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1750 H Street N.W. • Washington, D.C. 20006 • (202) 572-5500

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**Contact: Dina Long, Ext. 7058
Sheila McCormick, Ext. 7034
Mike Drapkin, Ext. 7011**

Taxpayer Service Cuts Opposed by NTEU Tops List of Concerns Identified By Taxpayer Advocate

Washington, D.C.—Cuts in service by the Internal Revenue Service (IRS) tops the list of serious concerns facing America's taxpayers, according to a report to Congress by the independent National Taxpayer Advocate. The conclusions drawn by Nina Olson mirror those expressed over the past year by the National Treasury Employees Union (NTEU), which has been leading the fight against a number of proposed cuts to service the IRS attempted to implement.

“NTEU was able to bring the proposed actions of the IRS in cutting customer service to the attention of Congress,” said NTEU President Colleen M. Kelley, “which quickly took steps to forbid the IRS from moving forward with its plans to reduce face-to-face and telephone assistance to taxpayers.”

In her transmittal letter for the lengthy report, which identifies 21 serious problems in all, Taxpayer Advocate Olson said she is “concerned that the IRS is decreasing the level of resources it dedicates to customer service, including lowering the level of service on its toll-free (phone) lines and restricting the types and service provided in its walk-in sites.”

Congress was concerned as well and included language in the fiscal 2006 Defense spending bill specifically prohibiting the IRS from cutting back telephone assistance below the levels of October 2005; and inserted a provision in the 2006 Transportation-Treasury Appropriations bill requiring that

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Taxpayer Advocate Report Supports NTEU Views—Add One

current levels of customer service be continued until a study can determine the impact of cuts on taxpayers and tax compliance.

NTEU has been leading the fight against IRS service cuts, including a nationwide campaign in 2005 that forced the IRS to abandon a plan to close 68 Taxpayer Assistance Centers (TACs).

“It does not surprise me that the Taxpayer Advocate has identified cuts in customer service as a leading issue for taxpayers,” President Kelley said. “It has long been clear to NTEU and many others that most taxpayers want to comply with the tax code but they need help to do that. Cutting off that help will not increase compliance.”

Among other steps, she criticized the reduction in the level of service on toll-free telephone lines—and establishment of a lower long-term goal in such service; the decision to reduce the number of questions that IRS customer assistance employees are permitted to answer at both the walk-in help sites and on the telephone; and a reduction in the number of tax returns prepared in TACs from more than 665,000 in fiscal 2003 to a proposed 305,000 in fiscal 2006.

The Taxpayer Advocate described as “perhaps (the) most disturbing” aspect of the customer service cutbacks is the IRS’s decision to “dumb down” its quality goals for taxpayer service functions even as it ratchets up the quantity goals for collection, examination and criminal investigation.

Noting a significant increase in the level of employee-provided phone service over a period of some five years, she took aim at the agency’s lowered long-term goal for this function. The IRS is “essentially telling its employees that they had gotten too good at delivering service to the U.S. taxpayer and accepting that it is all right not to answer over seven million phone calls.”

Another of the 21 serious issues identified by Olson concerns the IRS plan to use private sector debt collectors to go after tax debt. These companies would be paid a bounty of up to 25 percent of the money they collect, setting the stage for highly aggressive action that puts at risk taxpayer rights and privacy. In her report, Olson rejects the idea that these private sector employees be trained for this highly sensitive work by the contractors saying she is “concerned about taxpayers interacting with private collection agents who have no understanding of important tax laws.” She urged that the agency instead make use of the “abundance of tax experts employed at the IRS.”

NTEU is vigorously opposed to the plan to use private debt collection companies and is working with Congress to block the IRS from moving forward. A similar initiative in 1996 failed so badly that the plan was cancelled.

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