

**STATEMENT OF TROY K. LEWIS  
ON BEHALF OF THE  
THE AMERICAN INSTITUTE OF CPAs**

**BEFORE  
THE NATIONAL TAXPAYER ADVOCATE**

**PUBLIC FORUM ON  
“WHAT TAXPAYERS WANT OR NEED FROM THE IRS  
TO COMPLY WITH THE TAX LAWS”**

**MAY 17, 2016**

Hello. My name is Troy Lewis. On behalf of the American Institute of CPAs, I would like to thank the National Taxpayer Advocate, Nina Olson, and her office for the opportunity to speak today. The AICPA appreciates the discussion on what taxpayers want or need from the Internal Revenue Service (IRS) in the future. This is an important issue for our profession. In fact, last May, our governing council passed a resolution focusing on the IRS's need to transform into a modern-functioning, evolutionary and respected federal agency for the 21<sup>st</sup> Century.

The question posed here today is "what do taxpayers want or need from the IRS." Most importantly, taxpayers and practitioners must have access, both timely and meaningful access, to the IRS. In order to make this happen, we recommend that the agency focus on (1) utilizing modern and secure technology, (2) developing and continuing to hire and train knowledgeable employees, and (3) regularly seeking and utilizing stakeholder engagement. We believe the IRS's commitment in these three areas, will have the most impact in providing everyone meaningful access to the IRS.

This filing season, I had a personal experience that exemplifies what taxpayers need. A client brought me a standard, computer-generated notice the IRS had sent requesting information about capital gain income. The income, which was reported to the IRS on a Form 1099-B (*Proceeds from Broker and Barter Exchange Transactions*), was properly reported on my client's tax return and the appropriate amount of income tax had been paid. There was no error on the return. However, due to requirements in its matching system, the IRS needed additional information to verify the income was properly reported.

The notice was a mere case of matching the third-party information reported to the IRS, with information reported on the return. However, it took me two letters and four months to

resolve this notice. It was a highly-inefficient experience and an example of where change is clearly needed.

You may ask why I did not call the IRS. It has been my experience that the IRS representative who probably would have answered my call would not have the necessary tools or training to resolve the issue. Eventually, after some discussion, the representative would revert to their default position of asking me to provide my entire explanation and any related documentation in a letter. It is not efficient for either party if the IRS representative is not able to deal with specific issues over the telephone.

In today's environment, after mailing the requested information, I still do not have the ability to speak with the representative who is specifically assigned this case or who has access to the documentation I submitted. The IRS's current technology does not allow for the sharing of information from one department to another. At best, they can only confirm receipt of the documents.

The IRS must have modern and secure technology. In the future, I hope to have multiple options for contacting the IRS, such as calling, sending an email or having access to a secure on-line portal. Taxpayers, particularly ones in outlying areas, should have the option of communicating through other methods such as video chat. When you must rely solely on old-fashioned letters, interacting with the IRS is a slow process.

The IRS should also provide a fully-integrated electronic system, such as online accounts similar to what some states use (for example, California's MyFTB). In the interest of efficiency, the agency should focus on developing and improving practitioner tools, such as online account resolutions and options to submit a Power of Attorney. With such modern-day options in place, the scenario I described earlier is resolvable within a few days as opposed to four months.

Let me close by summarizing a few points. To ensure that we have meaningful access to the IRS, the agency needs to regularly provide a systematic, reliable and economical source of training to their employees. In order to answer basic questions and to keep up with changing tax laws, IRS representatives need consistent, quality training, comparable to that offered to a tax practitioner. This lack of training often results in poor customer service.

Finally, it is critical that the IRS actively pursues stakeholder (taxpayer, tax preparer and other IRS customers) engagement, particularly on major organizational changes such as the IRS Future State. Stakeholders such as CPAs, who are on the “frontline,” can provide sound recommendations to ensure the needs of taxpayers, tax practitioners and the government are met. The AICPA received an initial briefing of the IRS future state initiative. While we are encouraged with the [overview](#) that was shared with us, we strongly believe continued stakeholder involvement during the decision making process is essential. We all have a vested interest in the success of the IRS.

Furthermore, by empowering the agency with the latest technology and an educated workforce, we will all have timely and meaningful access to the IRS, which we believe is the first step in meeting the needs of both taxpayers and practitioners both today as well as in the future.

Thank you for the opportunity to testify, and I would be happy to answer any questions.