



Highlights of [GAO-07-156](#), a report to the Committee on Finance, U.S. Senate

TAXPAYER ADVOCATE SERVICE

Caseload Has Grown and Taxpayers Report Being Satisfied, but Additional Measures of Efficiency and Effectiveness Are Needed

Why GAO Did This Study

Congress created the Taxpayer Advocate Service (TAS) to assist taxpayers in resolving problems with the Internal Revenue Service (IRS) and to propose changes to IRS's practices to mitigate problems affecting taxpayers in general. TAS uses case advocacy and systemic advocacy, respectively, to address these two goals. GAO was asked to address (1) why TAS's caseload has increased since 2004, (2) how well TAS conducted its case advocacy activities in terms of measures such as customer satisfaction and quality, and (3) how well TAS measures and reports its systemic advocacy efforts. GAO interviewed TAS and IRS managers and other staff, reviewed TAS and IRS documents, and analyzed TAS and IRS data.

What GAO Recommends

GAO recommends that TAS add performance measures to assess the efficiency and cost of case advocacy and the effectiveness of systemic advocacy. TAS should also improve what it reports about systemic advocacy such as describing actions taken to address taxpayers' serious problems. The National Taxpayer Advocate agreed with our recommendations, noting that TAS has begun reporting about systemic advocacy and is acting to implement the other recommendations. TAS and IRS provided technical comments, and we incorporated them as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-07-156.

To view the full product, including the scope and methodology, click on the link above. For more information, contact James White at (202) 512-9110 or whitej@gao.gov.

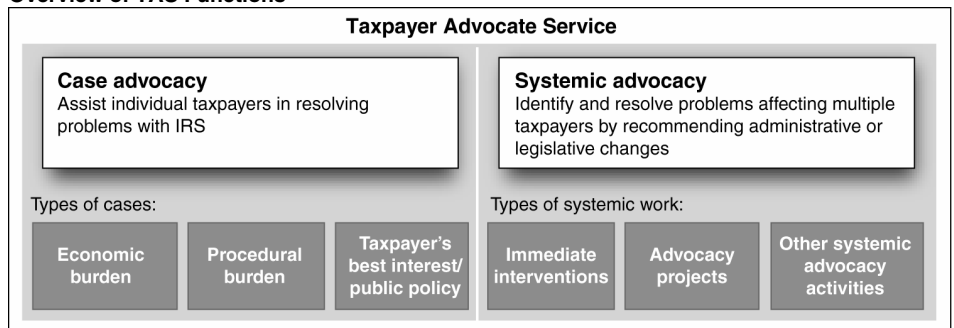
What GAO Found

The number of individual taxpayer cases opened by TAS increased substantially in fiscal years 2005 and 2006 and our analysis of TAS and IRS data shows that these increases correlated with increases in IRS enforcement activities both overall and in some specific IRS enforcement programs. For example, changes in the number of tax refunds frozen by IRS coincided with changes in the number of frozen refund cases at TAS. While TAS made changes after fiscal year 2004 to its guidance for accepting new taxpayer cases, this did not notably influence TAS's caseload increase in fiscal years 2005 and 2006. For example, TAS created two additional case acceptance criteria in fiscal year 2006 that resulted in a little more than 500 of the approximately 244,000 cases received that year.

TAS measures customer satisfaction and found that the taxpayers TAS serves remained satisfied from fiscal years 2002 to 2006. TAS also measures the quality of its case advocacy and found that this improved from 2002 to 2004 and stayed about the same in 2005 and 2006. While these case advocacy measures are sound, there is important missing information in that TAS does not have meaningful measures of case advocacy efficiency or cost. A meaningful measure of efficiency would consider the ratio of cases closed to the time spent on them and take into account case complexity and the quality of the work, and unit cost information is needed to fully understand this information. TAS is developing the means to capture time per case, the key component of unit cost, and case complexity.

TAS currently does not measure the effectiveness of its systemic advocacy efforts. TAS is piloting a program to study systemic advocacy effectiveness in a few areas, but not broadly. Also, it is difficult to determine what actions were taken to address systemic issues raised in the annual report to Congress, TAS's primary method for providing information to Congress and the public about its systemic advocacy efforts. For example, the report describes serious problems faced by the taxpayers but does not include the status of addressing those issues.

Overview of TAS Functions



Source: GAO.