

2019 Current Fiscal Year Report: Internal Revenue Service Advisory Council

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1. Department or Agency

Department of the Treasury

2. Fiscal Year

2019

3. Committee or Subcommittee

Internal Revenue Service Advisory Council

3b. GSA Committee No.

1253

4. Is this New During Fiscal Year?

No

5. Current Charter

10/17/2018

6. Expected Renewal Date

10/17/2020

7. Expected Term Date

8a. Was Terminated During Fiscal Year?

No

8b. Specific Termination Authority

AGEN

8c. Actual Term Date

9. Agency Recommendation for Next Fiscal Year

Continue

10a. Legislation Req to Terminate?

No

10b. Legislation Pending?

Not Applicable

11. Establishment Authority

Agency Authority

12. Specific Establishment Authority

AGEN

13. Effective Date

11/21/1987

14. Committee Type

Continuing

14c. Presidential?

No

15. Description of Committee

Non Scientific Program Advisory Board

16a. Total Number of Reports

1

16b. Report Date

11/15/2018

Report Title

Internal Revenue Service Advisory Council Annual Report

Number of Committee Reports Listed: 1

17a. Open 1 17b. Closed 0 17c. Partially Closed 0 Other Activities 0 17d. Total 1

Meetings and Dates

Purpose

The Internal Revenue Service Advisory Council (IRSAC) Public Meeting. The purpose of the IRSAC is to provide an organized public forum for discussion of relevant tax administration issues between IRS officials and representatives of the public. The IRSAC proposes enhancements to IRS operations and recommends administrative and policy changes to improve taxpayer service, compliance and tax administration. It advises the Commissioner (or delegate) and senior IRS executives with respect to issues having substantive effect on federal tax administration. The IRSAC shall provide a written report to the Commissioner of Internal Revenue (or delegate) at least annually; such reports will include a discussion of issues identified for consideration and pertinent recommendations. Consistent with FACA guidelines, detailed minutes are recorded of the IRSAC Public Meeting.

Start

End

11/15/2018 - 11/15/2018

Number of Committee Meetings Listed: 1

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00

18a(3). Personnel Pmts to Federal Staff	\$462,783.00	\$481,294.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$138,107.00	\$143,631.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Other(rents,user charges, graphics, printing, mail, etc.)	\$3,920.00	\$4,077.00
18d. Total	\$604,810.00	\$629,002.00
19. Federal Staff Support Years (FTE)	2.60	2.70

20a. How does the Committee accomplish its purpose?

The primary purpose is to provide an organized public forum for IRS officials and IRSAC to discuss relevant tax administrative issues. The group suggests operational improvements, offers constructive observations about IRS's current or proposed policies, programs, and procedures, and advises the IRS on particular issues having substantive effect on federal tax administration. The IRSAC conveys the public's perception of activities to the IRS. The IRSAC's objectives continue to evolve. The group addresses broad tax administration topics or organizational issues, rather than narrow technical issues. Discussions focus on solutions as well as constructive observations with respect to the tax administration system. Meetings provide an opportunity for the IRSAC to offer collective advice on strategic IRS issues. The IRSAC is comprised of individuals from diverse backgrounds who bring a wide breadth of experience to the Council's activities. Of the problematic issues identified, the IRS has adopted many of the IRSAC's recommendations generating results mutually beneficial to the IRS and taxpayers.

SUMMARY OF COMMITTEE ACCOMPLISHMENTS: During the fiscal year, the IRSAC raised issues relating to compliance and taxpayer-specific issues based on factors giving rise to non-compliance. In addition, each of the Council's subgroups submitted several issues specific to the divisions they represent. Specific issues raised during FY 2019 IRSAC Public Meeting included: The Critical Need to Provide the Internal Revenue Service with Adequate and Reliable Funds; Improving the Free File Program by Increasing IRS Oversight and Restructuring the MOU; Statutory Authority of the IRS to Establish and Enforce Minimum Standards of Competence for all Tax Practitioners, including Tax Return Preparers; Improving Real-Time IRS Communications During Exigent Circumstances and Streamlining Regular IRS Communications; The Future of the IRSAC; eA3 Rule; Application Program Interface (API) Integration Strategy; Tax Pro Account; Use of Lockbox; Third-Party Authentication; Taxpayer Digital Correspondence (TDC) Pilot; Comments on Virtual Currencies; The Office of Professional Responsibility Should Publish Information on Actions Taken as a Result of its Investigations with no Taxpayer or Preparer Information; Updating Circular 230; Due Diligence – Cyber

Technology; Transfer Pricing Documentation; and Use of Country-by-Country (CbC) Reports for Transfer Pricing Risk Assessment.

20b. How does the Committee balance its membership?

To accurately convey the public's perception of IRS activities, IRSAC members are 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. The IRSAC seeks members representing a cross-section of the taxpaying public with substantial, disparate experience in: tax preparation for individuals, small businesses and/or large, multi-national corporations; information reporting; tax-exempt and government entities; digital services; and professional standards of tax professionals. Members are selected through a structured application process that targets individuals with interest in federal tax administration matters. Specific subject matter and technical expertise in federal tax administration issues is generally required to accomplish the tasks of the IRSAC. The IRSAC members usually include enrolled agents, certified public accountants and lawyers.

20c. How frequent and relevant are the Committee Meetings?

During FY 2019, the IRSAC conducted one public meeting, three working sessions and one orientation (virtual). The working sessions provided IRSAC members the opportunity to meet with IRS officials for issue development, to facilitate discussions and to analyze and formulate recommendations for the public meeting.

20d. Why can't the advice or information this committee provides be obtained elsewhere?

Voluntary compliance requires that the IRS remain apprised of the public's perception of its activities. Providing invaluable counsel with respect to assessing the public's perception of IRS activities, the IRSAC offers constructive observations regarding current or proposed IRS policies, programs, and procedures, suggests improvements to IRS operations, and in so doing, operates to maximize voluntary compliance while minimizing the burden to taxpayers.

20e. Why is it necessary to close and/or partially closed committee meetings?

N/A.

21. Remarks

The three working sessions and virtual orientation that are listed under "Meetings" were held to provide IRSAC members the opportunity to meet with IRS executives and subject

matter experts for issue briefings, facilitate discussions, and to analyze and formulate feedback and/or recommendations.

Designated Federal Officer

John A. Lipold Branch Chief, Professional Stakeholder Relationship Management,
National Public Liaison

Committee Members	Start	End	Occupation	Member Designation
Allen, Lisa	02/13/2019	12/31/2019	Relph Benefit Advisors	Representative Member
Bentsen, Martin	02/13/2019	12/31/2020	FIS Wall Street Concepts	Representative Member
Bianculli, Brenda	01/27/2016	12/31/2018	Brenda M. Bianculli, CPA, LLC	Representative Member
Carter, Tenesha	02/13/2019	12/31/2019	State Employees Credit Union	Representative Member
Cathell, Randall	02/13/2019	12/31/2019	Cherry Bekaert LLP	Representative Member
Cruz, Alexandra	02/13/2019	12/31/2020	Ernst & Young	Representative Member
Deneka, Ben	01/24/2018	12/31/2021	Industry Operations Liaison, H&R Block	Representative Member
Ellenby, Alan	02/13/2019	12/31/2019	Ernst and Young	Representative Member
Engle, Michael	02/13/2019	12/31/2020	BKD, LLP	Representative Member
Erbsen, Diana	01/24/2018	12/31/2020	Partner, DLA Piper LLP	Representative Member
Fisk, Sharyn	01/25/2017	12/31/2019	Assistant Professor of Accounting, Cal Polytechnic University - Pomona	Representative Member
Flynn, Dana	02/13/2019	12/31/2019	Morgan Stanley	Representative Member
Fox, Deborah	02/13/2019	12/31/2020	Tax Solutions	Representative Member
Goff, April	02/13/2019	12/31/2021	Perkins Coie	Representative Member
Gonzalez, Antonio	01/24/2018	12/31/2020	Founder & Co-Owner, Sydel Corporation	Representative Member
Hettick, Kathy	01/25/2017	12/31/2019	Owner, Hettick Accounting & Tax, LLC	Representative Member
Hurwitz, Stuart	01/27/2016	12/31/2018	Stuart M. Hurwitz, dba CPA Law Offices	Representative Member
Kay, Sheldon	01/25/2017	12/31/2019	Retired CPA	Representative Member
Kelsey, Sanford	02/13/2019	12/31/2020	Expedia Group	Representative Member
Kubey, Phyllis	01/25/2017	12/31/2020	Owner, Phyllis Jo Kubey, EA CFP ATA ATP	Representative Member
Kuwana, Masaki	02/13/2019	12/31/2020	Uber	Representative Member
Levenson, Joel	02/13/2019	12/31/2019	University of Central Florida	Representative Member
Lew, Carol	02/13/2019	12/31/2021	Stradling, Yocca, Carlson & Rauth	Representative Member

Lindsay, Emily	02/03/2019	12/31/2020	American University Kogod School of Business	Representative Member
Lipkin, Andrew	02/13/2019	03/25/2019	City of New York, Law Department	Representative Member
Lovin, Ryan	02/13/2019	12/31/2019	Vanguard	Representative Member
Macfarlane, Charles	01/25/2017	12/31/2020	VP and General Tax Counsel, Chevron Corporation Tax Department	Representative Member
Murray, Frederick	02/13/2019	12/31/2020	University of Florida, Levin College of Law	Representative Member
O'Brien, Shawn	01/27/2016	12/31/2018	Attorney	Representative Member
Paille, James	02/13/2019	12/31/2019	Thomson Reuters	Representative Member
Read, Charles	01/24/2018	12/31/2020	President, Custom Payroll Associates, Inc.	Representative Member
Rule, Martin	01/24/2018	12/31/2020	Senior Manager, Deloitte Tax LLP	Representative Member
Salavejus, Stephanie	07/01/2016	12/31/2018	VP, Peninsula Software	Representative Member
Schneider, Jeffrey	01/24/2018	12/31/2020	Vice President, SFS Tax & Accounting Services, Inc.	Representative Member
Sells, Clark	02/13/2019	12/31/2019	Ascentis	Representative Member
Swift, Jean	02/13/2019	12/31/2020	The Mashantucket Pequot Tribal Nation	Representative Member
Thompson, Dave	01/27/2016	12/31/2018	Director/Master of Accounting, Alabama State University	Representative Member
Thompson, Patricia	01/24/2018	12/31/2020	Tax Partner, Piccerelli, Gilstein & Co LLP	Representative Member
Ventry, Dennis	01/27/2016	12/31/2018	Professor of Law, UC Davis School of Law	Representative Member
Welytok, Daniel	02/13/2019	12/31/2021	Von Briesen & Roper, S.C.	Representative Member
Werner, Mary	02/13/2019	12/31/2020	Wipfli	Representative Member
Yovino, Charles	02/13/2019	12/31/2021	Global HR GRC LLC	Representative Member

Number of Committee Members Listed: 42

Narrative Description

The primary purpose of the IRSAC is to provide an organized public forum for IRS officials and representatives of the public to discuss relevant tax administrative issues. The IRSAC: proposes enhancements to IRS operations; recommends administrative and policy changes to improve taxpayer service, compliance and tax administration; discusses relevant information reporting issues; addresses matters concerning tax-exempt and government entities; and conveys the public's perception of professional standards and best practices for tax professionals. The IRSAC's objectives continue to evolve. The group addresses broad tax administrative topics or organizational issues, rather than narrow technical issues. Discussions focus on solutions as well as constructive

observations with respect to tax administration. Meetings provide an opportunity for the IRSAC to offer collective advice on strategic IRS issues. The IRSAC is comprised of individuals from diverse backgrounds who bring a wide breadth of experience to the Council's activities.

What are the most significant program outcomes associated with this committee?

Checked if Applies

- Improvements to health or safety
- Trust in government
- Major policy changes
- Advance in scientific research
- Effective grant making
- Improved service delivery
- Increased customer satisfaction
- Implementation of laws or regulatory requirements
- Other

Outcome Comments

NA

What are the cost savings associated with this committee?

Checked if Applies

- None
- Unable to Determine
- Under \$100,000
- \$100,000 - \$500,000
- \$500,001 - \$1,000,000
- \$1,000,001 - \$5,000,000
- \$5,000,001 - \$10,000,000
- Over \$10,000,000
- Cost Savings Other

Cost Savings Comments

NA

What is the approximate Number of recommendations produced by this committee for the life of the committee?

1,357

Number of Recommendations Comments

Prior to 2002 the number of recommendations or what was implemented or partially implemented was not tracked. These numbers represent/reflect data from 2002 to the present.

What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?

21%

% of Recommendations Fully Implemented Comments

Many of the recommendations presented to IRS leadership resulting out of the many hours of analysis and thoughtful effort fail to materialize primarily due to budgetary constraints. A common theme delivered by operating divisions is that while the recommendations are very good, reductions in the fiscal budget or the general lack of financial resources prohibit the implementation of the recommendations brought forth. Therefore, factors, such as the current infrastructure, legislation and other constraints, preclude full implementation at this time while some have been identified to be revisited at another time.

What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?

6%

% of Recommendations Partially Implemented Comments

Many of the recommendations presented to IRS leadership resulting out of the many hours of analysis and thoughtful effort fail to materialize primarily due to budgetary constraints. A common theme delivered by operating divisions is that while the recommendations are very good, reductions in the fiscal budget or the general lack of financial resources prohibit the implementation of the recommendations brought forth. Therefore, factors, such as the current infrastructure, legislation and other constraints, preclude full implementation at this time while some have been identified to be revisited at another time.

Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?

Yes No Not Applicable

Agency Feedback Comments

Feedback is verbally given to members in a public meeting. Written status updates on the

recommendations is given to members several months after a public meeting.

What other actions has the agency taken as a result of the committee's advice or recommendation?

	Checked if Applies
Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input type="checkbox"/>

Action Comments

NA

Is the Committee engaged in the review of applications for grants?

No

Grant Review Comments

NA

How is access provided to the information for the Committee's documentation?

	Checked if Applies
Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

Access Comments

N/A