



# TAX ADMINISTRATION

## IRS Needs to Further Refine Its Tax Filing Season Performance Measures

Highlights of GAO-03-143, a report to the Subcommittee on Oversight, Committee on Ways and Means, House of Representatives

### Why GAO Did This Study

The tax filing season, roughly January 1 through April 15, is when most taxpayers file their returns, receive refunds, and call or visit IRS offices or the IRS Web site with questions. To provide better information about the quality of filing season services, IRS is revamping its suite of filing season performance measures. Because the new measures are part of a strategy to improve service and because filing season service affects so many taxpayers, GAO was asked to assess whether the new measures have the four characteristics of successful performance measures graphically depicted below.

### What GAO Recommends

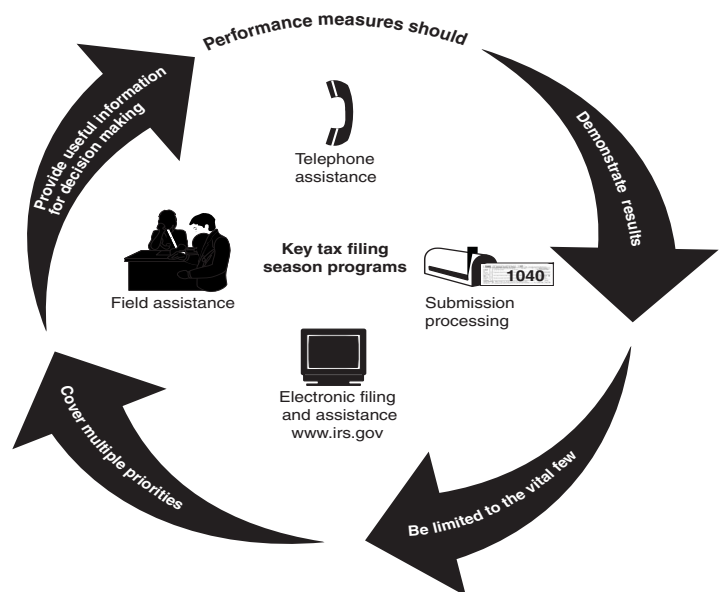
GAO is making recommendations to the Commissioner of Internal Revenue directed at taking actions to better ensure that IRS validates the accuracy of data collection methods for several measures; modifies the formulas used to compute various measures; and adds certain measures, such as cost of service, to its suite of measures.

Of GAO's 18 recommendations, IRS agreed with 12 and discussed actions that had been taken or would be taken to implement them. For 2 of those 12, the actions discussed by IRS did not fully address GAO's concerns. IRS did not agree with the other 6 recommendations.

### What GAO Found

In assessing 53 performance measures across IRS's four program areas, GAO found that IRS has made significant efforts to improve its performance measurement system. Many of the measures satisfied some of the four key characteristics of successful performance measures established in earlier GAO work. Although improvements are ongoing, GAO identified instances where measures showed weaknesses including the following: (1) The objectivity and reliability of some measures could be improved so that they will be reasonably free from significant bias and produce the same result under similar circumstances. For example, survey administrators may notify Telephone Assistance's customer service representatives (CSR) too soon that their call was selected to participate in the customer satisfaction survey, which could bias CSR behavior towards taxpayers and adversely affect the measure's objectivity. In addition, the measure Electronic Filing and Assistance uses to determine the number of Web site hits was not reliable because it did not represent the actual number of times the Web site is accessed. (2) The clarity of some performance information was affected when that measure's definition and formula were not consistent. For example, the definition for "CSR response level" measure is the percentage of callers who receive service from a CSR within a specified period of time, but the measure did not include callers who received a busy signal or hung up. (3) Some suites of measures did not cover governmentwide priorities such as quality, timeliness, and cost of service. For example, Field Assistance was missing measures for timeliness and cost of service.

Performance Measures Should Have Four Characteristics



Source: GAO.