Treasury Inspector General for Tax Administration
Office of Audit

TAXPAYER ONLINE ACCOUNT ACCESS IS CONTINGENT ON THE COMPLETION OF KEY INFORMATION TECHNOLOGY PROJECTS

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Highlights

Highlights of Report Number: 2015-40-053 to the Internal Revenue Service Deputy Commissioner for Services and Enforcement.

IMPACT ON TAXPAYERS

Taxpayers continue to desire electronic products and services that enable them to interact and communicate with the IRS. In Calendar Year 2013, the IRS started developing its latest strategy, called the Service on Demand Initiative, to improve customer service. Its vision is a tax administration that delivers tailored efficient services where, when, and how customers want to be served.

WHY TIGTA DID THE AUDIT

In its most recent Strategic Plan, the IRS acknowledged that the current technology environment has raised taxpayers' expectations for online customer service and it needs to meet these expectations. The IRS's goal is to provide taxpayers with dynamic online account access that includes viewing their recent payments, making minor changes and adjustments to their accounts in real-time, and corresponding digitally with the IRS to respond to notices or complete forms. TIGTA performed this audit to assess IRS efforts to identify taxpayers' needs and preferences for online services and the actions planned or taken to deliver these online capabilities.

WHAT TIGTA FOUND

The IRS has made progress in providing taxpayers with online customer service options. However, it needs to prioritize the completion of key information technology projects that are needed to provide the electronic platform for developing future projects that will provide taxpayers with dynamic online access capabilities. Although the IRS Commissioner noted that the IRS expects to deliver these capabilities in three to five years and IRS stakeholders continue to emphasize the importance of providing taxpayers with online account access, additional funding needs to be committed to fully complete the key information technology projects.

The Service on Demand Initiative is the IRS's latest attempt to deliver such capability and contains specific projects that will provide online account access options. This initiative identified 71 projects to improve customer service but does not adequately emphasize dynamic online account access when assigning a priority rank to these projects. For example, TIGTA determined that 12 of the 71 projects directly address providing taxpayers with dynamic online account access or improved digital communication.

However, five of these 12 projects are not included in the top 20 that the Service on Demand team is emphasizing as the most important. Three of these five projects would improve the IRS's ability to address the continued challenge of tax-related identity theft.

Lastly, leading practices of successful State agencies would assist the IRS in developing a long-term online strategy. Online account access is a service that taxpayers already receive from some State tax agencies.

WHAT TIGTA RECOMMENDED

TIGTA recommended that the Deputy Commissioner for Services and Enforcement reprioritize the 71 Service on Demand projects to align with the IRS Commissioner's long-term vision for modernizing taxpayer service.

The IRS agreed with the recommendation. The IRS plans to use its annual Services Approach reflection and refresh process to ensure that the projects proposed for implementation, including the Service on Demand projects, align with the IRS Commissioner's long-term vision for modernizing taxpayer service.

READ THE FULL REPORT

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

http://www.treas.gov/tigta/auditreports/2015reports/201540053fr.pdf.

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