
Tax Examiners, Collectors, and Revenue Agents

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Significant Points

- Tax examiners, collectors, and revenue agents work for Federal, State, and local governments.
- Employment is expected to have little or no change, but the large number of retirements over the next 10 years should create many job openings.
- Competition will be greatest for positions with the Internal Revenue Service.

Nature of the Work

Taxes are one of the certainties of life, and as long as governments collect taxes, there will be jobs for tax examiners, collectors, and revenue agents. By reviewing tax returns, conducting audits, identifying taxes payable, and collecting overdue tax dollars, these workers ensure that governments obtain revenues from businesses and citizens.

Tax examiners do similar work whether they are employed at the Federal, State, or local government level. They review filed tax returns for accuracy and determine whether tax credits and deductions are allowed by law. Because many States assess individual income taxes based on the taxpayer's reported Federal adjusted gross income, tax examiners working for the Federal Government report any adjustments or corrections they make to the States. State tax examiners then determine whether the adjustments affect the taxpayer's State tax liability. At the local level, tax examiners often have additional duties, but an integral part of the work still includes the need to determine the factual basis for claims for refunds.

Tax examiners usually deal with the simplest tax returns—those filed by individual taxpayers with few deductions or those filed by small businesses. At the entry level, many tax examiners perform clerical duties, such as reviewing tax returns and entering them into a computer system for processing. If there is a problem, tax examiners may contact the taxpayer to resolve it.

Tax examiners also review returns for accuracy, checking taxpayers' math and making sure that the amounts that they report match those reported from other sources, such as employers and banks. In addition, examiners verify that Social Security numbers match names and that taxpayers have correctly interpreted the instructions on tax forms.

Much of a tax examiner's job involves making sure that tax credits and deductions claimed by taxpayers are legitimate. Tax examiners contact taxpayers by mail or telephone to address discrepancies and request supporting documentation. They may notify taxpayers of any overpayment or underpayment and either issue a refund or request further payment. If a taxpayer owes additional taxes, tax examiners adjust the total amount by assessing fees, interest, and penalties and notify the taxpayer of the total liability. Although most tax examiners deal with uncomplicated returns, some may work in more complex tax areas, such as pensions or business net operating losses.

Revenue agents specialize in tax-related accounting work for the U.S. Internal Revenue Service (IRS) and for equivalent agencies in State and local governments. Like tax examiners, they audit returns for accuracy. However, revenue agents handle complicated income, sales, and excise tax returns of businesses and large corporations. As a result, their work differs in a number of ways from that of tax examiners.

Entry-level Federal revenue agents usually audit tax returns of small businesses whose market specializations are similar. As they develop expertise in an industry, such as construction, retail sales, or finance, insurance, and real estate, revenue agents work with tax returns of larger corporations.

Many experienced revenue agents specialize; for example, they may focus exclusively on multinational businesses. But all revenue agents working for the Federal Government must keep abreast of the lengthy, complex, and frequently changing tax code. Computer technology has simplified the research process, allowing revenue agents Internet access to relevant legal bulletins, IRS notices, and tax-related court decisions. Revenue agents are increasingly using computers to analyze data and identify trends that help pinpoint tax offenders.

At the State level, revenue agents have duties similar to those of their counterparts in the Federal Government. State revenue agents use revenue adjustment reports forwarded by the IRS to determine whether adjustments made by Federal revenue agents affect a taxpayer's taxable income in the eyes of the States. In addition, State agents consider the sales and income taxes for their own States.

At the local level, revenue agents have varying titles and duties, but they still perform field audits or office audits of financial records for business firms. In some cases, local revenue agents also examine financial records of individuals. These local agents, like their State counterparts, rely on the information contained in Federal tax returns. However, local agents also must be knowledgeable enough to apply local tax laws regarding income, utility fees, or school taxes.

Collectors, also called *revenue officers* in the IRS, deal with delinquent accounts. The process of collecting a delinquent account starts with the revenue agent or tax examiner sending a report to the taxpayer. If the taxpayer makes no effort to resolve the delinquent account, the case is assigned to a collector. When a collector takes a case, he or she first sends the taxpayer a notice. The collector then works with the taxpayer on how to settle the debt.

In cases in which taxpayers fail to file a tax return, Federal collectors may request that the IRS prepare the return on a taxpayer's behalf. In other instances, collectors are responsible for verifying claims that delinquent taxpayers cannot pay their taxes. They investigate these claims by researching court information on the status of liens, mortgages, or financial statements; locating assets through third parties, such as neighbors or local departments of motor vehicles; and requesting legal summonses for other records. Ultimately, collectors must decide whether the IRS should take a lien—a claim on an asset such as a bank account, real estate, or an automobile—to settle a debt. Collectors also have the discretion to garnish wages—that is, take a portion of earned wages—to collect taxes owed.

A big part of a collector's job at the Federal level is imposing and following up on delinquent taxpayers' payment deadlines. For each case file, collectors must maintain records, including contacts, telephone numbers, and actions taken.

Like tax examiners and revenue agents, collectors use computers to maintain files. Computer technology also gives collectors access to data to help them identify high-risk debtors—those who are unlikely to pay or are likely to flee. Collectors at the IRS usually work independently. However, they call on experts when tax examiners or revenue agents find fraudulent returns, or when the seizure of a property will involve complex legal steps.

At the State level, collectors decide whether to take action on the basis of their own States' tax returns. Collection work may be handled over the telephone or turned over to a collector who specializes in obtaining settlements. These collectors contact people directly and have the authority to issue subpoenas and request seizures of property. At the local levels, collectors have less power than their State and Federal counterparts. Although they can start the processes leading to the seizure of property and garnishment of wages, they must go through the local court system.

Work environment. Tax examiners, collectors, and revenue agents work in clean, pleasant, and comfortable office settings. Sometimes travel is necessary. Revenue agents at both the Federal and State levels spend a significant portion of their time in the offices of private firms, accessing tax-related records. Some agents may be permanently stationed in the offices of large cor-



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porations with complicated tax structures. Agents at the local level usually work in city halls or municipal buildings. Collectors travel to local courthouses, county and municipal seats of government, businesses, and taxpayers' homes to look up records, search for assets, and settle delinquent accounts.

Stress can result from the need to work under a deadline in checking returns and evaluating taxpayer claims. Collectors also must face the unpleasant task of confronting delinquent taxpayers.

Tax examiners, collectors, and revenue agents generally work a 40-hour week, although some overtime might be needed during the tax season. State and local tax examiners, who may review sales, gasoline, and cigarette taxes instead of handling tax returns, may have a steadier workload year-round.

Training, Other Qualifications, and Advancement

Many tax examiners, collectors, and revenue agents have a bachelor's degree. But relevant experience, or a combination of postsecondary education and experience, is sufficient qualification for many jobs. Specialized experience is sufficient to qualify for many jobs in State and local government.

Education and training. As shown in the table below, a bachelor's degree was the most common level of educational attainment among tax examiners, collectors, and revenue agents in 2006.

	Percent
High school graduate or less	25
Some college, no degree	19
Associate degree	10
Bachelor's degree	39
Graduate degree	6

In the Federal Government, workers must have a bachelor's degree or a combination of some college education and related experience. But in State and local governments, workers often have an associate degree, some college-level business classes and specialized experience, or a high school diploma and specialized experience.

For more advanced entry-level positions, applicants often must have a bachelor's degree. Candidates may sometimes qualify without a bachelor's degree, however, if they can demonstrate experience working with tax records, tax laws and regulations, documents, financial accounts, or similar records.

Specific education and training requirements vary by occupational specialty.

Tax examiners usually must have a bachelor's degree in accounting or a related discipline or a combination of education and full-time accounting, auditing, or tax compliance work. Tax examiner candidates at the IRS must have a bachelor's degree or 1 year of full-time specialized experience, which could include full-time work in accounting, bookkeeping, or tax analysis. After they are hired, tax examiners receive some formal training. In addition, annual employer-provided updates keep tax examiners current with changes in procedures and regulations.

Collectors usually must have some combination of college education and experience in collections, management, customer service, or tax compliance, or as a loan officer or credit manager. A bachelor's degree is required for employment as a

collector with the IRS. No additional experience is required, and experience may not be substituted for the degree. Degrees in business, finance, accounting, and criminal justice are good backgrounds.

Entry-level collectors receive formal and on-the-job training under an instructor’s guidance before working independently. Collectors usually complete initial training by the end of their second year of service, but may receive advanced technical instruction as they gain seniority and take on more difficult cases. Also, collectors are encouraged to continue their professional education by attending meetings to exchange information about how changes in tax laws affect collection methods.

Revenue agents usually must have a bachelor’s degree in accounting, business administration, economics, or a related discipline or a combination of education and full-time business administration, accounting, or auditing work. Revenue agents with the IRS must have either a bachelor’s degree or 30 semester hours of accounting coursework along with specialized experience. Specialized experience includes full-time work in accounting, bookkeeping, or tax analysis.

Other qualifications. Tax examiners, collectors, and revenue agents work with confidential financial and personal information; therefore, trustworthiness is crucial for maintaining the confidentiality of individuals and businesses. Applicants for Federal Government jobs must submit to a background investigation.

Collectors need good interpersonal and communication skills because they deal directly with the public and because their reports are scrutinized when the tax agency must legally justify attempts to seize assets. They must be able to negotiate well and deal effectively with others in potentially confrontational situations.

Revenue agents need strong analytical, organizational, and time management skills. They also must be able to work independently, because they spend so much time away from their home office, and they must keep current with changes in the tax code and laws.

Advancement. Advancement potential within Federal, State, and local agencies varies for tax examiners, revenue agents, and collectors. For related jobs outside government, experienced workers can take a licensing exam administered by the Federal Government to become enrolled agents—nongovernment tax professionals authorized to represent taxpayers before the IRS.

Collectors who demonstrate leadership skills and a thorough knowledge of collection activities may advance to supervisory or managerial collector positions, in which they oversee the activities of other collectors. It is only these higher level supervisors and managers who may authorize the more serious actions against individuals and businesses. The more complex collection attempts which usually are directed at larger businesses are reserved for collectors at these higher levels.

Newly hired revenue agents expand their accounting knowledge and remain up to date by consulting auditing manuals and other sources for detailed information about individual industries. Employers also continually offer training in new auditing techniques and tax-related issues and court decisions. As revenue agents gain experience, they may specialize in an industry, work with larger corporations, and cover increasingly complex tax returns. Some revenue agents also specialize in assisting in criminal investigations, auditing the books of known or suspected criminals such as drug dealers or money launderers. Some agents work with grand juries to help secure indictments. Others become international agents, assessing taxes on companies with subsidiaries abroad.

Employment

In 2006, tax examiners, revenue agents, and collectors held about 81,000 jobs at all levels of government.

About 44 percent worked for the Federal Government, 37 percent for State governments, and the remainder for local governments. In the IRS, tax examiners and revenue agents predominate because of the need to examine or audit tax returns. Collectors make up a smaller proportion, because most disputed tax liabilities do not require enforced collection.

Job Outlook

Little or no change in employment is expected, but the large number of retirements expected over the next 10 years should create many job openings at all levels of government.

Employment change. Employment of tax examiners, collectors, and revenue agents is projected to grow 2 percent during the 2006-16 decade, which is considered little or no change. Demand for tax examiners, revenue agents, and tax collectors will stem from changes in government policy toward tax enforcement and from growth in the number of businesses.

The Federal Government is expected to increase its tax enforcement efforts. Also, new technology and information sharing among tax agencies make it easier for agencies to pinpoint potential offenders, increasing the number of cases for audit and collection. These two factors should increase the demand for revenue agents and tax collectors.

The work of tax examiners is especially well suited to automation, adversely affecting demand for these workers in particular. In addition, more than 40 States and many local tax agencies contract out their tax collection functions to private-sector collection agencies in order to reduce costs, and this trend is likely to continue. The IRS has begun outsourcing some tax collection, but it is unclear whether the agency will continue or expand this practice. If IRS outsourcing continues, it will dampen growth in employment of revenue officers but is not expected to affect employment of revenue agents.

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016	Change, 2006-16	
				Number	Percent
Tax examiners, collectors, and revenue agents	13-2081	81,000	82,000	1,700	2

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

Job prospects. The large number of retirements expected over the next 10 years is expected to create many job openings at all levels of government. Both State and Federal tax agencies are turning their enforcement focus to higher income taxpayers and businesses, which file more complicated tax returns. Because of this, workers with knowledge of tax laws and experience working with complex tax issues will have the best opportunities.

Competition will be greatest for positions with the IRS. Opportunities at the Federal level will reflect the tightening or relaxation of budget constraints imposed on the IRS, the primary employer of these workers.

Employment at the State and local levels may fluctuate with the overall state of the economy. When the economy is contracting, State and local governments are likely to freeze hiring and lay off workers in response to budgetary constraints.

Earnings

In May 2006, median annual earnings for all tax examiners, collectors, and revenue agents were \$45,620. The middle 50 percent earned between \$34,840 and \$62,530. The bottom 10 percent earned less than \$27,290, and the top 10 percent earned more than \$81,890. However, median earnings vary considerably, depending on the level of government. At the Federal level, May 2006 median annual earnings for tax examiners were \$52,630; at the State level, they were \$44,110; and at the local level, they were \$33,120.

Earnings also vary by occupational specialty. For example, in the Federal Government in 2006, tax examiners earned an average of \$38,290, revenue agents earned \$82,204, and tax specialists earned \$55,100.

IRS employees receive family, vacation, and sick leave. Full-time permanent IRS employees are offered tax deferred retirement savings and investment plans with employer matching contributions, health insurance, and life insurance.

Related Occupations

Tax examiners, collectors, and revenue agents analyze and interpret financial data. Occupations with similar responsibilities include accountants and auditors, budget analysts, cost estimators, financial analysts and personal financial advisors, financial managers, and loan officers.

Sources of Additional Information

Information on obtaining positions as tax examiners, collectors, or revenue agents with the Federal Government is available from the Office of Personnel Management through USAJOBS, the Federal Government's official employment information system. This resource for locating and applying for job opportunities can be accessed through the Internet at <http://www.usajobs.opm.gov> or through an interactive voice response telephone system at (703) 724-1850 or TDD (978) 461-8404. These numbers are not tollfree, and charges may result.

State or local government personnel offices can provide information about tax examiner, collector, or revenue agent jobs at those levels of government.

For information about careers at the Internal Revenue Service, contact:

► Internal Revenue Service, 1111 Constitution Ave. NW., Washington, D.C. 20224. Internet: <http://www.jobs.irs.gov>