallo, Senior Auditor.

Internal Controls Methodology

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance. We determined that the following internal controls were relevant to our audit objective: the W&I Division's CARE function and the TXO responsibilities and procedures for expanding taxpayer services to

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underserved communities. We evaluated these responsibilities and procedures by reviewing the TFA Report to Congress, program guides, fact sheets, job aids, outreach status reports, and outreach action plans, as well as interviewing IRS management and employees.

Management's Response to the Draft Report



TAXPAYER EXPERIENCE OFFICE

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

May 8, 2023

MEMORANDUM FOR HEATHER M. HILL
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

Kenneth C. Corbin 
Chief Taxpayer Experience Officer

Digitally signed by Kenneth C.
Corbin
Date: 2023.05.05 09:50:07 -04'00'

SUBJECT:

Draft Audit Report – Services to Underserved Communities Have
Been Ongoing; However, an Agencywide Strategy Has Not Been
Developed (Audit # 202210534)

We appreciate that the TIGTA noted the IRS actions already taken in reaching taxpayers to improve taxpayer service and increase voluntary compliance in underserved communities. Even during the COVID-19 pandemic, the Customer Assistance, Relationships & Education (CARE) organization continued to forge ahead and initiate innovative programs that spread information regarding key changes in the tax law that economically affected millions of United States taxpayers worldwide:

- The Economic Impact Payments (EIP) Strike Initiative was created in April 2020 to support partners who help eligible disenfranchised individuals receive their EIP. Through this initiative, communications were distributed to stakeholders and community organizations who assist the displaced and unbanked population who may not be aware that they may qualify for an EIP.
- The Unemployment Outreach Initiative was established in July 2020 to support community partners with educating taxpayers on the taxability of unemployment benefits. Through this initiative individuals who received unemployment benefits were advised that their benefits must be reported on the 2020 tax year return and, as such, may be taxable. Because of this initiative, over 900 potential partners expressed an interest in potentially partnering with our Stakeholder Partnerships, Education & Communication (SPEC) organization.
- The IRS initiated a national outreach campaign that strategically targeted organizations working with homeless communities in May 2021. These efforts focused on EIP3, the 2020 Recovery Rebate Credit, Earned Income Tax Credit (EITC), and the Child Tax Credit. These organizations were asked to “help us help others” by providing information on EIP3 and the credits directly to their clients and by posting information on their web pages and social media platforms. An outreach strategy to assist taxpayers with preparing their returns for the Advanced Child Tax

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Credit was even created. In the following month, we reached into local communities to provide face-to-face service in selected cities nationwide including Puerto Rico (PR).

- In September 2022, a series of targeted outreach events to individuals raising children who lost both parents, foster children, and those living in domestic abuse centers and/or homeless shelters was conducted. This accomplishment was achieved through identifying and sharing information with individuals and agencies/organizations that actively serve these populations.
- We are also working to build alliances and strengthen the economic condition of tribal communities by increasing tax preparation service and supporting outreach efforts throughout the Native American Indian population. In November 2022, we hosted our first virtual Native American Indian Gathering.
- With rural taxpayers struggling to access IRS services due to limitations with transportation, reliable internet connections and phone service, the Rural Partner Action Day (RPAD) pilot program was launched. By providing return preparation and resolving account related issues, this program provides a gateway to enhance the taxpayer experience and demonstrates the IRS' commitment to serve rural communities. This pilot is recognized as an opportunity to provide direct, in-person support and advance innovative collaborations to serve the unserved rural community. Some RPAD events include employees from Field Assistance, Taxpayer Advocate, LITC and SPEC organizations who provide a broad range of support for issues such as EITC, return preparation, identity verification for refund release, IPIN assistance, ITIN applications, transcript requests and account and refund issues facing vulnerable rural populations. It has also strengthened trust and provided valuable assistance to rural communities where taxpayers are left with unresolved issues and refund dollars that they cannot access.
- The Community Assistance Visits (CAV) project was introduced to expand outreach in underserved communities and to support of the IRS strategic priority. The project was initiated with a concentration on visits to rural communities, outside the 120-mile radius of a brick-and-mortar Taxpayer Assistance Center (TAC). Data from Research Applied Analytics & Statistics (RAAS) was used to identify optimal locations and to collaborate with local communities, SPEC, and/or Low-Income Tax Clinic (LITC) to secure event spaces. Depending on the availability of the location, the two-day events were scheduled and volunteers from Field Assistance were recruited to work the events. Unfortunately, two weeks prior to the first scheduled event, the COVID-19 pandemic caused the CAV project to be placed on hold; it is now scheduled to resume in FY 2023.
- To assist homeless taxpayers, in Fort Lauderdale, FL, Field Assistance Web Service Delivery (WebSD) test volunteers collaborated with SPEC and Hope South Florida,

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a SPEC partner and conducted a community outreach event. Participants were assisted with issues including EIP, refund holds, Identity Protection PIN, notices, and e-file holds.

- The Taxpayer Experience Day events were scheduled for the 2022 and 2023 filing season to expand opportunities for face-face visits beyond normal business hours from February through May of each year. More than 17,000 taxpayers were served in seventy-six (76) TAC locations during the 2022 filing season. During the 2023 filing season events, through March, over 6,000 taxpayers have been serviced at 67 TAC locations.
- As a part of the Taxpayer First Act (TFA), the IRS developed focused strategies for reaching underserved communities. One of the identified communities is the Taxpayers with Limited English Proficiency (LEP). In 2020, the IRS rolled out a new Service-wide Multilingual Improvement Strategy. The IRS Multilingual Improvement Strategy established a long-term enterprise vision for expanding communications and services to meet the needs of multilingual taxpayers. It was intended to guide the direction, mission alignment, investments, and accountability of the IRS community in providing multilingual taxpayers with meaningful access to IRS products and services. We have contributed to the Multilingual Improvement Strategy by completing several actions and developing many products since inception:
 - Developed thirty-seven new tax products in FY 2021 increasing the total multilingual products maintained by Media & Publications (M&P) to 161
 - Created a multiyear strategy to expand notices into the top five languages: Spanish, Chinese, Vietnamese, Korean and Russian
 - Translated 52 non-tax products in Spanish and four in Chinese
 - Processed 4,210 alternative media (AM) notices in 2022
 - Expanded the use of Over-the-Phone Interpreter Services
- For FY 2023, the twenty most popular tax-related notices were developed in Spanish along with twelve related notices. Alternative Media Center (AMC) produced Form 1040, main schedules, Form 1040 NR, Form W-4 and select publications in Spanish Braille and text and in the top five languages in large print. The products are posted on IRS.gov.

The Taxpayer Experience Office (TXO) has delivered outreach to internal and external stakeholders, many of whom reach underserved communities. Using this leveraged approach, TXO is sharing messaging about TXO's origin, our organizational structure, our role in enhancing the taxpayer experience and some of the IRS's recent efforts that

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enhance the taxpayer experience. During some of the outreach efforts, TXO collected feedback from stakeholders who serve underserved taxpayers. For example, TXO helped conduct focus groups during the 2022 National Tax Forums. TXO plans to continue similar outreach events, such as staffing a booth at the 2023 Nationwide Tax Forums and providing a presenter at Latino Tax Fest. TXO will continue to partner with Communication & Liaison, National Public Liaison and Stakeholder Liaison to provide support and is currently in the process of researching and contacting other organizations (both internally and externally) who maintain networks of stakeholders and partners.

As TXO continues to stand up, we will strategize ways to conduct additional focus groups and conduct outreach. TXO will gather information from stakeholders, including stakeholders who serve underserved taxpayers. Internally, TXO also plans to familiarize IRS employees and stakeholders with the concepts of underserved communities and is developing processes to use the feedback we receive in actionable ways. TXO will work with all IRS business units to continue developing methods of improving the taxpayer experience for underserved communities in meaningful and measurable ways.

Our responses to your specific recommendations are enclosed. If you have any questions, please contact me, or a member of your staff may contact Lindsey Buchholz, Chief of Staff, Taxpayer Experience Office, at 573-469-0026.

Attachment

**Services to Underserved Communities Have Been Ongoing;
However, an Agencywide Strategy Has Not Been Developed**

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Attachment

RECOMMENDATION 1:

The Chief Taxpayer Experience Officer should work with other IRS business units to define and identify the populations of each underserved community, and to develop and implement a comprehensive agencywide strategy to improve programs, products, and services for underserved communities when the TXO is fully operational.

CORRECTIVE ACTION

The Taxpayer Experience Office, in coordination with the Chief Transformation and Strategy Officer will work the other operating divisions throughout the IRS to implement the Strategy Operating Plan (SOP) to dramatically improve taxpayer services for all taxpayers, including those who are underserved. The new SOP was built off the foundations of the Taxpayer Experience Strategy and includes several strategic initiatives to help improve service to underserved communities, including but not limited to Initiatives 1.1, 1.3, 1.9, 2.2, and 2.3.

IMPLEMENTATION DATE

May 15, 2025

RESPONSIBLE OFFICIAL

Chief Taxpayer Experience Officer, Taxpayer Experience Office

CORRECTIVE ACTION MONITORING PLAN

We will monitor this corrective action as part of our internal management control system.

Appendix III

Abbreviations

CARE	Customer Assistance, Relationships, and Education
IRS	Internal Revenue Service
TFA	Taxpayer First Act
TIGTA	Treasury Inspector General for Tax Administration
TXO	Taxpayer Experience Office
TXS	Taxpayer Experience Strategy
VITA	Volunteer Income Tax Assistance
W&I	Wage and Investment



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