

Building on Filing Season 2023 Success, IRS Continues to Improve Service, Pursue High-Income Individuals Evading Taxes, Modernize Technology

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WASHINGTON - Thanks to Inflation Reduction Act resources, the IRS delivered dramatically improved service in Filing Season 2023. The IRS achieved an 87% Level of Service, exceeding Secretary of the Treasury Janet L. Yellen's goal of 85%. Through the end of Filing Season, the IRS answered 3 million more calls, cut phone wait times to three minutes from 28 minutes, served 140,000 more taxpayers in-person, digitized 80 times more returns than in 2022 through the adoption of new scanning technology, cleared the backlog of unprocessed 2022 individual tax returns with no errors, launched two new digital tools, and enabled a new direct-deposit refund option for taxpayers with amended returns. The IRS is building on this progress, focusing on achieving world-class service, strengthening enforcement against high-income individuals who do not pay taxes owed, and modernizing core technology infrastructure to enable better service and data security.

IMPROVING TAXPAYER SERVICE

The IRS is focused on helping taxpayers get it right the first time—claiming the credits and deductions they are eligible for and avoiding back-and-forth with the agency when errors arise. To help taxpayers get it right, the IRS is working toward taxpayers being able to seamlessly interact with the agency in the ways that work best for them on the phone, in-person, and online. The IRS is expanding in-person service and meeting taxpayers where they are, particularly those in underserved and rural communities. The IRS is continuing to expand Taxpayer Assistance Centers across the country, while also starting a special series of events to help taxpayers living in areas far from the agency's in-person offices.

- **Community Assistance Visits:** In these new Community Assistance Visits, the IRS will set up a temporary Taxpayer Assistance Center to give taxpayers from hard-to-reach areas an opportunity to meet face-to-face with IRS customer service representatives. The IRS conducted the first event last month in **Paris, Texas** in partnership with the United Way and has plans to hold similar events in more states. **Currently, seven additional locations have been**

identified to host Community Assistance Visits in Alpena, Michigan; Hastings, Nebraska; Twin Falls, Idaho; Juneau, Alaska; Lihue, Hawaii; Baker City, Oregon; and Gallup, New Mexico.

- **Opening Taxpayer Assistance Centers:** Currently, the IRS has opened or reopened 35 Taxpayer Assistance Centers since the passage of the Inflation Reduction Act, including six since the end of Filing Season 2022.

1. Lincoln NE, May 23, 2023
2. La Vale MD, May 15, 2023
3. Altoona PA, May 8, 2023
4. Fredericksburg VA, May 1, 2023
5. Parkersburg WV, May 1, 2023
6. Bend OR, April 17, 2023
7. Greenville MS, April 10, 2023
8. Trenton NJ, April 10, 2023
9. Bellingham WA, April 3, 2023
10. Augusta ME, March 30, 2023
11. Jackson TN, March 28, 2023
12. Joplin MO, March 28, 2023
13. Colorado Springs CO, March 27, 2023
14. Glendale AZ, March 27, 2023
15. Cranberry Township PA, Mar 22, 2023
16. La Crosse WI, March 20, 2023
17. Charlottesville VA, March 17, 2023
18. Queensbury NY, March 9, 2023
19. Santa Fe NM, Feb. 27, 2023
20. Longview TX, Jan. 17, 2023
21. Overland Park KS, Jan. 17, 2023
22. West Nyack NY, Jan. 5, 2023
23. Binghamton NY, Jan. 3, 2023
24. Casper WY, Jan. 3, 2023
25. Fort Myers FL, Dec. 19, 2022
26. Grand Junction CO, Dec. 19, 2022

27. Rockford IL, Dec. 12, 2022
28. Hagerstown MD, Dec. 1, 2022
29. DASE (Guaynabo) PR, Nov. 28, 2022
30. Johnson City TN, Nov. 28, 2022
31. Prestonsburg KY, Nov. 28, 2022
32. Vienna VA, Nov. 28, 2022
33. Greensboro NC, Nov. 22, 2022
34. Bloomington IL, Nov. 21, 2022
35. Ponce PR, Nov. 14, 2022

Taxpayers deserve the same functionality in their online accounts that they experience with their bank or other financial institutions. As detailed in the Strategic Operating Plan, in the next five years, taxpayers will be able to securely file all documents and respond to all notices online and securely access and download their data and account history. The IRS has hit or has in progress several milestones toward this goal.

- **Individual Account:** The IRS is deploying enhanced capabilities for individual taxpayer accounts, including secure messaging, live chat, and virtual assistance. Taxpayers will also be able to validate their bank accounts and save multiple accounts. Virtual assistance and live chat were made available to taxpayers in May and the validate bank account information feature is launching by the end of September.
- **Tax Professional Account:** The IRS is deploying enhanced capabilities for tax professionals' online accounts, including account authorization management and payment viewing by the end of September, and live chat and secure two-way messaging in FY2024.
- **Business Online Account:** The IRS is launching Business Online account, enabling businesses to view outstanding balances, make payments online, and conduct a business tax check. Business Online Account will initially be available for sole proprietors by the end of September.
- **gov improvements:** By Filing Season 2024, the IRS will make significant improvements to the ability to access and find information on IRS.gov. Some of these improvements include home page updates, filing season content updates, and more intuitive global site navigation.
- **Application-to-application launch for 1099 filing:** With this launch, bulk filers, 3rd party transmitters, and software developers will be able to transmit bulk filings of Form 1099 from their system to the Information Return Intake System (IRIS). Bulk filers will soon be able to transmit hundreds of thousands of 1099s at once via the new platform. This is an important milestone to note because it shows how quickly the IRS can build on its new technology

products. The IRS just launched the 1099 tool in January, and its capabilities are already being significantly expanded.

- **Respond to notices online:** Taxpayers are now able to respond to notices online and have new online filing options. Until Filing Season 2023, when taxpayers received notices for things like document verification, they had to respond through the mail. During Filing Season 2023, taxpayers were able to respond to 10 of the most common notices for credits like the Earned Income and Health Insurance Tax Credits online, saving them time and money. By mid-August, the IRS will provide this capability to **an additional 53 notices and letters received from the IRS**. These updated IRS notices and letters will provide a URL for the taxpayer to submit their response digitally, instead of mailing the response to the IRS.
- **Enable taxpayers to submit mobile-friendly forms:** The IRS is enabling taxpayers to submit mobile-friendly forms. Electronic versions of Forms 941-X (Amended form processing), 943-X (Amended form processing), 945-X (Amended form processing), 4626, 7203, 7205, 7207, 7208, 7210, 8332, 8985, 8986, 1116 Schedule B, 1116 Schedule C, 1118 Schedule L, 1120S Schedule B1 and 8936 Schedule A will be made available to taxpayers for Filing Season 2024. This is also an important milestone to note because it is key to the IRS goal of meeting taxpayers where they are and allowing them to interact with the IRS in the ways that work best for them. An estimated 15% of Americans rely solely on mobile phones for their Internet access—they do not have broadband at home—so it's important to make forms available in mobile-friendly formats.

ENSURING HIGH-INCOME TAXPAYERS PAY TAXES OWED

The IRS is working to ensure high-income filers pay the taxes they owe. Prior to the Inflation Reduction Act, more than a decade of budget cuts prevented the IRS from keeping pace with the increasingly complicated set of tools that the wealthiest taxpayers use to hide their income and evade paying their share. The IRS is now taking swift and aggressive action to close this gap.

- **Pursuing tax-evading millionaires:** In recent months, IRS Criminal Investigation has closed a lengthy list of cases in which wealthy taxpayers have been sentenced for tax evasion, money laundering, and filing false tax returns. Instead of paying taxes owed, these evaders spent money owed to the government on gambling, vacations, and luxury goods.
- **Making millionaires who are delinquent on their taxes pay up:** In recent months, the IRS closed about 175 delinquent tax cases for millionaires, generating \$38 million in recoveries. The IRS will continue to pursue millionaires who do not pay their taxes as the agency ramps up

enforcement capabilities through the Inflation Reduction Act. Examples of schemes the IRS is now pursuing follow.

- **High-dollar scheme exploiting Puerto Rico:** The IRS recently identified about 100 high-income individuals claiming benefits in Puerto Rico without meeting the residence and source rules involving U.S. possessions. These wealthy individuals are attempting to avoid U.S. taxation on U.S. source income, and IRS expects many of these cases to proceed to criminal investigation.
- **Pension arrangements in Malta:** As part of IRS' effort to pursue unlawful offshore tactics, the Department of Treasury and IRS in June issued proposed rules that define Maltese personal retirement schemes used to avoid U.S. taxes as listed transactions. The IRS is working to identify taxpayers who are improperly using Malta-U.S. Treaty rules to improperly claim exemptions. Inflation Reduction Act resources will enable the IRS to detect those who leverage these offshore schemes.
- **Cracking down on millionaire non-filers:** The IRS continues to intensify work around wealthy individuals who do not file tax returns. These are particularly egregious cases where instead of filing their taxes and paying taxes owed, these individuals used the money to make lavish purchases. In one recently closed case, an individual used funds owed to the government to purchase a Maserati and Bentley. The IRS is continuing to work with law enforcement partners to hold these individuals accountable.

MODERNIZING TECHNOLOGY

On the technology side, the IRS is modernizing decades-old technology to drive the agency's efforts to provide world class customer service and protect taxpayers' data.

- **Mail-Sorting Machines:** The IRS is in the process of replacing decades-old mail sorting machines. These new machines will allow the IRS to quickly open and prepare mail for processing, which will help the IRS process paper returns and deliver refunds more quickly. The IRS plans to replace at least six mail sorting machines at locations in Kansas City, Ogden, and Austin.
- **Scanners:** The IRS will replace 205 old scanners to improve its ability to quickly process the volume of incoming paper. In total, 698 modernized scanners are funded. These include high capacity, desktop, and handheld scanners so that IRS employees can use scanners in all work situations.
- **Digitization:** The IRS also continues to make significant progress scanning and e-filing paper returns. As of early April, the IRS had scanned about 480,000 forms—470,000 Form 940s and

10,000 Form 1040s and 941s. In the three months since Filing Season 2023, the IRS has scanned more than 250,000 additional forms. The IRS has now scanned about 484,000 Form 940s, 210,000 Form 941s, and 38,000 Form 1040s. Digitization has far-reaching implications for how the IRS can improve service. The IRS is currently testing a mobile application prototype, Inform Me, built with the capability to scan a paper IRS form, notice, or other document. The app will recognize the document and pull up related information and guidance on IRS.gov to help taxpayers get their questions answered and get it right. The app is currently undergoing user testing with IRS industry partners and at this summer's Nationwide Tax Forums. After this user testing is complete, the IRS will determine the timeframe for full deployment.

FOR FURTHER INFORMATION:

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

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