Electronic Tax Administration Advisory Committee

(ETAAC)

PUBLIC MEETING

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Internal Revenue Service

1111 Constitution Avenue, NW

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P R O C E E D I N G S

(9:01 a.m. ET)

MR. LIPOLD: Good morning, everybody. Welcome to this public meeting of the Electronic Tax Administration Advisory Committee, ETAAC. This is the annual public meeting where the committee will present its annual report to both Congress and the IRS.

I would ask that people who are on Teams, because we do have a number of people joining us via Teams this morning, put yourselves on mute. Also, please turn your cameras on if you can. Right now, I'm going to turn it over to our Chair, Vernon Barnett. Vernon.

MR. BARNETT: John, thank you so much. It's a pleasure to be here this morning, and to be at the end of a long journey. It's been a great one. We had a remarkable team of people come together this year, as we so often do.

And on behalf of the ETAAC, I'd like to thank all of you for being with us either online or here in person. We have a number of guests with us here today from the IRS and private sector. Thank you all for joining us. And as we get started here this morning, I'll make a few introductory remarks.

And we're deeply honored for Commissioner Billy Long to be joining us this morning. He's going to say a few words, and we're honored that this is going to be one of his first public meetings in his tenure. ETAAC is a remarkable group of people. The members of the team come from all the different walks of the tax world.

And as such, as you can imagine, we view the tax world from many different angles, and therein, I think, lies the strength of the ETAAC and of the reports that we create. Because we come at it from different angles with public and private sectors, states, and the Federal level, we're seeing it from a lot of different angles.

And so, when we come together and we can agree on a particular path forward, it means that it's been very carefully vetted and it's something that people can have confidence in. It's not going to be terribly controversial.

We're a non-partisan group, and our goal is to find the best path forward for tax administration for the benefit of our taxpayers. And so, having said that, we have put together this report, and we are excited to present it here today.

We concentrate our report on five areas, and these are the key themes which you'll see throughout the report. The simple fact of simplification. For tax administration, obviously, more complexity does not help our taxpayers in the slightest. And anytime we can simplify the way that we're doing things, it helps our taxpayers. It also helps our administrators.

Sustaining adequate funding and modernization. This is a big one as we've, in the tax administration space, as in any governmental space, we want to continually modernize, and course correct to meet the challenges that we face on a daily basis. In the world we're living in today, things are changing. They're changing very, very quickly.

And so, many of these changes, both societal and economic, impact our tax world. We in this tax space have to adapt to those changes and those new challenges. And in order to do that, we need to have some certainty in our funding streams and be able to not only modernize, but we need to be able to maintain those gains and then build upon them. And it's only with a steady, dedicated income stream that we're able to do that.

As the State Revenue Commissioner who has been working towards this for the last eight years in our state, it's extremely challenging. And what the IRS is facing is exponentially more challenging than what we have faced at the state level. And so, we are strongly advocating for a dedicated and sustained adequate funding for the department.

The third item is enhanced digital payment and filing processes. Here again, moving that modernization forward. The fourth is regulating tax preparers and promoting transparency. This is a big one. So many times, the taxpayers that are taken advantage of are the ones that certainly can't afford it.

Oftentimes, our less sophisticated taxpayers, even some that are not, are taken advantage of by people that they trust and who'll guarantee them something that they can't deliver or can't deliver legally. And so, we believe that the IRS is the appropriate body to regulate this space.

And we advocate strongly for that. And finally, leveraging human-centered design and advanced technologies, with the idea that the taxpayer is the consumer, and we put the taxpayer first. So we create tools that are not only moving the department forward from a technological standpoint, but we're creating tools that people actually can use and are willing to use.

So with that, I would like to recognize the first member of our team that is going to go into some detail, Mr. Ronn Gilson. Ronn is going to come forward and present the first of the 14 specific recommendations that we put together. Ronn, if you would.

MR. GILSON: Thanks, Vernon. My name is Ronn Gilson. I am the Payroll and Tax Compliant Manager for Government Solutions assigned to one of our sister companies, Casselle. I've been on ETAAC now for a couple of years.

The first recommendation that our committee has is that Congress should consider tax simplification when implementing tax policy goals for efficient tax administration and Federal budgetary savings.

Henry Ford found years ago that if we move together, we are much more likely to have success when each member of a team complements each other's procedures. And with that, our recommendations fall into two main categories. We want to be able to decrease disruption and promote efficiency and minimize complication and encourage compliance when new tax code is introduced. All of us want that adoption to be as smooth as possible.

And to do that, we need to have five of the following things. First, to minimize disruption and promote efficiency, we need code stability, and we need new code language that increases, not decreases, efficiency.

With that, code stability. We need to maintain common language that is understood and easily interpreted. When those changes are made without that happening, it causes confusion, and it causes many more man hours and labor to be spent in interpreting that code.

Additionally, we want to be able to minimize the complication for the taxpayer, and we want to encourage compliance with those that are in the tax profession. This can be done in a few different ways. First is minimizing the expiring provisions. This can become challenging, especially if this is a midyear change with minimizing.

We would like to see code that is able to be implemented at regular reporting times, and also code that minimizes complicated exemptions and elections. We found this in 2017 with the implementation of the Tax Cuts and Jobs Act where it produced a form, Form W-4 for the taxpayer and for employees, that is very difficult to understand and for them to fill out, and has increased, not decreased the complication that it takes in order for an employee to have proper withholdings in their taxes.

Additionally, we want to avoid retroactivity. Many times the buckets and the items that need to be reported are only tracked as it is known that they are needed to be tracked. And so, when retroactivity takes place, much of that tracking has not been done. And it, again, causes complication, and increases the burden, both for the IRS, the taxpayer, and the employer.

And finally, we want to make sure that through that simplification process, that the stakeholders are involved, and that there's adequate time for them to adapt to the new policies and the new code. It cannot be overstated the importance to provide the IRS, software companies, tax practitioners, states, payroll service providers, corporations, third-party payment processors, and others with sufficient time to review, process, and adapt to the changes.

With the new legislation that is pending, we would encourage and hope for better implementation so that as we implement these new tax policies, the taxpayer, who ultimately is all our customer, will be able to understand and be able to implement and be in compliance with the tax policies of our nation. Thank you. I'll now turn the time over to David Casey, who is going to bring in recommendation number two from the committee.

MR. CASEY: Thank you, Ronn. Good morning. I'm David Casey, the Secretary of Revenue for the State of Wisconsin, and an ETAAC member for the first time this year. I'll walk through our recommendation number two.

Electronic filing and tax administration have improved processing times, accuracy in reporting, and fraud detection over the last three decades. There's been a big push across state agencies and the IRS to do so. Recommendation two expands these benefits through coordination among the IRS, the same state tax agencies, Free File partners, and the VITA TCE programs.

These stakeholders should leverage and share data to improve customer service, conduct more timely fraud prevention, and have parity with data generated from other filing options. The recommendation notes a few opportunities. Among these, real time data sharing would allow states to match IRS acceptance data against filed state returns, reducing the risk of improper refunds before they are issued, and identifying potential non-filers’ suspicious returns.

Secondly, rapid exchange of filing information can flag discrepancies for immediate state follow up, sparing taxpayers the prolonged wait for corrections and preventing surprise bills months or even years later, as is the practice now. This is particularly valuable when integrating data from the VITA- and the TCE-prepared returns because these would be assisting our most vulnerable populations.

Sharing operation metrics with states such as common reject reasons, error codes, or typical processing times would highlight areas for joint improvement and help identify taxpayer service needs early. Just some examples of some of these recommended metrics, volume and demographic metrics.

And these may seem fairly simple, but we don't have these right now. So, just the number of returns filed through each of the free-to-file avenues and sharing that information. Number of credits claimed, such as the EITC or childcare credits. Completion and rejection rates. So, the rate of incomplete or abandoned returns by different channel. And the number of IRS accepted returns that do not flow through a state return.

So a number of these different programs, the IRS may reject it and then states never know about it. So having that information would be very, very helpful. We have metrics around the processing time and post-filing adjustments, the time to complete and submit returns. User experience and retention.

The repeat usage and completion metrics. For instance, we track -- you know, we actually have the ratings, you know, the number of stars on different filing platforms and how many people complete them. Feedback or satisfaction ratings, aggregated for shared insight. So, a number of example metrics there.

Ultimately, states and the IRS serve the same taxpayers, so ensuring that all parties have the right data at the right time is critical to building a modern, coherent filing experience that supports voluntary compliance and public trust.

Implementing this recommendation, state agencies and the IRS can provide rapid fraud detection and prevention, reduce taxpayer confusion from after the fact adjustments, minimize penalties and interest for unsuspecting filers, and improve overall customer service in the free to file ecosystem.

By implementing recommendation two, state agencies and the IRS can take electronic tax administration to the next level of efficiency and effectiveness. So with that, I will introduce Mark Steber to present recommendation number three.

MR. STEBER: Thank you, David. My name's Mark Steber. I'm the Chief Tax Officer for Jackson Hewitt Tax Service, and I'll go briefly over recommendation number three. We're going to key on best practices and learned lessons from times past with major tax legislation, looking forward with what is going to be an enormous amount of legislation and other changes.

So at its top, the recommendation number three is the IRS should increase and expand on educational and outreach and communication campaigns associated with tax law changes, the Tax Cut and Jobs Act expirations, the new 1099-K, the

1099-DA, and the new pending legislation which will touch many, many areas of tax code and implementation.

So again, it's not a magical recommendation but it is one that has served the IRS well, and served the tax community well, and taxpayers well, and it really touches on three areas. The first is expand educational campaigns, the variety, the offerings, the methods which way they are delivered.

Learning on the lessons that we've seen in the past from IRS successful education campaigns. Earlier, more often, more venues, more platforms, very, very successful in helping taxpayers understand the tax law changes, helping tax professionals understand those changes, and bring those to fruition with accurate, you know, implementation of those rules.

The second tenet really is to partner with industry. Industry is on the front end of a lot of these tax law changes. They are carrying the weight of the implementation for the government, for IRS, and for states. But partnering with industry members, be it DIY platform providers, professional providers, states, and other industry stakeholders to make sure we fully understand the implications of tax law changes, and even some of the changes that are already in place, as I said, the 1099-K and the 1099-DA which are going to have far-reaching implications.

The last part is a feedback loop to let the IRS and other legislative members know what needs to be perfected, what case studies need to be included with these new changes because a lot of times, you know, we roll the laws out, but we don't fully understand what some of that isolated incidents might be, and then that just creates a feedback problem of poor implementation, poor compliance, and then the cleanup mess associated with that.

So in tandem, educational outreach campaigns expanded, partnering with industry to know exactly what to poke at and what to look at, and then a feedback loop -- will be needed to see where the missing parts are.

Those have all been parts and tenets of other successful programs that the IRS has gotten very experienced with over the last few years with tax law changes. And with what's going to be a tsunami of changes coming over the next, you know, several years, you know, we feel that this educational outreach campaign effort is one that will serve us all well.

And with that, I'll turn it over to Keith Richardson and Jane Chou for recommendation number four.

MR. RICHARDSON: Good morning. I'm Keith Richardson, Deputy CFO and the Tax Commissioner here for the District of Columbia. I'm here today to do recommendation number four with Jane. Recommendation number four, Congress should provide predictable funding to the IRS for efficient and effective taxpayer service. The IRS has been underfunded, which results in poor taxpayer service, deficiency in collecting revenues required to provide necessary government services to all Americans. The Inflation Reduction Act of 2022, or the IRA, had provided funding to address the needs of the IRS to raise service levels for taxpayers.

(Pause.)

MR. BARNETT: Ladies and gentlemen, I'm honored today to introduce Commissioner Billy Long. He's with us here this morning. He's the 51st Commissioner to the IRS. And we're very honored that he's taken this time to be with us here this morning. So with that, Commissioner.

COMMISSIONER LONG: Billy.

MR. BARNETT: Billy.

(Laughter.)

COMMISSIONER LONG: Don't call me Commissioner.

MR. BARNETT: All right. I'll do it.

(Laughter.)

COMMISSIONER LONG: Thank you all for being here today. And it's an honor today to be speaking to the dedication for the Boy Scouts.

(Laughter.)

COMMISSIONER LONG: That's the wrong speech, Ben.

(Laughter.)

COMMISSIONER LONG: Thanks for the opportunity to join you all today during your public meeting. I want to welcome all the members of ETAAC and thank everyone, including members of the public, for being here today.

This is my first chance as IRS Commissioner, as I like to say “Billy” -- to I guess Official Billy, now I am -- but express my appreciation for everyone that does such hard work for ETAAC as the members do.

And a special thank you to ETAAC leadership, Vernon Barnett, our Committee Chair, and Amy Miller, Vice Chair. So when do you get to learn the queen wave and when do you become chair?

MS. MILLER: After this meeting.

COMMISSIONER LONG: Oh, after this meeting? Okay. Well, you better practice your queen wave. But for the IRS, the ETAAC brings us a critical perspective both on your traditional areas of focus, electronic filing and online services, and on security and identity theft issues.

I may be brand new to the IRS, but my experiences in business and as a member of Congress have given me a deep understanding of the importance of listening to different points of view. ETAAC's advice helps the agency to do a better job with the American taxpayer.

And I've said publicly that there's two people that I care about in this equation. One is the employee partners across the IRS, the 75,000 plus employee partners that we have, and the American taxpayers. I want each of those people to have a better existence in their roles as employee partners and as American taxpayers where there's no conflict with either one when they go into meeting with each other or talk to each other on the phone.

I want everybody to know that they've got a friend in the Commissioner's Office. I also pledge to you that I will work to implement the changes that are needed to modernize the IRS and maximize its effectiveness. A modern tax collection agency is one of the most crucial services the government can provide to its people.

As an IRS that works better for taxpayers will also be better to fulfill the mission maintaining the tax system, which we all know is a voluntary tax system. Looking ahead, the IRS faces major challenges in preparing for the next filing season, while at the same time implementing legislation Congress is expected to pass here in the next few days this year to extend the Tax Cuts and Jobs Act.

I'm confident that the experienced and talented IRS workforce is up to this challenge and will implement those changes in time for next year's filing season. And when I got nominated for this position, everybody said, oh, the tax season, the changing commissioner, and this, that, and the other. They'll have -- no, they're professionals. It'll get done. It'll be done on time. And it'll to get done the right way. And it did.

And I was very proud of all the employee partners that participated in that effort, because they did a great job this past year. And we want to do just as good a job next year. And we're going to have challenges with all the new implementations that we must put in. As we work to improve the IRS, we will continue to rely on the advice of ETAAC and our other advisory committees.

We're all in this together, and you have the IRS's unwavering support and the Commissioner's unwavering support for your role as advisors to us. Also, I want all the members of ETAAC to know that you will always have a friend in my office. If you ever care to reach out to us, we'll be there.

And don't ever invite me to come somewhere unless you want me to show up, because I will always show up. So if you have any events you'd like for me to just come to, let me know. The IRS looks forward to receiving the recommendations in the ETAAC report that's going to be presented today, and we appreciate all the hard work ETAAC members have done throughout the year to develop this report.

On behalf of everyone at the Internal Revenue Service, thank you for your service to our tax system and the American taxpayers. I look forward to working with you on these important issues during my time as IRS Commissioner.

With that, thanks for inviting me over. I was so far from my office, I was afraid my clothes were going to go out of style by the time I got done walking over here.

(Laughter.)

COMMISSIONER LONG: But it worked out pretty good. Thank you all. And work on that queen wave. Thank you all.

(Applause.)

MR. BARNETT: Keith and Jane, thank you for being flexible. I appreciate it.

MR. RICHARDSON: Okay, we'll start again.

(Laughter.)

MR. RICHARDSON: And action. Recommendation number four, Congress should provide predictable funding to the IRS for efficient and effective taxpayer service. The IRS has been underfunded, which results in poor taxpayer service, inefficiency in collecting revenues required to provide necessary government services to all Americans.

The Inflation Reduction Act of 2022, where the

IRA provided funding to address the needs in the IRS to raise service levels to all taxpayers. Now, the Fiscal Responsibility Act has rescinded $1.4 billion of IRA appropriations and proposes an additional $20.2 billion cut. Congress has the opportunity to consider key policy goals, and we urge them to provide sufficient annual and multi-year funding to the IRS.

We have eight key areas of importance under this recommendation. We're not going to go over every item under them, but to give you some highlights. Funding taxpayer services is going to be key to improve accessibility and reduction in errors. Taxpayer advocate's role in service will continually be very important in the near future.

The impact on customer service in the future, in which the IRS will only be able to answer 20 percent of calls and wait times will increase by 28 minutes on average. Wider consequences for tax compliance. Outreach and education to assist taxpayers with complex matters. Erosion of enforcement.

Reduced audits and revenue losses will have an impact not just on the IRS, but also on the states that rely on their data and information to help with revenue collections. For example, the CP2000 program. Equity and trust in tax system, a broader implication, dealing with economic costs due to the delays in processing refunds and taxpayer inquiries.

Policy goals, the slow processing implementation of modernizing the IRS technology. Now, Jane will come to do the last recommendation here.

MS. CHOU: Hi, everyone. This is Jane Chou. I'm the founder of CKYFS Inc., out of San Diego, California. I'm a Tax Professional, a Chinese Mandarin Interpreter, and a U.S. Navy veteran. So, thanks to Keith, and I'm tying into what John Koskinen, the IRS Commissioner from 2013 to 2017, which has spoken to us in January of this year.

To the extent that you cut the funding, you make it harder for taxpayer service to work. People can't get through to the phones. They can't get answers. As he continued, he's famous to say that underfunding the agency is just a tax cut to the tax cheat, and that would impact the public and the government functions.

It is imperative that we address the public need in a manner that minimizes confusion and ensures an orderly and effective process. Facilitate timely tax refunds and enabling individuals to meet their obligations seamlessly is vital to preserving public confidence and securing essential funding.

To that end, we'd like the Congress to consider specific funding needs such as technology modernizations, staff expansions, and enhanced outreach. To keep the public well-informed and engaged through these measures, we aim to foster a more effective, transparent, and accountable tax administration.

Let me introduce our next speaker, Douglas Harding. He will speak on the next recommendation.

MR. HARDING: Good morning. My name is Doug Harding, and I'm the Electronic Filing Coordinator for the Connecticut Department of Revenue Services. And I'm here to present recommendation number five, which is the IRS should review and update their current list of MeF reject codes and explanations to provide greater clarity regarding the cause of a rejected return and how to resolve the reason for the reject.

So MeF, or the Modernized E-File System, is one of the main ways that the IRS takes in e-filed returns. So talking about individual income tax returns, business returns, fiduciary returns, etcetera. So there's a lot of returns that come in every year, and each year, returns get rejected. So when it gets rejected, the taxpayer will receive a reject code and reason as to what caused that reject.

Sometimes these codes are not very clear to the taxpayer or tax professional about what they need to do to fix their return and resubmit it electronically. So, this recommendation would be for the IRS, we know when practical, to look through their reject messages that they provide the taxpayer and provide them with additional information of what they needed to do in order to electronically resubmit their return.

And there are a bunch of benefits to this, including a reduced cost to the IRS as an MeF return that comes in costs the IRS 28 cents to process. The paper return costs $7.33. So there are significant savings right there if you get more returns to come in electronically. It also can reduce phone calls to the IRS as we have tax preparers or taxpayers calling because they're not sure what they need to do.

You know, it would also save phone calls, especially to the tech software industry because their repairs or clients are going to call them and ask for help, or even they call the states looking for help with the IRS return because they just want somebody to help them out. It also will reduce processing times as electronic returns can get processed a lot faster than paper returns, having to get mailed in, scanned, run through everything.

It also can result in the IRS receiving more accurate returns because electronic returns are more accurate. Because some people when they file, it gets rejected, and what they'll do is they'll just print out the copy of their first return and then they'll just mail that in and say, well, the IRS can figure out what the issue is and figure it out in their backend. So, there's a lot of things that can help with this.

So, it's a good recommendation for hopefully increasing the amount of electronically filed returns the IRS receives. So, now I'd like to introduce Jack Mao, who will talk about recommendation number six.

MR. MAO: All right. Thank you, Doug. Hello, everyone. My name is Jack Mao. I am the owner of a boutique software and tax firm in Palo Alto and San Francisco, California, and the founder and now advisor to a set of three VITA tax clinics that are Federally funded called Tax Fellows in the San Jose and Palo Alto, California, areas.

I'll be presenting on recommendation number six relating to suggested changes to the 1040 and 8879 forms. This recommendation centers around the idea of how we can improve the language, readability, and protection for taxpayers when it comes to the 1040 and 8879, the most critical forms in tax administration.

Sub-recommendation number one, with the rise of generative artificial intelligence tools rendering potentially incorrect or incomplete tax advice, and ghost preparers preparing tax returns for unknown taxpayers without signing the tax return, it is crucial for the IRS to ramp up enforcement actions against these individuals and companies to better protect consumers and tax revenue.

Currently, the only data points for identifying non-signing preparers are limited to basic information such as ZIP code and are correlated across taxpayers subject to examination or adjustments. We recommend that the IRS pilot and expand the signature section on its 1040 and 8879 to provide additional concrete data points to aid enforcement measures in this matter by requiring the taxpayer to name the specific individuals or companies that have aided them in the preparation of their return and positions taken.

Following the same thesis, the current paid preparer section on the 1040 is short and tucked away at the bottom of the 1040, and the wording of the section, paid preparers use only, suggests that it's a section that a taxpayer does not need to familiarize themselves with, but that is simply not true. This section should act as one of the first defenses taxpayers can use to protect themselves against ghost preparers.

We recommend that a few changes be made to this paid preparer section by improving the visibility of the section, updating the section title to provide greater clarity to the section's importance, explicitly stating and extending the perjury statement the preparer is signing for, and specifying and recognizing the credentials of the preparers.

Sub-recommendation number three and four relates to the improvement of understanding of the most important parts of the 1040, such as AGI, how credits affect tax liability, taxes already paid including withholdings, and the tax due, especially that taxpayers need to proactively pay their tax due rather than wait for a letter from the IRS because that will come with penalties.

And in my practice, I work with a lot of first-time filers and low-income taxpayers. And one of the processes that I've built into the tax return preparation process for them is a review of line by line, the most important parts of the tax returns so they understand how their tax liability is calculated, combating any of their misconceptions, and really help them understand how taxes work.

And that is seeing really great feedback from my clients, and I hope to propagate this to the greater tax ecosystem through recommendations, if implemented. Sub-recommendation A relates to the dependency checkbox. The current dependency checkbox is worded so can claims a dependent.

Unfortunately, the model verb “can” is open to ambiguity and suggests that it's an optional question. While the impact of this checkbox can affect eligibility for numerous tax benefits and reduce the IRS's ability to make tangential predictions of other restrictions required by the tax code for taxpayers required to check this box. For example, during the pandemic, 17- and 18-year-olds who may otherwise be dependents, would not be eligible for the Recovery Rebate Credit, a.k.a. that someone's chosen.

But by filing a tax return of their own and not checking the dependency box, they would be able to make an improper claim for a Recovery Rebate Credit, even if they're not aware of the explicit wording of the tax code prohibiting such claims.

Given that 98 percent of returns are e-filed, millions of taxpayers have to sign the 8879 in some form. So it's important not to overlook the importance of this one-page form. Right now, a major part of this form is comprised of a PIN selection as a replacement of the taxpayer's signature on the 1040. There are currently four possible combinations of how such PIN is selected, whether by a taxpayer or the ERO, and how the taxpayer authenticates themselves.

We recommend in Amendment 5 of the 8879 that the IRS consolidate these PIN methods to reduce confusion and streamline the experience for EROs and taxpayers. With the new Executive Order 14247 increasing direct debit and deposit usage within the government, Amendment 362, improve visibility of the option for direct deposit of refunds and direct debit of tax liability on the 8879.

Additionally, the current methods for how tax professionals and EROs collect taxpayer bank account information is not standardized. Hence, it's prone to clerical errors, leading to refund delays or missing tax payments, and does not collect explicit taxpayer permission for direct debits.

This amendment seeks to reduce these issues. And lastly, some of the same concepts in the 1040 suggestions are reflected in the other suggested amendments for 8879. In conclusion, this amendment seeks to improve various aspects of the 1040 and the 8879 forms to provide and to improve tax administration, taxpayer experience, and security of the tax ecosystem.

Thank you, and I'll introduce Rae Pilarski for the next recommendation.

MS. PILARSKI: Thanks, Jack. And good

morning, everyone. My name's Rae Pilarski. I'm an Associate Program Director at Code for America, and I'll be speaking on recommendation number seven, use of human-centered design. Human-centered design provides a framework for building systems with the people who use them through interviews, usability testing, and feedback that inform the development of a product.

Provided that the IRS is adequately funded and staffed, continuing to scale its use of human-centered design principles throughout its operations will help to modernize its services, reduce compliance costs, increase public trust, and improve efficiency. This is not an attempt to task the IRS with something entirely new on top of the excellent work that it's already doing.

Human-centered design has already been used with marked success in several areas. One example is the development of Direct File, wherein a small group of taxpayers participated in user studies before the public launch. Observing how users interacted with the tool and collecting their feedback helped the Direct File team catch issues early and solve for them, resulting in a smoother filing experience.

In fact, 86 percent of users in the first year said that their experience with Direct File increased their trust in the IRS. There's more evidence of successful use of human-centered design in the Simple Notice Initiative, which resulted in notices that were redesigned with plain language, clearer layouts, and simple calls to action, all of which made it easier for recipients to respond accurately and on time.

Through the use of human-centered design, the IRS can make tools and services more intuitive and user-friendly, helping taxpayers and tax professionals complete tasks more easily and accurately. The committee recommends that the IRS accelerate its deployment of human-centered design principles in new applications to realize real gains in efficiency.

Now I'd like to introduce Argi O'Leary to speak on recommendations eight and nine.

MS. O'LEARY: Thanks, Rae. Good morning, everyone. I'm Argi O'Leary. I am a Principal with Ryan LLC, which is a tax consulting firm. I’m also a former tax administrator. I'll be addressing recommendation eight and nine.

Recommendation eight is that the IRS needs additional tools to combat scams and schemes on social media and other communication platforms. Early in our committee year we heard from the IRS about the breadth and volume of scams and schemes that were being proliferated online, and we understood that that was going to be a big focus of the IRS in its messaging to taxpayers, as well as through the formation of the Coalition Against Scam and Scheme Threats, or CASST, which was designed to complement the ongoing work of the ISAC. So we began, as part of our committee work, investigating whether the IRS had sufficient tools and resources to meet the challenge of combating harmful online activity.

Through that process, we gathered feedback from IRS stakeholders, including the Criminal Investigations Division and other parts of the IRS that monitored and tried to combat refund fraud, and we did identify some critical tools that we think are necessary for the IRS to be more effective in this space.

One tool that we identified is open source intelligence tools, which are used to identify fraudulent schemes that are being promoted online. Also, digital forensic tools that are used to analyze digital evidence of electronic crimes.

These tools really are critical when you're attempting to prove a criminal charge against someone who's been charged with promoting or engaging in criminal activity online. It's also an area where there tends to be a lot of backlog in processing digital evidence. So this is an area where we thought the IRS really needs to expand its toolset. Also, we identified off-network computing capabilities.

And these are tools that will allow the IRS to be more effective when they are acting in an undercover capacity online, in the dark web, and other places of the internet where they need to maintain that anonymity in order to be effective in identifying fraudulent schemes.

And another critical piece of this is training, and not just training for criminal investigation staff but also for the civil staff within the IRS who are going to be using these tools as part of their work. Also included within recommendation eight, we recommend that the IRS create or develop a one-stop shop for the reporting of different types of breaches, scams, schemes that taxpayers and others are encountering as part of their involvement in the tax ecosystem.

We think that the creation of a one-stop shop as opposed to the current state, which involves multiple different forms and reporting paths, will allow the IRS to more quickly handle these complaints as they come into the IRS, more quickly facilitate the routing of these types of complaints to the appropriate IRS staff member, and will also lead to more timely aggregation of that data, as well as the identification of patterns. I'll move on to recommendation number nine.

Recommendation nine is that the IRS should build on its current efforts to transition taxpayers to digital interactions, including instituting reforms that may limit taxpayer preference. ETAAC certainly commends the IRS for its efforts to modernize its systems and processes, as well as for its commitment to provide taxpayers with options for how they engage with the IRS, but we also recognize that providing taxpayers with choice incurs a cost to the IRS.

And consistent with ETAAC's mission to reduce paper and to increase and encourage electronic filing, we're recommending that the IRS mandate e-filing when the only reason that return is filed on paper is that that is the taxpayer's preference. We looked at Form 8948, which is the form that accompanies a tax return as it is submitted to the IRS on paper. Reason number one on that form is that the taxpayer chose to file on paper.

For 2024 data, that amounted to over 364,000, 48 percent of paper filed returns. And we also examined the cost using historical data that the IRS had compiled of processing paper versus an e-filed returns. There's a real stark difference in those processing costs. An e-filed return is 28 cents to process versus $7.33 for a paper filed return.

So we really think that mandating an electronic filing when there is no barrier to electronic filing other than taxpayer's preference is a commonsense reform that will yield cost savings to the IRS. And with that, I'll turn the mic back over to Jack Mao to talk about recommendation ten.

MR. MAO: Thank you, Argi. In line with the spirit of Executive Order 13960 and the rise of artificial intelligence use across industries, including within the IRS, we recommend that the IRS promote transparency in its use of AI to combat misinformation and mistrust proactively.

First, as required by the Executive Order, the IRS as a part of the Treasury is required to publish a list of AI tools in its inventory. We recommend that the IRS accomplish this requirement through a simple one-page website that includes information on the IRS's approach to AI, especially in regard to data and security in plain language, amongst other key information.

Second, we recommend that the IRS allow stakeholders, including taxpayers, tax professionals, and IRS employees and partners to participate in the development of AI projects through town hall style meetings.

Third, during the proposal stage of AI projects, we recommend that the IRS allow business units to secure final prior approval for projects to avoid a later denial of the release of developed projects in an effort to conserve IRS resources. In addition, we recommend the IRS establish a standardized process for business units to report technical issues and inaccuracies with these AI tools easily.

Lastly, we recommend that the IRS consider gathering inspirations for potential AI tools by collecting anonymous surveys from IRS employees on how they use AI in their personal and professional lives.

And recommendation 10-A speaks to some of the use cases of how we can use AI and tech in general to modernize some of their current processes within the IRS. And I'll turn it over to Ricky for our Case Study A.

MR. LAVINA: Thanks, Jack. So Section ten was originally two recommendations. Pretty long, so that's why we broke it up into two. As Jack mentioned, my name is Ricky Lavina. I'm the CEO and Co-Founder of Taxfyle, a tech company in the tax space. And recommendation 10-A obviously deals with AI, a topic that everyone has a firm grasp on and is not nebulous or confusing at all, right?

But we have some simple, practical recommendations. And I feel like the first tier is where there is a win-win for the taxpayer and also to create efficiency within the IRS. So we believe there's a major opportunity to go further in areas that directly involved how taxpayers' experience of the system itself. To build public trust and to maximize efficiency, we recommend that the IRS invest more heavily in AI tools to deliver direct, tangible benefits, particularly those that affect the taxpayer's wallet.

So this includes using AI to speed up refunds, simplify non-profit applications, ensure accurate tax records, and streamline paper return processing. Hopefully that paper return processing goes away eventually, as Argi mentioned. So one practical example is going to be faster partial refunds for low-risk taxpayers. Right now taxpayers often wait weeks, even months, to fulfill the refund.

That's because the IRS has to complete a full review of the tax return before issuing payment, even when a portion of that refund could be verified and safely released immediately. So we recommend using AI to verify that reported income from trusted sources such as W-2s and 1099s and issue a partial refund to the taxpayer who presents a low risk for errors or fraud.

The remainder could then follow afterwards, when the return is fully reviewed. For example, a Head of Household filer with a verifiable W-2 could receive an early partial refund based off a simpler tax rate, while the IRS continues checking on more complex aspects of the return. The benefits are pretty clear.

This is faster returns, refunds for the taxpayers who need them, less backlog for the IRS, reducing costs, and lower fraud risk since only the verified data would be used for early payments. These are common sense improvements that we feel that would make the IRS a lot more efficient and make the taxpayer slightly happier getting their money earlier.

MR. MAO: Thanks, Ricky. And I'll cover Case Study B regarding non-profit applications. So currently nonprofits have to file the 1023 or 1023-EZ to apply for tax exempt status. This often carries a user fee of $275 to $600, and the applications can be dozens of pages long.

We recommend that the IRS use artificial intelligence, both on the front end of helping nonprofits understand the requirements of the tax-exempt application, and on the back end, streamlining the IRS's processing of these tax exempt applications to reduce current processing, time that can often take months, in hopes of reducing the user fees.

And given that many nonprofits, especially small nonprofits, cannot afford accountants or lawyers to assist them in this process, we hope that AI can be used to help efficiently process these applications and reduce the burden on these nonprofits. And I'll have Ricky cover Case Study C.

MR. LAVINA: Great. So, recommendation 10-C, if you're following along, is another commonsense approach to using AI regarding tax transcripts. So right now when a taxpayer files an amended return, the IRS accounts have to be manually updated for the transcript. Staff have to go in physically and input this new data and adjust the record. This is obviously going to introduce delays and create potential for costly errors, and also maybe inaccuracies.

So we recommend modernizing this process. The IRS should implement cascading transcripts that update automatically when a change is made to an area. Some of these areas, for example, are AGI or credits. In theory, we should automatically update the rest of the transcript and sync it, so the taxpayer has the latest updated information.

Additionally, transcripts should automatically note when an amended return has been received. So collecting activity can be paused during processing and saving the taxpayer from having to call the IRS, which obviously increased costs for the IRS, just to request that they, you know, update that information manually and expedite it.

Looking ahead, if the IRS can verify amended return data internally, such as W-2, which is already on file, those amendments should automatically update the taxpayer's account and accelerate new refunds, which obviously improves their happiness, and accelerating refunds while giving the agency more time to process the return fully. The benefits are pretty straightforward.

Fewer manual errors, faster processing of amended returns, and better service for taxpayers trying to stay compliant.

MR. MAO: And I'll share a quick anecdote on the Case Study C as well. This was inspired by a client of mine, a low-income taxpayer who filed an amended return. And when they got their refund check, it was more than $3,000 less than what they were rightfully entitled to receive.

And we didn't know what the issue was, and I had to pull their transcript. Thankfully, I was their tax professional, and I noticed that because the current process for updating the account

transcripts are manual, where an IRS employee has to manually key in the changes to the taxpayer's liability and refund, that the IRS made a clerical error that reduced the refund by $3,000.
ripts are manual, where an IRS employee has to manually key in the changes to the taxpayer's liability and refund, that the IRS made a clerical error that reduced the refund by $3,000.

Thankfully, I was able to identify an issue, we got the fix, and the taxpayer received the refund shortly after. But this is less than ideal, and hence really speaks to the importance of this case study of leveraging artificial intelligence and technology to automatically update these account transcripts to reduce instances like this. Case Study D relates to some of the popular informational forms that are currently submitted by paper that we'd like the IRS to implement via mobile-friendly forms, which are currently these online forms that you can go to the IRS to fill out and submit.

These include the S-Corp election, the Form 2553, which are filed by hundreds of thousands of small businesses annually. The 8843, which are the statements that international students, or FJMQ, as well as other exempt individuals file to remain as non-resident status as required by the code.

And this can eliminate, just purely within the international student group, up to one million information returns annually. And lastly, Section 83(b) elections, which are often filed by tech workers who receive stock options, and these could be in the tens of thousands or hundreds of thousands of files annually. And we hope the IRS leverage their current existing technology, the mobile-friendly forms, to allow these forms and others to be submitted electronically.

In conclusion, these case studies are just some of the examples of ways that the IRS can improve efficiency and reduce paper filings within its current processes that we'd like IRS to consider. Thank you, and I'll introduce Ricky, yes, for the next recommendation.

(Laughter.)

MR. LAVINA: So recommendation eleven is protecting taxpayers' data by regulating uncredentialed preparers and offshore activity. So it's mainly centered around the safeguarding of the data that goes into the tax return.

This recommendation has been in the ETAAC report for quite a few years now, so obviously it kicks off with recommending that Congress authorize the IRS to regulate non-credentialed tax return preparers. The reality is that most individual tax returns are filed by paid preparers. Just this past year there were over 75 million returns that were filed by paid preparers and most of these preparers were not credentialed. Many have no formal training.

There are no current baseline requirements to ensure that they're, you know, competent, ethical, or even capable of protecting the taxpayer's information that they file on their behalf.

So this leaves taxpayers vulnerable to serious harm. Incompetent or unscrupulous preparation or preparers can submit inflated or inaccurate returns that only harm the taxpayer but widen the tax gap.

(Technical problems.)

MR. LAVINA: All right. No worries. I knew it wasn't working.

(Laughter.)

MR. LAVINA: I'm a tech startup --

(Laughter.)

MR. LAVINA: All right. So, you know, touching upon the millions of tax returns that are filed by unprepared tax preparers, according to the National Taxpayer Advocate, “the purple book,” as you guys know, of 2025, improper payments due to inaccurate returns, many prepared by these uncredentialed individuals totaled nearly $22 billion for the Earned Income Tax Credit in Fiscal Year 2023.

So obviously there's a correlation here between, you know, this issue and fraud. ETAAC again recommends that Congress change or charge the IRS with establishing enforceable standards for paid tax return preparers.

The standards can include any of these or combination of them, passing a background check, clearing a tax compliance review, maintaining a valid Preparer Tax Identification Number (PTIN), completing annual continuing education credits, which could be done online and very simple, or simply passing a basic competency exam once a year that's issued by the IRS. The IRS already has this infrastructure in place.

The IRS has long established and operated the PTIN system and manages oversight through the Office of Professional Responsibility and Return Preparer Office. Volunteer programs like VITA and

TCE have enforced basic competency requirements for decades, so all we're asking is that they apply this to the broader population here.

They also regulate enrolled agents, and that has been governed by the Treasury since the 19th century. Implementing these standards would not require a massive new bureaucracy, but it will provide a real protection to taxpayers and help close the gap. Speaking of protecting taxpayer data and all the information associated with the PII, the second section here, the recommendation deals with the amount of information that's now going overseas.

So we also recommend that the IRS initiate a comprehensive study into how many tax returns are being prepared outside of the United States. Within the information tax preparer environment, there has been a significant shift of preparation overseas to reduce costs for a variety of reasons.

Many of these returns that were once prepared by licensed U.S.-based CPAs or IRS enrolled agents are now being prepared overseas, the majority of whom fall outside the reach of U.S. law. So it goes into a black box, and whatever comes back, we have, you know, no real idea of what transpired overseas.

This trend raises serious concerns on the data security, you know, for these individuals potentially leading to national security, and some of the information that's exposed are Social Security numbers, bank account information, and other PII. So all this information is being handled by individuals in jurisdictions where the U.S. enforcement is limited or non-existent.

A formal study will be the first step to understand what this entails, which is what we're recommending. And the IRS needs to quantify how widespread this outsourcing is and evaluate what safeguards, if any, are currently in place.

Without proper oversight, this practice opens a door to large scale fraud, identity theft, and financial crime, problems that may be impossible to track or prosecute once the data leaves our borders.

So with that, I would like to reintroduce Mark for recommendation number twelve.

MR. STEBER: Thank you, Ricky. I'm Mark Steber with Jackson Hewitt, and I think we see a recommendation for next year with better microphone technology. I'll just go ahead and tee that one up

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(Laughter.)

MR. STEBER: But with recommendation number twelve, it's a very important recommendation, and it kind of keys on what some of the Commissioner Billy had spoken of earlier, about a better taxpayer experience, better IRS support for taxpayers, you know, doing better work in the implementation of tax change and compliance.

So at its core, recommendation number twelve is simply to recommend to Congress and IRS that they should prioritize continued technology modernization enhancements and policy enhancements for better information sharing, efficiency, transparency, and utilization.

And what all that means very simply is that the IRS has done great work, you know, collecting taxpayer data, the taxpayer account rollout several years ago is one example of that. And what we see in industry and all of our industry stakeholder partners, more and more information is attached to taxpayers. We are not the taxpayers of our prior generation with one job and maybe a savings account.

Now there are multiple streams of income, multiple other activities going on in life, and all that data flows up to the IRS. But what we have had is a difficulty of utilizing that information, both for tax compliance at the taxpayer level to make sure all that information matches, and also utilization at the preparer level, which as Ricky and others have said, still constitutes a large portion of taxpayer preparation.

And so, what we would hope that happens is better utilization of that information, transparent, efficient, protected, and authorized to allow both taxpayers to access that information for their tax return preparation, perhaps even pre-population using an API, and more importantly, to allow tax preparers to easily access that data both with tax preparation and post-filing advocacy services. If they get a notice, it'll be much easier for a tax probe to be able to access information on IRS systems than the current, very dated system.

So at its core, better, more efficient use of tax data that already exists through all the stakeholders, including the taxpayer and the tax preparation community, to better comply with tax laws, changing laws, and the growing evolution and proliferation of tax data. And with that, I'll turn it over to Manny Dominguez for recommendation number thirteen. And we're getting very close. Only two to go.

MR. DOMINGUEZ: All right. Thank you, Mark. I'm Manny Dominguez. I'm with the Tax Institute at H&R Block, and we're in the agency and industry relations space. I'll be presenting recommendation thirteen. The IRS should eliminate unnecessary filings for extensions that are already automatic.

Currently, the IRS automatically grants extensions for certain forms, most notably there are automatic extensions for individual returns, business returns, and returns for exempt organizations. In calendar year 2023 alone, there were almost 28 million extensions just of these three types that were filed.

And this redundant step of filing an extension that is already automatically granted creates unnecessary filings, paperwork, and processing of these extensions. And to clarify, ETAAC is only recommending this activity for automatic extensions that are already granted and does not suggest any changes to the IRC in regard to deadlines, payments, penalties, interests, and such.

And so, we suggest the IRS remove the requirement for taxpayers to e-file or paper file extensions that are already automatic. For those provisions that the IRS determines a filing for extension should be required for legal or other reasons, we suggest that the IRS introduce a one-click extension request solution through the individual online account. This will provide a user-friendly alternative and ensure taxpayers have efficient access to their extension information.

And so, we believe that eliminating the extension filings or minimizing the burdens of filing by instituting a one-click extension request will reduce the filing burden for the taxpayer and reduce the workload and inventory for the IRS. This will also enhance the taxpayer experience, making it easier for taxpayers to manage their extension filings, and will also help drive adoption for taxpayers to use that individual online account.

As a theme here, as we've all been working towards more technology, things like that, with more capabilities and enhancements coming to the online account, this will help drive adoption to that. So quick to short, with that, I will turn it over to Carol Lew for recommendation fourteen.

MS. LEW: Good morning. I'm Carol Lew. I'm a Tax Partner with Stradling Yocca. Recommendation fourteen -- it's the last one, but it's still very important. Collecting revenue is the top priority for the Internal Revenue Service.

Therefore, we should make it as easy as possible for people to pay money. In recent years, the IRS has made improvements so that taxpayers can efficiently make payment in different ways, but some of those methods for certain classes of taxpayers are unworkable presently. And we would like to make a suggestion for some of the classes of taxpayers so that they can make their payments easier. The first class that I'd like to highlight is individuals filing jointly previously.

The second taxpayer on a return may go to a page of the IRS on the IRS's website where they can make payments with a bank account without incurring fees, for example, if they pay by credit card. And the system has a difficult time finding the second taxpayer. So sometimes those taxpayers who previously filed jointly may not want to file jointly in the future.

They might not be found. They may make their payments, let's say, estimated tax payments in another taxpayer's name, such as the first filer. And we think this creates confusion in the system. These people may wind up calling into call centers to get it straightened out. So, we suggest that the system be able to find these people. The IRS has made inroads with the online accounts. Those are great.

But some of these methods that require people to not actually have to sign in through an online account and just make a payment, those are fabulous. We commend the IRS for those. But to help out some of the other taxpayers to make their payments efficiently like that would be great.

Another class of taxpayers who have some problems are first-time taxpayers because the way the system works right now, those taxpayers are found based on a previously filed return, which they will not have. So those taxpayers might wind up having to send in a physical check, which we're trying to get away from, or pay by credit card, which involves a fee.

So we suggest that the IRS take a hard look and help out those first-time taxpayers pay money. And now, I'd like to turn it over to Vernon

Barnett, our fearless leader all year. Big thank you to him.

(Applause.)

MR. BARNETT: Thank you all so very much. We're going to hear from our vice chair and future chair, Amy Miller. And at the close of her remarks, we'll be breaking for 15 minutes. We'll come back for the second part of our presentation. Thank you.

MS. MILLER: Thank you, Vernon. I'll be brief so that we can all go to break. All right, thank you. One of the unique qualities about our ETAAC committee is that our report is intended for IRS leadership and to Congress.

And we look forward to reaching out to Congress in the coming weeks ahead to share our learnings and our recommendations. So as we wrap up our ETAAC report presentation, I want to take a moment to express my deep appreciation to my fellow ETAAC members.

Your passion, thoughtfulness, and collaboration throughout the year have made this a remarkable committee to be a part of, and the quality of our recommendations reflects the energy and expertise of each of you and what each of you brings to the table. I'd like to sincerely thank the IRS National Public Liaison team, who's with us here today, and especially to John Lipold for his leadership.

And the NPL team for your steadfast support, especially helping us connect with the IRS subject matter experts. That access has been essential in shaping ETAAC proposals that are both practical and well-informed. And of course, a special thank you to our outgoing chair, Vernon Barnett.

Your leadership over the past year has been steady, inclusive, and inspiring. I've learned so much watching you guide this group, and I'm grateful for your mentorship. I look forward to the year ahead, and the opportunity to carry this work forward. Thank you.

(Applause.)

MR. BARNETT: You all, if we could reconvene in about 15 minutes.

(Recess.)

MR. BARNETT: All right. Everybody, we're ready to get started again. Thank you all, all of you who are online and here in the room with us. Again, my name is Vernon Barnett. I'm the Chair of the ETAAC this year and the Revenue Commissioner from Alabama. And we're really honored here today to have Jim Clifford with us.

He's the Director of the Return Integrity and Compliance Services Unit. Yes -- Jim's an old friend to so many of us. And so, Jim, thank you so much for being with us today. It's a pleasure to have you with us.

MR. CLIFFORD: Thank you. I've learned from watching others to check that this mic is working.

(Laughter.)

MR. CLIFFORD: I've never been accused of being not loud enough for everyone in this small room to be able to hear me, but the mic does help. I'm thrilled to fill the role today on behalf of IRS leadership, on behalf our new Commissioner, Commissioner Billy. This was my first opportunity to maybe not meet but be in the same room. So it's very interesting to have Commissioner Long on board and to be seeing his vision for where he wants to take the agency.

On his behalf and on behalf of all of the leadership across the IRS, I'm pleased to accept this report. Clearly a lot of work went into it. I heard the words passion, energy, dedication, and they're clearly evident in the recommendations that you've put forward that are meaningful. And really the impressive thing to me is that they really touch on and hone in on the thorniest issues that we're facing as a tax administrator.

And the reason why that's even more impressive at this particular moment in time is that the time that you started formulating this report you didn't know what the world would look like today, and the world looks a lot different today than it did when you set out on this long journey, as Vernon called it.

So you did a really exceptional job staying the course and understanding where the heart of the matter was, and resisting the temptation to pivot as the tides changed so drastically over the last several months. So kudos, and really impressed and pleased to accept the report on behalf of the IRS.

Look forward to working with many of you on the recommendations, because many of them, thank you very much, touch my organization.

(Laughter.)

MR. Clifford: But I want to pick up on Vernon's theme of a long journey. Some might say, using a Grateful Dead line, what a long, strange trip it's been. Vernon referred to it as the end of a journey, and it's the end of a long journey with ETAAC for Vernon, and we do deeply thank him for all the time that he spent with the ETAAC. But it's really a long journey without an end for ETAAC.

ETAAC goes back to 1998, for those who didn't know; it was created under the Revenue and Restructuring Act, RRA of '98. The original goal for ETAAC was to help the IRS achieve what seemed to be an unachievable goal at that time, 80 percent of all tax returns to be electronically filed.

In case you haven't been paying attention, we're over 95 percent of all tax returns being electronically filed now. We're actually in conversations about how to get to 100 percent. And to get back to my theme of you guys were really on point, the report suggests that with a mandate for all those unless those who have an actual reason they can't, and we would like to eliminate the reason they can't.

So I'm not saying 100 percent it will be next year, but no one thought 80 percent was achievable in 1998; so sometimes you just got to believe, and having partners like ETAAC really will help us get there. Talking about the continuum again, I want to talk a little bit about how ETAAC evolved as the time evolved from -- that wasn't the only goal that they took on. As the world changed, ETAAC changed.

In the 2010 to 2015 time period, identity theft became the fastest growing crime in the world, and ETAAC shifted from a focus solely on that electronic filing goal to how do we help the IRS, and the state tax agencies combat this heinous crime that was sweeping the globe. ETAAC was foundational in the formation of the Security Summit, which was a groundbreaking collaborative effort between the Federal sector, the states, and the private industry to tackle this problem that was really overwhelming us as tax administrators at that time.

We have identity theft, refund fraud mostly under control. We estimate that we stop about 98.5 percent of attempted identity theft or refund fraud today. Don't have a comparable number for 2015 because in 2015 we didn't even understand the problem. But because of ETAAC's contributions to the Security Summit, which I'm proud to chair, we know that we've bent the curve on that challenge.

In many ways, over many years, ETAAC has contributed in meaningful ways like that, always seeming to be right there at those seminal points in history for tax administration. And as I started with, we're at one of those moments. ETAAC is right there with a very thoughtful report that contains meaningful recommendations for us to work. Picking up for the last time on the long journey, it is a continuum, and it's a continuum much like a relay race without a finish line.

The baton passes from leader to leader, from board to board, from membership to membership, but the work never ceases, and it always seems to be on point. So, it's a bittersweet opportunity to thank the outgoing members, but also at the same time to welcome the incoming members. So, as I call your name, if you wouldn't mind joining me up here. There are going to be photo opportunities.

And joining us through electronic means -- there he is, coming on camera right on cue. We have Jerry Gaddis, Founder and CEO of Tropical Tax Solutions.

(Applause.)

Next up, Argi O'Leary. Argi had an opportunity to introduce herself earlier, Principal in Advocacy Practice, Ryan LLC.

(Applause.)

MS. O'LEARY: Thanks, John. Thank you very much.

MR. CLIFFORD: Rae Pilarski, Senior Project Manager, Code for America.

(Applause.)

MS. PILARSKI: Thank you.

MR. CLIFFORD: Keith Richardson, Deputy CFO and Tax Commissioner, District of Columbia.

(Applause.)

MR. RICHARDSON: Thank you, Jim.

MR. CLIFFORD: I saved our outgoing chair for last for good reason. Vernon Barnett, the Commissioner of Alabama Department of Revenue has been a good friend and a strong partner with the IRS for many years, and that partnership will continue.

I joked with Vernon at the break. He's on so many different committees that I'm also on that sometimes I wonder whether I work for the Department of Revenue in Alabama, or whether he works for the IRS.

(Laughter.)

MR. CLIFFORD: But we spend an awful lot of time together and it's time well spent. A good colleague, a partner, and a friend. Thank you for your leadership and for the way you have held this in stewardship for Amy.

(Applause.)

MR. BARNETT: Thank you.

MR. CLIFFORD: Okay. With that, I now will pass the baton or the microphone on to Vernon and John Lipold for some closing remarks.

MR. BARNETT: Thank you, Jim. I really appreciate that. Again, and thank you to each of you for being here today. On behalf of our ETAAC, all of our guests, thank you for joining us. And for all of us, all you on ETAAC, it really has been a remarkable journey. It's been a pleasure to know and work with each one of you.

There's a few of you that I would like to recognize very quickly. First of all, Amy, it's been a pleasure. And so many times you've stepped in for me, especially the last few weeks when I wasn't available. Deeply appreciate that, and it's so great to know that ETAAC is in such strong hands moving forward.

I know that you and David will do remarkable things. Our subgroup leads, this would not have been possible without you. Argi O'Leary, Mark Steber, and Carol Lew, thank you to each one of you. It absolutely has been a pleasure. To our friends at the IRS, Alec Johnston, we began this journey together and so it's certainly fitting that we end it. And so, it is good to see you again and thank you for all that you've done.

Anna Millikan, over there behind Ron, thank you so much for stepping in for Alec. I really appreciate it. Maritza Rabinowitz and Candice Haynes, thank you both so very, very much. And obviously, John Lipold, our fearless leader. I, you know, can't say enough about John. I mean, it's been such interesting times.

I was going to start my remarks earlier with a story from when I was in college, and I realized that I was Jack's age when that happened. And I thought, well, you know, maybe not.

(Laughter.)

MR. BARNETT: It's been a long time ago but, one of my professors in one of my senior level classes, in closing the class out at the end of the semester, thanked everyone for their participation and he said, you know, I hope you all do well in life, and I hope you all did good. And I'm going to leave you with an ancient Chinese curse, may you all live in interesting times.

And we certainly do live in interesting times and those times require really great leadership, which is one of the reasons why, you know, so many of us are so grateful to Jim and to John, you know, for hanging in there with us. And we had to be flexible a lot, especially this last year, and John was a stalwart, and his team were fantastic.

I can't say enough about the IRS. They got us the information we needed when we needed it and were phenomenal to work with. So, it's remarkable to be here with you. I've enjoyed it. It's been a pleasure, it's been an honor, and it's one of the highlights of my career. So, thank you all very much.

(Applause.)

MR. LIPOLD: And it has been a pleasure working with Vernon and the rest of the ETAAC team, so very happy to be here right now with all of you. As we conclude this meeting today, Vernon's tenure as chair is ending and Amy's tenure as chair is beginning. So, with the new --

(Laughter.)

MR. LIPOLD: With the new ETAAC year, which really will start in September with their kickoff meeting, say hello to Chair Amy Miller. And then we have our new Vice Chair coming in, which is Mr. David Casey, who is the Revenue Commissioner for the State of Wisconsin.

(Applause.)

MR. LIPOLD: So, with that, we will conclude today's public meeting. Thank you everybody for joining. Class dismissed.

(Whereupon, at 10:40 a.m., the Electronic Tax Administration Advisory Committee meeting was adjourned.)