From:	Rodney Jones [polarch@verizon.net]
Sent:	Thursday, August 19, 2004 4:33 PM
To:	efast2@dol.gov
Subject:	Comments on E-FAST system for Form 5500 series

I am a small business owner with a self-proprietor HR-10 Keogh with reporting requirements that are satisfied currently by the 5500-EZ form. I have used it (or its predecessors) for some 20 years.

I have two types of comments: (1) the transition to E-FAST is unbelievably onerousness for individual filers in my situation (i.e. the transition from automated "annual" IRS supply of the 5500-EZ booklet by mail in advance to individual filers of the 5500-EZ, allowing manual filling out of the form, and direct mail is incredibly cumbersome); and (2) the potential advantages of a genuine and "direct" web-based filing system that is simple and straightforward to use.

This is the first year that I did not automatically receive the 5500-EZ by mail in advance. It has been unbelievably difficult to find out what is going on and then get the forms. Today I put in a third request by phone. Delivery takes so long that by the time you know there is a problem, you have lost a lot of time -- against any compliance deadline. The first request to the IRS phone number for the 5500-EZ in May (sometime after the April tax filing deadline) resulted in a mailing that I received about a month later, but it was the wrong form. I noticed that a few weeks later (in early July) when I opened the envelope to start the preparation of the return. My second request to the same IRS telephone number was made on July 12, 2004. Nothing has turned up in the mail yet (now five weeks) in response to that request. Today, I put in a third request. Now I await that result.

I could download this form (and instruction booklet) from the IRS webpage if this was allowable ... but the 5500-EZ form visible on-line is not to be used for filing. Of course, you know that. I have seen the explanation that the form to be used for filing has so-called drop-out ink (evidently, needed for accurate scanning of manually prepared returns). But I see no technological reason why these particular forms could not be reformated for computer printing (still allowing easy IRS use, including IRS scanning) in Word, Wordperfect, or Adobe in a customer-printable form, reproducible on an inkjet or laser printer, to be manually prepared, and submitted by mail.

For those who wish to remain paper filers, this complaint remains relevant and a "simple" solution should be an objective ... even if you proceed successfully with your plans for E-FAST2. Invididual filers who want to use a paper return and a library computer should have this facility available in any case. And individual filers who would like to use a manually prepared form should be able to get on a list that would once again assure them of a "free" IRS (or contractor) advance mailing of the instruction booklet and tear-out form pages.

I am computer-literate, so I would have no problem using a web-based form that can be filled out on line, saved on-line or to the computer, available to be edited if need be, and submitted once finalized directly to the IRS. Such a system should also be available for amended returns. I would have no problem with a "free" authentification procedure for that purpose, although one that is done on-line would be preferable to one done by mail (given the time lapse of the latter). Your use of XML would make sense, technically -- for those individuals who have Pentium or later computers and Win-98SE or later operating systems, or who can use such computers at libraries. Obviously, using XML type technology is a snap for corporations. But you should make it easy for individuals who do not have up to date computer

skills, hardware and software to do paper filing easily.

It would be highly objectionable, in my view, to impose mandatory electronic filing, or fees, on "individual filers". In such cases, this reporting is done for the benefit of the revenue system of the government -- not for the filer. It should not impose costs on individual filers, as a matter of principle. In the case of "corporations" or major business organizations, it may well be a different matter: imposing imposing mandatory electronic filing and some fee in such cases may be in the interest of the corporation (for their own convenience and cost-effectiveness) as well as the public interest -- in those cases, many individual participants in corporate retirement plans do have an interest in being able to obtain information about the plan and their interest in it. But to impose this on individual filers serves no such purpose and is counterproductive.

Much of your problem is (or let's say, most of your intrinsic problems are) related to the quagmire of legacy IT systems in the US Government agencies. What your "Homeland Security" objectives add to this quagmire, who knows? Don't make things monstrous for those outside, however, who have to comply (and who do their best to comply promptly) with IRS reporting requirements because of your bureaucratic and systemic problems. If web-based filing gets you out of this bind, for your inter-agency problems, corporate dealings and probably the majority of your individual filers, that would be just fine.

NB: Two more hours just consumed in an unexpected endeavor to figure out what is going on and cut through the red tape, and to provide you with intelligent feedback on your long comment in the following URL.

http://www.efast.dol.gov/efastRFC.html

Feel free to quote me.

Sincerely,

Rodney W. Jones

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