

CHARTER FOR THE INTERNAL REVENUE SERVICE ADVISORY COUNCIL

This charter is prepared and filed in accordance with the provisions of the Federal Advisory Committee Act, Pub. L. No. 92-463, 86 Stat. 770 (1972) (as amended at 5 U.S.C. App. 2 (1988)). The establishment and operation of this advisory council is based on the authority to administer the laws of the Internal Revenue as conferred upon the Secretary of the Treasury pursuant to section 7801 of the Internal Revenue Code and delegated to the Commissioner of the Internal Revenue.

- A. Official Title. The official title of the advisory council is the Internal Revenue Service Advisory Council (“IRSAC”).
- B. Objective and Scope. The purpose of the IRSAC is to provide an organized public forum for discussion of relevant tax administration issues between Internal Revenue Service (“IRS”) officials and representatives of the public. Advisory council members convey the public’s perception of IRS activities, offer constructive observations regarding current or proposed IRS policies, programs, and procedures, and suggest improvements to IRS operations.
- C. Period of Time Necessary to Carry Out Purpose. Because there is a continuing need for the IRS to be apprised of the public’s perception of its activities, the IRSAC will be in existence for an indeterminate period of time.
- D. Reporting. The IRSAC shall provide a written report to the Commissioner of the Internal Revenue or delegate at least annually; such reports will include a discussion of issues identified for consideration and pertinent recommendations. Reports and recommendations are for advisory purposes only and are made directly to the Commissioner of the Internal Revenue or delegate who is solely responsible for any action taken with respect to such recommendations.
- E. Support Services. The IRS’ Office of National Public Liaison provides all necessary support services for the IRSAC.
- F. Duties and Responsibilities. Designed to focus on broad policy matters, the IRSAC serves as an advisory body to the Commissioner of Internal Revenue or delegate. The IRSAC reviews existing tax policy and/or recommends policies with respect to emerging tax administration issues, suggests operational improvements, offers constructive observations regarding current or proposed IRS policies, programs, procedures, and advises the Commissioner or his delegate and senior IRS executives with respect to issues having substantive effect on federal tax administration. The IRSAC researches, analyzes, considers, recommends, and advises IRS on issues that include customer service, compliance, taxpayer segment-specific issues, and factors regarding non-compliance.

The body of the IRSAC consists of not more than thirty (30) members. IRSAC members, serve a two to three-year appointment with the possibility of a one-year renewal. IRSAC is comprised of individuals who bring substantial, disparate experience and diverse backgrounds to the Council’s activities. To develop a diverse advisory council we base our selections on several factors including: geographic location, major stakeholder representation and customer segments,

such as large and mid-size businesses, international, small business, wage and investment, and academia. In addition, we looked at tax and economic experts. Managed by the IRS, this selection process provides a diverse and balanced membership representing a cross-section of the taxpaying public.

G. Subcommittees. The IRSAC may create subcommittees that report to the parent committee. The subcommittees include, but are not limited to Small Business/Self-Employed, Large and Midsize Business (LMSB), Wage and Investment (W&I), and Tax Gap Analysis.

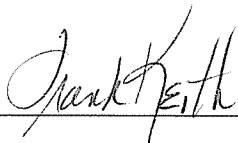
H. Annual Operating Costs. The estimated annual costs to operate the IRSAC are \$480,000, including staff salary for approximately five full-time equivalents ("FTE"). Costs include travel, telephone, printing, representation fund and other operating expenses. While IRSAC members are not compensated for their services, they are reimbursed for travel-related expenses to attend approximately one orientation session, three working sessions and a minimum of one public meeting per year in accordance with 5 U.S.C. section 5703 (as for persons employed intermittently in government service).

I. Number and Frequency of Meetings. The IRSAC typically conducts one orientation session, at least one but no more than two public meetings – two days in duration - and several two-day working sessions, not to exceed five, each year.

J. Termination Date. The termination date for the IRSAC is two years from the original filing date set out in paragraph K. below.

K. Filing Date. The filing date of this charter is NOV 2 2007.


Submitted by:



Frank Keith
Chief Communications and Liaison

Date: 9/17/07

Approved by:



Peter B. McCarthy
Assistant Secretary for Management
and Chief Financial Officer

Date: 9/27/07