Internal Revenue Service
Internal Revenue Service Advisory Council

Membership Balance Plan

1. Name. The Internal Revenue Service Advisory Council (IRSAC).

2. Authority. The IRSAC is established based on the authority to administer the laws of the Internal Revenue as conferred upon the Secretary of the Treasury, pursuant to section 7801 of the Internal Revenue Code and delegated to the Commissioner of the Internal Revenue.

3. Mission/Function. Designed to serve as an advisory body to the Commissioner of the Internal Revenue Service, the IRSAC was established to provide an organized public forum between IRS officials and representatives of the public for discussing relevant tax administration issues. The IRSAC suggests operational improvements, offers constructive observations about IRS' current or proposed policies, programs, and procedures, and advises the IRS on particular issues having substantive effect on federal tax administration.

4. Points of View. It is anticipated that the IRSAC will consist of not more than thirty-five (35) members, comprising of representatives of the public. Each IRSAC member is appointed to represent a point of view from a customer segment of the public and major stakeholders in federal tax administration matters, with a goal of having as great a diversity of views as possible. Membership balance is not static and may change, depending on the work of the IRSAC.

   IRSAC members are selected through a structured application process that targets individuals with interest in federal tax administration matters who have substantial, disparate experiences and diverse backgrounds. Specific subject matter and technical expertise in federal tax administration issues, such as in Circular 230, is generally required to accomplish the tasks of the IRSAC. Accordingly, IRSAC members usually include enrolled agents, certified public accountants and lawyers, and representatives from academia, businesses and other organizations of varying sizes.

   When making the employment status determination of the IRSAC members, the IRS looks at the express language of the IRSAC charter; the fact that IRSAC members (a) do not receive compensation other than travel expenses for their services on the committee (b) act as spokesperson for a recognizable nonfederal governmental group or stakeholder and (c) are not supervised by a Federal government employee. After analyzing these factors, the IRS' Chief, Ethics and General Government Law Branch (GLS) determined that each of the current members of IRSAC shall be appointed as representatives. Any new members will

be reviewed using the same process, which is specified by a Department of Treasury Directive.

5. Other Balance Factors. Other balance factors identified as important for IRSAC membership are geographic and work sector diversity (*e.g.,* private industry, academia).

6. Candidate Identification Process.

   a. Cross Section. The IRS solicits nominations for IRSAC by placing a notice in the Federal Register, contacting outside groups for recommendations, and issuing a news release. After receiving the nominations and outside recommendations, the IRS develops a list of qualified candidates. The candidates are then selected based on geographic location, major stakeholder representation, and customer segment representation, after taking into consideration the characteristics of the members that will be leaving a vacancy in the IRSAC.

   b. Agency Staff Involved. Senior IRS officials, including the Commissioner of Internal Revenue, the Chief Communications and Liaison, the Director, National Public Liaison and the Designated Federal Officer or their delegates, participate in the review process. In addition, staff in the Operating Divisions is consulted to ensure that the agency selected the best candidates from among the applicants.

   c. Vacancies. An Open Season is announced in the summer for the term beginning the following year. Approximately one third of the members are selected each year and any additional vacancies are filled during the open season.

   d. Term limits. Members are selected for a three-year appointment with the possibility of a one-year renewal.

7. Subcommittee Balance. IRSAC may form subcommittees (or subgroups) for any purpose consistent with the charter. Such subcommittees must report directly to the IRSAC parent committee and do not make recommendations directly to Federal Officials. Therefore, IRSAC subcommittees are not covered by the Act and are not subject to the Act's requirement that committees be "fairly balanced." (41 CFR § 102-3.35).

8. Date Prepared. This membership Balance Plan was initially prepared July 8, 2011.