



## Treasury Inspector General for Tax Administration Office of Audit

### CALL VOLUME ASSOCIATED WITH THE ECONOMIC STIMULUS PAYMENTS MADE IT DIFFICULT TO REACH THE INTERNAL REVENUE SERVICE DURING FISCAL YEAR 2008

Issued on January 26, 2009

## Highlights

Highlights of Report Number: 2009-40-030 to the Internal Revenue Service Commissioner for Wage and Investment Division

### IMPACT ON TAXPAYERS

Each year, millions of taxpayers contact the Internal Revenue Service (IRS) by calling the various toll-free telephone assistance lines to seek help in understanding tax laws and meeting their tax obligations. However, because of the volume of calls related to the Economic Stimulus Act of 2008, taxpayer demand for telephone assistor services increased significantly after the 2008 Filing Season. The volume of calls received exceeded the IRS' ability to answer them. Thus, it was more difficult for taxpayers to contact the IRS via telephone for assistance during Fiscal Year 2008, particularly after the filing season. The IRS is anticipating additional calls regarding the economic stimulus payments during the 2009 Filing Season. If more than this call volume materializes, more blocked calls as well as more primary and secondary abandons will occur. Failure to answer the additional volume of calls anticipated will result in the IRS falling significantly short of its planned performance goals.

### WHY TIGTA DID THE AUDIT

The Economic Stimulus Act of 2008 was passed in February 2008, after the IRS had completed planning for the 2008 Filing Season. The Act was passed to provide economic stimulus through recovery rebates to individuals, incentives for business investment, and an increase in conforming and Federal Housing Authority loan limits. About 130 million taxpayers were expected to receive economic stimulus payments (also referred to as rebates) beginning in late April and early May 2008. The objective of the audit was to determine the effect the Economic Stimulus Act of 2008 had on toll-free telephone access after the 2008 Filing Season and planning for the 2009 Filing Season.

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### WHAT TIGTA FOUND

Because of the additional call volume associated with the economic stimulus payments, the IRS continued to struggle with extremely high call volumes after the 2008 Filing Season and did not achieve some of its fiscal year performance goals. The ability of taxpayers to access the toll-free telephone system was much lower than that in prior years. For example, the IRS had planned to achieve an 82 percent Level of Service and a 270-second Average Speed of Answer. Instead, through August 30, 2008, it achieved a 54 percent Level of Service and a 589-second Average Speed of Answer.

The IRS plans to increase its Full-Time Equivalents by about 850 for the 2009 Filing Season. Based on historical data, these additional Full-Time Equivalents will provide the capacity to answer about 4.5 million calls during the 2009 Filing Season. Using the IRS projected percentages for calls about the economic stimulus payments and assistor demand received, this is approximately 4.1 million calls short of the 8.6 million additional call volume that TIGTA believes the IRS could receive.

### WHAT TIGTA RECOMMENDED

TIGTA recommended that the Commissioner, Wage and Investment Division, 1) amend telephone scripts to alert taxpayers waiting to speak with an assistor that they could experience longer wait times or be unable to speak with an assistor if the call volume received during the 2009 Filing Season increases significantly above that planned, in addition to providing information about the services available on IRS.gov and 2) provide each caller with the estimated wait time to speak with an assistor.

IRS management did not formally agree with Recommendation 1 but agreed with Recommendation 2. The IRS stated that it already reacts to high call volumes with appropriate telephone script announcements. However, the IRS does not announce to taxpayers when the telephones are experiencing heavy call volumes or suggest that they may want to call back when the telephones are less busy. The IRS does announce to taxpayers when it is experiencing extremely high call volumes that requires it to disconnect taxpayers. IRS management indicated that six applications currently have the feature that provides each caller with the estimated wait times and plans to make future expansions, including the rebate applications, pending Modernization and Information Technology Services organization priorities and funding.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2009reports/200940030fr.pdf>.

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