Electronic Tax Administration Advisory Committee

ANNUAL REPORT TO CONGRESS

June 2025

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Chairperson's Message

I am honored to present this report to Congress and the IRS, reflecting our unwavering commitment to enhancing the nation's tax administration through collaboration and forward-thinking recommendations. As Chair of the IRS Electronic Tax Administration Advisory Committee (ETAAC), I take great pride in the work our committee has accomplished. Our team—comprising tax practitioners, enrolled agents, state and local administrators, and other esteemed experts—has united to forge a vision that blends innovation with practical, taxpayer-focused solutions for a further improved and modernized electronic tax system.

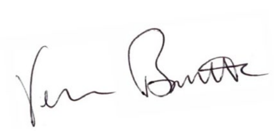
Throughout our numerous, in-depth briefings with our IRS partners, we have gained invaluable insights into the challenges and opportunities facing tax administration today. I deeply appreciate the IRS for their willingness to provide extensive briefings on a variety of topics and initiatives underway. Their openness and detailed updates have been instrumental in shaping our understanding of current operations and in highlighting the excellent progress already being made. In many cases, our recommendations are crafted in support of that great work—aiming to build on and enhance these successes for the benefit of all stakeholders.

I would also like to extend my sincere gratitude to our Vice Chair, Amy Miller, the subcommittee leads: Argi O'Leary, Carol Lew, and Mark Steber, our editor, Ryan Minnick, and every committee member who worked closely together to ensure that our recommendations are as thorough and thoughtful as possible. Their hard work, dedication, and collaborative spirit have been critical to the development of a set of 14 specific and actionable recommendations that truly reflect the practical needs of the tax ecosystem and the values we all share as members of the broader tax community.

Our collective vision, represented in the following pages, is founded on the belief that by embracing technology, streamlining processes, and fostering strong partnerships, the IRS can create a more responsive, efficient, and trusted system. The unified perspectives that have driven the recommendations in this report demonstrate our commitment to improving the electronic tax administration experience for both taxpayers and the agency.

It is with great optimism, respect for our IRS partners, and a deep sense of duty that I invite you to review our proposals. Together, we can continue to build a system that not only safeguards taxpayer rights but also upholds the integrity of revenue collection for our nation.

Respectfully,



Vernon Barnett

Chair, IRS Electronic Tax Administration Advisory Committee
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Table of Contents:

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Executive Summary

This report to the IRS and Congress by members of the IRS Electronic Tax Administration Advisory Committee (ETAAC) presents a robust list of recommendations for improving U.S. tax administration at the federal level in an era of rapidly changing technology and evolving taxpayer needs. At the heart of these recommendations is the joint perspective and alignment of tax practitioners, enrolled agents, state and local tax administrators, and other respected experts from across the tax ecosystem. Members' real-world insights underpin this report's initiatives, ensuring that recommendations are responsive to tax ecosystem stakeholders, taxpayer challenges and the operational realities of the Internal Revenue Service.

Key themes in the report include:

• **Simplification of Tax Administration:**

Relying on extensive IRS briefings, the ETAAC members unanimously support collaboration between Congress and the IRS surrounding any tax legislation so that changes may be managed to minimize taxpayer confusion and reduce administrative burdens on the entire tax ecosystem, including state and local tax administrators, enrolled agents and other practitioners, and the tax software providers that support electronic submission of data to the IRS. Recommendations include streamlining statutory provisions and eliminating redundant filings, thereby empowering taxpayers to comply more readily and enabling the IRS to reallocate resources to enhance service quality.

• **Sustaining Adequate Funding and Modernization:**

ETAAC members unanimously agree that predictable, multi-year funding is vital for maintaining efficient taxpayer services. This report reinforces the need to support critical technological and operational advancements. Modernization efforts—including master file enhancements, systemic technology upgrades, and process improvements—are included in this report as essential investments that not only reduce inefficiencies but also bolster public trust in the IRS.

• **Enhancing Digital Payment and Filing Processes:**

The report identifies critical barriers—especially for second filers on joint returns and first-time filers—in using current IRS digital payment platforms. Based on thorough discussions during IRS briefings, ETAAC members concur that adopting user-centered digital solutions can eliminate these challenges. Proposals include updating Direct Pay methodologies, improving online account options, and instituting safeguards to protect low-income taxpayers from undue fees, ensuring every taxpayer can easily meet their obligations.

• **Regulating Tax Preparers and Promoting Transparency:**

Recognizing the potential harm posed by unregulated tax preparers, the ETAAC unanimously recommends that Congress empower the IRS with clear statutory authority to regulate non-credentialed preparers. This measure is intended to raise the quality of tax returns, reduce fraudulent practices, and enhance overall taxpayer protection—benefits that extend to the entire tax ecosystem.

• **Leveraging Human-Centered Design and Advanced Technologies:**

Emphasizing a core principle—"building with taxpayers, not for taxpayers"—the report underscores the transformational potential of integrating human-centered design into IRS digital services. Unanimously agreed upon by committee members, further recommendations advocate for iterative user testing and the strategic deployment of artificial intelligence to create a more transparent, efficient, and responsive tax administration process. These technological enhancements are aimed at reducing delays, minimizing errors, and ultimately strengthening taxpayer confidence while maintaining service levels and strict data security and privacy standards.

In summary, the 14 recommendations detailed in this report reflect the perspectives and extensive experience of the members of the 2024-25 ETAAC committee, informed by information provided by the IRS in numerous briefings, and crafted to provide actionable solutions for implementation and improvement. The unanimous consensus of ETAAC members is a critical element of this report, allowing the IRS and Congress to trust that these recommendations have been vetted with a robust collection of stakeholder viewpoints. By pursuing these recommendations, both the IRS and Congress can take definitive steps toward continuing modernization of our nation's tax system, protecting taxpayer rights, and securing the integrity of revenue collection for the federal government.

Recommendation 1: Congress Should Consider Tax Simplification When Implementing Tax Policy Goals for Efficient Tax Administration and Federal Budgetary Savings

Background/Present Law:

Congress and the public place heavy demands upon the IRS. Efficiently collecting taxes is essential to enable the U.S. government to provide essential services to the public. To achieve various objectives in a complex society, the Code, and hence tax administration, has become increasingly complex.

Recommendations:

As Congress considers changes to the Internal Revenue Code of 1986, as amended (the "Code") due to expiration of certain provisions made by the Tax Cuts and Jobs Act ("TCJA"), we strongly suggest that consideration is given to the following simplification concepts to achieve efficiency and budgetary savings, and better serve taxpayers:

- Code Stability. New Code sections potentially alter and/or disrupt taxpayer planning, and impact the IRS and other stakeholders, such as states and software providers for tax preparation services, potentially causing inefficiency and wasteful expenditure of public resources. While a new Code provision might be necessary to achieve tax policy goals, we believe it is crucial to balance taxpayer and IRS stability needs by minimizing nonessential modifications when considering Code changes.[1]
- New Code Language Increases Inefficiency. New Code language often needs to be interpreted by guidance potentially resulting in inefficiency and IRS resource expenditures. New or modified Code provisions generally require new tax forms, publications, as well as call center usage, burdening the IRS and taxpayers. While change might be necessary to achieve a Congressional objective, utilization of previously interpreted and understood language can promote efficiency in tax administration by minimizing the need for expenditure of government and taxpayer resources to understand the application of Code provisions. Careful consideration of previous provisions and guidance in statutory construction can promote an efficient tax system.[2]
- Minimize Expiring Provisions. Often Code complexity results from expiring provisions and complex deadlines and transition rules. While we recognize that Congress must address budgetary constraints when enacting Code changes, complex deadlines potentially result in taxpayer confusion, inefficiency in taxpayer planning, and increased burden on the IRS to address the complexity. We suggest carefully analyzing the burden of such types of provisions when crafting statutory language.[3]
- Minimize Complicated Exceptions and Elections. The burden of complicated exceptions and elections should be carefully examined when addressing policy goals. Consideration should be given to volume of use, taxpayers impacted, and resource utilization efficiency in crafting statutory language to avoid unnecessary burden and waste.[4]

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[1] An example of changing Code provisions causing the expenditures of resources include changes to the SALT deduction for individuals (Code §164(b)(5)) by the Tax Cuts and Jobs Act, H.R.1, 115th Cong., 1st Sess. (2017), with an expiration date necessitating further changes, such as new forms and additional IRS guidance as well as impacting States, software providers for tax preparation, as well as payroll service providers.

[2] See the history of restrictions with respect to nonprofits and the utilization of similar terms and concepts over time for an example that promotes understanding of provisions. https://www.irs.gov/pub/irs-soi/tehistory.pdf

[3] For example, multiple tax credits under the Inflation Regulation Act with differing restrictions and applicability dates required substantial IRS resources to provide adequate tax administration. See, e.g., Code §25C, 25D, 25E 30B, 30C, 30D, 38-45AA, and 46-50, and the voluminous amount of necessary guidance released by the IRS in response.

[4] An example of a complicated exception that is difficult to apply is the domestic content restrictions of Section 45, 45Y, 48 and 48E of the Code. To alleviate some of the complexity the IRS released Notice 2024-41 providing safe-harbors. The restrictions are still difficult to apply for many facilities.

- Avoid Retroactivity. Taxpayers need clear rules and rely on existing Code provisions when making decisions, such as whether to make capital expenditures. Retroactive application of new provisions causes inefficiency in the tax system, resulting in resource burdens and noncompliance and should be avoided.[5]
- Provide Adequate Time to Stakeholders to Adapt. After new Code provisions are enacted, the IRS must respond, typically with guidance, and new or altered forms. It is essential that Congress consider filing and other deadlines, and provide adequate time for the IRS, taxpayers, and other stakeholders (such as tax preparation software providers, corporations, trustees, States, payroll service providers, and third party payment processors) to adapt to the provisions.[6] These stakeholders need adequate time to understand, adapt, and make system/process updates to respond to changing provisions.

Important Considerations for Expiration of TCJA

As the expiration of the TCJA approaches at the end of 2025, it is crucial to take proactive measures to ensure a smooth transition and provide timely direction to stakeholders. We suggest that Congress enact new tax legislation well in advance of the TCJA's expiration to provide the IRS direction to stakeholders and the tax industry with sufficient time to adapt. Legislation should be in place several months before the expiration date to avoid disruptions to tax season. It cannot be overstated how important it is to provide the IRS, software companies, tax practitioners, states, payroll service providers, corporations, third party payment processors, and others with sufficient time to review, process, and adapt to changes as a result of the TCJA expiring and any new legislation to address the expiration, including creating/revising forms and making other processing changes to avoid errors and facilitate and efficient and functioning tax system; we encourage Congress to carefully consider this issue.

[5] For example, a taxpayer might begin construction on a project for which a credit is allowed under Section 48; care should be taken to avoid retroactively altering Code restrictions impacting such credit.

[6] An example of a change that required adequate time for stakeholders to adapt is Section 9674(a) of the American Rescue Plan Act of 2021 which amended Section 6050W of the Code to decrease the minimum threshold for Forms 1099-K. The IRS has had to delay full implementation to allow adequate adjustment time for stakeholders. See Notice 2023-10; https://www.irs.gov/newsroom/irs-announces-delay-for-implementation-of-600-reporting-threshold-for-third-party-payment-platforms-forms-1099-k

Recommendation 2: The IRS should coordinate with relevant stakeholders—state tax agencies, Free File partners, and VITA/TCE programs—to share and analyze real-time data from all free-to-file options (Direct File, Free File, VITA, TCE) in order to improve customer service, conduct timely fraud prevention, and have parity with data generated from other filing options.

Overview:

The IRS administers several programs to provide no-cost filing options for taxpayers, including the nascent **Direct File** program, which was initially piloted in 2024, the longstanding **Free File** partnerships, and the **VITA (Volunteer Income Tax Assistance)/TCE (Tax Counseling for the Elderly)** network. These programs share a common goal: helping taxpayers file accurate returns at little or no cost. They also present valuable opportunities to coordinate with state tax agencies to ensure alignment in return processing, fraud prevention, and service delivery.

Currently, most taxpayers file a federal tax return via these programs with either a linked (federal and state returns filed at the same time, prepared from the same federal basis), or unlinked (federal return filed first and then a state return filed separately) status, depending on the program and the participant's specific tax situation, software, or personal choice. Most income tax collecting states base key calculations on the results of the federal return but may not learn of any subsequent IRS adjustments or unfiled returns until many months or years later. This delay can result in significant downstream impacts, including:

- **Delayed fraud detection.** Without real-time access to IRS return or correction data, states lose the opportunity to detect fraudulent returns before refunds are disbursed.
- **Additional penalties and interest for taxpayers.** Adjustments that occur well after the filing season often lead to unforeseen state tax bills.
- **Unnecessary taxpayer confusion.** Taxpayers may receive conflicting notices or multiple adjustments from federal and state authorities at different times, undermining trust in the tax system.

While we understand that there are legal restrictions that prohibit the IRS from disclosing certain information, by sharing pertinent data that is already authorized under memorandums of understanding with states in real time related to these free-to-file programs, the IRS and state agencies can provide more consistent, accurate service and reduce overall burdens on taxpayers.

Opportunities for Improvement and Collaboration:

Timely Fraud Prevention

- If a taxpayer uses Direct File, Free File, or VITA/TCE, the IRS could provide state agencies with near real-time confirmation that the taxpayer filed federally. This would help states quickly identify potential non-filers or suspicious returns.
- Real-time data sharing would allow states to match IRS acceptance data against filed state returns, reducing the risk of improper refunds before they are issued.

Minimizing Delays and Complexity for Taxpayers

- Rapid exchange of filing information can flag discrepancies (e.g., an amended federal return) for immediate state follow-up, sparing taxpayers the prolonged wait for corrections and preventing surprise bills months or years later.
- Integrating data from VITA/TCE-prepared returns (where many low-income taxpayers receive free assistance) ensures that vulnerable populations do not face unwarranted penalties due to slow data flows.

Enhancing Customer Service Across Programs

- Free-to-file platforms and VITA/TCE sites often serve the same taxpayers who could benefit most from streamlined state and federal filing. Coordinated data sharing would help identify taxpayer service needs early.
- Sharing operational metrics with states—such as common rejection reasons, error codes, or typical processing time—would highlight areas for joint improvement.

Suggested Metrics for Data Sharing:

Building on existing efforts, the IRS and states should routinely share a suite of performance, participation, and error-tracking metrics reciprocally for Direct File, Free File, and VITA/TCE-prepared returns, including:

- **Volume & Demographics**
  - *Number of returns filed through each free-to-file avenue (Direct File, Free File, VITA, TCE)* broken down by state, income strata, and return type.
  - *Number of credits claimed* (e.g., EITC) by state, credit, and income band.
- **Completion & Rejection Rates**
  - *Rate of incomplete or abandoned returns* in each free-to-file channel (by state, by income strata).
  - *Number of IRS-accepted returns that do not flow through to a state return* (by state, by income strata).
  - *Number and reasons for rejections* at both the IRS and state levels, highlighting frequent data mismatches or authentication failures.
- **Processing Times & Post-Filing Adjustments**
  - *Time to complete and submit returns* (from taxpayer's perspective, factoring in different free-to-file channels).
  - *Number and type of post-processing adjustments* (delinquent, non-filer flags, fraud identifications) indicating what issues might be prevented with better up-front checks.
- **User Experience & Retention**
  - *Repeat usage metrics* (e.g., individuals who used a free program last year but not this year).
  - *Feedback or satisfaction ratings* collected from each channel or site, aggregated for shared insight.

These metrics will better inform state and federal agencies about how effectively returns are processed, how quickly potential fraud is flagged, and where taxpayer experience can be improved.

Conclusion:

Coordinating robust, real-time data sharing across **Direct File, Free File, and VITA/TCE** programs will enhance the integrity, efficiency, and fairness of return processing at both federal and state levels. By leveraging accurate and timely information, state tax agencies and the IRS can:

- Provide rapid fraud detection and prevention,
- Reduce taxpayer confusion from after-the-fact adjustments,
- Minimize penalties and interest for unsuspecting filers, and
- Improve overall customer service in the free-to-file ecosystem.

Ultimately, states and the IRS serve the same taxpayers. Ensuring that all parties have the right data at the right time is critical to building a modern, coherent filing experience that supports voluntary compliance and public trust.

Recommendation 3: The IRS should improve communication, outreach and education around tax law and implementation changes including TCJA expiration, 1099-K and others.

As the expiration of the Tax Cuts and Jobs Act (TCJA) approaches at the end of 2025 and the implementation of the new 1099-K reporting occurs, it is crucial to take proactive measures to ensure taxpayers, industry and the IRS are well-informed and prepared for these changes. The TCJA, enacted in 2017, brought significant changes to the tax code, including lower tax rates for individuals and businesses, increased standard deductions, and limitations on certain deductions. As the expiration date nears for TCJA and the new reporting requirement are implemented for 1099-K, there is a pressing need to improve communication, outreach, and education around tax law and implementation changes. This proactive approach will help avoid disruptions to the tax season and ensure a seamless transition for taxpayers and the tax ecosystem.

Educational campaigns are essential to provide taxpayers with clear and accessible information. By conducting a comprehensive national outreach campaign, taxpayers will have ample time to understand their obligations and avoid potential penalties. This will reduce confusion and ensure that taxpayers are prepared to comply with any new requirements. Educating taxpayers and tax professionals will also reduce the number of errors and inquiries, making the implementation process smoother for the IRS and the tax industry. Clear and timely communication of the new tax laws will empower taxpayers to understand their obligations and benefits, fostering a sense of confidence and stability in their financial planning.

Collaboration with industry partners is crucial to amplify the impact of the outreach efforts and ensure that the information is widely disseminated. Receiving information from trusted sources will increase taxpayers' confidence in their understanding of the new requirements and provide multiple touchpoints for accessing the information they need. Collaborating with industry partners will help identify and address any issues or concerns that may arise during the implementation process. This preparation will ensure a smooth implementation, reducing the risk of errors and delays. Additionally, it will allow the IRS to focus on its core mission of administering the tax code and providing quality service to taxpayers, rather than scrambling to adapt to last-minute legislative changes.

Feedback mechanisms are vital to provide opportunities for taxpayers to feel heard and supported. Gathering feedback will help the IRS identify potential challenges and areas for improvement, providing valuable insights into the effectiveness of the outreach efforts and helping refine future communication strategies. Providing opportunities for feedback will also allow the IRS to address any issues or concerns promptly, improving the overall experience for taxpayers. This collaborative effort will pave the way for a smooth transition and a more resilient tax system in the future.

Recommendation 4: Congress Should Provide Predictable Funding to the IRS for Efficient and Effective Taxpayer Service.

Background:

In the past, the IRS has been underfunded, resulting in poor taxpayer service and inefficiency in collecting revenues required to provide necessary government services for Americans.[7] The Inflation Reduction Act of 2022 (the "IRA")[8] provided funding to the IRS to address antiquated systems and employ sufficient personnel to dramatically raise the level of taxpayer service and improve the collection of revenue. Taxpayers benefitted from the IRA directly with dramatic cuts in telephone wait times, faster processing of returns (including refunds), the reopening of taxpayer assistance centers and the clearing of backlogged returns, among other benefits.[9] With IRA funding, antiquated computer systems are being replaced; the data the IRS and other stakeholders need to perform their duties is being made accessible through modernization of master files; and the IRS has begun to leverage modern tools to improve operations and efficiency. If legacy IRS systems are not modernized, the IRS would continually expend resources to support its current aging systems and likely result in the increased risk of providing inadequate and diminished service to the public.[10] The IRS has also begun to shift away from a using the age- and technology-based criteria. A system is considered legacy if it measurably obstructs mission-critical outcomes and the IRS has shifted focus to modernize infrastructure in ways that enhance taxpayer services.

The Fiscal Responsibility Act rescinded $1.4 billion of IRA appropriations and proposed an additional $20.2 billion cut, potentially adding to the U.S. deficit more than $100 billion, as estimated by the IRS.[11]

Opportunities:

As Congress considers important policy goals to provide efficient and effective service for Americans, we urge Congress to provide sufficient annual and multi-year funding to the IRS, consistent with the budgetary request of the IRS[12], to ensure the IRS is able to execute on the priorities outlined by Congress and taxpayers receive the service they deserve. We urge the IRS to provide transparent updates to Congress regarding the return on taxpayers' investments in the IRS and taxpayer service.

Importance of Funding for Taxpayer Services

Taxpayer services are the backbone of a functional tax administration system. Adequate funding ensures:

- **Improved Accessibility**: Adequate resources allow for more efficient handling of inquiries and reduce wait times for assistance.
- **Error Reduction**: Enhanced support helps taxpayers understand their obligations and file accurate returns, minimizing the need for costly corrections or audits.
- **Increased Compliance**: By making it easier for taxpayers to comply voluntarily, the IRS can focus its enforcement efforts on more complex issues.

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[7] See, e.g. https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/Most-Serious-Problems-IRS-Significantly-Underfunded.pdf
[8] H.R. 5376, Inflation Reduction Act of 2022, P.L. 117-169.
[9] Fiscal Year 2025 Budget in Brief; https://www.irs.gov/pub/irs-pdf/p5530.pdf
[10] See, e.g., https://www.taxpayeradvocate.irs.gov/news/nta-blog/ntablog-it-modernization/2020/09/
[11] Fiscal Year 2025 Budget in Brief; https://www.irs.gov/pub/irs-pdf/p5530.pdf
[12] IRS Fiscal Year 2025 Congressional Budget Justification & Annual Performance Report and Plan (https://home.treasury.gov/system/files/266/02.-IRS-FY2025-CJ.pdf)

Role of the Taxpayer Advocate Service (TAS)

The Taxpayer Advocate Service plays a critical role in helping individuals and businesses navigate the tax system, especially in cases where systemic issues or hardships arise. TAS provides:

- **Individual Case Assistance**: Resolving issues that taxpayers are unable to address through standard IRS channels.
- **Systemic Advocacy**: Identifying and addressing systemic problems within the tax system, leading to recommendations that benefit all taxpayers.

Specific Funding Needs

To ensure taxpayer services and TAS can meet their objectives, Congress should consider:

- **Technology Modernization**: Investing in updated systems to improve the efficiency of taxpayer services and case resolution.
- **Staff Expansion**: Increasing the number of skilled professionals to handle growing demand, especially during peak tax seasons.
- **Enhanced Outreach**: Funding programs to educate taxpayers about available resources, reducing confusion and increasing voluntary compliance.

A reduction in IRA funding would force the IRS to dramatically reduce customer service for taxpayers.[13] By 2026, the IRS would have enough resources to answer only two of every 10 phone calls to customer helplines and wait times would increase to 28 minutes on average.

"To the extent that you cut the funding, you make it harder for taxpayer service to work. People can't get through on the phones, they can't get answers," John Koskinen, the IRS commissioner from 2013 to 2017, said in January of this year. He continued, "I'm famous for saying that underfunding the agency is just a tax cut for tax cheats." Commissioner Koskinen's comments underscore several key issues arising from IRS budget cuts, each with broad implications for taxpayers and government functions:

Impact on Customer Service

- **Reduced Call Response Rates:** If the IRS can only answer 20% of taxpayer calls, millions of taxpayers could face unresolved questions about filing requirements, payments, and refunds. This can disproportionately affect individuals who rely on phone support, such as low-income filers, non-native English speakers, or those without access to digital resources.
- **Increased Wait Times:** Average wait times extending to 28 minutes could discourage taxpayers from seeking help, leading to mistakes in filings, delayed refunds, and compliance issues.

Wider Consequences for Tax Compliance

- **Support for Taxpayers:** The IRS often assists taxpayers in navigating complex tax codes, ensuring they claim appropriate deductions and credits. Reduced funding may result in more errors, overpayments, or missed refunds.
- **Filing Complexity:** Without adequate resources for outreach and education, taxpayers may struggle to understand changes in tax laws or new policies, leading to lower voluntary compliance.

[13] Deputy Treasury Secretary, Wally Adeyemo, Dec. 2024

Erosion of Enforcement

- **Reduced Audits:** Cuts to the IRS's budget hinder its ability to conduct audits, especially for high-income earners and corporations. This reduction in oversight could embolden tax evasion, creating a perception that avoiding taxes carries minimal risk.
- **Revenue Loss:** The IRS's enforcement activities generate significant revenue. Every dollar spent on enforcement historically returns multiple dollars in recovered taxes. Cuts to funding undermine this return, depriving the government of needed revenue for public services.

Equity and Trust in the Tax System

- **Disparities in Enforcement:** Budget constraints often lead to a focus on auditing low- to middle-income taxpayers because audits of complex returns (e.g., corporations and wealthy individuals) require more resources. This perpetuates inequities and fuels distrust in the fairness of the tax system.
- **Public Perception:** As Commissioner Koskinen highlighted, underfunding benefits those who evade taxes, which can erode public trust in government accountability and discourage voluntary compliance.

Broader Implications

- **Economic Costs:** Delays in processing refunds and responding to taxpayer inquiries can create cash flow issues for individuals and small businesses, negatively impacting the broader economy.
- **Policy Goals:** Efforts to modernize the IRS's technology and systems may also stall, leaving the agency reliant on outdated infrastructure that exacerbates inefficiencies.

Investing in taxpayer services and the Taxpayer Advocate Service is an investment in the integrity and functionality of the tax system. Doing so ensures that taxpayers have access to the support they need, while also promoting fairness and efficiency. Congress's continued commitment to adequate funding through mechanisms like the IRA or other appropriations is vital to achieving these goals.

Recommendation 5: The IRS should review and update their current list of MeF reject codes and explanations to provide greater clarity regarding the cause of a rejected return and how to resolve the reason for the reject.

Overview:

The Modernized E-File (MeF) system allows over 90% of taxpayers to electronically file both their federal and state tax returns at the same time using commercially available software. When a taxpayer submits their return, the return is sent to the software company which then transmits it to the IRS. For most taxpayers whose returns are accepted, the system works well. The accepted federal return is processed into the IRS's internal tax system, and any State return is made available to the applicable state to download into state tax system(s).

If the IRS rejects the return, the IRS will provide a reject code and message to the filer to provide information on why the return was rejected. As the Taxpayer Advocate cited in her 2022 report, rejected returns are a barrier to electronic filing.[14] The reject messages are sometimes unclear to the filer on why the return rejected and how to fix the error so the return can be successfully resubmitted. This can result in the IRS, software companies, and state tax agencies receiving phone calls from taxpayers and tax preparers on how to fix the reject so the return can be resubmitted and accepted.

MeF rejects may result in the taxpayer deciding to file a paper return instead of fixing the issue with their electronically filed return. This results in additional work and cost for the IRS to process these paper returns. According to the Taxpayer Advocate's 2022 Report, a return filed electronically through MeF costs the IRS $0.28, while a paper return costs $7.33 to be processed.[15]

If a paid preparer paper files a return for a client instead of electronically filing it, the preparer is required to file Form 8948, Preparer Explanation for Not Filing Electronically. On this form, several reasons are given as to why the return was not filed electronically. As reflected in Table 1, Reason number 4 is "This return was rejected by IRS e-file and the reject condition could not be resolved." The Form 8948 also asks for the reject code and the number of attempts the filer made before mailing in the return. Nearly 10% of the reasons indicated on the Form 8948 are for the return being rejected and the rejection reason was not able to be resolved.

[14] TAS 2022 Annual Report to Congress at p. 106; available at [2022 Full Report - Taxpayer Advocate Service](https://www.taxpayeradvocate.irs.gov).
[15] https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_MSP_06_FilingDelays.pdf

Table 1:

Reason Indicator	Reason	2022		2023		2024	
		Count	Percentage	Count	Percentage	Count	Percentage
1	Taxpayer chose to file this return on paper.	673,553	56.7%	447,814	48.8%	364,615	48.24%
2	The preparer received a waiver from the requirement to electronically file the tax return.	4,170	0.4%	2,775	0.3%	2,067	0.26%
3	The preparer is a member of a recognized religious group that is conscientiously opposed to filing electronically.	6,214	0.5%	4,575	0.5%	3,674	0.46%
4	This return was rejected by IRS e-file and the reject condition could not be resolved.	108,072	9.1%	97,992	10.7%	83,286	10.45%
5	The preparer's e-file software package does not support Form ___ or Schedule ___ attached to this return	12,884	1.1%	13,122	1.4%	10,181	1.28%
6*	Check the box that applies and provide additional information if requested.	382,429	32.2%	352,040	38.3%	313,481	39.32%
Total		**1,187,322**		**918,318**		**797,304**	

Benefits:

Providing taxpayers with refined explanations of the MeF reject reason, when such messages would not create operational security risks, and how to resolve the issue that led to the rejection would reduce taxpayer frustration and confusion and may reduce taxpayer contacts to the IRS from those seeking assistance on why their return was rejected and how to fix it. This may also reduce taxpayer contacts to tax software companies and to state tax agencies, as IRS rejects also generate phone calls to these entities from taxpayers looking for assistance. Providing additional information on how to fix a return can also help software companies improve their products to prevent returns from being submitted that will reject. It can also reduce costs to the IRS, as electronically filed returns are significantly cheaper to process than paper returns.

Recommendation 6: The IRS should update tax return forms, including relevant paper forms, to enhance security, combat fraud, identity theft and ghost preparers, and improve taxpayer understanding of tax return requirements.

In a December 2024 study of Americans' knowledge and understanding of the U.S. tax system, the Tax Foundation, a leading non-partisan tax policy nonprofit, concluded that most Americans are confused and dissatisfied by the U.S. tax code.[16] One of the Tax Foundation's key findings was that the majority of respondents to a national poll did not know or were not sure of basic concepts related to income tax filing. The Taxpayer Advocate also identified a lack of tax and financial literacy as the #8 Most Serious Problem for Taxpayers in her 2024 Annual Report to Congress.[17] Given this lack of tax and financial literacy, it is not surprising that the majority of Americans use a paid tax return preparer to prepare their income tax returns.[18]

To increase tax literacy and encourage taxpayers to develop a greater understanding of their tax filings, ETAAC recommends that the IRS consider amending current tax forms, including Form 1040, the U.S. Individual Income Tax Return, and Form 8879, the IRS e-file Signature Authorization. The changes suggested below will improve the readability of these forms and draw taxpayers' attention to important elements of their tax filings.

Changes to Forms 1040 and 8879 will encourage greater understanding and compliance by taxpayers and tax return preparers.

Although ETAAC recognizes that the process of designing new tax forms is incredibly complex and requires the involvement of various operating units within the IRS, for reference purposes and to provide visual representations of our suggested edits, we have included in Exhibits A and B, mark-ups of Forms 1040 and 8879 to incorporate the amendments suggested below. The numerical and letter references in Exhibit xx correspond to the numbered and lettered paragraphs below.

Amendment 1: Signature Requirements

To educate and protect taxpayers from ghost preparers and discourage ghost preparation, the IRS should separate the tax return signature sections in Forms 1040 and 8879 into two distinct sections: one section for a taxpayer to certify that they prepared their own tax return and understand that they are fully responsible for any error or discrepancies found on the tax return; and one section for a taxpayer to certify that they were assisted or advised by another individual/company in the preparation of their return. These changes will sensitize taxpayers to the requirement that paid tax return preparers identify themselves on the face of a return and could aid the IRS in identifying ghost preparers. In addition, proactively disclosing to taxpayers that they are responsible for the content of their return could help to discourage taxpayers from falling victim to inaccurate and misleading tax advice.

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[16] US Tax Literacy Poll: Taxpayer Knowledge & Perceptions (published Dec. 18, 2024).
[17] https://www.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/full-report/ (last accessed Jan. 19, 2025)
[18] See Filing season statistics for week ending Dec. 29, 2023 | Internal Revenue Service

Amendment 2: Paid Preparer Enhancements

To help taxpayers better understand the responsibility their tax preparer has with regard to the return, the paid preparer section should be updated to reflect its importance better and provide more helpful information to help taxpayers properly vet their preparer. To that end, the IRS should place the preparer information section before the taxpayer signature section to reinforce that the preparer section should be completed before the taxpayer signs. This should alert a taxpayer that an empty paid preparer section is a red flag if the taxpayer worked with a tax preparer.

The IRS should also change the wording “Paid Preparer Use Only” to “Preparer Signature” to require information from all tax preparers (even unpaid) and place a heavier emphasis on its importance to taxpayers. This is especially important given that the section currently lacks additional wording (aside from box descriptions) to help taxpayers understand its purpose. In addition, specific field labels, such as “PTIN,” likely lack meaning to taxpayers, further perpetuating their ignorance of ghost preparation.

Finally, the preparer should identify whether they are credentialed under Circular 230 (as a CPA, EA, Attorney, or AFSP) and disclose their credentials and issuing authority. The preparer also should attest that they did not make material misrepresentations to the taxpayer and that their credentials (if any) are in good standing.

Amendment 3: Highlight Critical Form Fields to Increase Understanding

As the Tax Foundation study reflects, most low-income taxpayers, especially those with limited English proficiency, don’t understand how taxes are calculated. Thus, the IRS should highlight the most important fields used to calculate a taxpayer’s tax liability on Form 1040, such as total income, total tax, total tax credits, and refund/balance due, and require tax return preparers to disclose this information to taxpayers in their preferred language before signing the tax return.

To further this change, it could be helpful to taxpayers to distinguish payments made by the taxpayer (e.g., withholding, estimated tax payments) from refundable tax credits issued by the government.

In addition, Form 1040, Line 37, should more clearly state that the tax due must be paid by the taxpayer’s filing deadline to avoid taxpayers waiting for a notice of a balance due from the IRS and then facing unnecessary penalties and interest. Taxpayers who do not make payment by the due date because of a lack of understanding may also squander the relief provided by the IRS’s first-time penalty abatement policy if they are penalized again within the next three years.

Amendment 4: Make the “Jurat” Statement Available in a Taxpayer’s Preferred Language

The IRS should provide the jurat statement in as many languages as possible to help limited English proficiency taxpayers better understand what they are signing in a bid to combat abusive ghost preparers, especially when combined with the first recommendation to distinguish self-prepared and preparer-aided returns. Along with the second recommendation for enhancements to the paid preparer section, tax preparers will be required to provide a copy of the jurat statement in the taxpayer's native language to further the effectiveness of this recommendation.

Amendment A: Clarify Dependent Question

The IRS should clarify and emphasize the importance of the “eligible to be claimed as a dependent” question to address the nearly 1.6 million rejects YTD in 2024 per IRS data (ETAAC request sent 11/13/24) on a missing dependency status checkbox (error codes IND-517-01, F1040-516). The IRS should provide additional instructions to help taxpayers determine whether they are eligible to be claimed as a dependent, and the IRS should work closely with software providers to ensure these additional instructions are provided to taxpayers or require that taxpayers answer a slightly more detailed questionnaire to improve accuracy and reduce subjectivity in responses.

Furthermore, “someone *can* claim you as a dependent” is often misinterpreted as “someone *is* claiming you as a dependent,” which would cause another set of issues, especially relating to eligibility for certain credits (e.g., recovery rebate credit during the pandemic, detection for erroneous refundable AOTC claims).

Amendment B: Clarify Form W-2 Language

“If you did not get a Form W-2, see instructions” could mislead taxpayers not expecting a W-2 because they are not wage earners. The IRS should rephrase this language to: “Missing a Form W-2? See instructions.” This change will adequately address taxpayers who haven’t received a W-2 from an employer yet and direct them to the Form 4852 instructions, if applicable.

Amendment C: Amend Report of Taxable Wages or Other Benefits

The IRS should amend Form 1040 to reduce the space taken up by three less commonly used forms that are a part of line 1 (wages) by instituting a line similar to line 16 (tax) where taxpayers can check the applicable boxes and input the total amounts across the three referenced forms.

Exhibit A:

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return **2024** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning , 2024, ending , 20 | See separate instructions.

Your first name and middle initial	Last name	Your social security number
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse
City, town, or post office. If you have a foreign address, also complete spaces below.	State	ZIP code	
Foreign country name	Foreign province/state/county	Foreign postal code	

Filing Status
Check only one box.

☐ Single ☐ Head of household (HOH)
☐ Married filing jointly (even if only one had income)
☐ Married filing separately (MFS) ☐ Qualifying surviving spouse (QSS)

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☐ No

A

Standard Deduction ☐ You ☐ Your spouse is/are eligible by law to be claimed as a dependent by someone else, even if they choose not to
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1960 ☐ Are blind Spouse: ☐ Was born before January 2, 1960 ☐ Is blind

Dependents (see instructions):
If more than four dependents, see instructions and check here ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
			☐	☐
			☐	☐
			☐	☐
			☐	☐

Income
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.
B Missing a Form W-2? See instructions.

1a	Total amount from Form(s) W-2, box 1 (see instructions)	1a	
b	Household employee wages not reported on Form(s) W-2	1b	
c	Tip income not reported on line 1a (see instructions)	1c	
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
e	Taxable benefits or other wages from Form(s) 1 ☐ 2441 2 ☐ 8839 3 ☐ 8919 C	1e	
h	Other earned income (see instructions)	1h	
i	Nontaxable combat pay election (see instructions) 1i		
z	Add lines 1a through 1h	1z	

Attach Sch. B if required.

2a	Tax-exempt interest	2a	b Taxable interest	2b	
3a	Qualified dividends	3a	b Ordinary dividends	3b	
4a	IRA distributions	4a	b Taxable amount	4b	
5a	Pensions and annuities	5a	b Taxable amount	5b	
6a	Social security benefits	6a	b Taxable amount	6b	

Standard Deduction for—
- Single or Married filing separately, $14,600
- Married filing jointly or Qualifying surviving spouse, $29,200
- Head of household, $21,900
- If you checked any box under Standard Deduction, see instructions.

c	If you elect to use the lump-sum election method, check here (see instructions) ☐		
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐	7	
8	Additional income from Schedule 1, line 10	8	
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 3	9	
10	Adjustments to income from Schedule 1, line 26	10	
11	Subtract line 10 from line 9. **This is your adjusted gross income (AGI)**	11	
12	Standard deduction or itemized deductions (from Schedule A)	12	
13	Qualified business income deduction from Form 8995 or Form 8995-A	13	
14	Add lines 12 and 13	14	
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2024)

Exhibit B:

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐ ________	16	
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23 **After nonrefundable tax credits, this is the tax you pay**	24	

3

Payments

25	Federal income tax withheld from:				
a	Form(s) W-2	25a			
b	Form(s) 1099	25b			
c	Other forms (see instructions)	25c			
d	Add lines 25a through 25c			25d	
26	Total estimated tax payments and other payments from Schedule 3, Part III			26	
27	Add lines 25 and 26. **This what you already paid**			27	
28	Earned income credit (EIC)	28			
29	Additional child tax credit from Schedule 8812	29			
30	American opportunity credit from Form 8863, line 8	30			
31	Reserved for future use	31			
32	Amount from Schedule 3, line 15	32			
33	Add lines 28, 29, 30, and 32 **You are receiving these refundable tax credits**			33	

If you have a qualifying child, attach Sch. EIC.

3

3

Refund

34	Subtract lines 27 and 33 from line 24. If zero or less, enter -0- **This is your total tax refund**	34	
35a	Amount of your refund you want sent to you (via prepaid debit card if bank details are incomplete)	35a	
b	Routing number ☐☐☐☐☐☐☐☐☐ c Type: ☐ Checking ☐ Savings		
d	Account number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐		
36	Amount of your refund you want applied to your 2024 estimated tax	36	

Direct deposit? See instructions.

3

4

Amount You Owe

37	Subtract line 24 from lines 27 and 33. **Generally, you must proactively pay this by April 15** See instructions on ways to pay, payment plans, and hardship extensions, or go to www.irs.gov/Pay.	37	
38	Estimated tax penalty (see instructions)	38	

3

Preparer Signature

☐ Preparer was paid

Under penalties of perjury, I declare that I have prepared this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I have not made material misrepresentations to the taxpayer, my credentials (if any) are active and in good standing, and I am currently not sanctioned from preparing tax returns. If I know the taxpayer does not speak/read English well, I attest that I have provided the taxpayer a copy of the jurat statement in their native language.

Preparer's name	Firm's name (or "self-employed")	Preparer ID (PTIN)	Preparer's signature	Date

Preparer Credential Type ☐ CPA ☐ EA ☐ Attorney ☐ AFSP	Issuing Authority	Credential # (if any)
Firm's address	Phone no.	Firm's EIN

2

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that:

1

Someone helped me
prepare my tax return or gave me tax advice.

Full or known names of all individuals and companies that helped you (unless they signed above). Attach statement for extra space.

Your signature | Date

I don't speak/read English well and need translation help.
☐ No ☐ Yes; My Language is

Your IRS Identity Protection PIN (if any) ☐☐☐☐☐☐

Spouse's signature (required if filing jointly) | Date

I don't speak/read English well and need translation help.
☐ No ☐ Yes; My Language is

Spouse's IRS Identity Protection PIN (if any) ☐☐☐☐☐☐

OR

I did everything myself
I will accept full responsibility for any errors or discrepancies.

Your signature | Date

I don't speak/read English well and need translation help.
☐ No ☐ Yes; My Language is

Your IRS Identity Protection PIN (if any) ☐☐☐☐☐☐

Spouse's signature (required if filing jointly) | Date

I don't speak/read English well and need translation help.
☐ No ☐ Yes; My Language is

Spouse's IRS Identity Protection PIN (if any) ☐☐☐☐☐☐

Joint return? See instructions. Keep a copy for your records.

Jurat available in other languages at irs.gov/jurat.

5

Jurat versión española disponible en irs.gov/jurat.

Suggested Amendments to Form 8879:

Following the spirit of the proposed Form 1040 amendments, the ETAAC recommends the IRS update Form 8879, IRS e-file Signature Authorization. In addition, ETAAC is recommending a number of improvements to wording and signature methodology facilitated by Form 8879 to drastically improve clarity for taxpayers, tax preparers, and EROs, building on current IRS form and notice redesign efforts.

Amendment 1: Include Tax Preparer and ERO Information

Building on proposed Amendment 4 to Form 1040, ETAAC recommends that the IRS also update Form 8879 to require the ERO to disclose their name and contact information, and that of the preparer. This amendment will make it easier for the taxpayer to identify instances where the preparer may fail to identify themselves on the return and place heavier emphasis on the importance of PTIN by strategically placing the PTIN box immediately below the taxpayer's social security number box on the Form 8879.

Amendment 2: Split the Long Paragraph of Perjury Statement into Bullet Points

The current perjury statement on Form 8879 contains multiple distinct points that are bunched into one lengthy paragraph spanning 13 lines across the width of an entire page, which is hard to read and skim through. Coupled with the rush of tax season and the sheer amount of words involved with tax forms, taxpayers may opt to skip reading the paragraph and prematurely sign the form without fully understanding what they are signing, especially given that Form 8879 is the last form to be completed during the electronic filing process. Splitting the key points of the perjury statement into bullet points and separating the optional direct debit authorization wording from the main perjury statement, will make it easier for taxpayers to skim through to understand the key details of the statement and promote their confidence in knowing what they are signing.

Amendment 3: Include Bank Information for Direct Deposit and Debit

A number of states have adopted a version of the Form 8879 that includes, as a section or on a related form, the bank routing and account number for direct debit authorization, such as California's FTB Form 8455 and New York's Form TR-579-IT. However, the IRS has yet to adopt a similar method to capture the bank information as authorized by the taxpayer to use for direct debit to satisfy their tax obligations. This causes uncertainty regarding responsibility when a direct debit withdrawal fails due to incorrect bank information, causing failure to pay penalties and interest, or when the amount or withdrawal date is not consistent with a taxpayer's verbal request made to the ERO. By requiring the taxpayer to provide the direct debit information, including bank routing and account number, payment amount, payment date, and account type, taxpayers can ensure their authorization is clear and both taxpayers and EROs can avoid penalties and liability due to typographical errors.

As an added benefit, the same section can be used to confirm direct deposit details for cases where taxpayers are receiving refunds. Not only will it reduce typographical errors causing delays in refunds and bounced refunds to be sent via paper check to the taxpayer's last known address—which may not be their current address—identifying the bank account number and refund amount to be deposited can deter unscrupulous preparers from directing taxpayer refunds to their own bank accounts, unbeknownst to the taxpayer.

This amendment will provide outsized benefits if implemented, enhancing security of taxpayer refund, reducing risk of penalties and headache as a result of typographical errors, and provide clarity around direct debit/deposit authorizations. Furthermore, given that taxpayers may only provide their bank account information for direct deposit or debit once the tax return is completed and the refund or balance due amount is finalized, allowing the taxpayer to provide their bank account details at the appropriate time—when they are already signing Form 8879 to approve their tax return—would also streamline communication for taxpayers, tax professionals, and EROs.

Amendment 4: Implement Signature Improvements from Form 1040 Amendment 1

Following the spirit of proposed Amendment 1 to Form 1040, Form 8879's signature section should also require the taxpayer to attest whether they received help preparing their tax return or receiving tax advice, which the ERO should properly reflect in the tax return data before transmission.

Amendment 5: Consolidate Electronic Signature Methods to Reduce Confusion

Currently, taxpayers filing their tax returns electronically can sign using one of two methods. The method frequently used by taxpayers who use Commercial Off-The Shelf (COTS) software is the Self-Select PIN method, which requires the prior-year Adjusted Gross Income (AGI) or PIN. The other method, which is generally used by taxpayers who engage the services of a tax professional, is the Practitioner PIN method, which requires the ERO to countersign Form 8879. While the two PIN methods make sense given the nature of each filing method, the signature requirement is further complicated by whether the taxpayer directly enters their PIN into the electronic return record or authorizes the ERO to enter their PIN on their behalf. Interestingly, the naming of the PIN methods doesn't actually correlate with what they seemingly infer. It's possible for a taxpayer to sign using the Self-Select PIN method, but never actually select their own PIN and rather rely on the ERO to generate and enter in a PIN for them. That's because Self-Select PIN and Practitioner PIN methods actually only refer to how the legitimacy of the taxpayer is supported for the IRS's electronic records (Authentication Record)—whether by prior year AGI or PIN or by the reputation of the ERO—and has nothing to do with how the PINs work. (https://www.irs.gov/pub/irs-pdf/p1345.pdf) For either PIN method, the ERO still has to confirm the identity of the taxpayer. (https://www.irs.gov/pub/irs-pdf/f8879.pdf instructions)

ETAAC recommends that the IRS consolidate the electronic signature methods from a combination of four methods to just two methods and remove the usage of the terms "Self-Select PIN" and "Practitioner PIN," which may be misleading and confusing to taxpayers and new EROs. Intuitively, it would not make sense to continue supporting the combinations of:

1. Self-Select PIN method and allowing EROs to enter and generate the PIN, as it would be easier for the ERO to countersign Form 8879 and remove the burden from the taxpayer of needing to provide the prior-year AGI or PIN, and
2. Practitioner PIN method and allowing the taxpayer to directly enter their PIN, as the ERO would use professional software off limits to the general population and there are no meaningful differences

compared to if the ERO enters or generates the PIN for the taxpayer, as the ERO still needs to countersign Form 8879 and the taxpayer is still allowed to provide their own PIN for the ERO to enter.

By removing these two combinations, and given that taxpayers choosing the Self-Select PIN method and directly enters their own PIN do not need to sign Form 8879, Form 8879 would now be only completed by taxpayers using the Practitioner PIN method to sign their tax return, so the PIN method checkboxes should be removed from Form 8879.

To streamline communication between taxpayers and EROs, the IRS should also consider creating separate PIN boxes to allow taxpayers to provide their own PIN for the ERO to enter if they have a preference, as professional software typically generates the PIN for the taxpayer.

Amendment 6: Remove EFIN Boxes in ERO Signature Section

In addition to considerations from Amendment 5, the IRS should remove the requirement for EROs to enter their EFIN in Part III of Form 8879 as the information is redundant and creates unnecessary risk of EFINs becoming compromised due to needless exposure to taxpayers—who do not need the information—and each of their in-person and online environments.

Amendment A: Improve Wording in Part I

The IRS should use more plain language to describe the five important numbers from the tax return highlighted in Part I of Form 8879 and include instructions on how to handle tax refunds and liability. It's worth noting that taxpayers often confuse the terms "return" for "refund". Hence, the reference to "return" in the Part II heading should be further elaborated, and the phrase on receiving and retaining a copy of the tax return could be more appropriately placed in the Part I heading instead, and the current Part I heading on the tax year authorized could be placed on the top right corner to be consistent with other tax forms, be more noticeable, and be more inclusive of fiscal year filers.

Exhibit C:

Form **8879**

(Rev. XXXXXX 2025)

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization

► Do not mail to IRS. ERO must obtain and retain completed Form 8879.
► Go to www.irs.gov/Form8879 for the latest information.

OMB No. 0000-0000

For tax year A

Submission Identification Number (SID):

Taxpayer's name	Social security number
Spouse's name	Spouse's social security number
1 Name, address, and phone number of your tax preparer	Paid Preparer ID (PTIN)

Name, address, and phone number of the Electronic Return Originator (ERO) submitting your tax return

Part I Tax Return Information (Be sure you get and keep a copy of your Form 1040 tax return)

Enter whole dollars only on lines 1 through 5. If filing Form 1040-SS: only complete line 4.

A

1	Adjusted gross income	1	
2	Total tax you pay, less nonrefundable tax credits	2	
3	Total payments received, including estimated tax and federal income tax withheld (Forms W-2 and 1099)	3	
4	Your total refund. **For direct deposit, provide your bank information below.**	4	
5	Amount you owe. See below for direct debit, or go to www.irs.gov/pay for more ways to pay. Generally due April 15.	5	

Part II Taxpayer Declaration and Authorization

Direct Debit Consent: If you check a "debit me" box below:

2

- I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated below for payment of my federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account.
- I attest that there is or will be sufficient funds in the bank account to cover the debited amount by the payment date.
- This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization.
- To revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** at least 2 business days prior to the payment (settlement) date.
- I authorize the financial institutions involved in the processing of this electronic payment to receive confidential information necessary to process the payment.

3

☐ Refund me via direct deposit $ ______________ **Routing number** **Type:** ☐ Checking ☐ Savings

☐ Debit me $ ____________ on/around *(mm/dd/yyyy)* ____________ **Account number**

☐ For 2025 Estimated Taxes: Debit me up to 4 times as follows: ______________________________

Under penalties of perjury, I declare that:

2

- I have examined a copy of the income tax return (original or amended) and its accompanying schedules and statements I am now authorizing and:
  - (a) to the best of my knowledge and belief, they are all true, correct, and complete, and
  - (b) I confirm that the relevant amounts on Form 1040, 1040-NR, or 1040-SR matches the amounts in Part I above.
- I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to:
  - (a) electronically send my return to the IRS,
  - (b) receive from the IRS an acknowledgement of receipt or reason for rejection of the transmission, and
  - (c) receive from the IRS the reason for any delay in processing the return or refund and the date of any refund.
- I authorize the aforementioned ERO to enter the five-digit PIN below as my signature on the income tax return (original or amended) I am now authorizing, and, if applicable, Direct Debit Consent. If I do not provide a PIN, I authorize the use of the auto-generated PIN.
- I further attest that:

4

Someone helped me prepare my tax return or gave me tax advice,
or ☐ **I did everything myself.** I will accept full responsibility for any errors or discrepancies.

Full or Known names of all individuals and companies that helped you (except the preparer and ERO listed above). Attach statement for more space.

Your signature ►	Date	Spouse's signature (required if filing jointly) ►	Date
I don't speak/read English well and need translation help. ☐ No ☐ Yes; My Language is		I don't speak/read English well and need translation help. ☐ No ☐ Yes; My Language is	
5 Use this PIN as my signature (cannot be all zeros): ☐☐☐☐☐ If left blank, use this auto-generated PIN instead: ☐☐☐☐☐		Use this PIN as my signature (cannot be all zeros): ☐☐☐☐☐ If left blank, use this auto-generated PIN instead: ☐☐☐☐☐	

Part III ERO Certification and Authentication

I certify that the below numeric entry is my PIN, which is my signature for the electronic individual income tax return (original or amended) I am now authorized to file for tax year indicated above for the taxpayer(s) indicated above. I confirm that the bank information provided above is correctly reflected in the return data to be transmitted. I confirm that I am submitting this return in accordance with the requirements of Pub. 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature ► 6 PIN (cannot be all zeros) ► ☐☐☐☐☐ Date ►

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 32778X Form 8879 (Rev. XX-2025)

Recommendation 7: The IRS should accelerate its successful deployment of human-centered design principles in new applications to taxpayers and tax professionals to increase efficiency and reduce compliance costs.

In recent years, the IRS has successfully employed human-centered design and user research and should expand its use to modernize its services, increase taxpayer compliance, and build public trust.

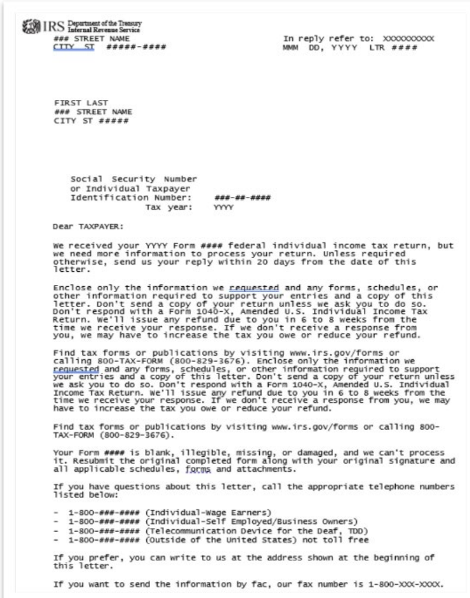
Human-centered design is an iterative process that places people – their needs, experiences, and feedback – at the core of design and development of products, services, and systems those people will use. It includes user research methods like observation, interviews, and usability testing. This process results in solutions that are user-friendly, intuitive, and tailored to real-world applications.

Modernizing services: In a recent example, robust human-centered design and user research were built into the Direct File project development, with 195 taxpayers participating in 33 studies before the service was opened up to the broader public.[19] This allowed the team to identify and address issues before the platform went live. The Direct File team also analyzed both taxpayer feedback and technical results as taxpayers transmitted their returns, leading them to pinpoint an issue with taxpayers' use of prior year AGI to verify their identities that caused returns to be rejected. As taxpayers first needed to verify their identities through ID.me to access Direct File, the development team was able to automate the population of AGI in the return. The IRS should continue to employ iterative user testing broadly across new projects and programs – or, as the Direct File team stated, build "with taxpayers, not for taxpayers" – to ensure that the final product is user friendly, accessible, and will meet modern standards and needs.

Increasing compliance: Redesigns completed as part of the IRS's Simple Notice Initiative are another recent example that highlights the transformative potential of human-centered design and user research in taxpayer services. In response to taxpayer feedback, the notices were redesigned with cleaner, easier-to-read fonts; simpler language and design; shorter content; a clear and compelling call to action; and a 2D barcode for security. As of July 2024, the IRS has completed 109 notices, with plans to redesign up to 200 total notices.

[19] Publication 5969 (Rev 5-2024) (accessed March 3, 2025)

Example of existing notice



IRS Department of the Treasury Internal Revenue Service
STREET NAME
CITY ST #####-####

In reply refer to: XXXXXXXXXX
MMM DD, YYYY LTR ####

FIRST LAST
STREET NAME
CITY ST #####

Social Security Number
or Individual Taxpayer
Identification Number: ###-##-####
Tax year: YYYY

Dear TAXPAYER:

We received your YYYY Form #### federal individual income tax return, but we need more information to process your return. Unless required otherwise, send us your reply within 20 days from the date of this letter.

Enclose only the information we requested and any forms, schedules, or other information required to support your entries and a copy of this letter. Don't send a copy of your return unless we ask you to do so. Don't respond with a Form 1040-X, Amended U.S. Individual Income Tax Return. We'll issue any refund due to you in 6 to 8 weeks from the time we receive your response. If we don't receive a response from you, we may have to increase the tax you owe or reduce your refund.

Find tax forms or publications by visiting www.irs.gov/forms or calling 800-TAX-FORM (800-829-3676). Enclose only the information we requested and any forms, schedules, or other information required to support your entries and a copy of this letter. Don't send a copy of your return unless we ask you to do so. Don't respond with a Form 1040-X, Amended U.S. Individual Income Tax Return. We'll issue any refund due to you in 6 to 8 weeks from the time we receive your response. If we don't receive a response from you, we may have to increase the tax you owe or reduce your refund.

Find tax forms or publications by visiting www.irs.gov/forms or calling 800-TAX-FORM (800-829-3676).

Your Form #### is blank, illegible, missing, or damaged, and we can't process it. Resubmit the original completed form along with your original signature and all applicable schedules, forms and attachments.

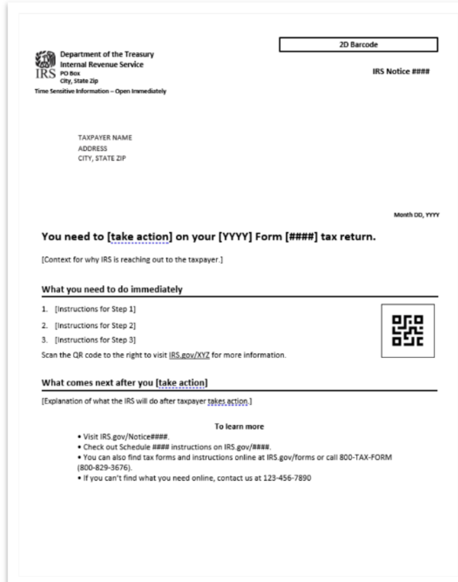
If you have questions about this letter, call the appropriate telephone numbers listed below:

- 1-800-###-#### (Individual-Wage Earners)
- 1-800-###-#### (Individual-Self Employed/Business Owners)
- 1-800-###-#### (Telecommunication Device for the Deaf, TDD)
- 1-800-###-#### (Outside of the United States) not toll free

If you prefer, you can write to us at the address shown at the beginning of this letter.

If you want to send the information by fac, our fax number is 1-800-XXX-XXXX.

Example of improved notice



2D Barcode

IRS Department of the Treasury
Internal Revenue Service
PO Box
City, State Zip
Time Sensitive Information – Open Immediately

IRS Notice ####

TAXPAYER NAME
ADDRESS
CITY, STATE ZIP

Month DD, YYYY

You need to [take action] on your [YYYY] Form [####] tax return.

[Context for why IRS is reaching out to the taxpayer.]

What you need to do immediately

1. [Instructions for Step 1]
2. [Instructions for Step 2]
3. [Instructions for Step 3]

Scan the QR code to the right to visit IRS.gov/XYZ for more information.

What comes next after you [take action]

[Explanation of what the IRS will do after taxpayer takes action.]

To learn more

- Visit IRS.gov/Notice####.
- Check out Schedule #### instructions on IRS.gov/####.
- You can also find tax forms and instructions online at IRS.gov/forms or call 800-TAX-FORM (800-829-3676).
- If you can't find what you need online, contact us at 123-456-7890

Employing designs that reduce complexity and confusion thereby reduce errors in taxpayers' responses, saving both taxpayers and IRS employees time and energy. The IRS should continue to employ user research in connecting with taxpayers to identify and eliminate specific pain points and broaden the use of plain language in communication with taxpayers.

Building public trust: Returning to Direct File, 86% of taxpayers who filed their 2023 tax return through the service reported that their experience increased their trust in the IRS. One filer even described the experience of using Direct File as "fun." By deeply understanding the needs, behaviors, and pain points of taxpayers and other stakeholders, the IRS can deliver more intuitive, equitable, and effective solutions. The user-centered practices demonstrated in the development and operation of Direct File enhanced taxpayers' perceptions of the IRS's reliability.

Recommendation 8: The IRS needs additional tools to combat scams and schemes promoted on social media and other communication platforms.

As identity theft and other tax fraud scams and schemes have moved from physical to digital crimes, the IRS has necessarily adapted its training, tools and technologies to keep pace. Recently, the IRS has witnessed the rapid and growing proliferation of scams and schemes through social media and other digital channels. To supplement the efforts of its existing partnerships to tackle identity theft and tax refund fraud, such as the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center (the "ISAC"), in August 2024, the IRS and partner organizations, including federal and state tax agencies, software and financial companies, and national tax professional associations, formed the Coalition Against Scam and Scheme Threats ("CASST").

While the ISAC and CASST are vital in combating the digital threats plaguing taxpayers and the IRS, it is incumbent upon the IRS to ensure that the Criminal Investigation Division (CI) staff charged with disrupting the criminal activity which preys upon unsuspecting taxpayers are provided with the tools and training necessary to effectively meet today's challenges. To be effective in these efforts, CI and certain other IRS component groups need adequate and dedicated funding to support the deployment of the technology necessary to identify harmful online activity and to stop it after it is uncovered. Critical tools include:

- open-source intelligence tools used to identify fraudulent schemes,
- digital forensics tools used by CI to collect and analyze evidence of crimes committed through electronic means,
- off-network computing capabilities that are necessary to ensure IRSCI special agents can effectively perform undercover, online investigations, and
- training of both CI and IRS staff to effectively deploy the respective tools used by their offices.

In addition to sophisticated tools and training, a critical component of combating scams and schemes is timely and accurate information sharing from partners and, at its most basic level, from the citizens who learn of these scams and schemes, or unfortunately, may have fallen victim to a scam or scheme that may impact their tax matters. Currently, the IRS lacks a streamlined and comprehensive tool for taxpayers and tax professionals to provide information about identity theft, data breaches, and other scams and schemes. ETAAC encourages the IRS to evaluate whether the current approach supports consistent service across channels. While offering multiple tools gives the public some flexibility, there is potential for inconsistent experiences.

Citizens who have not been contacted by the IRS and who would like to report to the IRS that they have been a victim of identity theft are directed to first file a complaint with the Federal Trade Commission.[20] Tax professionals who have been the victim of a data breach are directed to call or email their local IRS stakeholder liaison, who will then notify IRS Criminal Investigation.[21] In its guidance to tax professionals, the IRS notes that "Speed is critical." However, the processes outlined for taxpayers and tax professionals with a need to inform the IRS of critical information institute a game of telephone tag in which delay is inevitable. The creation of an online tool in which taxpayers can report various types of fraud directly to the IRS will facilitate quicker handling of these complaints as well as more timely aggregation of data and identification of patterns that require prompt IRS action to prevent additional harm.[22]

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[20] Publication 5027 (Rev. 5-2018) (accessed Jan. 16, 2025)

[21] Data theft information for tax professionals | Internal Revenue Service (accessed Jan. 16, 2025).

[22] Current IRS procedures provide a variety of forms and methods to collect information about fraud and scams. Although some of these forms are available online, others require the printing and mailing/faxing of a paper form or calling the IRS. See Report a tax scam or fraud | Internal Revenue Service (accessed Jan. 16, 2025).

Recommendation 9: The IRS should build on its current efforts to transition taxpayers to digital interactions, including instituting reforms that may limit taxpayer preference.

As the IRS has worked diligently to modernize its systems and processes, the IRS has committed to providing taxpayers with options for how they would like to engage with the IRS, whether that be in person at a Taxpayer Assistance Center, by phone, or online. Providing taxpayers with options, however, necessarily comes at a cost. Costs may include the resources needed to maintain an additional channel of engagement, the staff time involved in servicing taxpayers in person, or the cost of processing paper filings and correspondence.

Although IRS regulations require specified tax return preparers to electronically file the returns they prepare using tax software,[23] tax return preparers may avoid the requirement to e-file by submitting Form 8948 and indicating that the "Taxpayer chose to file this return on paper."[24] While ETAAC supports the IRS's desire to afford taxpayers choice in how they engage with the IRS, the IRS receives a staggering number of pieces of mail – approximately 300,000 per week. A taxpayer's preference to file on paper is the single largest reason for software prepared returns being filed on paper. Thus, the IRS should consider a mandate to e-file tax return documents prepared electronically, using electronic tax software, where there is no barrier to filing electronically other than taxpayer preference. This is a common-sense reform that will drive down the costs to the IRS[25] in touching the millions of pieces of mail the IRS receives each year and presents a situation where taxpayer preference should yield to the burdens imposed on the IRS of processing paper-filed tax returns.

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[23] See IRC § 6011(e)(3); 26 CFR Parts 1 and 301 (available at Internal Revenue Bulletin: 2011-17 | Internal Revenue Service) (accessed Mar. 26, 2025); and Frequently asked questions: E-file requirements for specified tax return preparers (sometimes referred to as the e-file mandate) | Internal Revenue Service (accessed Jan. 16, 2025).
[24] Form 8948 (Rev. September 2018)
[25] TAS 2022 Annual Report to Congress at p. 105, available at 2022 Full Report - Taxpayer Advocate Service ("According to the IRS, a paper-filed Form 1040 costs $7.33 to process, whereas an equivalent e-filed return costs only $0.28. In the aggregate, this means that the total cost of processing all e-filed Forms 1040 was approximately $42.6 million, whereas the total cost of processing paper Forms 1040 was approximately $97 million. Even though paper returns account for only about eight percent of the total number of returns, they represent about 69 percent of the total costs of processing returns.").

Recommendation 10: The IRS Should Proactively Disclose Its Use of Artificial Intelligence in a Clear and Simple Manner to Build Public Trust in the Use of New Technologies and Enhance Its Artificial Intelligence Governance to Conserve Resources, Improve Quality Control, and Gather Input from Stakeholders.

The IRS moved swiftly to identify appropriate uses for artificial intelligence (AI) in enhancing the efficiency of its operations. As of February 2, 2024, the IRS had 68 projects active or under development that involved the use of AI.[26] In May 2024, the IRS published in an addition to its Internal Revenue Manual, Section 10.24.1, which provided comprehensive guidance and procedures concerning the IRS's use of AI. In addition, the Department of the Treasury maintained on its website a detailed inventory of AI use cases within Treasury agencies, including the IRS, although that webpage and inventory appear to no longer be available at https://home.treasury.gov/data/ai_inventory. As stated in a March 11, 2025, Interim Policy for AI Governance, the IRS has suspended IRM Section 10.24.1 pending further guidance from the Office of Management and Budget and the Department of the Treasury.[27]

In accordance with Executive Order 13960, which remains in place, ETAAC encourages the IRS to be transparent in disclosing its use of AI to Congress and the public. With the inventory of AI use cases no longer available on the Department of the Treasury's website, the public currently (as of the spring of 2025) lacks access to information about how the IRS is deploying AI within its operations. The IRS should work expeditiously to publish an inventory of AI use cases and describe its use of AI in plain language and terms easily understandable by everyday Americans, in addition to other actions that it may take as a result of the more recent Executive Order 14179.

Given that mistrust generally stems from the lack of understanding of a particular topic and the ease of spreading sensationalized misinformation—the latter of which tends to capitalize on the former—the government must ensure the public can quickly obtain a complete and accurate understanding of a topic, especially one as important and nascent as AI, while seldom leaving any possibility of misinterpretation that may harm public trust in the IRS. Therefore, we strongly recommend that the IRS publish, in addition to the AI use case inventory mandated by E.O. 13960 and notices at the time-of-service per IRM 10.24.1.8.8, a simple, frequently updated dashboard/web page containing the following information (adding simple visual graphic aid where applicable is highly encouraged):

- A short description of the IRS's policy position on AI
- A list of all current uses of AI within the IRS, and for each use case, include (1) how the process was handled before AI, (2) what tasks/functions AI is conditioned to perform, (3) how the process is handled after the implementation of AI, and (4) how the IRS is mitigating risk and upholding security if the AI use is rights- or safety-impacting (especially where any taxpayer data is used, even if anonymized)
- Information regarding sharing of data with third parties and data security measures
- We recognize that public disclosure of specific methodology could compromise enforcement efforts, so recommend that, at minimum, appropriate information regarding expert review that validates, if the IRS uses a standard anonymization algorithm (i.e., to use taxpayer data to train generative AI models), that the IRS is using accepted best practices to mitigate bias (especially racial and socioeconomic bias).
- Related FAQs.

[26] https://www.tigta.gov/sites/default/files/reports/2024-11/2025ier003fr_3.pdf
[27] https://www.irs.gov/pub/foia/ig/spder/raas-10-0325-0001-public.pdf

In cases where AI may be used in a classified process (e.g., audit), the IRS should still disclose as much detailed declassifiable information as possible.

In addition, in a similar spirit to IRM 10.24.1.8.10, we recommend that the AI Governance Project Management Office and Data and Analytics Strategic Integration Board co-host regular “town hall”-style meetings to allow for public discussion and Q&A on AI developments (especially on new projects that were launched and proposed projects that may be rights- or safety-impacting), ideally with the executives or delegated official of the business unit responsible for the new projects released. These town hall meetings will also serve as an excellent source of ideas for improving and developing AI projects for the IRS.

To conserve IRS resources, we recommend that the Chief Data and Analytics Officer modify their approval process for AI projects to require a preliminary assessment and approval of a project in its proposal stage to better guarantee a project’s success for final approval. Business units that deploy AI projects should be able to report technical issues or inaccuracies easily. They should be incentivized or obliged to report them to the person in charge of the project's technical implementation for immediate fix and to the AI Governance PMO to track reports for the purposes of the annual AI governance review per IRM 10.24.1.5.3.

The IRS should also encourage IRS employees to provide insights (e.g., via anonymous surveys to ensure protection against any potential repercussions) on how employees use AI in their personal and professional lives. This feedback is important in providing the IRS with insights into the technologies and tools of interest to taxpayers generally. The IRS should also conduct regular internal user surveys on the new in-house tools it delivers and continuously test them after they are launched to determine whether they should continue to be maintained.

Recommendation 10-A: The IRS should substantially invest in internal technology projects that will help the IRS service taxpayers more efficiently.

While the IRS is already investing in artificial intelligence (AI) in its internal processes, we encourage the IRS to focus especially on internal processes that have the potential to directly and substantially improve the Service’s processing capabilities.

Introduction

The IRS has already started using artificial intelligence (AI) to improve its operations. However, to maximize efficiency and build public trust, the IRS should consider investing more heavily in AI use cases that would directly benefit taxpayers. Example use cases include using AI to deliver faster refunds, simplify nonprofit applications, ensure accurate tax records, and streamline paper return processing.

Below are four practical ways AI can help make tax processing faster, more accurate, and more accessible for taxpayers *and* IRS employees. These improvements will save time, reduce errors, and make IRS services more user-friendly.

Case Study A: Faster Partial Tax Refunds for Low-Risk Taxpayers

The Problem
Taxpayers often wait weeks or months for their full refund because the IRS must verify all details before processing payments. Even taxpayers with verifiable W-2 or 1099 income experience delays, even though some parts of their refund could be safely issued immediately.

How AI Can Help
The IRS can use AI to quickly verify reported income from trusted sources (such as W-2s from employers) and

immediately issue a partial refund for taxpayers at low risk for errors or fraud. The remaining refund would be processed after additional verification.

Example
A head-of-household (HoH) taxpayer with a verified W-2 from an employer could receive a portion of their refund upfront based on the lower single filer tax rate while the IRS continues checking their full HoH filing status.

Benefits
Faster refunds for eligible taxpayers, reducing financial stress.
Less backlog for the IRS, improving overall processing times.
Lower fraud risk, as the system ensures that only verified income is used for partial payments.

Case Study B: Faster and Easier Applications for Small Nonprofits

The Problem
Currently, organizations applying for their tax-exempt status must face a months-long wait for approval, potentially affecting pending critical or time-sensitive funding. They also pay a user fee of at least $275 when applying, which is not insignificant for nascent nonprofits. On the other hand, IRS personnel must read and approve every nonprofit application manually. In the interest of streamlining the application by adopting the Form 1023-EZ, the IRS had given up valuable data points, such as program narratives, funding sources, and projected expenditures, that could have helped the IRS weed out applications that do not meet the bar for tax-exempt organizations that the American public have come to trust.

How AI Can Help
The IRS should consider developing an internal system using AI to perform preliminary reviews of applications: checking for key legal requirements and suggesting approvals for simple cases, while flagging more complex cases for a more in-depth review by IRS personnel. A front-facing AI-powered pre-qualifier tool could examine a prospective applicant's applications and attachments to ensure that basic requirements are met, such as the presence of necessary language in the nonprofit's bylaws, and all of the required documents, such as the articles of incorporation, have been provided. A pre-qualifier tool like this will help to reduce rejections or further correspondence requesting information once the application is submitted.

Benefits
- Faster approval times for simple cases.
- Reduce rejections and correspondences for minor application errors.
- Lower costs, with the potential to eliminate user fees for 1023-EZ filers.

Case Study C: More Accurate and Up-to-Date Tax Transcripts

The Problem
When taxpayers file an amended return (to correct errors or report missing information), their IRS account transcript does not automatically update. Instead, IRS staff must manually enter the amended return data and adjust the account transcript, leading to the potential for errors, which may result in erroneously decreased refunds or increased assessments.

Recommendation
The process for handling an amended return should be updated so that updating the AGI, tax liability, credits, and payments creates an automatic cascading effect for the rest of the account transcript, improving accuracy. The account transcript should also automatically note the acknowledgment of an amended return, so collection activities could be automatically paused while the amended return is being processed, saving taxpayers a call to the IRS to request the same.
Additionally, in the future, if the amendments can be verified for accuracy using IRS internal sources (for example, for W-2), e-filing an amended return should automatically update the AGI, tax liability, tax credits, and tax

payments. This allows taxpayers to access tax refunds sooner while allowing the IRS to take its time processing the rest of the amended return.

Benefits

- Fewer errors, reducing incorrect tax calculations.
- Faster processing, minimizing delays for amended returns.
- More transparency, so taxpayers and tax professionals can see accurate updates online.

Case Study D: Make Popular Informational Forms Available for Electronic Submission, With Instant Processing

The Problem
The IRS has continued to suffer from extensive backlogs of paper documents to process, with a backlog of 16.9 million documents at the end of the 2023 tax filing season (https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/02/ARC23_MSP_01_Processing-Delays_FINAL_01292024.pdf; IRS, AMIR National Inventory Age Report (week ending Apr. 22, 2023)). The IRS should invest in infrastructure improvements that, in addition to improving efficiency in processing paper documents, reduce the need for documents to be mailed in and manually processed.

How Tech Can Help
The IRS already uses Mobile-Friendly Forms to allow certain informational forms that do not impact tax return data, such as Form 14039, Identity Theft Affidavit, to be submitted electronically. The IRS should consider integrating Mobile-Friendly Forms with the Individual and Business Master File system to facilitate the electronic submission of standalone tax-impacting informational forms to eliminate time spent handling and processing paper submissions.
Examples

- Form 2553, Election by a Small Business Corporation (S-Corp election), providing instant acceptance confirmation upon submission for calendar-year S-Corps
    - Benefits: eliminate hundreds of thousands of paper filings annually (https://www.irs.gov/pub/irs-soi/07cofigbs.pdf) and taxpayers needing to wait up to years for confirmation
- Form 8843, Statement for Exempt Individuals and Individuals With a Medical Condition for students, teachers, and trainees, when filed as a standalone form
    - Benefits: eliminate up to 1 million required filings annually, extrapolated based on 472,262 newly issued F visas and 348,721 newly issued J visas in 2023 (visas may last up to 5 years, and some F and J visa holders may no longer have Form 8843 filing requirements after a certain number of years of presence, or may file Form 8843 with their tax return)
- Form 15620: Section 83(b) Election

Conclusion

The IRS can enhance efficiency, reduce administrative burdens, and improve taxpayer experience by strategically deploying AI in key operational areas. Automating processes such as partial refund issuance, nonprofit application approvals, transcript updates, and paper return transcription will streamline workflows, increase accuracy, and minimize processing delays.

Moreover, AI adoption in a transparent and structured manner will build public trust, ensuring that technological improvements align with fairness, security, and accessibility. As AI capabilities evolve, the IRS should actively refine and expand these initiatives, ensuring that AI-driven tools remain efficient, unbiased, and taxpayer-focused.

Recommendation 11: Congress Should authorize the IRS to regulate non-credentialed tax return preparers to prevent harm to taxpayers and the tax system

The majority of individual tax returns are filed by paid tax return preparers, and the majority of paid tax return preparers are not credentialed. Many have no formal training or experience. There are no requirements to be competent, to follow industry best practices, or to safeguard taxpayer information. This poses a threat to consumers who can be swindled by incompetent and/or unscrupulous tax preparers and can add to the tax gap when incompetent and/or unscrupulous tax preparers prepare inaccurate returns with inflated refunds. According to the NTA 2025 Purple Book, numerous studies have found non-credentialed tax return preparers routinely prepare inaccurate returns, including improper payments of approximately $21.9 billion on EITC claims alone in fiscal year 2023.

ETAAC once again recommends congress charge the IRS with implementing a program to define and establish minimum standards for paid tax return preparers. Standards could include passing a background check, passing a tax compliance check, maintaining a valid Preparer Tax Identification Number (PTIN), required education, and passing a basic competency exam on an annual basis.

Finally, because voluntary standards already exist, IRS already has institutions in place to oversee tax preparers. The IRS Office of Professional Responsibility (RPO) and the IRS Return Preparer Office (RPO) currently manage the PTIN system and oversee paid tax professionals on a variety of issues. VITA and TCE volunteers have been required to demonstrate basic competency for decades. Enrolled Agents have been part of Treasury since 1884, and the IRS has managed the Annual Filing Season Program since 2014. Adding this charge to the IRS should not require massive expansion of the existing organizational structure, would offer consumer protection to taxpayers, and would help close the tax gap.

Maintaining a Secure and Auditable Chain of Taxpayer Information Regarding Growing Overseas Tax Preparation

We recommend that the IRS initiate a comprehensive study into how many tax returns are being prepared outside of the United States. Over the past decade, there has been a massive shift in outsourcing tax return preparation from licensed U.S.-based CPAs and IRS Enrolled Agents to non-U.S. tax preparers. This trend raises serious concerns about taxpayer data security and national security, as sensitive information such as Social Security numbers and bank account details are being handled by individuals beyond the jurisdiction of the U.S. Department of Justice. Understanding how many tax returns are prepared offshore and evaluating the security measures in place is an essential first step in preventing large-scale, untraceable fraud. Without proper oversight, this outsourcing trend could expose taxpayers to risks of identity theft and financial crime on a scale that is difficult—if not impossible—to enforce. A comprehensive study into this issue is crucial to safeguarding taxpayer information and maintaining trust in the tax system.

Recommendation 12: Congress and the IRS Should Prioritize Continued Technology Modernization Enhancements and Policy Enhancements for Information Sharing Efficiency and Transparency

Background:

The IRS continues to implement a mission-first modernization strategy to address critical components of tax administration. Continued buildout of infrastructure and process improvements to align with Taxpayer360, expanded Tax Professional self-service access to client information, and other modernization initiatives should be supported to expedite faster and complete collection of tax obligations nationally. As this modernization effort continues, ETAAC believes that ongoing investment in modernization and data capabilities should be continued and that revisions to policy should be considered by IRS and, where appropriate, Congress, to enable the IRS to leverage modernized data systems to securely enable expanded data access and transparency to third parties.

Current data disclosure policies for tax professionals seeking access to their clients' taxpayer data or seeking to act on their clients' behalf are grounded in Internal Revenue Code (IRC) Section 6103[28](e)(6) and (c). Revisions to 6103(e), and the current processes for completing and processing the related forms 2848 and 8821[29] should be contemplated, and where appropriate, addressed by IRS and Congress to the extent either party's action is required.

Opportunities:

Providing Taxpayers and Tax Professionals with the Data Required to Seamlessly Navigate the IRS
The IRS' recent call center improvements and investments have yielded early positive results. In addition to already allocated investments to continue this improvement journey, there are additional opportunities to leverage current and future data modernization to enhance taxpayer service. Although some taxpayers will choose to call the IRS, taxpayers and any representative they choose should be enabled with the data and systems necessary to allow for self-service where possible and to have access to the tax information required to engage effectively and efficiently with the IRS.

Approximately 60% of income tax returns are filed through a tax professional. This fact, combined with the tax professional portal and data modernization mentioned above, creates an opportunity to enable and support tax professionals to access expanded and real-time information about their clients' returns, alleviating some of the support burden currently directed to the IRS call centers.

Downstream impacts of the above actions may include:

1. Enable tax professionals to have expanded and expedited access to taxpayer client information while maintaining standards of strict data governance, security, and privacy. This will enable tax preparers and software providers to be a better utilized first point of contact for taxpayer inquiries.
2. Enable appropriate third parties to access taxpayer data via secure IRS APIs, empowering preparers to resolve issues in real time without burdening the IRS.

[28] https://www.govinfo.gov/content/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleF-chap61-subchapB-sec6103.pdf
[29] https://www.irs.gov/forms-pubs/about-form-2848 and https://www.irs.gov/forms-pubs/about-form-8821

3. Review and modernize appropriate components of the data disclosure policy and law, including but not limited to IRC 6103(e) and forms 2848 and 8821, to allow the IRS to conduct activities enabled by modernized infrastructure.

Enhance Tax Professional Accounts to Balance Security and Usability
Tax Pro Accounts have substantial opportunities to be more useful and increase utilization, leading to improved outcomes. Many innovations introduced elsewhere in the IRS e-service portfolio including secure messaging, information reporting, mobile-friendly forms, among many, are all regular activities for tax professionals yet are not incorporated into the "one-stop" tax professional portal.

The opportunity for substantial impacts from the small above-mentioned changes are significant; in 2024, a majority of the returns received were e-filed by tax professionals, emphasizing the need for solutions to better serve these critical stakeholders developed in concert with initiatives directed at individual taxpayers.

Modernizing Data Access Through Secure APIs
ETAAC continues to recommend that the information return data should be retrievable via Application Programming Interface ("API") pull on demand by the authorized user rather than being incumbent upon an IRS "push" schedule or a flowthrough process that allows states and other authorized users to retrieve their data in real-time, like what happens with the electronic income tax return retrieval. This would allow authorized parties to schedule and retrieve filed information returns and associated data in a real-time fashion, dramatically enhancing taxpayer experience, return processing, and refund distribution.

1. Advocate for real-time access to taxpayer data for authorized preparers and taxpayers through secure IRS APIs, bypassing outdated processes such as faxing power of attorney forms.
2. Streamline access to tax data and case resolution tools, reducing the delay taxpayers and preparers currently face due to statutory constraints governing access to tax data and the IRS's internal processing timelines.
3. Leverage the existing IRS customer service portal infrastructure to make APIs accessible with minimal additional development costs.

Creating a Taxpayer-Centric Ecosystem
1. Enable tax professionals to serve as an extension of the IRS's customer service model by equipping them with the tools needed to address routine inquiries that lead to the churn of IRS call center resources.
2. Expansion of the IRS's customer service model will allow the IRS to focus resources on complex tax cases and policy enforcement.
3. Enable a feedback loop between tax professionals and the IRS, improving service delivery and enabling more effective management of taxpayer needs.

Improvements to the U.S. Tax Ecosystem:

Value to Taxpayers
- **Faster Resolutions:** Tax preparers with real-time data access can address issues promptly, reducing delays and frustration.
- **Improved Experience:** Taxpayers interact with trusted preparers who understand their tax and financial matters rather than navigating IRS call center queues and complex disclosure form requirements.
- **Enhanced Transparency:** Direct data access through secure APIs provides taxpayers and preparers with up-to-date information, improving confidence in the tax process.
- **Cost Savings:** Streamlined processes and reduced reliance on the IRS for routine issues translate to lower compliance costs for taxpayers.

Value to IRS/ Treasury/ U.S./Tax Ecosystem

- **Reduced Operational Costs:** Optimizing call center workload by including tax professionals' expanded and expedited access to information will allow the IRS to more efficiently service all taxpayers.
- **Efficient Resource Allocation:** Frees IRS resources to focus on high-priority enforcement and compliance activities rather than routine inquiries.
- **Increased Data Utilization:** Secure APIs ensure taxpayers and preparers can fully leverage the data the IRS has already digitized, maximizing the value of past investments in infrastructure like the customer service portal.
- **Collaboration Benefits:** Strengthening partnerships with tax preparers encourages innovation and shared responsibility in supporting taxpayers, enhancing overall system resilience.
- **Improved Public Perception:** By empowering tax professionals and reducing government inefficiency, the IRS can enhance trust and goodwill among taxpayers.

Recommendation 13: The IRS Should Eliminate Unnecessary Filings for Extensions That are Already Automatic

Background / Present Law:

The IRS currently automatically grants extensions for certain forms, including:

- Form 4868 (Application for Automatic Extension of Time to File U.S. Individual Income Tax Return),
- Form 7004 (Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns),
- Form 8868 (Application for Extension of Time to File an Exempt Organization Return),
- Form 8809 (Application for Extension of Time to File Information Returns),
- Form 4768 (Application for Extension of Time to File a Return and/or Pay U.S. Estate [and Generation-Skipping Transfer] Taxes)
- Form 8892 (Application for Automatic Extension of Time To File Form 709 and/or Payment of Gift/Generation-Skipping Transfer Tax)

Taxpayers are required to submit these forms to request an extension despite these extensions being automatically granted upon submission. This redundant step creates unnecessary filings and paperwork and can lead to confusion and delays. The number of automatic extension requests the IRS must process annually is voluminous.[30]

To clarify, ETAAC is only recommending this activity for automatic extensions that are already granted and does not suggest any changes to the IRC that still applies for deadlines, payments, penalty and interest, etc.

Recommendations:

To provide efficiency, to the extent legally permitted, we suggest the IRS remove the requirement for taxpayers to e-file or paper file extensions that are already automatic. For those provisions that the IRS determines a filing for extension should be required for legal or other reasons, we suggest the IRS introduce a "one-click extension request" option through the IRS online account system. This will provide a user-friendly alternative and ensure taxpayers have efficient access to their extension information. For taxpayers who cannot register an IRS online account, such as ITIN applicants, the IRS could consider developing unauthenticated Mobile-Friendly Forms for Forms 4868 and 7004, which do not require signatures for filing.

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[30] See, for example, information relating to certain automatic extension request provided by the IRS below:

Form #	CY2023 Total	CY2022 Total
F4868: Extension of Time to File US Individual Tax Returns	17,964,280	18,970,894
F7004: Extension of Time to File Certain Business Tax Returns	9,912,435	9,887,485
F8868: Extension of Time to File Exempt Organization Returns	1,148,832	1,279,158
F8809: Extension of Time to File forms (W-2, W-2G, 1042-S, 1094-C, 1095, 1097, 1098, 3921, 5498, and 8027)	58,038	65,724

Reasons for Change:

Providing for a filing for something that is already automatic produces inefficiency. By eliminating extension filings (or minimizing the burdens of filing by instituting a “one-click extension request” online) has the following benefits:

- Reduced administrative burden: simplifying the extension process will decrease the workload for both taxpayers and the IRS, allowing resources to be allocated more efficiently.
- Enhanced User Experience: providing a “one-click option” will improve the overall user experience, making it easier for taxpayers to manage their extension filings.

Increased Efficiency: Streamlining the process will reduce processing times and minimize the risk of errors or delays associated with redundant filings.

Recommendation 14: The IRS Should Make Easier the Ability for Taxpayers Who Previously Filed Jointly, and First Time Taxpayers, To Make Tax Payments to the IRS

Background / Present Law:

Collecting revenue owed is the main function of the IRS. Simplifying the process to make payments to the IRS should be a top priority. In recent years, the IRS has made improvements to allow for flexibility with respect to the methods available for taxpayers for payment.[31] The "Pay by card or digital wallet" (a normally helpful option) under the "Make a payment" page on IRS.gov. (the "Direct Pay" method) is very helpful for taxpayers because they can without signing into an account, make direct payments of taxes from a bank account. However, there are still some issues relating to the Direct Pay payment methodology.

Payments made by persons who previously filed jointly and were not listed first on the return have difficulties utilizing the Direct Pay method. The "second filer," when making an estimated tax payment relating to his or her own income, who previously filed jointly, will have difficulty making estimated tax payments in their own name using Direct Pay because that taxpayer's information will not be able to be found when authenticating on IRS.gov. Such taxpayer might then choose to make estimated tax payments in the name of the other joint filer (listed first) – who can be identified. Second filers on a previously filed joint return may not be filing jointly in the future for many reasons, including divorce, change in employment, or tax planning reasons.[32]

First-time filers also have difficulties using Direct Pay. First-time filers can include:

- young adults and students;
- nonresidents, including visa holders (e.g., F-1, J-1, H-1B);
- undocumented immigrants; and
- individuals who have an Individual Tax Identification Number (ITIN).

Such first-time filers may have difficulty utilizing Direct Pay because that taxpayer's information will not be able to be found when authenticating on IRS.gov as the system requires verification by a previously filed return.[33] While first-time filers may be able to pay their tax liability using ACH by signing up for an IRS online account to bypass the Direct Pay identity verification requirement, the error screen currently shown by Direct Pay makes this alternative non-obvious. Furthermore, the alternative solution does not work for taxpayers ineligible for an account via ID.me, such as new/recent ITIN/SSN applicants and taxpayers under 18 years old. Currently, these taxpayers are largely forced to pay their tax liability via paper check or money order. However, with the impending phaseout of paper checks and money orders as acceptable methods of payment to the federal government per Executive Order 14247, Modernizing Payments To and From America's Bank Account, it should be a priority for the IRS to ensure that all taxpayers, especially first-time filers, be able to pay their tax liabilities quickly and easily, without unnecessary burden or fees, to promote effective tax administration.

In addition to difficulties in making payments, issues exist relating to automatic withdrawals. Presently, when the IRS cashes a bad check or is unable to complete an ACH withdrawal due to insufficient funds, the taxpayer is charged a dishonored check penalty of the greater of $25 or 2% of the payment amount. Furthermore, the taxpayer may be subjected to a non-sufficient funds (NSF) fee imposed by their bank.

Recommendations:

First, we recommend that the IRS update its payment methodologies so that second filers on joint returns and first-time taxpayers can more easily make payments, such as for estimated taxes. Second, we recommend that the IRS institute guardrails to better protect low-income taxpayers from dishonored check penalties and non-sufficient fund fees. Specifically, we recommend that the IRS:

1. Facilitate the use of Direct Pay by taxpayers that were listed second on a previously filed joint return to make payments in their own name.
2. Remove or tailor the identity verification requirement for Direct Pay to (a) enable first-time filers to pay their tax liability without being forced to pay additional costs for alternative methods, (b) simplify the experience for all taxpayers, and (c) conform to the absence of identity verification requirements for other payment methods (e.g., credit card, cash, check, wire).
3. Take steps to minimize instances of dishonored checks for recurring payments (e.g., payment plans) that disproportionately affect low-income taxpayers by (a) sending 1-2 email/text notifications to taxpayers 2-7 business days before an upcoming withdrawal with a one-click button to cancel/delay payment (even with the risk of default) and (b) allowing taxpayers to opt-in to a third-party fintech platform that lets the IRS check their bank account's balance before attempting withdrawal to ensure sufficient funds.

Reason for Change:

The issue in making tax payments for a second filer on a previously filed joint return discussed above is particularly difficult for second filers who do not plan to do a joint return for the upcoming year, such as filing separately due to a divorce, separation, or death in the family. The second filer should be able to pay taxes in their own name utilizing all of the available payment methods to prevent confusion and inefficiency.

Further, first-time filers may feel frustrated when unable to make payments. It would be helpful if such filers could make payments by identifying with just their name, social security number or ITIN, and birthdate to ensure the payment will be properly credited, but still allow taxpayers who may still not be able to verify their identity (e.g., taxpayers who just recently received their SSN/ITIN) to opt out in order to make a timely payment.

Given the effects of NSF fees and, analogously, dishonored check penalties, it is extremely crucial that the IRS protects low-income taxpayers from being subject to unnecessary fees and penalties by taking proactive steps to remind taxpayers of their upcoming withdrawals and allowing taxpayers to elect for the IRS to check their bank balance for sufficient funds before attempting a withdrawal. Additionally, the IRS should consider allowing at least a small buffer of time (e.g., 7 days) for taxpayers to delay their installment agreement payment without the risk of default – to provide leniency to low-income taxpayers and in the interest of effective tax administration.

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[31] Irs.gov/payments (e.g., payment can be made from bank accounts, debit/credit card, online account, EFTPs)

[32] The number of taxpayers filing jointly is voluminous:

Tax Year	Total Returns Filed	Married Filed Joint (MFJ)
2020	164,094,543	54,959,469
2021	161,248,915	54,418,963
2022	157,591,999	53,953,766

[33] Irs.gov/payments

Appendix: ETAAC Member Bios

Vernon Barnett (Chair) – Governor Kay Ivey appointed Vernon Barnett to serve as Commissioner of the Alabama Department of Revenue in May 2017. During his tenure, Commissioner Barnett has consistently leveraged technology to lead the state to record revenue collections and has now become the longest serving Commissioner of Revenue in Alabama state history. Commissioner Barnett is the current President of the Federation of Tax Administrators Board of Trustees, a member of the Senior Executive Board of the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center, the Second Vice President of the Southeastern Association of Tax Administrators Executive Committee, and the past Chair of the Multistate Tax Commission. Commissioner Barnett earned degrees from Vanderbilt University and the University of Alabama School of Law. He and his wife have two children.

David Casey – Casey was appointed Secretary of the Wisconsin Department of Revenue in April 2024. He previously served as deputy secretary of the department from 2019 to 2022. Casey has a bachelor’s degree in economics from Grinnell College. Additionally, he holds a Master of Public Administration in public policy and management from Carnegie Mellon University.

Jane Chou – Chou is a tax consultant, tax professional, Chinese Mandarin interpreter and founder of CKYFS Inc. Chou belongs to the National Association of Tax Professionals. She is a U.S. Navy veteran who served as a military cryptologic technician interpretive. Chou holds a bachelor’s degree in liberal arts from Regent College.

Manuel Dominguez – Dominguez is Program Manager, Agency and Industry Relations with The Tax Institute at H&R Block. He participates in the IRS Security Summit and the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center. He is a co-lead for the Council for Electronic Revenue Communication Advancement's Digital Services working group. Dominguez holds a bachelor’s degree in accounting from the University of Phoenix.

Jerry Gaddis – Gaddis is founder and Chief Executive Officer of Tropical Tax Solutions, a boutique firm headquartered in Florida providing tax consultation, preparation and representation solutions for individuals and small businesses. He is a proud graduate of the University of Florida and earned an MBA at the Crummer Graduate School of Business at Rollins College. Gaddis began his 20-year tax career at the VITA/Tax Counseling for the Elderly clinic in the Key Largo public library. He is an Enrolled Agent, a graduate fellow of the National Tax Practice Institute and a regular contributor to a best-selling Enrolled Agent Exam Prep Course. Gaddis served on the board of directors for the National Association of Enrolled Agents for seven years including three years as an officer and one year as President/CEO.

Ronald Gilson – Gilson is co-owner, Krkcr Inc. in Springville, Utah. He has worked in the accounting software and services industry since 1997 in various capacities including software platform implementation, project development of new software platforms, and tax and payroll compliance, including file schema updates. He is experienced in payroll management and project administration, implementation of software systems, electronic file creation and customer account management. He serves as vice president on the board of directors of the American Payroll Association and is current co-chair of the association’s Electronic Payments Subcommittee.

Douglas Harding – Harding is a tax corrections principal examiner at the Connecticut Department of Revenue Services, where he has been employed since 2013. Mr. Harding serves as the department's electronic filing coordinator, overseeing all aspects of the Modernized e-File (MeF) and Fed/State Employment (FSET) Programs, including schema development, internal testing, software vendor testing, and troubleshooting production issues. He has served on the Town of Ellington, CT’s Board of Finance since 2014, and is currently the board’s chairman.

Andrew Jennison – Jennison is Director, Government Relations, at CGI Technologies and Solutions. He has experience in the tax services industry, as a systems integrator, on a state tax administration task force, and has graduate accounting education. For seven years, Mr. Jennison led and directed H&R Block’s legislative and regulatory team at both the federal and state levels. During this time, he developed relationships and partnered with community organizations, nonprofits and industry to promote the Earned Income Tax Credit and Child & Dependent Care Credit and reduce the impact of fraud and abuse on underserved communities.

Richard Lavina – Lavina is co-founder and CEO of Taxfyle. He is a certified public accountant and a member of the American Institute of Certified Public Accountants (AICPA) and Florida Institute of CPAs. He previously worked at PwC. Lavina holds a Master of Accountancy from Florida International University and Bachelor of Business Administration from the University of Miami.

Carol Lew – Lew is a partner of Stradling, Yocca, Carlson & Rauth, LLP in Newport Beach, Calif. She is a tax lawyer and has substantial experience with tax exempt bond audits and tax-exempt bond voluntary closing agreement program cases. She served as president of the National Association of Bond Lawyers from 2006-2007, and as chair of the American Bar Association's Tax-Exempt Financing Committee from 2001-2003. Ms. Lew has experience as bond counsel, underwriter's counsel, special tax counsel and borrower's counsel for various kinds of bond issues for state and local government and non-profits for the provision of public infrastructure, housing, charter schools, performing arts facilities, hospitals, museums and other types of facilities. She also has substantial experience with respect to green energy tax credits. She served as editor-in-chief of the Federal Taxation of Municipal Bonds from 2000-2001. Ms. Lew served on the Internal Revenue Service Advisory Council from 2019 to 2022 and was chair in 2022.

Jack Mao – Mao is an Enrolled Agent and the founder of Jack Mao Tax Services Corp, a boutique tax firm and software company in San Francisco, California, serving college students, immigrants, startups and HNW individuals. He is also the founder of TaxFellows, a federally-funded Volunteer Income Tax Assistance organization serving low-income taxpayers in the San Francisco Bay Area in partnership with the IRS and Stanford University. Mao is a member of the National Association of Enrolled Agents and California Society of Enrolled Agents. Mao studied computer science at Stanford University.

Jose Martinez – Martinez is in private accounting practice and is the founder of J.A. Martinez Jr. Inc. He has over 25 years of experience as a tax accountant and has worked with a variety of accounting firms. Martinez is an Enrolled Agent. Martinez also serves as the Assistant Director of Wing Finance for the New Jersey Wing of the Civil Air Patrol – the U.S. Air Force Auxiliary. Martinez holds a bachelor's degree in accounting from Rutgers University.

Amy Miller (Vice Chair) – Miller is a seasoned professional with over 15 years of experience in public policy, compliance, and advocacy. As the Senior Director of Government Affairs at ADP, she leverages her background as a CPA and former public accountant to develop and promote policies that support business growth and operational efficiency. She is passionate about driving impactful solutions while fostering innovation. Amy earned a B.S. in Accounting from Pennsylvania State University and a J.D. from the American University Washington College of Law.

Ryan Minnick – Minnick is chief operating officer with the Federation of Tax Administrators (FTA) and a regular host of FTA's podcast, FTA Tax Breaks. Minnick is also a speaker and writer on the topic of technology and its application in tax and revenue. He holds a Bachelor of Business Administration from the College of William and Mary.

Amy Nowak – Nowak is a senior attorney in tax law at Frost Law in Annapolis, Maryland. She received her Juris Doctor from Loyola University New Orleans College of Law and her Master of Laws in taxation from Boston University School of Law. During her time in law school, Nowak was a legal intern with the IRS Office of Chief Counsel.

Argi O'Leary – O'Leary is a Principal in the Advocacy Practice at Ryan, LLC in New York, where she provides tax strategy and audit assistance, including tax issue negotiations and resolution, policy advice and advocacy for all tax types. Before joining Ryan, O'Leary was a Deputy Commissioner with the New York State Department of Taxation and Finance, leading the Department's Civil Enforcement Division and Office of Professional Responsibility, and also served as an Assistant Deputy Commissioner, leading the Department's litigation strategy in tax controversy matters.

Graham O'Neill – O'Neill has broad experience in IRS Volunteer Income Tax Assistance program management and tax credit program administration. O'Neill is the former Director of Partnerships & Virtual Tax Operations at the Campaign for Working Families, and former Administrator of Taxpayer Assistance & Credit Programs for the Philadelphia Department of Revenue. O'Neill holds a Bachelor of Arts in history from Dickinson College.

RaeAnn Pilarski – Pilarski is Senior Manager at Code for America, where she scales and supports VITA partners that participate in the GetYourRefund program. Before joining Code for America, she oversaw the VITA program at the United Way of Tucson and Southern Arizona. During her tenure there, she worked closely with Code for America as one of the original partners in the GetYourRefund pilot and led the development of Valet VITA, a model that allowed clients' documents to be scanned and securely uploaded to a system through which volunteers would access the information needed to prepare the return.

Stephanie Plaza – Plaza is senior lead product manager at Wolters Kluwer. She has worked in the tax software development and financial products industry for more than 12 years. During her tenure in the tax industry, Ms. Plaza has worked closely with The Council for Electronic Revenue Communication Advancement (CERCA) and more recently the American Coalition for Taxpayers Rights (ACTR). Through CERCA, she has worked closely with the IRS on taxpayer experience and digital services.

Keith J. Richardson – Richardson has over 18 years of tax administration experience. He is Deputy Chief Financial Officer and Tax Commissioner for the District of Columbia. As the Deputy CFO, he contributed to the development of its new modernized tax system, including working with IDTTRF-ISAC and establishing strategic plans for its customer service for taxpayers. Richardson previously worked for the Commonwealth of Pennsylvania as the Bureau of Compliance Director and was responsible for tax compliance initiatives, clearances and creating the Gaming Control Clearance Division to oversee all tax clearances for owners, vendors, employees, and winners. He has also served as Revenue Commissioner for the City of Philadelphia. He serves on the Federation of Tax Administrators Board of Trustees, the second vice president. He is a past chairman for MultiState Tax Commission.

Mark Steber – Steber is chief tax officer with Jackson Hewitt Tax Service, where he serves as liaison to the IRS, states, and other government authorities. Mr. Steber has been an active participant in the IRS Security Summit since its founding in early 2015. He has been involved with the Summit's Information Sharing, Authentication, Strategic Threat Assessment and Response, and Tax Pro working groups. Mr. Steber is active with various industry groups, including ACTR and CERCA. Prior to joining Jackson Hewitt, he was a tax partner with Ernst and Young LLP. Mr. Steber previously served on the ETAAC from 2017 to 2020.

Kristine Willson – Willson is Director of Global Payroll at Talkdesk, Inc. She has over three decades of payroll, benefits and accounting experience and is a Certified Payroll Professional. Willson has worked in payroll with a variety of industries including biotechnology, insurance, retail and healthcare. She is a member of PayrollOrg, where she is co-chair of the Electronic Payments Committee.