



## U.S. Department of the Treasury

### How A Transformed IRS Will Provide World-Class Customer Service

President Biden in August 2022 signed the Inflation Reduction Act (“IRA”), providing critical resources to modernize the IRS after decades of underfunding. The Strategic Operating Plan shows how the IRS will use IRA resources to provide taxpayers with world class customer service and reduce our deficits by hundreds of billions by pursuing high dollar noncompliance.

Due to a lack of resources, the IRS has not been able to deliver the customer service taxpayers deserve. Long-term funding challenges were exacerbated by the pandemic. The IRS in 2022 answered just 13 percent of calls and millions of refunds were delayed by a backlog of paper returns.

Thanks to IRA resources, the IRS will transform the taxpayer experience. The IRS will help taxpayers get it right, and taxpayers will be able to seamlessly interact with the agency in the ways that work best for them: on the phone, in-person, and online. For the first time, the IRS will help taxpayers claim the credits and deductions for which they are eligible, strengthening the financial security of American families. **Service options will continue to be improved and expanded in the years to come, allowing the IRS to achieve a 21st century customer service experience.**

**Significantly improved service over the phone:** Taxpayers are experiencing significantly improved service over the phone this filing season.

- As expected, call volume is down from pandemic highs, but remains higher than pre-pandemic. Thanks to the 5,000 new hires made possible, in part, by IRA resources this year, IRS customer service representatives have answered over 5.5 million taxpayer calls this filling season, 2 million more calls with live assistance since the start of the year through March 25, compared to the same period in 2022.
- IRS has consistently achieved an 80-90% level of service with live assistance since the start of Filing Season 2023.
- The IRS also integrated new technology features like customer callback options, which will be available for 95% of taxpayers calling for toll-free live assistance by the end of July 2023. The IRS will continue to integrate improved technology to bring customer

service into the 21<sup>st</sup> by looking at the full picture and giving taxpayers options that work for them.

**Fully staffed and reopened Taxpayer Assistance Centers (TACs):** IRS is fully staffing its 362 TACs across the country, including reopening many TACs that have been closed or unstaffed in recent years due to lack of resources.

- The IRS has hosted more than 100 monthly Taxpayer Experience Days to provide Saturday in-person help. The IRS recently reopened TACs that have been closed, such as the recent opening of the Binghamton, NY TAC and the Charlottesville, Virginia TAC, and the anticipated opening of 15 TACs across the country this filing season.
- IRS in 2024 will further expand in-person taxpayer assistance services to reach more communities by expanding service available and options, by giving taxpayers information about wait times for on-demand service so they can plan their visit, and by scheduling capabilities for appointments at Taxpayer Assistance Centers.

**Expanded digitization to eliminate paper-based processes and expand service options:**

Automating paper-based processes and making more forms available online will deliver significant service improvements for taxpayers, including faster processing and refunds.

- In the first five years of the 10-year plan, the IRS will eliminate paper backlogs that have delayed taxpayer refunds by making more forms available for e-filing and by digitizing all forms and returns when they are received.
- The IRS is expanding scanning of paper forms to the most used forms, 1040 and 941. The IRS is on track to scan millions of returns in 2023.
- Customers will have more options to receive information and submit information and documents digitally, resulting in fast and accurate information exchange.
- Business tax transcripts will be made available online in easy-to-read format through Online Accounts and current individual tax transcripts will be updated to be more user-friendly and available in additional languages by 2024.

**New ability to respond to notices and file online:** Taxpayers are now able to respond to notices online and have new online filing options. These will continue to be improved and expanded.

- In the first five years of the 10-year plan, taxpayers will be able to securely file all documents and respond to all notices online.
- The IRS will add capabilities for 72 notices to individual Online Account by 2024, with further capabilities launched a new tool to respond to nine notices online, making it easier for taxpayers resolve issues and get their refunds in a timely manner. Until this year, when taxpayers received notices for things like document verification, they had to respond through the mail. Taxpayers are now able to respond to the most common notices for credits like the Earned Income and Health Insurance Tax Credits online, saving them time and money.
- The IRS launched an online portal to allow businesses to file Form 1099 series information returns electronically. These forms previously needed to be submitted through the mail. Small business owners often prepare their own taxes, rather than hire professional preparers, and this new tool is saving millions of small business owners time and money.

**New direct deposit refund option:** These refunds were previously only available by paper check, delaying taxpayers' receipt of their refunds.

- IRS enabled a direct-deposit refund option for 1040X amended returns.

**New online service tools:** IRS will continue to improve online service options and develop new online service tools.

- The IRS will provide expanded access to self-service account and payment options by launching Business Online Accounts in 2023. Taxpayers will be able to fully access their data, schedule payments, track the status of payments and refunds, and more, as IRS continues to expand individual online accounts.
- The IRS will use the information included in these new online service tools, like notices to provide self-service options for taxpayers to interact with the IRS in real time, to get information and resolve issues, such as secure messaging with the IRS.
- Business tax transcripts will be made available online in easy-to-read format through the Business Online Account in FY 2024. With continued enhancements, small business owners will also be prompted to correct simple processing errors at time of filing, ensuring returns are quickly processed.
- By 2025, IRS will have end-to-end digital processing for high-volume forms and returns, while maintaining paper submission options.

**New capabilities to help taxpayers correct errors quickly and easily:** For the first time, the IRS will help taxpayers identify mistakes before filing, quickly help them fix errors that delay their refunds, and claim the credits and deductions they are eligible for.

- By quickly resolving taxpayer issues at the front end and removing barriers to claiming tax credits and deductions, IRS will reduce the gap between incentives owed and claimed, while maintaining robust measures to prevent fraud and abuse.
- In the coming years, IRS will use available third-party and internal data to systematically check e-filed returns for accuracy and identify issues in real time.
- The IRS will send notifications to taxpayers when returns are submitted to help them correct errors and claim available credits and deductions. This will help taxpayers get it right up front, reducing the instances where refunds are delayed.

**Achieving a 21<sup>st</sup> century customer service experience:** When a customer calls a company, customer service representatives access the customer's previous interactions with the company, including previous calls and online chat logs, and view key account information. IRS customer service representatives do not have this ability, making it more difficult to resolve taxpayers' issues efficiently, and for taxpayers to track the status of their interactions with the agency.

- The IRS will create a user-friendly experience that allows taxpayers to securely access account data, respond to notices online, and receive timely status information regarding their return and refund status.
- The IRS will improve the taxpayer experience with expanded phone and online service options such as enhanced callback options.
- The IRS will enable seamless transfer between phone and online service options, allowing taxpayer issues to be resolved more quickly.

- Taxpayers will be able to use IRS data and resources to get information to make the filing process easier, including interactive and navigational tools and clearer guidance on how to correctly file taxes.

Along with IRS' annual discretionary budget, the IRA investment over 10 years will transform the IRS so that it provides world class service to taxpayers, delivers refunds quickly, enforces tax laws with a focus among high earners and corporations, supports the IRA's clean energy investments, and ensures that all Americans receive tax benefits for which they are eligible. These additional resources will not be used to increase the audit rates for small businesses and households making less than \$400,000, relative to historical levels. The IRS is focused on pursuing high-income and high-wealth individuals, complex partnerships, and large corporations that are not paying the taxes they owe. Put together, the IRA is a historic investment in building an economy that works for everyone.

**For Further Information:**

- [Strategic Operating Plan](#)
- [IRS.gov Tools](#)
- [Taxpayer Experience Days](#)
- [Taxpayer Online Account](#)
- [Tax Information in Non-English Languages](#)