Internal Revenue Service
Information Reporting Program Advisory Committee

Membership Balance Plan

1. Name. The Information Reporting Program Advisory Committee (IRPAC).

2. Authority. The IRPAC 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. The purpose of the IRPAC is to provide an organized public forum for discussion of relevant information reporting issues of mutual concern between IRS officials and representatives of the public. Advisory Committee members convey the public's perception of IRS activities, advise with respect to specific information reporting administration issues, provide constructive observations regarding current or proposed IRS policies, programs, and procedures, and propose improvements to information reporting operations and the Information Reporting program.

4. Points of View. It is anticipated that the IRPAC will consist of not more than thirty-five (35) members. Each IRPAC member is appointed to represent a point of view from within the tax information reporting community, including organizations varying in size and type. Each member may also represent a customer segment of the information reporting industry. The IRS recognizes that membership balance is not static and may change, depending on the work of the IRPAC.

   IRPAC members are selected through a structured application process that targets individuals with interest in information reporting issues who have substantial, disparate experiences and diverse backgrounds. Accordingly, IRPAC members usually come from the tax professional community, small and large businesses, financial institutions, state tax administration agencies, colleges and universities, and securities and payroll organizations. Specific subject matter and technical expertise in information reporting administration issues, such as knowledge and expertise in producing and using information reporting returns, is generally required to accomplish the tasks of the IRPAC.

   When making the employment status determination of the IRPAC members, the IRS looks at the express language of the IRPAC charter; the fact that IRPAC members (a) do not receive compensation other than travel expenses for their services on the committee (b) act as a

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's Chief, Ethics and General Government Law Branch (GLS), determined that each of the current members of IRPAC shall be appointed as representatives. Any new members will be reviewed using the same factors, which are specified by a Department of Treasury Directive.

5. Other Balance Factors. The other balance factors that IRS identified as important for the IRPAC membership include geographic diversity, and representation of major stakeholder and customer segments.

6. Candidate Identification Process.
   a. Cross-section. IRS solicits nominations for IRPAC by placing a notice in the Federal Register, issuing a news release, and contacting tax professional organizations and industry groups involved in information reporting. After receiving the nominations and outside recommendations, the IRS develops a list of qualified candidates. The candidates are then selected based on geographic, stakeholder and industry diversity after taking into consideration the characteristics of the members that will be leaving a vacancy in the IRPAC.

   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 spring 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. IRPAC may form subcommittees (or subgroups) for any purpose consistent with the charter. Such subcommittees must report directly to the IRPAC parent committee and do not make recommendations directly to Federal Officials. Therefore, IRPAC 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.