

GAO Highlights

Highlights of [GAO-16-151](#), a report to congressional requesters

Why GAO Did This Study

During tax filing season, IRS processes tax returns, issues refunds, and provides telephone, correspondence, online, and face-to-face services. GAO has reported that in recent years IRS has absorbed significant budget cuts and struggled to provide quality service. GAO was asked to report on the results of IRS's performance during the 2015 filing season. For this report, GAO assessed IRS's taxpayer service and individual income tax return processing. GAO also identified opportunities to streamline services and processes, among other issues.

GAO analyzed IRS documents and data, and observed operations at IRS processing and telephone sites. GAO compared IRS performance to prior years and its actions to federal standards for evaluating performance. GAO also interviewed IRS officials and external stakeholders, and conducted discussion groups with IRS frontline staff and managers.

What GAO Recommends

Congress should consider requiring Treasury to develop a comprehensive customer service strategy in consultation with IRS. Treasury should update its performance plan to include goals for correspondence. IRS should assess the feasibility of a control to require assistors to send out required correspondence and evaluate return processing operations to identify inefficiencies.

Treasury neither agreed nor disagreed with GAO's recommendation to update its performance plan but said it would coordinate with IRS. IRS agreed with GAO's two other recommendations.

View [GAO-16-151](#). For more information, contact James R. McTigue, Jr. at (202) 512-9110 or mctiguej@gao.gov.

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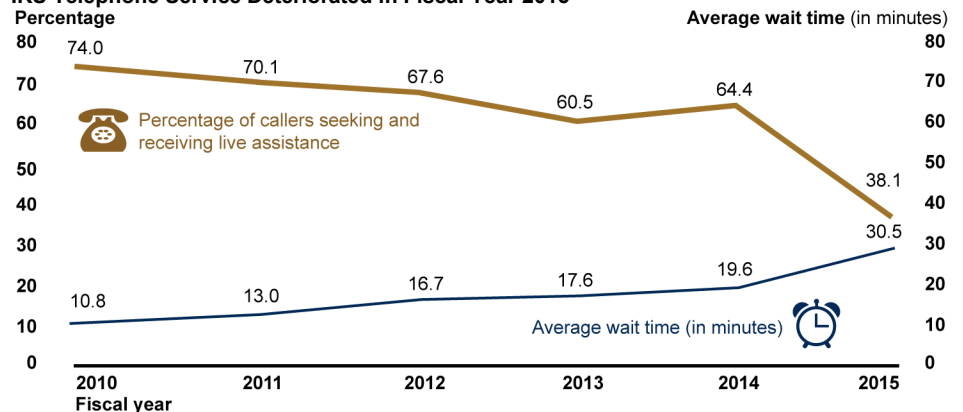
2015 TAX FILING SEASON

Deteriorating Taxpayer Service Underscores Need for a Comprehensive Strategy and Process Efficiencies

What GAO Found

The Internal Revenue Service (IRS) provided the lowest level of telephone service during fiscal year 2015 compared to prior years, with only 38 percent of callers who wanted to speak with an IRS assistor able to reach one. This lower level of service occurred despite lower demand from callers seeking live assistance, which has fallen by 6 percent since 2010 to about 51 million callers in 2015. Over the same period, average wait times have almost tripled to over 30 minutes. IRS also struggled to answer correspondence in a timely manner and assistors increasingly either failed to send required correspondence to taxpayers or included inaccurate information in correspondence sent. IRS has taken steps to remind assistors to send correspondence, but does not have adequate controls to ensure that they send accurate correspondence before closing cases. GAO also found that the Department of the Treasury (Treasury) does not include correspondence performance goals in its performance plan, and therefore, does not have a complete set of measures to assess performance. The decline in service has coincided with a 10 percent reduction in IRS's annual appropriations, as well as resource allocation decisions by IRS to meet statutory responsibilities, such as implementing tax law changes and supporting information technology infrastructure.

IRS Telephone Service Deteriorated in Fiscal Year 2015



Source: GAO analysis of IRS data. | GAO-16-151

More importantly, GAO found that Treasury and IRS have neither developed nor have any plans to develop a comprehensive customer service strategy to define appropriate service levels and benchmark to the best in business or customer expectations as GAO has previously recommended. Without such a strategy, Treasury and IRS can neither measure nor effectively communicate to Congress the types and levels of customer service taxpayers should expect, and the resources needed to reach those levels. Similarly, while IRS officials and stakeholders reported few problems with processing individual tax returns, GAO identified some inefficiencies related to tax processing, such as premature correspondence with taxpayers and inadequate training for frontline staff. These inefficiencies warrant further evaluation to determine if additional improvements are needed.