



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

22.24.1

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EFFECTIVE DATE

(01-08-2016)

PURPOSE

- (1) This transmits revised IRM 22.24.1, *IRS Taxpayer Burden Reduction, Servicewide Burden Reduction Activities*.

MATERIAL CHANGES

- (1) Editorial changes have been made to update the information to reflect the current organizational structure.
- (2) IRM data revised for technical accuracy.
- (3) IRM 22.24.1.2 (6) Business Case paragraph added listing information needed when process implementation or changes impact taxpayers.
- (4) IRM 22.24.1.4 Services Committee removed.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 22.24.1, *IRS Taxpayer Burden Reduction, Burden Reduction Activities*, dated February 11, 2015.

AUDIENCE

All IRS employees who perform work impacting taxpayers or in support of Service-wide improvements to the taxpayer experience focusing on taxpayer burden reduction initiatives.

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22.24.1

Servicewide Burden Reduction Activities

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(01-08-2016)

Goals for Improving the Taxpayer Experience through Burden Reduction

- (1) The IRS Strategic Plan, within its mission and goals, includes the foundation for incorporation of taxpayer burden reduction and burden mitigation considerations for all Service employees whose work impacts taxpayers. Initiatives to improve the taxpayer experience through Taxpayer Burden Reduction (TBR) supports IRS Strategic Goal 1, Deliver high quality and timely service to reduce taxpayer burden and encourage voluntary compliance.
- (2) The Office of Taxpayer Burden Reduction (OTBR) was established in January 2002 as part of a taxpayer burden reduction strategy. Over time, the responsibility for improving the taxpayer experience has evolved consistently with comprehensive cultural shifts within the IRS and improvements in service performance. The mission to reduce taxpayer burden and improve the taxpayer experience is embedded in the IRS culture and is the responsibility of all functions. With this shift, the need for a separate office diminished. The current structure, with a Senior Advisor champion, provides a link across the enterprise to ensure burden reduction continues to be a priority and is incorporated within decision-making frameworks. In addition, the Senior Advisor acts as an advocate and liaison with external stakeholders.
- (3) **Additional information about Servicewide efforts to improve the taxpayer experience through Taxpayer Burden Reduction efforts can be found on IRS.gov:** <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/About-Taxpayer-Burden-Reduction> and IRWeb: <http://sbseeservicewide.web.irs.gov/tbr/default.aspx>.

22.24.1.1.1

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Mission

- (1) The mission of IRS improving the taxpayer experience efforts is to achieve a significant reduction in unnecessary burden for all taxpayers by each IRS function with programs impacting taxpayers. The functions will:
 - Consider taxpayer burden when implementing policy and procedures.
 - Review existing policy and procedures periodically to identify improvement opportunities.
 - Work with IRS, state, federal, and other external stakeholders to develop and implement meaningful efforts to improve the taxpayer experience that are consistent with IRS customer service and compliance goals.

Note: The IRS formally adopted a Taxpayer Bill of Rights in June 2014, which provides the nation's taxpayers with a better understanding of their rights and helps reinforce the fairness of the tax system. IRS employees must be informed about taxpayer rights and be conscientious in the performance of their duties to honor, respect and effectively communicate those rights which may aid in improving the taxpayer's experience. See Pub 1, *Your Rights As A Taxpayer*, for more information.

22.24.1.1.1.1

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Roles and Responsibilities of the IRS Senior Advisor to the Director SBSE Operations Support

- (1) The IRS Senior Advisor to the Director, SB/SE Operations Support has Service-wide responsibilities for taxpayer burden reduction. While organizationally this position is embedded in the SB/SE Division, it has Service-wide responsibilities. The IRS Senior Advisor will:
 - Provide a link across the enterprise to ensure improving the taxpayer experience through burden reduction continues to be a priority and is incorporated within decision-making frameworks,
 - Champion improvements to the taxpayer experience through burden reduction efforts IRS wide,
 - Act as an advocate and liaison with external stakeholders,

- Partner with internal and external stakeholders to more effectively and efficiently identify and address taxpayer experience improvement initiatives, and
- Garner support from IRS leadership for taxpayer experience improvements through burden reduction efforts throughout the Service.

22.24.1.2
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**Measuring Taxpayer
Burden**

- (1) The ability to demonstrate the results of taxpayer experience improvements through burden reduction initiatives, using a reliable measurement system, is important for the IRS. Taxpayer burden is defined as the time or money expended by taxpayers to fulfill their tax compliance responsibilities. The IRS employs Taxpayer Burden Models to estimate taxpayer compliance burden. The models are also used to estimate the burden impact of passed and proposed legislative, policy and administrative changes, as well as to prioritize burden reduction proposals based on potential reduction in burden hours and out-of-pocket costs. Out-of-pocket costs include the cost of tax preparation software and assistance and other costs such as postage. The latter measure is especially significant because most taxpayers use some form of tax preparer or software assistance in preparing their federal income tax returns.
- (2) Efficiency and effectiveness may be used as a secondary measure to gauge the impact of burden reduction initiatives. This measure focuses on IRS cost savings, including staff costs, and reflects the savings realized by the elimination of “downstream” work, such as data entry, adjustments, notices/ correspondence and compliance activities. Often these resources can be redirected to more productive efforts.
- (3) In keeping with a balanced measures approach, taxpayer burden reduction is not considered in isolation. It is viewed as a component of customer service/ satisfaction and is balanced with compliance. By weighing these two components and the number of taxpayers impacted, the IRS can ensure that unnecessary taxpayer burden is addressed and that tax compliance is not jeopardized.
- (4) Taxpayer Burden measures and risk analyses come in both formal and informal formats based on the organization, function, or employees performing the evaluation.
 - a. Research, Analysis, & Statistics (RAS) Office of Research develops and maintains the Taxpayer Compliance Burden Models. It currently uses models, together with subject matter input, to calculate macro- and micro-level burden estimates for individual and business taxpayers as well as all new forms and schedules related to the Affordable Care Act. . It coordinates with Wage & Investment Media and Publications to provide estimates for the individual and business taxpayer forms and schedules. RAS also conducts ongoing research to support integration of compliance burden into IRS tax administration and Treasury policy analysis.
 - b. Wage & Investment (W&I) Media & Publications coordinates all reporting of official burden estimates through the Department of Treasury to the Office of Management and Budget (OMB). Media & Publications uses its models to calculate burden hour estimates for forms and schedules not covered by the efforts in RAS.
 - c. Office of Chief Counsel considers the impact of compliance burden associated with implementation of new regulations. It provides estimates to Media & Publications for areas outside the scope of RAS estimation and

- reporting. It coordinates with RAS, through Media & Publications to provide subject matter input for RAS estimates of the impacts of new regulations.
- d. Department of Treasury, Office of Tax Policy oversees the methodology used by the IRS to provide burden estimates and may, at its discretion, ask for burden estimation support for policy analysis.
 - e. IRS employees responsible for implementing programs, policies, and procedures that impact taxpayers should perform a burden risk evaluation during initial implementation or when changes are being considered. This evaluation should be used in conjunction with other business metrics to guide decision making.
- (5) General guiding principles and items employees should consider when assessing burden include:

Guiding Principle	Considerations
Leveraging Technology	<ul style="list-style-type: none"> • Will a new requirement preclude the taxpayer's ability to e-file? • Is there an electronic submission alternative other than paper (e.g. web technology or e-mail)? • Can fillable forms be created?
Leverage Existing Data	<ul style="list-style-type: none"> • Are there opportunities to leverage information already being requested by another IRS function, government, or from accessible third party data to limit the information collection burden on the taxpayer? (Inquire through web research, third parties, or impacted stakeholders) • Are there opportunities to coordinate with third parties to reduce the burden to taxpayers in meeting the requirements (e.g., consolidate data collection resulting in one form versus two)?
Consider Pre-decisional Stakeholder Input	<ul style="list-style-type: none"> • Do the procedures/ requirements conform to current external business processes or recording/ reporting practices/ • Are your documents in plain, coherent, and unambiguous terminology?

Guiding Principle	Considerations
Benefit Must Outweigh Burden	<ul style="list-style-type: none"> • Are you requiring documentation that is not necessary to comply with the law and/or which may not actually be reviewed by IRS (or rarely reviewed)? • Are there consequences to the taxpayer for failing to provide the data? If not, how sure are we that they will provide accurate information? • If there are multiple options for legislative implementation, which options are expected to provide the greatest benefit to tax administration for the public cost imposed? • Can the procedure be optional versus mandatory? • Can a short form, or other simplified method, be created for some of the population? • Can a safe harbor procedure be offered to mitigate burden, especially for low income taxpayers and small businesses? • Can the frequency of information collection be limited/reduced? • Should transition relief be offered?

- (6) The impact to taxpayer burden should be included in any business case when considering whether to implement a new process or change an old process. The business case analysis should include the following information:
- a. Affected Taxpayers
 - b. Actions Taxpayers Will Take With This Initiative or Change
 - c. Actions Taxpayers Will No Longer Take With This Initiative or Change
- (7) Additional information on taxpayer burden, including burden risk evaluation tools, can be found at the Taxpayer Burden Reduction IRWeb page: <http://sbaseservicewide.web.irs.gov/tbr/default.aspx>.

22.24.1.3
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**Improving the Taxpayer
Experience Burden
Reduction Initiatives**

- (1) Taxpayer Burden Reduction Initiatives should address administrative, regulatory, process or systemic issues that have significant impact on taxpayer burden, which may include a relatively small change on a per-taxpayer basis if it benefits a large number of taxpayers.

- (2) Employees may make taxpayer burden reduction recommendations through the Employee Suggestion Program or by using Form 13285, Catalog Number 34279X, *Taxpayer Burden Reduction Referral*. When completing the form, employees should provide as much information as possible; however, leave the tracking number block blank. The form is available on the Forms/Pubs/Docs section of the IRS Intranet.

Note: The employee suggestion program is the only program through which employees can receive monetary and/or time-off awards for adopted suggestions; therefore, employees seeking an award must instead use the employee suggestion program procedures.

- (3) Taxpayer Burden Reduction initiative ideas from all Operating Divisions and functions should be routed through their management channels to their Taxpayer Burden Reduction point of contact or as instructed by their Operating Division . Alternatively, Taxpayer Burden Reduction ideas may be routed directly as indicated on the Form 13285.
- (4) An external form for the use of taxpayers and stakeholders, Form 13285-A, *Reducing Tax Burden on America's Taxpayers*, is also available on the Forms/Pubs/Docs section of the IRS Intranet and on IRS.gov.
- (5) All initiative ideas will be forwarded to the appropriate business owner for consideration. The business owner will coordinate with all internal and external stakeholders to ensure that other program areas and interests are not negatively impacted. The IRS Senior Advisor may facilitate this coordination as necessary. Initiatives will be undertaken based on the cost benefit-type analysis approach referenced in the Measuring Taxpayer Burden section.
- (6) Form 14411, *Systemic Advocacy Issue Submission Form* should be used to submit issues to the Taxpayer Advocate Service to identify potential advocacy issues.

