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**For Immediate Release
Nov. 15, 2005**

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Impact of IRS Customer Service Cuts on Taxpayers Evident in GAO Report on 2005 Filing Season

Washington, D.C.—Internal Revenue Service (IRS) employees continue to provide a high level of customer service even as the agency makes it increasingly difficult for taxpayers to obtain that service by cutting back the resources devoted to it, according to a key finding in a report on the 2005 tax-filing season by the Government Accountability Office (GAO).

On one hand, the accuracy of answers by IRS employees rose appreciably on both tax law and taxpayer account questions, the GAO report said; but on the other, the length of time it took to reach a telephone assistor rose significantly—and there was a sharp increase in the number of taxpayers who abandoned their phone calls while waiting for help. The IRS called these service declines “acceptable,” GAO said.

“The IRS continues to fail to make the connection between high-quality customer service and increased revenue,” said President Colleen M. Kelley of the National Treasury Employees Union (NTEU), which represents IRS employees. According to GAO, the IRS budget for taxpayer service in 2005 was 2.8 percent less than in 2004.

NTEU has been leading the fight against IRS efforts to cut back its customer service operations. The agency is seeking to drive taxpayers to its Internet web site for the help they need and

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away from opportunities to get direct help, either on the phone or in person.

The GAO report noted the IRS strategy of directing taxpayers away from face-to-face assistance and using more tax return preparation services, but underscored a criticism NTEU has made that the agency “lacks reliable data on quality” that could be used to compare the two services and to fully understand the impact of that decision on taxpayers.

In addition to its lack of data on quality, GAO quoted both the National Taxpayer Advocate and the Treasury Inspector General for Tax Administration (TIGTA) as pointing out that the IRS has “limited information” on the numbers and types of services provided at its walk-in sites as well as information on what kind of in-person services taxpayers need or want.

“The lack of information hinders IRS’s ability to make appropriate decisions about the locations and services it provides taxpayers,” GAO said.

Earlier this year, the IRS sought to close 68 of its Taxpayer Assistance Centers (TACs) around the country but suspended the plan after NTEU members and chapters protested vigorously and generated considerable taxpayer and political support for keeping the facilities open. NTEU is supporting legislative language that would require the IRS to study the impact of customer service cuts before actually implementing any such measures.

NTEU is the largest independent federal union, representing 150,000 employees in 30 agencies and departments, including some 94,000 in the IRS.