



*Customer Service at  
Taxpayer Assistance Centers  
Showed Improvement  
During the 2006 Filing Season*

**August 30, 2006**

**Reference Number: 2006-40-122**

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.

**Redaction Legend:**

1 = Tax Return/Return Information

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TREASURY INSPECTOR GENERAL  
FOR TAX ADMINISTRATION

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

August 30, 2006

**MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION**

**FROM:**

(for) Michael R. Phillips  
Deputy Inspector General for Audit

**SUBJECT:**

Final Audit Report – Customer Service at Taxpayer Assistance Centers  
Showed Improvement During the 2006 Filing Season  
(Audit # 200640027)

This report presents the results of our review to determine whether taxpayers receive quality service, including correct answers to their questions, when visiting Taxpayer Assistance Centers (TAC)<sup>1</sup> to get answers to their tax law questions. This audit was conducted at the request of the Internal Revenue Service (IRS) and in conjunction with the President's Council on Integrity and Efficiency (PCIE) as part of its examination of relief efforts provided by the Federal Government in the aftermath of Hurricanes Katrina and Rita. A copy of the final report was forwarded to the PCIE Homeland Security Working Group, which is coordinating the Inspectors' General reviews of this important subject.

*Synopsis*

Providing quality customer service is the IRS' first step to achieving taxpayer compliance. The complexity of the tax law has made it even more important that the IRS ensure tax assistance is available to all taxpayers because mistakes and misinformation can easily contribute to noncompliance. Taxpayers have several options to choose from when they need assistance from the IRS, including face-to-face assistance at the TACs. According to the IRS, the TACs served

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<sup>1</sup> Internal Revenue Service employees, called assistors, in the TACs help taxpayers by interpreting tax laws and regulations, preparing certain tax returns, resolving inquiries on taxpayer accounts, and providing various other services designed to minimize the burden on taxpayers in satisfying their tax obligations.



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approximately 4 million taxpayers during the 2006 Filing Season;<sup>2</sup> approximately 600,000 of these taxpayers visited for assistance with the tax law.

During the 2006 Filing Season, Treasury Inspector General for Tax Administration auditors, using 47 standard scenarios, made anonymous visits to 50 TACs and asked 200 tax law questions. We also developed 10 additional scenarios related to the Katrina Emergency Tax Relief Act of 2005 (KETRA)<sup>3</sup> and visited 20 additional TACs to ask 80 tax law questions related to the KETRA. TAC assistors:

- Correctly applied the tax law when answering 145 (73 percent) of the 200 tax law questions auditors asked using the standard scenarios.<sup>4</sup> They misapplied the tax law for 29 (15 percent) of 200 questions asked. Therefore, TAC assistors correctly answered 145 (83 percent) of 174 questions. For the remaining 26 (13 percent) of 200 questions, TAC assistors did not or could not answer the questions and/or referred taxpayers to other IRS sources.
- Correctly applied the tax law when answering 60 (75 percent) of 80 tax law questions auditors asked relating to the KETRA. They misapplied the tax law for 6 (8 percent) of 80 tax law questions asked. For the other 14 (18 percent) of 80 questions, either the assistors did not or could not answer the questions and/or referred taxpayers to other IRS sources.

Assistors answered questions incorrectly because they did not use the required tools. Other contributing factors include the complexity of the tax law and the number of potential questions assistors have to be prepared to answer. When TAC assistors do not or cannot answer questions and/or refer taxpayers to other IRS sources, taxpayers ultimately are provided no service.

In addition, taxpayers making payments are not given priority at the TACs. At 1 TAC, taxpayers waiting for assistance with payments totaling \$135,000 were turned away so the IRS could clear the TAC by the closing time of 4:30 p.m. At a second TAC, a taxpayer sat down next to one of the auditors and complained about having to wait behind all other taxpayers to make a payment. Finally, at 10 of 13 TACs where we specifically tested to determine whether auditors with payments would receive priority, auditors with tax law questions were called prior to the auditors who only wanted to make a payment. The average wait time for auditors visiting the 13 TACs was 23 minutes.

### *Recommendations*

The Commissioner, Wage and Investment Division, should develop or modify procedures to ensure assistors provide answers to taxpayers' tax law questions. The guidelines should

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<sup>2</sup> The filing season is the period from January through mid-April when most individual income tax returns are filed.

<sup>3</sup> Pub. L. No. 109-73, 119 Stat. 2016 (to be codified in scattered sections of 26 U.S.C.).

<sup>4</sup> The accuracy does not include responses to tax law questions related to the KETRA. Those results are reported separately. In addition, accuracy rates shown throughout this report may not add to 100 percent due to rounding.



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reinforce current referral procedures, including how assistors should respond to taxpayers' tax law questions when the *Publication Method Guide (Guide)*<sup>5</sup> has not been updated. In addition, guidelines should be developed and training provided to TAC managers and assistors on how to manage customer traffic and wait times. This includes educating taxpayers on how the Q-Matic System works and developing consistent procedures to address and appropriately prioritize payments when experiencing high customer traffic and wait times.

### *Response*

IRS management agreed with both recommendations. The Field Assistance Office has clarified its procedures for handling tax law inquiries during the transition period from the beginning of the filing season until the current year publication and *Guide* are available. The new procedures instruct assistors to answer questions if a current year publication is available, even if the *Guide* has not yet been updated. The Field Assistance Office also revised its procedures to ensure TAC managers have a process to better manage taxpayer traffic, including how to assist customers at the end of the day. The instructions specifically require the solicitation of payments and forms. To provide better training on managing traffic and wait times, the Field Assistance Office will update its "Managing a TAC" training. Management's complete response to the draft report is included as Appendix VIII.

### *Office of Audit Comment*

Although IRS management agreed with our recommendation, the corrective action implemented does not address all of our concerns. The newly implemented procedures allow assistors to answer tax law questions without a current year *Guide* only when the current year publication addressing the issue is available. However, assistors are still instructed not to answer tax law questions when the current year publication is not available, even though they have been trained on tax law changes. This could create unnecessary burden and considerable frustration when taxpayers travel to a TAC, wait to be assisted, and are not provided answers to their tax law questions.

Copies of this report are also being sent to the IRS managers affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions or Michael E. McKenney, Assistant Inspector General for Audit (Wage and Investment Income Programs), at (202) 622-5916.

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<sup>5</sup> The *Guide* contains over 1,000 pages and covers approximately 77 tax law topics. Assistors are required to use the *Guide* as a tool to navigate through the complex maze of tax laws and computations. See Appendix V for more details on the *Guide* and its use.



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## *Customer Service at Taxpayer Assistance Centers Showed Improvement During the 2006 Filing Season*

### *Background*

Providing quality customer service is the Internal Revenue Service's (IRS) first step to achieving taxpayer compliance. The complexity of the tax law has made it even more important that the IRS ensure tax assistance is available to all taxpayers. Mistakes and misinformation can easily contribute to noncompliance. According to the November 2005 *Report of the President's Advisory Panel on Tax Reform*, in 2004, Americans spent more than 3.5 billion hours doing their taxes, the equivalent of hiring almost 2 million new IRS employees or more than 20 times the IRS' current workforce. About \$140 billion (over \$1,000 per family) is spent annually on tax preparation and compliance.

Taxpayers have several options to choose from when they need assistance from the IRS, including face-to-face assistance at a Taxpayer Assistance Center (TAC).

According to the IRS, the TACs served approximately 4 million taxpayers during the 2006 Filing Season.<sup>1</sup> Approximately 600,000 of these taxpayers visited for assistance with the tax law.<sup>2</sup> The Field Assistance Office has overall responsibility for 400 TACs in 5 geographical areas throughout the United States.<sup>3</sup>

IRS employees in the TACs, called assistors, help taxpayers by interpreting tax laws and regulations, preparing certain tax returns, resolving inquiries on taxpayer accounts, and providing various other services designed to minimize the burden on taxpayers in satisfying their tax obligations. Operating guidelines require assistors to identify themselves, provide their identification numbers either verbally or visually to all taxpayers, and assist taxpayers professionally and courteously. Assistors are trained and expected to be knowledgeable in over 300 tax law topics with approximately 400 subtopics. They are expected to be able to respond to taxpayer issues for the current and prior tax years. See Appendix V for details on how the TACs provide assistance and ensure quality customer service.



*Taxpayer Assistance Center,  
Atlanta, Georgia.*

<sup>1</sup> The filing season is the period from January through mid-April, when most individual income tax returns are filed.

<sup>2</sup> The IRS provided the number of taxpayers that visited the TACs for assistance with the tax laws. We did not verify the accuracy of the number.

<sup>3</sup> The Field Assistance Office is within the Wage and Investment Division Customer Assistance, Relationships, and Education function.





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## *Customer Service at Taxpayer Assistance Centers Showed Improvement During the 2006 Filing Season*

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### **2006 Filing Season readiness**

In preparation for the 2006 Filing Season, the Treasury Inspector General for Tax Administration (TIGTA) conducted a review to determine whether the Field Assistance Office adequately planned for the 2006 Filing Season and considered and accounted for the effects of Hurricanes Katrina and Rita during filing season preparations. We reported that the Field Assistance Office issued a Fiscal Year 2006 Program Letter that identified and communicated policies, goals, and objectives to Field Assistance Office employees.<sup>4</sup> The Program Letter states that the Field Assistance Office expects to more than meet all Fiscal Year 2006 challenges, including the mandate from Congress to keep all TACs open in Fiscal Year 2006.

In May 2005, the IRS announced its plans to close 68 TACs in Fiscal Year 2006. In announcing the planned closures, the IRS stated that taxpayers would have continued access to tax forms, information, and tax preparation through IRS.gov, telephone assistance, and volunteer tax return preparation. While legislation required the IRS to postpone the plan to close any TACs for Fiscal Year 2006, the IRS still considers closing some TACs as a viable option to reduce operational costs. These circumstances all contributed to the TACs' staffing shortages and presented the Field Assistance Office with a significant challenge in preparing for the 2006 Filing Season. As of January 31, 2006, the Field Assistance Office had completed critical hiring, including frontline technical employees. The Field Assistance Office also brought back all seasonal employees,<sup>5</sup> detailed former TAC assistors from other IRS organizations back to the Field Assistance Office, and deployed TAC assistors to multiple locations to ensure all TACs would be open.

We conducted this audit, at the request of the IRS Customer Assistance, Relationships, and Education function in the Wage and Investment Division, during the period January through May 2006. From January through April 2006, auditors asked 200 questions during 100 anonymous visits to 50 TACs. We also developed scenarios related to the Katrina Emergency Tax Relief Act of 2005 (KETRA).<sup>6</sup> We visited 20 additional TACs to ask 80 tax law questions related to the KETRA. The responses to these questions were not included in determining the overall accuracy rate; the results to the KETRA questions are reported separately. See Appendix VI for specific cities and States visited.

The audit was conducted in accordance with *Government Auditing Standards*. Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

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<sup>4</sup> The Field Assistance Fiscal Year 2006 Program Letter, dated October 20, 2005, provides a synopsis of the Field Assistance Office's prior year accomplishments; highlights important aspects of the procedures it follows in delivering its services; and provides a brief overview of planned program, systems, training, and communication initiatives for the upcoming fiscal year. This Letter is posted on the Field Assistance Office's Intranet for all Field Assistance Office employees.

<sup>5</sup> Employees temporarily hired to work part of a fiscal year (e.g., during the filing season).

<sup>6</sup> Pub. L. No. 109-73, 119 Stat. 2016 (to be codified in scattered sections of 26 U.S.C.).



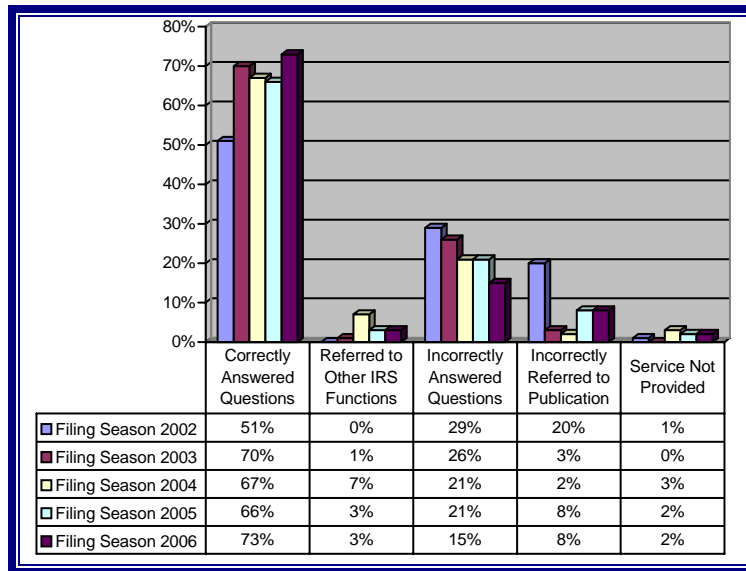
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*Results of Review*

***Taxpayers Received Fewer Inaccurate Answers to Tax Law Questions Than in the 2005 Filing Season***

During the 2006 Filing Season, TAC assistors correctly applied the tax law when answering 145 of the 200 (73 percent) tax law questions auditors asked using the standard scenarios.<sup>7</sup> They misapplied the tax law for 29 of 200 (15 percent) of tax law questions asked. Therefore, TAC assistors correctly answered 145 (83 percent) of 174 questions. For the remaining 26 (13 percent) of 200 questions, TAC assistors referred auditors to other IRS functions, referred auditors to a publication so they could find the answer for themselves, or did not provide service at all. Figure 1 shows the detailed results for the 2002 through 2006 Filing Seasons. The IRS goal for Field Assistance Accuracy of Tax Law Contacts for Fiscal Year 2006 is 80 percent.

***Figure 1: Comparison of TIGTA Audit Results for the 2002 through 2006 Filing Seasons***



*Source: Anonymous visits performed by TIGTA auditors.*

<sup>7</sup> The accuracy does not include responses to KETRA tax law questions. Those results are reported separately. In addition, accuracy rates shown throughout this report may not add to 100 percent due to rounding.





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“Service Not Provided” occurred when the assistor chose not to answer the question because he or she had not received the current tax year *Publication Method Guide (Guide)*<sup>8</sup> or assumed the auditor did not have information needed to answer all probing questions. “Referred to Other IRS Functions” occurred when the assistor chose not to answer the question but instead referred the auditor to the IRS toll-free number.

During this review, auditors anonymously visited TACs and asked TAC assistors 200 pre-developed scenario questions related to 32 tax law topics. See Appendix VII for a list of the tax law topics. To calculate and report the quality of customer service, we used the number of correctly answered questions (145) divided by the total number of questions asked (200). The IRS disagrees with this methodology. When responding to prior TIGTA reports or reporting its outcome measure, Field Assistance Accuracy of Tax Law Contacts, the IRS modifies the TIGTA rates to include only those questions for which assistors provide answers to tax law questions (for this audit, 174). Questions for which assistors did not provide service or referred auditors to toll-free telephone numbers or publications are excluded from the rate calculations. The IRS does not believe referring taxpayers or failure to provide service is the same as not providing a correct tax law answer. The IRS has used TIGTA results with this modification when reporting Field Assistance Accuracy of Tax Law Contacts for Fiscal Years 2003 through 2005.

When calculating the tax law accuracy rate using the Embedded Quality system, the IRS considers a response “complete and correct” only when the assistor obtains sufficient information to answer the question *and* gives a correct and complete answer. The IRS’ definition of accuracy does not take into consideration any additional issues or procedures that do not directly affect the taxpayer. To ensure the response is considered correct and complete, assistors must follow all of the following Embedded Quality system requirements and correctly apply the tax law:

- Use the *Guide* or obtain the appropriate publication.
- Discuss specific information related to the topic.
- Ask all appropriate questions to obtain facts.
- Respond to the taxpayer’s issue or question.

Using the Embedded Quality system methodology to calculate TIGTA results for this review, the accuracy rate is 49 percent. The 2005 Filing Season accuracy rate using the Embedded Quality system was 39 percent. The lower accuracy rate results because answers are rated incorrect if the assistors did not use the tools provided properly and did not ask sufficient probing questions. In addition, the IRS reduces the total number of questions used in the calculation from 200 to 174, again to exclude those questions for which auditors were referred to other IRS functions or not provided service.

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<sup>8</sup> The *Guide* contains over 1,000 pages and covers approximately 77 tax law topics. Assistors are required to use the *Guide* as a tool to navigate through the complex maze of tax laws and computations. See Appendix V for more details on the *Guide* and its use.



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Figure 2 shows the breakdown of the accuracy rates for this period, first using the TIGTA methodology we used for prior reviews, second using the TIGTA methodology as modified by the IRS, and third using the IRS Embedded Quality system methodology.

**Figure 2: Responses to 200 Standard Tax Law Questions**

<b>COMPARISON OF TIGTA AND IRS METHODOLOGIES FOR DETERMINING ACCURACY 2006 Filing Season</b>						
	<b>TIGTA METHODOLOGY</b>		<b>IRS MODIFIED METHODOLOGY</b>		<b>IRS EMBEDDED QUALITY SYSTEM METHODOLOGY</b>	
	Number	Percentage	Number	Percentage	Number	Percentage
<b>Correctly Answered</b>	145	73%	145	83%	86	49%
<b>Incorrectly Answered</b>	29	15%	29	17%	88	51%
<b>Referred to Other IRS Functions</b>	6	3%	0	0%	0	0%
<b>Incorrectly Referred to Publication</b>	15	8%	0	0%	0	0%
<b>Service Not Provided</b>	5	3%	0	0%	0	0%
<b>Total Questions, Overall Accuracy Rate</b>	200	73%	174	83%	174	49%

*Source: Anonymous visits performed by TIGTA auditors.*

The results of auditors' visits were shared with TAC managers, who discussed the results with those employees who responded to our tax law questions. All results of the review were analyzed to identify any trends or concerns.

**Accuracy increases when assistors take the time to follow required procedures and ask probing questions**

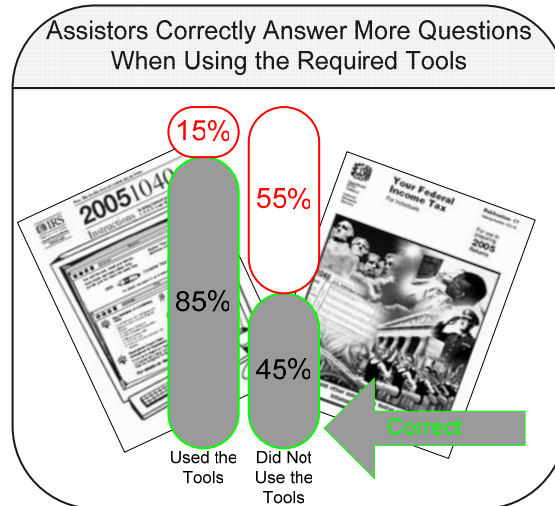
Assistors continued to respond to tax law questions without taking the time to use the required tools to ask all the probing questions outlined in the *Guide*. The risk that taxpayers will receive inaccurate answers is increased when assistors do not follow required procedures and take the



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time to ask probing questions. Accuracy was 85 percent when assistors used the required tools and 45 percent when assistors did not use the required tools. Figure 3 shows a comparison of tax law questions answered and accuracy rates when assistors use the *Guide*.

**Figure 3: Proper Use of the Guide**



Source: Anonymous visits performed by TIGTA auditors.

During their visits, auditors asked two questions. Assistors were more likely to use the *Guide* only when answering the first question. For example, when answering the first question, assistors used the *Guide* and/or a publication to answer 72 (72 percent) of the 100 questions. However, when auditors asked the second question, assistors used the *Guide* to respond to only 64 (64 percent) of the 100 questions. The Field Assistance Office mandates use of the *Guide* and warns there will be no allowable deviation from use of the *Guide*.

Assistors advised us that when they did not use the *Guide* to answer tax law questions it was because they felt rushed to ensure customers did not have to wait for extended periods of time or were not sure which topics were covered in the *Guide*. In response to our results, TAC managers, where warranted, issued counseling letters and held individual counseling sessions with employees. We found the *Guide* to be an effective tool for ensuring the accuracy of tax law responses. When developing the scenarios for this review, we followed the steps in the *Guide* and were able to determine the correct answer for 55 (98 percent) of the 56 scenarios. We identified an error in the *Guide* for one scenario and apparent inconsistencies in the *Guide* related to when assistors should/should not use worksheets while assisting taxpayers. IRS management agreed with our findings, which we provided during the course of the audit, and took immediate corrective actions.



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**Unnecessary burden and frustration result when assistors do not or cannot answer taxpayers' tax law questions**

Instead of answering taxpayers' tax law questions for 26 (13 percent) of 200 questions asked, assistors referred auditors to toll-free telephone numbers or publications or did not provide service. Assistors stated they referred auditors because, for example, they:

- Believed the questions were outside the scope of their training. All questions asked during this review were within the scope of the assistors' training.
- Did not want to bother other assistors who were busy assisting taxpayers.
- Could not locate the topic in the *Guide*.

In some instances, the *Guide* had not been updated with the related tax law topic. This happens because late passage of legislation delays the updating of IRS tax forms and publications. The Field Assistance Office cannot update its *Guide* until all forms and publications are published; its guidelines instruct assistors not to answer taxpayer tax law questions if the current year's *Guide* and/or tax publication is not available. Instead, assistors are instructed to complete a written referral to contact the taxpayer with an answer when the current publication is available and the *Guide* updated.

During the 2006 Filing Season, some sections of the *Guide* were not available to assistors until February 23, 2006. During January and February when the *Guide* had not been updated, assistors referred 13 of the auditors' questions instead of using other resources, such as IRS.gov or the prior years' publications, to research the topics.

The IRS considers it a procedural error when an assistor does not or is unable to answer a question. The IRS does not consider an assistor's not answering a question when calculating its accuracy rate. Nonetheless, unnecessary burden and considerable frustration result when taxpayers have traveled to a TAC, have waited to be assisted, and are not provided answers to their tax law questions.

**Taxpayers visiting the TACs found the offices open as advertised**

All addresses for the TACs visited during this review matched the addresses posted on IRS.gov and provided through the toll-free telephone numbers. Of the 50 TACs visited, 48 (96 percent) had hours of operation that matched those on IRS.gov and the toll-free telephone numbers. This is a 23 percent improvement from the 2005 Filing Season (18 percentage points, from 78 percent to 96 percent).

TAC managers are ensuring the addresses and hours of operation for the TACs are accurately posted to IRS systems for access by IRS employees and taxpayers. Taxpayers can access IRS.gov and follow links to obtain the addresses and office hours of the TACs located in their States. Taxpayers that do not have access to the Internet can call the IRS toll-free telephone



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numbers or automated telephone messaging systems at the TACs to obtain this information. Field Assistance Office operating procedures require TAC managers to ensure TAC hours provided to taxpayers via IRS.gov and the toll-free telephone numbers are accurate and updated timely.

### **Taxpayers continue to not be given the opportunity to provide customer satisfaction feedback**

Although most assistors identified themselves and were courteous and professional when responding to taxpayers' questions, they offered auditors the Customer Survey Comment Cards in only 55 (55 percent) of 100 TAC visits. This is comparable to the results from our 2005 Filing Season review. The IRS developed Comment Cards to obtain from taxpayers feedback on the quality of service they received at the TACs. Assistors are required to offer a Comment Card to every taxpayer who is provided face-to-face service. However, assistors do not always follow these procedures. This reduces the effectiveness of the Customer Satisfaction Survey the IRS uses to measure the quality of service at the TACs.

Obtaining sufficient customer feedback with which to appropriately measure customer satisfaction at the TACs has remained a challenge. Customers are a vital source of feedback on the performance of the organization. We believe the most valuable resource an organization can have is a steady and credible flow of information between itself and its customers. However, because we have previously reported this condition, we are making no recommendations about it in this report.

### **Recommendation**

**Recommendation 1:** The Commissioner, Wage and Investment Division, should develop or modify procedures to ensure assistors provide answers to taxpayers' tax law questions. The guidelines should reinforce current referral procedures, including how assistors should respond to taxpayers' tax law questions when the *Guide* has not been updated.

**Management's Response:** IRS management agreed with this recommendation. The Field Assistance Office has clarified its procedures for handling tax law inquiries during the transition period from the beginning of the filing season until the current year publication and the current year *Guide* are available. The new procedures instruct assistors to answer questions if a current year publication is available, even if the *Guide* has not yet been updated.

**Office of Audit Comment:** Although IRS management agreed with our recommendation, the corrective action implemented does not address all of our concerns. The newly implemented procedures allow assistors to answer tax law questions without a current year *Guide* only when the current year publication addressing the issue is available. However, assistors are still instructed not to answer tax law questions when



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the current year publication is not available, even though they have been trained on new tax law changes. This could create unnecessary burden and considerable frustration when taxpayers travel to a TAC, wait to be assisted, and are not provided answers to their tax law questions.

***The Field Assistance Office Considered the Effects of Hurricanes Katrina and Rita and Took Numerous Actions to Provide Broad Relief for Taxpayers***

During the 2006 Filing Season, we visited 20 TACs in areas affected by Hurricanes Katrina and Rita. All 20 were open, and auditors generally waited fewer than 30 minutes for assistance. TAC assistors treated auditors courteously and professionally. Additionally, TAC assistors correctly applied the tax law when answering 60 (75 percent) of the 80 tax law questions auditors asked relating to the KETRA. They misapplied the tax law for 6 (8 percent) of 80 tax law questions asked. Therefore, TAC assistors correctly answered 60 (91 percent) of 66 questions. For the other 14 (18 percent) of 80 questions, either the assistors did not or could not answer the questions and/or referred taxpayers to other IRS sources. Figure 4 provides a breakdown of employees' answers to tax law questions.





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**Figure 4: Responses to 80 KETRA Tax Law Questions**

<b>COMPARISON OF TIGTA AND IRS METHODOLOGIES FOR DETERMINING ACCURACY 2006 Filing Season</b>						
	<b>TIGTA METHODOLOGY</b>		<b>IRS MODIFIED METHODOLOGY</b>		<b>IRS EMBEDDED QUALITY SYSTEM METHODOLOGY</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
<b>Correctly Answered</b>	60	75%	60	91%	43	65%
<b>Incorrectly Answered</b>	6	8%	6	9%	23	35%
<b>Referred to Other IRS Functions</b>	7	9%	0	0%	0	0%
<b>Incorrectly Referred to Publication</b>	6	8%	0	0%	0	0%
<b>Service Not Provided</b>	1	1%	0	0%	0	0%
<b>Total Questions, Overall Accuracy Rate</b>	80	75%	66	91%	66	65%

*Source: Anonymous visits performed by TIGTA auditors.*

In addition, the Field Assistance Office took numerous actions to provide broad relief to taxpayers affected by Hurricanes Katrina and Rita. It added services for the 2006 Filing Season to help lessen taxpayer burden. Taxpayers affected by Hurricanes Katrina and Rita will be treated as meeting extreme hardship criteria, which will allow affected taxpayers to request and receive transcripts of prior year tax returns instead of having to order them and wait for delivery. The scope of tax law topics in which assistors are trained was expanded to provide assistance for taxpayers with questions about casualty losses. Taxpayers affected by the Hurricanes also will be able to have current and prior year tax returns prepared by the IRS even though their income levels exceed the income requirement.



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## ***Taxpayers Making Payments Are Not Given Priority at the Taxpayer Assistance Centers***

The Field Assistance Office recognizes that taxpayers coming into the TACs to obtain forms or to make payments require less time with assistors than those coming in for tax law or account assistance. Therefore, beginning in October 2005, the Field Assistance Office implemented a policy requiring group managers to set the Q-Matic System's priority based on available employees, number of appointments, and expected traffic in the TAC.<sup>9</sup> The TACs with screeners or assistors are to ensure each customer receives a Q-Matic System ticket that gives priority treatment to taxpayers that are requesting forms or making payments. If applied properly, this process would reduce taxpayer burden and allow taxpayers to meet their tax obligations.

However, during testing:

- At 1 TAC, 30 taxpayers waiting for assistance were turned away so the IRS could clear the TAC by the 4:30 p.m. closing time. Five of the 30 taxpayers had payments totaling \$135,000. \*\*\*\*1\*\*\*\*
- At a second TAC, a taxpayer sat down next to one of the auditors posing as a taxpayer. The taxpayer had come to make a tax payment and complained taxpayers should not have to wait to make payments. At the time of this instance, there were approximately 34 taxpayers in the TAC.
- At 10 of 13 TACs where we specifically tested to determine whether auditors with payments would receive priority, auditors with tax law questions were called prior to the auditors who only wanted to make a payment. The average wait time for auditors visiting the 13 TACs was 23 minutes.

After we raised this concern to Field Assistance Office management, they explained that some TACs using the Q-Matic System have not been programming it to ensure taxpayers with payments get priority. TAC assistors have expressed concerns that taxpayers waiting for assistance are frustrated when they see taxpayers who arrived after they did get served before they are. TAC assistors believe trying to explain the Q-Matic System to taxpayers is a significant challenge. Another challenge is providing assistance to taxpayers at the end of the day when the TAC is scheduled to close and the waiting room is full.

We were advised that steps were being taken to review and revise procedures to ensure TAC managers have a process to better manage taxpayer traffic, including how to assist taxpayers at the end of the day. It is essential that the IRS not turn away taxpayers trying to make payments. Not only does this significantly frustrate and burden taxpayers because they made an unnecessary trip, it also could cost taxpayers additional interest and/or penalties.

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<sup>9</sup> The Q-Matic System is an automated queuing system used to control the flow of taxpayers waiting for assistance.



*Customer Service at Taxpayer Assistance Centers  
Showed Improvement During the 2006 Filing Season*

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## **Recommendation**

**Recommendation 2:** The Commissioner, Wage and Investment Division, should develop guidelines and provide training to TAC managers and assistants on how to manage customer traffic and wait times. This includes educating taxpayers on the Q-Matic System and developing consistent procedures to address and appropriately prioritize payments when experiencing high customer traffic and wait times.

**Management's Response:** IRS management agreed with this recommendation. The Field Assistance Office revised its procedures to ensure TAC managers have a process to better manage taxpayer traffic, including how to assist customers at the end of the day. The instructions specifically require the solicitation of payments and forms. To provide better training on managing traffic and wait times, the Field Assistance Office will update its "Managing a TAC" training. This course includes a section on monitoring Q-Matic System traffic and analyzing wait time. Lastly, to educate taxpayers on how the Q-Matic System works, the Field Assistance Office will revise Document 12069, which explains the Q-Matic System numbering and routing process, to make it clearer.



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*Customer Service at Taxpayer Assistance Centers  
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## **Appendix I**

### *Detailed Objective, Scope, and Methodology*

The overall objective of this review was to determine whether taxpayers receive quality service, including correct answers to their questions, when visiting Taxpayer Assistance Centers (TAC) to get answers to their tax law questions.<sup>1</sup> This audit was conducted at the request of the Internal Revenue Service (IRS) and in conjunction with the President's Council on Integrity and Efficiency as part of its examination of relief efforts provided by the Federal Government in the aftermath of Hurricanes Katrina and Rita. To accomplish our objective, we:

- I. Determined whether the IRS provided quality service and accurate responses to tax law inquiries at a total of 70 (out of 400) TACs visited from January through April 2006.<sup>2</sup> Auditors visited 10 TACs in each of the 5 geographical areas plus 20 TACs in areas heavily affected by Hurricanes Katrina and Rita. We asked 280 tax law questions that individual taxpayers might ask.<sup>3</sup> The questions were based upon the scope of services for tax law assistance prescribed in the 2006 Field Assistance Office guidelines. We used judgmental sampling because statistical sampling would have required more resources than were available.
  - Selection of 50 TACs to ask standard tax law questions: We judgmentally selected large, medium, and small TACs from each of the five areas so we could visit the TACs with the highest tax law volumes. We excluded the TACs selected in Fiscal Year 2005.
  - Selection of 20 TACS located in areas heavily affected by Hurricanes Katrina and Rita to ask tax law questions related to the Katrina Emergency Tax Relief Act of 2005 (KETRA):<sup>4</sup> We judgmentally selected TACs from States affected by Hurricanes Katrina and Rita. This included the TACs with a large population of displaced taxpayers.
  - Developed 47 standard scenarios around specific tax topics designed to require assistors to ask questions, for example, to determine taxpayers' eligibility for

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<sup>1</sup> Internal Revenue Service employees, called assistors, in the TACs help taxpayers by interpreting tax laws and regulations, preparing certain tax returns, resolving inquiries on taxpayer accounts, and providing various other services designed to minimize the burden on taxpayers in satisfying their tax obligations.

<sup>2</sup> See Appendix VI for specific cities and States visited.

<sup>3</sup> Individual taxpayers are nonbusiness taxpayers that file U.S. Individual Income Tax Returns (Forms 1040, 1040A, or 1040EZ).

<sup>4</sup> Pub. L. No. 109-73, 119 Stat. 2016 (to be codified in scattered sections of 26 U.S.C.).



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*Customer Service at Taxpayer Assistance Centers  
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deductions and credits. We also developed 10 additional scenarios related to the KETRA. The responses to these questions were not included in determining the overall accuracy rate; the results to the KETRA questions are reported separately.

At each TAC visited, we:

- A. Determined the quality of services provided by the assistors.
  - B. Determined whether TAC addresses and office hours provided to taxpayers via the IRS Internet web site (IRS.gov), toll-free telephone numbers, and automated telephone messaging systems matched information posted at the TACs.
  - C. Determined whether the Customer Survey Comment Cards were available at the TACs and offered to taxpayers.
  - D. Made general observations at each TAC, such as the number of taxpayers waiting in line, the number of assistors helping taxpayers, handicap accessibility, the cleanliness/organization of the office, and parking fee requirements.
- II. Calculated the accuracy rates of the responses using the Treasury Inspector General for Tax Administration's previous methodology and the IRS' Embedded Quality system methodologies. These calculations do not include results from the 20 selected TACs most affected by Hurricanes Katrina and Rita.
  - III. Determined whether there are identifiable trends resulting from auditor visits to the TACs.
  - IV. Followed up on IRS corrective actions taken based on results and recommendations made in prior bimonthly and semiannual audit reports.



*Customer Service at Taxpayer Assistance Centers  
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**Appendix II**

*Major Contributors to This Report*

Michael E. McKenney, Assistant Inspector General for Audit (Wage and Investment Income Programs)

Augusta R. Cook, Director

Paula Johnson, Audit Manager

Frank Jones, Audit Manager

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Deborah Drain, Senior Auditor

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Robert Baker, Auditor

Jean Bell, Auditor

Jerry Douglas, Auditor

Roberta Fuller, Auditor

Kathy Henderson, Auditor

Patricia Jackson, Auditor

Geraldine Vaughn, Auditor





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*Customer Service at Taxpayer Assistance Centers  
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**Appendix III**

*Report Distribution List*

Commissioner C  
Office of the Commissioner – Attn: Chief of Staff C  
Deputy Commissioner for Services and Enforcement SE  
Deputy Commissioner, Wage and Investment Division SE:W  
Director, Customer Assistance, Relationships, and Education SE:W:CAR  
Director, Strategy and Finance, Wage and Investment Division SE:W:S  
Chief, Performance Improvement, Wage and Investment Division SE:W:S:PI  
Director, Field Assistance, Wage and Investment Division SE:W:CAR:FA  
Chief Counsel CC  
National Taxpayer Advocate TA  
Director, Office of Legislative Affairs CL:LA  
Director, Office of Program Evaluation and Risk Analysis RAS:O  
Office of Internal Control OS:CFO:CPIC:IC  
Audit Liaison: Senior Operations Advisor, Wage and Investment Division SE:W:S



*Customer Service at Taxpayer Assistance Centers  
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## **Appendix IV**

### *Outcome Measure*

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. This benefit will be incorporated into our Semiannual Report to Congress.

**Type and Value of Outcome Measure:**

- Taxpayer Burden – Potential; 29 incorrect answers to tax law questions (see page 3).

**Methodology Used to Measure the Reported Benefit:**

If the accuracy results for the 200 tax law questions we asked during the 2006 Filing Season (the period from January through mid-April when most individual income tax returns are filed) are indicative of the actual responses taxpayers receive when they visit a Taxpayer Assistance Center,<sup>1</sup> we estimate 29 taxpayers could have received incorrect responses to tax law questions.

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<sup>1</sup> Internal Revenue Service employees, called assistors, in the Taxpayer Assistance Centers help taxpayers by interpreting tax laws and regulations, preparing certain tax returns, resolving inquiries on taxpayer accounts, and providing various other services designed to minimize the burden on taxpayers in satisfying their tax obligations.



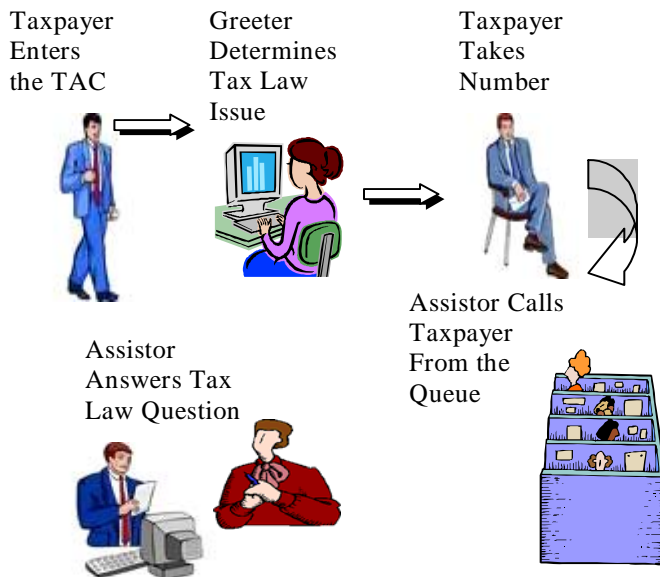
*Customer Service at Taxpayer Assistance Centers  
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**Appendix V**

*Taxpayer Assistance Center  
Service and Quality Assurance*

Because of the complexity of the tax law and the need to assist approximately 600,000 taxpayers with tax law questions, Taxpayer Assistance Center (TAC) assistors are not trained to answer all types of tax law questions. Instead, they are trained on specific tax topics and are authorized to answer only those questions within this expertise. These are called in-scope questions; they include specific tax law topics related to lines on the U.S. Individual Income Tax Return (Form 1040) such as income, filing status, exemptions, deductions, and credits.

**Figure 1: Taxpayer Asking a Tax Law Question at a TAC**



Source: The IRS Field Assistance Office.

When a taxpayer walks into a TAC, he or she uses the Q-Matic System to select the type of assistance desired (e.g., return preparation, tax law question, account inquiry, payment).<sup>1</sup> In some large TACs, an Internal Revenue Service (IRS) employee called a screener determines the reason for a taxpayer's visit and makes the Q-Matic System choice for the taxpayer. Once a choice is made, the taxpayer is issued a number and waits for assistance until that number is called. Figure 1 shows an example of how this works for a taxpayer asking a tax law question.

When assisting taxpayers, assistors must first determine if the tax law questions are in-scope questions. If they are, assistors are required to use the *Publication Method Guide (Guide)* or tax instructions, forms, and publications to provide the answers. The *Guide* contains over 1,000 pages and covers approximately 77 tax law topics. Assistors are required to use the *Guide* as a tool to navigate through the complex maze of tax laws and computations. The *Guide* is available either in paper

<sup>1</sup> The Q-Matic System is an automated queuing system used to control the flow of taxpayers waiting for assistance.



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or electronically. The paper version includes the same information as the electronic version, but it is maintained in binders. Assistors in small TACs are more likely to use the paper version because computers may not be readily available at the counter.

For each in-scope tax law topic, an assistor uses the *Guide* to ask the taxpayer approximately 9 to 37 conditional questions to determine the correct answer to the tax law question. In addition, the *Guide* includes excerpts from tax publications assistors can use to “walk” the taxpayer through to provide an answer to the question. The Dependency topic in the *Guide* covers 14 pages and includes 37 conditional questions an assistor must ask to determine if the taxpayer can claim the dependent exemption. For example, a taxpayer asks whether he or she can claim his or her 19-year-old child as a dependent. The assistor uses the *Guide* for the following:

- First. To ask if the child has a valid Social Security Number and for the amount of the taxpayer’s adjusted gross income because exemptions are phased out if the adjusted gross income exceeds filing status amounts.<sup>2</sup>
- Second. If the child has a valid Social Security Number and the adjusted gross income is within appropriate limits, five more tests must be met for the taxpayer to claim the child as a dependent.
1. Member of Household or Relationship Test. The assistor asks for information concerning the nature of the relationship (son, daughter, niece, etc.) or, if the child is not a qualifying relative, how long the child has lived in the home with the taxpayer.
  2. Citizenship Test. The assistor asks if the child is a United States citizen or resident alien.
  3. Joint Return Test. The assistor asks if the child is single or married.
  4. Gross Income Test. The assistor asks for the amount of the child’s gross income.
  5. Support Test. The assistor asks for the amount of support the taxpayer provided the child during the tax year.
- Third. If all five tests are met, the assistor advises the taxpayer that he or she may claim the child as a dependent.

To measure its customer service, beginning in Fiscal Year 2004, the Field Assistance Office began implementation of the Embedded Quality system, which links employee performance to organizational results related to the quality of customer service. This method was designed to distinguish between “wrong” answers and procedural errors that do not affect the accuracy of the

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<sup>2</sup> The adjusted gross income is a taxpayer’s gross income for the year adjusted for certain exclusions from income provided for in the Internal Revenue Code.



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## *Customer Service at Taxpayer Assistance Centers Showed Improvement During the 2006 Filing Season*

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answer. During 2006, the Field Assistance Office continued testing the use of Contact Recording in 14 TACs. Contact Recording is an automated quality monitoring system that captures voice elements of customers' contacts and employees' corresponding computer desktop activities, including customer account activity. We plan to conduct a review of the system in Fiscal Year 2007.

For TACs without Contact Recording, the Embedded Quality system requires TAC managers to observe assistors' contacts with taxpayers and measure performance against predetermined standards. To accomplish this, Field Assistance Office managers currently observe a statistical sample of assistors' interactions with taxpayers using attributes to identify specific aspects of the assistor/taxpayer interaction that need to be considered when measuring the quality of customer service. These attributes are mapped to the employee's Critical Job Elements that are divided into five quality measures:

- Customer Accuracy – giving the taxpayer the correct answer with the correct resolution.
- Regulatory Accuracy – adhering to statutory/regulatory process requirements when making determinations on taxpayer accounts.
- Procedural Accuracy – adhering to nonstatutory/nonregulatory internal process requirements.
- Professionalism – promoting a positive image of the IRS by using effective communication techniques.
- Timeliness – resolving an issue in the most efficient manner through the use of proper workload management and time use techniques.

The Customer Accuracy, Professionalism, and Timeliness measures are reported to the IRS Commissioner as part of three IRS balanced measures (employee satisfaction, customer satisfaction, and business results). The IRS uses these balanced measures to gauge organizational and employee performance. The Regulatory Accuracy and Procedural Accuracy measures are reported internally to IRS management to identify trends and training opportunities. The Customer Accuracy measure is also reported externally to IRS stakeholders (e.g., Congress and the Government Accountability Office) and is used as part of the reporting requirement of the Government Performance and Results Act of 1993.<sup>3</sup>

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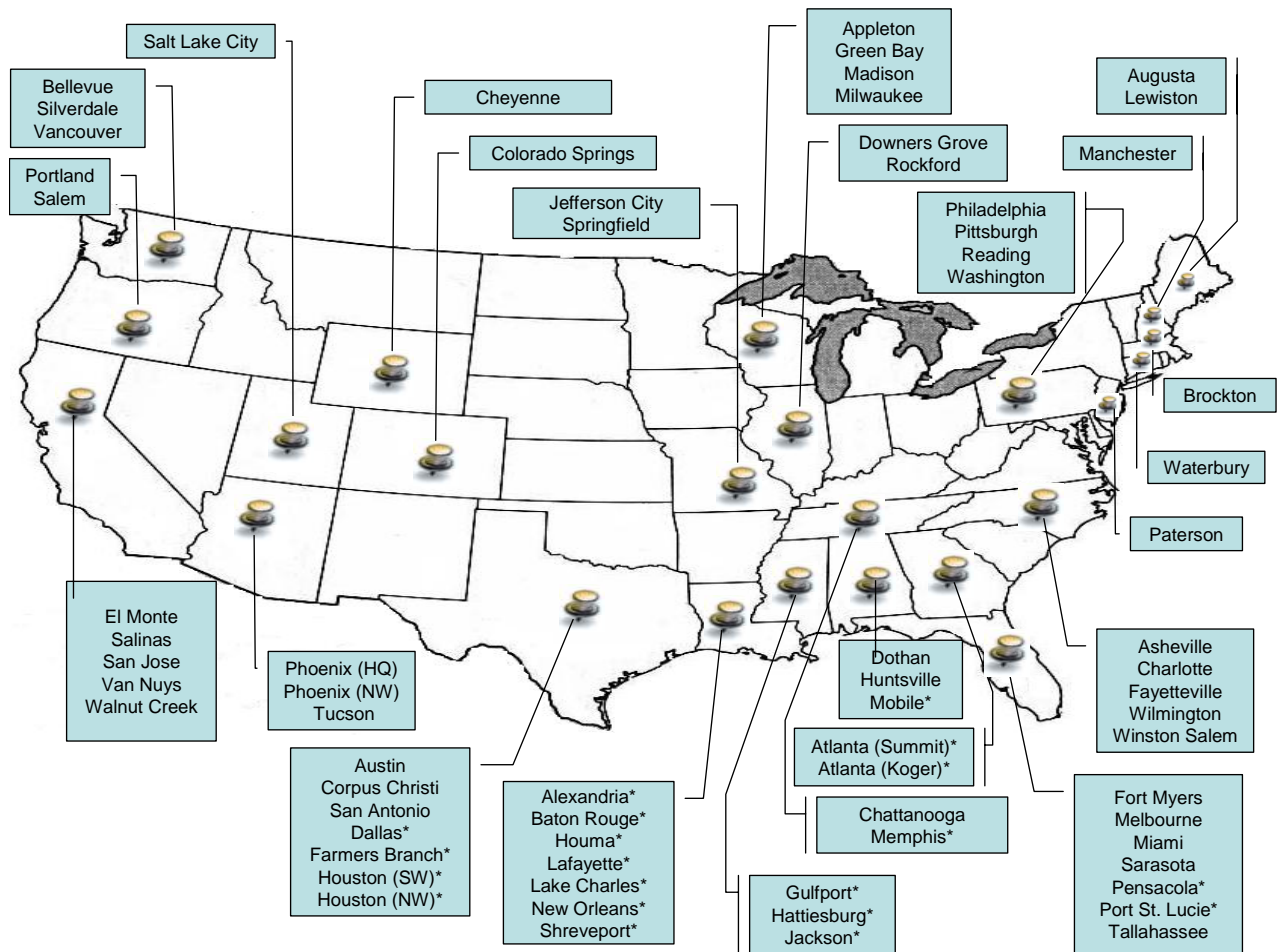
<sup>3</sup> Pub. L. No. 103-62, 107 Stat. 285 (codified as amended in scattered sections of 5 U.S.C., 31 U.S.C., and 39 U.S.C.).



*Customer Service at Taxpayer Assistance Centers  
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**Appendix VI**

*Taxpayer Assistance Centers<sup>1</sup>  
Visited During the 2006 Filing Season<sup>2</sup>*



<sup>1</sup> Taxpayer Assistance Centers with an asterisk (\*) represent offices at which auditors asked tax law questions related to the Katrina Emergency Tax Relief Act of 2005, Pub. L. No. 109-73, 119 Stat. 1616 (to be codified in scattered sections of 26 U.S.C.).

<sup>2</sup> The filing season is the period from January through mid-April when most individual income tax returns are filed.





*Customer Service at Taxpayer Assistance Centers  
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**Appendix VII**

*Accuracy Rates by Tax Law Topic  
During the 2006 Filing Season<sup>1</sup>*

<b>Tax Law Topics</b>	<b>Questions Asked</b>	<b>Correctly Answered</b>	<b>Correctly Answered but Incomplete</b>	<b>Referred to Other Internal Revenue Service Functions</b>	<b>Incorrectly Answered</b>	<b>Incorrectly Referred to Publication</b>	<b>Service<sup>2</sup> Not Provided</b>
Adoption Credit	2	2 (100%)	---	---	---	---	---
Adjustments to Income	3	2 (67%)	---	---	1 (33%)	---	---
Alimony	6	4 (67%)	---	---	2 (33%)	---	---
Amended Return	12	9 (75%)	2 (17%)	---	1 (8%)	---	---
Archer Medical Savings Account Deduction	3	1 (33%)	---	---	1 (33%)	---	1 (33%)
Capital Gains/Losses	5	3 (60%)	---	1 (20%)	---	1 (20%)	---
Casualty Losses	3	1 (33%)	---	---	1 (33%)	1 (33%)	---
Charitable Contribution	9	6 (67%)	---	---	2 (22%)	1 (11%)	---
Child Support	6	2 (33%)	4 (67%)	---	---	---	---
Child Tax Credit	9	3 (33%)	---	---	3 (33%)	2 (22%)	1 (11%)
Child Care Credit	3	1 (33%)	---	---	2 (67%)	---	---
Dependents	19	17 (89%)	---	---	2 (11%)	---	---
Earned Income Tax Credit	22	19 (86%)	1 (5%)	---	1 (5%)	1 (5%)	---
Education Credit	9	5 (56%)	---	---	2 (22%)	1 (11%)	1 (11%)
Educator's Expense	4	3 (75%)	---	1 (25%)	---	---	---
Elderly Credit	2	2 (100%)	---	---	---	---	---
Estimated Tax Penalty	7	2 (29%)	2 (29%)	1 (14%)	2 (29%)	---	---
Filing Status	14	12 (86%)	1 (7%)	---	---	---	1 (7%)

<sup>1</sup> Percentages do not add to 100 due to rounding. The filing season is the period from January through mid-April when most individual income tax returns are filed.

<sup>2</sup> The Internal Revenue Service assistor chose not to answer the question because he or she had not received the current tax year *Publication Method Guide* or assumed the auditor did not have information needed to answer all probing questions.



*Customer Service at Taxpayer Assistance Centers  
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<b>Tax Law Topics</b>	<b>Questions Asked</b>	<b>Correctly Answered</b>	<b>Correctly Answered but Incomplete</b>	<b>Referred to Other Internal Revenue Service Functions</b>	<b>Incorrectly Answered</b>	<b>Incorrectly Referred to Publication</b>	<b>Service<sup>2</sup> Not Provided</b>
Gambling Income/Losses	3	2 (67%)	---	---	1 (33%)	---	---
Innocent Spouse	3	2 (67%)	1 (33%)	---	---	---	---
Interest Income	4	---	---	1 (25%)	3 (75%)	---	---
Lump Sum Distribution	5	2 (40%)	---	---	1 (20%)	2 (40%)	---
Medical Expenses	2	2 (100%)	---	---	---	---	---
Moving Expenses	2	1 (50%)	---	---	---	1 (50%)	---
Refinance Points	3	---	---	---	1 (33%)	1 (33%)	1 (33%)
Retirement	11	7 (64%)	1 (9%)	2 (18%)	---	1 (9%)	---
Sale of Home	5	4 (80%)	1 (20%)	---	---	---	---
Scholarship	4	2 (50%)	---	---	2 (50%)	---	---
Social Security Income	11	7 (64%)	---	---	1 (9%)	3 (27%)	---
Student Loan Interest	1	1 (100%)	--	---	---	---	---
Qualified Plans	6	6 (100%)	---	---	---	---	---
Uniforms/Work Clothes	2	2 (100%)	---	---	---	---	---
<b>Totals</b>	<b>200</b>	<b>132 (66%)</b>	<b>13 (7%)</b>	<b>6 (3%)</b>	<b>29 (15%)</b>	<b>15 (8%)</b>	<b>5 (3%)</b>

*Source: Anonymous visits performed by Treasury Inspector General for Tax Administration auditors.*



*Customer Service at Taxpayer Assistance Centers  
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**Appendix VIII**

*Management's Response to the Draft Report*



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
ATLANTA, GA 30308

RECEIVED  
AUG 03 2006

August 3, 2006

MEMORANDUM FOR MICHAEL R. PHILLIPS  
DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM:

Richard J. Morgante  *Pamela S. Watson*  
Commissioner, Wage and Investment Division

SUBJECT:

Draft Audit Report – Customer Service at Taxpayer  
Assistance Centers Showed Improvement During the 2006  
Filing Season (Audit #200640027)

I reviewed your subject draft report on the quality of customer service at Taxpayer Assistance Centers (TAC) for the 2006 Filing Season and agree with your findings and recommendations. As you indicate, this audit was conducted at the request of the Internal Revenue Service (IRS) and in conjunction with the President's Council on Integrity and Efficiency as part of its examination of relief efforts in the aftermath of Hurricanes Katrina and Rita. I am pleased the results of your review reflect that the services provided to the approximately 4 million taxpayers we served in the TACs during the 2006 Filing Season showed significant improvement. I believe this improvement is directly attributable to our extensive efforts to improve quality and accuracy in our TACs.

As noted in your report, taxpayers received fewer inaccurate answers to tax law questions than in the 2005 Filing Season. We exceeded our accuracy goal of 80 percent, correctly answering standard tax law questions 83 percent of the time when calculated using the IRS modified methodology, compared to our 75 percent accuracy rate in 2005. When responding to tax law questions relating to the Katrina Emergency Tax Relief Act of 2005, our accuracy rate was 91 percent. By any standard, the improvement in the accuracy of answers provided in our TACs is especially noteworthy considering the complexity of the tax system, which necessitates employees in the TACs respond to taxpayer issues for current and prior years on over 300 tax law topics and 400 subtopics. Likewise, our TAC employees must also be prepared to answer questions regarding new legislation, some of which is passed very late in the year.



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*Customer Service at Taxpayer Assistance Centers  
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I appreciate your recognition that taxpayers visiting the TACs found the offices open as advertised. As your report highlights, all addresses for the TACs visited matched the addresses posted on IRS.gov and provided through the toll-free telephone numbers. Similarly, the hours of operation for 96 percent of the TACs matched those on IRS.gov and the toll-free telephone numbers, a 23 percent improvement from the 2005 filing season. I also appreciate your acknowledgement of the numerous actions Field Assistance took to provide broad relief for taxpayers who were victims of Hurricanes Katrina and Rita. These actions included adding services to lessen taxpayer burden, expanding the scope of services we provide to include casualty losses, and removing the dollar limit for return preparation for hurricane victims.

While the overall results of your review are extremely favorable, you do identify opportunities for improvement and I agree with your observations. Unequivocally, accuracy increases when assistors take the time to follow established procedures and ask probing questions as outlined in the Publication Method Guide (PMG). As your report reflects, use of the PMG without deviation is required. I am extremely pleased that our managers immediately reinforced these procedures when your auditors notified them some employees referred taxpayers to publications instead of answering their tax law questions. This action resulted in significant improvement in PMG usage.

Finally, you found that taxpayers making payments at the TACs were not always given priority, and concluded that taxpayers making payments should not be turned away. I agree with your conclusion and am pleased to report that during the course of the review, Field Assistance took appropriate action by revising end-of-day procedures to give priority to processing all payments by the TAC closing time. Field Assistance also reinforced that Q-Matic, an automatic queuing system used to control the flow of taxpayers waiting for assistance, should be used to prioritize work, including payments.

I reviewed your measurable benefit and agree with it based on observations in the report. Our responses to your specific recommendations are detailed in the attachment. If you have questions, please call me at (404) 338-7060 or members of your staff may contact Estelle Tunley, Director, Field Assistance, at (404) 338-9182.

Attachment



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*Customer Service at Taxpayer Assistance Centers  
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Attachment

**RECOMMENDATION 1**

The Commissioner, Wage and Investment Division, should develop or modify procedures to ensure assistors provide answers to taxpayers' tax law questions. The guidelines should reinforce current referral procedures, including how assistors should respond to taxpayers' tax law questions when the *Guide* has not been updated.

**CORRECTIVE ACTION**

Field Assistance has rewritten its Internal Revenue Manual (IRM) to clarify procedures for handling tax law inquiries during the transition period from the beginning of the filing season until the availability of the current year publication and the current year Publication Method Guide (PMG). The new procedures instruct assistors to answer questions if a current year publication is available, even if the PMG has not yet been updated (IRM updated to add a new section, 21.3.4.3.7.3).

**IMPLEMENTATION DATE:**

Completed May 10, 2006

**CORRECTIVE ACTION MONITORING PLAN**

N/A

**RECOMMENDATION 2**

The Commissioner, Wage and Investment Division, should develop guidelines and provide training to TAC managers and assistors on how to manage customer traffic and wait times. This includes educating taxpayers on the Q-Matic system and developing consistent procedures to address and appropriately prioritize payments when experiencing high customer traffic and wait times.

**CORRECTIVE ACTION**

- a. Field Assistance revised its procedures to ensure TAC managers have a process to better manage taxpayer traffic, including how to assist customers at the end of the day. The Hours of Operation instructions in the IRM were updated to provide guidance to TAC managers on the options for accommodating customers who arrive at the TAC too late to get served within the regular business hours on a particular day. The instructions specifically require solicitation for payments and forms. IRM 1.4.11.7.1(5).
- b. To provide better training on managing traffic and wait times, Field Assistance will update its "Managing a TAC" training. This course includes a section on monitoring Q-Matic traffic and analyzing wait time. To educate taxpayers on the Q-Matic



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*Customer Service at Taxpayer Assistance Centers  
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System, Field Assistance will revise Document 12069, which explains the Q-Matic numbering system and the routing process, to make it clearer.

**IMPLEMENTATION DATE**

- a. Completed May 30, 2006
- b. December 15, 2006.

**RESPONSIBLE OFFICIAL**

Director, Field Assistance, Wage and Investment Division

**CORRECTIVE ACTION MONITORING PLAN**

Through the ongoing field visitations during the operational review process, Field Assistance will evaluate effective management of Q-Matic and end-of-day procedures.