



MINUTES

Internal Revenue Service Advisory Council Public Meeting

July 16, 2025
Virtual – Microsoft Teams
2:00 p.m. ET

Meeting Called to Order: John Lipold, Designated Federal Officer

Purpose: To provide insight to the public on where the meeting is headed for the remainder of the year

Turned Meeting over to: Christine Freeland, IRSAC Chair

- Extended overview of IRSAC
- Listing of five subgroups
- Today's public meeting will discuss issues proposed for inclusion in this year's public report

Eight General Issues: announced by the Chair and described by the lead drafter:

- 1) Improving IRS Public Image – Joseph Bender
- 2) Updating and Maximizing Use of IRS Websites – Annette Nellen
- 3) Worker Misclassification – Omeed Firouzi
- 4) IRS Notice Usability – Omeed Firouzi
- 5) Streamlined Form 3115 Procedures – Andrew Bloom
- 6) The Importance of Proper IRS Funding – Lucinda Weigel
- 7) Simplifying access to online tax services – Anthony Massoud
- 8) Form 730 Processing Challenges & Opportunities – Adam Robbins

Subgroup Report-Outs: Issues presented by Subgroup Chairs

Information Reporting Subgroup: presented by Susan Nakada

- 1) Character and Source of Staking Income
- 2) Treatment of Cases of Identity Theft and Account Takeovers
- 3) De Minimis Threshold for Reconciling Form 1042 and Form 1042-S
- 4) Address Changes for Large Companies
- 5) Form W-2G Reporting Thresholds for Slot Machine Winnings
- 6) Examine the Effect of the Threshold Decrease for Mandatory E-Filing of Returns from 250 to 10.

Large Business and Industry Subgroup: presented by Andrew Bloom

- 1) Automatic Assessment of Penalties in International Filings when Reasonable Cause Arguments are Made
- 2) Updating Form 1065

Small Business and Self-Employed Subgroup: presented by Annette Nellen

- 1) Enhancing Usage and Capabilities of Digital Tools for Taxpayer Engagement
- 2) Increasing Awareness and Use of Settlement Programs
- 3) Increasing the Use of Alternative Dispute Resolution (ADR) Programs
- 4) Small Business Education Literacy Opportunities
- 5) Small Business Compliance Prompts

Tax-Exempt and Government Entity Subgroup: presented by Brian Yacker

- 1) Parity Between Tribal Governments and Other Government Entities in the §7871(e) Definition of “Essential Governmental Function” Qualifying for Tax-Exempt Bonding
- 2) Reviewing the Cost Burden of Private Letter Rulings (PLRs) for Tax-Exempt Organizations and Government Entities
- 3) Regulations are Needed for §142(n) Concerning Qualified Broadband Projects as enacted in the *Infrastructure Investment and Jobs Act*, which was signed into law in 2021.
- 4) Requesting Guidance Regarding Form 1098-F, *Fines, Penalties, and Other Amounts*.
- 5) Recommendations to Improve Public Awareness of the Enhanced “Savers Match,” Included in the SECURE Act 2.0.
- 6) Defining “Rents from Rental Property” similarly for §856, which involves Real Estate Investment Trusts (REITs) and §514, which involves Unrelated Business Income Tax (UBIT).

Taxpayer Services Subgroup: presented by Elizabeth Boonin

- 1) Processing valid but potentially imperfect tax returns received by the IRS (so-called “Beard Returns”)
- 2) CAF Authorization Process Improvements
- 3) Access to Entire Electronically Filed 1040 Tax Return Data
- 4) Amended Return Processing and Time
- 5) Leveraging Social Media to Improve Taxpayer Service and Compliance
- 6) Pre-launch Testing and Post-launch Support
- 7) Supporting Live Chat for Tax Pros

Acknowledgments: The Chair acknowledged receipt of the following written comments from the public:

- Colin and Marianthe Leache
- Professional Managers Association dated July 11, 2025

These written comments are included with the meeting minutes in the public record for this meeting.

IRSAC Public Meeting Attendees – July 16, 2025

IRSAC

Christine Freeland, IRSAC Chair
Lucinda Weigel, IRSAC Vice Chair
Grace Allison
Robert Barr
Joseph Bender
Pablo Blank
Andrew Bloom
Elizabeth Boonin
Caroline Bruckner
Beatriz Castaneda
Sam Cohen
Kendra Cooks
Omeed Firouzi
David Gannaway
Jared Goldberger
Steven Grieb
David Heywood
Manuela Markarian
Charles Markham
Anthony Massoud
Mark Matkovich
Susan Nakano
Sarah Narkiewicz
Annette Nellen
Adam Robbins
Brayan Rosa-Rodriguez
Lawrence Sannicandro
Tralynna Scott
Peter Smith
Cory Steinmetz
Hussein Tarraf
Kristofer Thiessen
Rolanda Watson
Thomas Wheadon
Brian Yacker
Nicholas Yannaci

IRS

John Lipold, IRSAC DFO
Laura Baek
Joshua Beck
Nina Bolin
Robyn Capehart
Christopher Duling
Tekila Gray
Tyonna Harrison
Sean Hernandez
Aphilia Hughes
Christine Kingston
Anna Millikan
John Myrick
Maritza Rabinowitz
Bruce Simmons

Denice Vaughan
Yiliu Wang
Brian Ward

Members of the Public

Rayna Alexander
Jason Briefel
Nick Brino
Shirley Chin
Sean Christenson
Julie Cook
Nicole Giambarrese
Linda Gilpin
Jory Heckman
Phyllis Jo Kubey
Colin Leach
Jonathan Lips
Marianne Meagher
Larry Potts
Kelly Reyes
Erin Slowey
Ben Valdez
Jessica Yim

**Written Statements submitted to the IRS Advisory Council
for its July 16, 2025, Public Meeting**

Statement #1 – from Colin and Marianthe Leach, dated June 23, 2025

Statement #2 – from Kelly Reyes on behalf of Professional Managers Association,
dated July 11, 2025

Submission to:

INTERNAL REVENUE SERVICE ADVISORY COUNCIL

Written Statement for Inclusion in the public meeting on 16th July 2025

Colin and Marianne Leach

Houston, TX 77008-4123

**Resolving or (rather) How not to Resolve a Simple Transcribed Mistake in a 1040 Schedule A Form 8936 –
A Reflection on some shortcomings within the IRS system**

A. Summary

This submission relates to an issue I have been attempting to resolve with the IRS since June 4th 2024. It is not an attempt to resolve the issue (this is not the forum to do that), but an example of how an organization can fail to resolve simple issues in a fast and efficient manner with very little use of resources such that these (scarce) resources can then be used on more complicated and higher dollar value events.

In essence the issue relates to my mistyping of a single digit in the (17 digit) VIN number of a vehicle being claimed for a clean vehicle credit (Schedule A Form 8936) and a credit of \$3750.

It is a lesson in **how not to resolve** a simple (clearly defined) \$3750 issue. Looking at the details of how a case such as this is handled can be very revealing with respect to the functioning of an organization. This is the intent of this submission.

B. The Story (so far)

Please note that myself and my wife (of years) file a joint return, but that I take responsibility for this task – “we” could be substituted for “I” in the subsequent note – she certainly checks the numbers but

We bought a new Ford Escape Plugin Hybrid(PHEV) in June 2023.

I filed the 2023 tax return on paper and using the USPS late Feb 2024.

The IRS sent us a letter end of May 2024 stating that the VIN number I had put on the Schedule A, Form 8936 did not match a PHEV in the IRS database.

I immediately checked my records and saw that I had made **1 Digit** mistake in the vehicle VIN when I submitted Schedule A (Form 8936).

Specifically, I submitted the VIN #

X when I should have submitted VIN #

Y.

Note that whereas in filling out most of the 1040 (and associated forms) there is a x-check of numbers in the form of a \$total or \$subtotal when one reaches a particular line. There is no such check when transcribing a VIN. Yes I should have triple checked (mea culpa).

I called the IRS on early June 2024 to discuss the mistake.

The IRS employee looked up the corrected VIN and told me that indeed this corrected VIN would qualify for the clean vehicle credit. She also told me that she could not resolve the issue on the phone and that the best way to resolve it was to write a letter – an amended return would take much longer. More-over she told me that it would take about 8 weeks for a resolution to occur.

I sent off such a letter on the same day). I have attached a copy of this letter (Attachment 1).

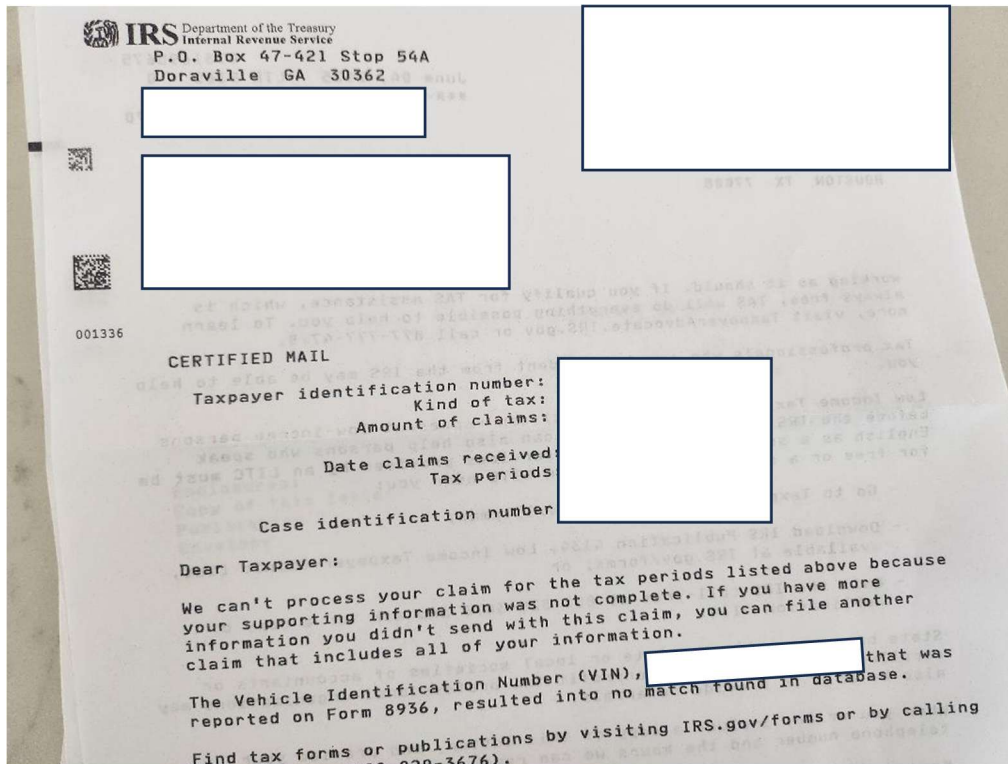
I expected that I would be notified that the issue had been resolved, but received no such notice.

Since then I have received 3 or so letters from the IRS informing me that more time was needed for a resolution. An example is given in Attachment 2.

I have also called the IRS perhaps 6 or 7 times (prior to the IRS letter of -/-/25) after receiving the “we need more time to research” letters. Yes, the employees have been pleasant and cordial – a number confirmed that my vehicle qualifies, but none has been able to resolve the issue. In a number of calls, the IRS employee simply stated that the issue was still being worked on.

Of course I also had to submit my 2024 tax return. This was submitted in February 2025. Not knowing what amount was to be carried forward from the 2023 tax return I simply used a zero carry over. Effectively, it is my opinion that I am due \$xxxx.xx from the IRS – of course, I do not wish to amend my 2024 tax return – i.e. the tardiness/failure to resolve the 2023 issue has a knock on impact!!

I received a letter dated -/-/25 (a copy of part of this letter is shown below).



I then did some further research.

I looked up the correct VIN on the NHTSA website (part of the US DOT). I did not know of the existence of such a site until I looked in more detail after this letter. It clearly showed the correct 2023 Ford Escape PHEV. Links from this site to the IRS website also clearly showed that the vehicle qualified for the Clean Vehicle Credit of \$3750.

On -/-/25 I talked with [redacted] (ID # [redacted]) who told me that it was indeed a clean vehicle and that it could be resolved by talking with the "Accounts Management" department and he then transferred my call. But, after 5 minutes of waiting, the call was dropped. It should be remembered that it takes quite an effort to talk to an IRS agent on the phone (an hour or more and that is if you can get through the automated welcome menu). Needless to say, it is impossible to recover from this dropped call and you have to start all over again!

I then (-/-/25) called back the IRS and talked with an employee ([redacted]) (ID # [redacted]). She told me there was NO MATCH!! I have not a clue why this would be the case.

I called back again and arranged an in-person interview at the xxxxx xxxxxx IRS office on -/-/2025. I talked the [redacted] [redacted] [redacted]. He understood (!) the situation and referred me (fobbed me off) to the TAS service in Houston. He saw all of the documentation enclosed in this document (i.e. the NHTSA match etc.). Why he could not resolve the issue I do not know.

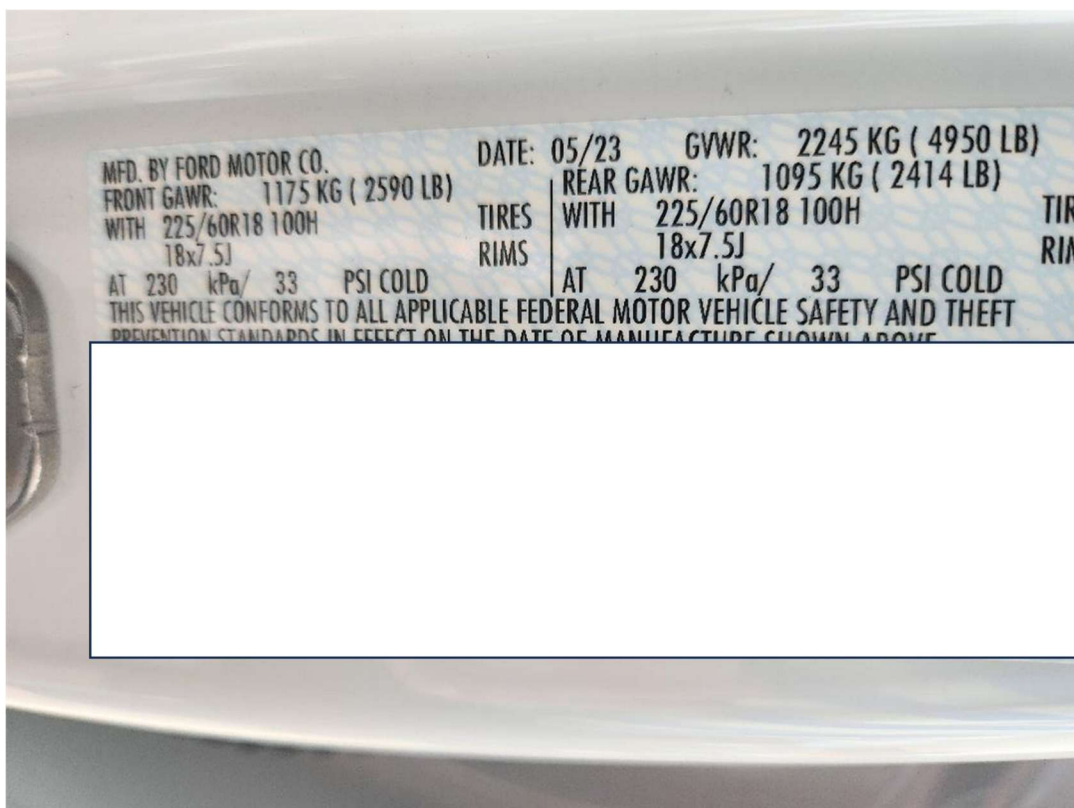
A week later in June 2025 I received an e-mail from the TAS service telling me to fill out a 911 form and send with it details of why the vehicle should be given a clean vehicle credit. I sent back this information on an e-mail the same day.

This letter is not necessarily to resolve my tax issue, it is to describe the total disfunction of the IRS in addressing this issue. It is NOT a reflection on the employees of the IRS – it is a reflection on the system within the IRS that they apparently have to work with. I have utmost respect for Federal, State and City employees. They are typically dedicated to their work and do it well and are underpaid compared to many private sector counterparts.

C. Information that is Relevant to a Resolution and Which should be available internally to the IRS

I will now go through some of my facts. This is to show how “black and white” the facts supporting a resolution are. This is not a complicated resolution.

1. The VIN number is noted on the label on the side of the drivers door. This is the label.



This is the VIN number from the door of my Escape. Note that the 6th digit is Y (yyyy) not X (ooooo).

2. I then went to the NHTSA (part of the Department of Transportation) website and did a “look up VIN”.

The results are shown below. Everything shows the correct detail of the Escape. Yes, it is a PHEV with primary fuel source = electric and secondary fuel source = gasoline.

It also has a 14 Kwh battery – again correct

United States Department of Transportation

Search

REPORT A PROBLEM



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VIN Decoder

Version: 3.60 last updated on 5/17/2025

[Response Notes](#)[Subscribe/Unsubscribe](#)

NHTSA's VIN decoder allows you to enter a particular vehicle's VIN to identify specific information encoded in the number.

VIN

Model Year

If entered the year from VIN will be ignored

Decode VIN

Canadian Vehicle Specifications

Check Digit Calculator

2023 FORD - MULTIPURPOSE PASSENGER VEHICLE (MPV)

Export to PDF

✓ Error Text: 0 - VIN decoded clean. Check Digit (9th position) is correct

Manufacturer: FORD MOTOR COMPANY

DBAs:

Vehicle Type: MULTIPURPOSE PASSENGER VEHICLE (MPV)

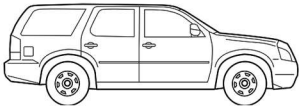
Model Year: 2023

Make: FORD

Model: Escape

Body Class: Sport Utility Vehicle (SUV)/Multi-Purpose Vehicle (MPV)

Show All Vehicle Details



Other Information

Information provided below is based on the details provided by the manufacturer of this vehicle to NHTSA in the part 565 submittal

Series: PHEV

Gross Vehicle Weight Rating: Class 1C: 4,001 - 5,000 lb (1,814 - 2,268 kg)

Cylinders: 4

Electrification Level:PHEV (Plug-in Hybrid Electric Vehicle)

Engine Model: DURA PFI ATK

Engine Manufacturer: Ford

Transmission Speed: 1

Trim:

Drive Type: 4x2

Primary Fuel Type: Electric

Secondary Fuel Type:Gasoline

Engine Brake (HP):

Engine Displacement (L): 2.5

Transmission Style: Electronic Continuously Variable (e-CVT)

Airbags:

- **Front:** 1st Row (Driver and Passenger)
- **Knee:** Driver Seat Only
- **Side:** 1st and 2nd Rows
- **Curtain:**
- **Seat Cushion:**
- **Other Restraint Info:**

Plant Information: LOUISVILLE, KENTUCKY, UNITED STATES (USA)

NOTE: Any missing decoded values should be interpreted as NHTSA does not have data on the specific variable. Missing value should NOT be interpreted as an indication that a feature or technology is unavailable for a vehicle.

10 entries per page Search:

Group Name	Element	Value
Interior / Seat	Number of Seat Rows	2
Mechanical / Battery	Other Battery Info	
Mechanical / Battery	Battery Type	Lithium-Ion/Li-Ion
Mechanical / Battery	Number of Battery Cells per Module	
Mechanical / Battery	Battery Current (Amps) From	
Mechanical / Battery	Battery Voltage (Volts) From	
Mechanical / Battery	Battery Energy (kWh) From	14.40
Mechanical / Battery	EV Drive Unit	
Mechanical / Battery	Battery Current (Amps) To	
Mechanical / Battery	Battery Voltage (Volts) To	

Showing 111 to 120 of 140 entries

« 1 ... 10 11 12 13 14 »

3. Information from the (State) Department of Motor Vehicles.

It confirms the VIN number matches the (State) License Plate number .

VEHICLE REGISTRATION
IF YOU NO LONGER OWN THIS VEH
VEHICLE TRANSFER NOTIFICATION

Renew online @ v

VEHICLE INFORMATION

LICENSE PLATE NUMBER
VEHICLE IDENT. NO. 1FM
YEAR/MAKE/BODY STYLE
CURRENT EXP. MON YR

TOTAL FEE DUE

FOR QUESTIONS CALL YOUR
TAX ASSESSOR-COLLECTOR

Effect
obtain
your v
Replac
Fee re
Send t
correc
enclo
to yo
for p
requi

Additional information from the (State) DMV is shown below. It clearly states "Electric and Gas".



PROCESSING COUNT: [REDACTED]
RESIDENT COUNTY: [REDACTED]
PLATE NO: [REDACTED]
DOCUMENT NO: [REDACTED]

TAC NAME: [REDACTED]
DATE: [REDACTED] EFFECTIVE DATE: [REDACTED]
TIME: [REDACTED] EXPIRATION DATE: [REDACTED]
EMPLOYEE ID: [REDACTED] TRANSACTION ID: [REDACTED]

RENEWAL RECIPIENT NAME AND ADDRESS

OWNER NAME AND ADDRESS

REGISTRATION CLASS: TRUCK-LESS/EQL. 1 TON
PLATE TYPE: PASSENGER-TRUCK PLT
ORGANIZATION:
STICKER TYPE: WS

PREVIOUS PLATE NO: [REDACTED] VEHICLE CLASSIFICATION: PASS-TRK
VEHICLE IDENTIFICATION NO: [REDACTED]
YR/MAKE: 2023/FORD MODEL: ESC BODY STYLE: LL UNIT NO:
EMPTY WT: 3900 CARRYING CAPACITY: 1050 GROSS WT: 4950
BODY VEHICLE IDENTIFICATION NO: TRAVEL TRLR LENGTH: 0

INVENTORY ITEM(S)	YR	FEES ASSESSED	
WINDSHIELD STICKER	2026	WINDSHIELD STICKER	\$
		REG FEE-DPS	\$
		CNTY ROAD BRIDGE ADD-ON FEE	\$
		CHILD SAFETY FUND	\$
		INSPECTION REPLACEMENT FEE	\$
		EMISSIONS INSPECTION FEE	\$
		PROCESSING AND HANDLING FEE	\$
		ONLINE DISCOUNT	\$
		TOTAL	\$

VEHICLE RECORD NOTATIONS
ACTUAL MILEAGE
PAPER TITLE
MAJOR COLOR: WHITE
FUEL TYPE: ELECTRIC AND GAS

THIS RECEIPT IS PROOF OF REGISTRATION FOR LAW ENFORCEMENT UNTIL
07/10/2025

4. Below is shown a picture of the Escape in my garage.

You can clearly see the License Plate. In addition I opened the gasoline refueling cap and you can also see the Escape plugged in to recharge through the electrical port.

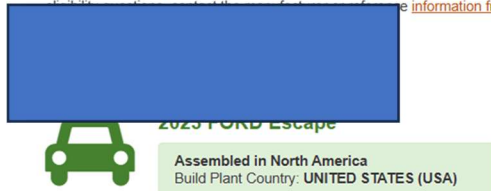


5. I then went to the links from the NHTSA with respect to whether the specific vehicle qualified as a clean vehicle. The results are shown below.

Specific Assembly Location Based on VIN

The build location of a particular vehicle should be confirmed by the VIN or an information label affixed to the vehicle. The U.S. Department of Transportation's NHTSA also provides a [VIN decoder](#) that can be used to identify a vehicle's build plant and country of manufacture along with other details about the vehicle. To look up a vehicle's assembly location (build plant country), submit the VIN below.

Verification of North American final assembly is an initial step toward identifying vehicles that may be eligible for the Clean Vehicle Credit, but note that further conditions for eligibility may apply depending on the purchase date. For information about clean vehicles placed in service beginning January 1, 2023, see [IRS Credits for New Electric Vehicles Purchased in 2023 and After](#) for more details. For information about clean vehicles placed in service before January 1, 2023, see [IRS Credits for New Electric Vehicles Purchased in 2022 and Before](#) for more details. For more information from the IRS.



Note: This VIN information is reported by the manufacturer. For more vehicle details, use NHTSA's [VIN decoder](#). If you have further questions regarding this information, please contact the vehicle manufacturer. In addition, more information may be available on a label affixed to the vehicle. See 49 C.F.R. Part 583.

Note that for some manufacturers, the build location may vary based on the specific vehicle, trim, or the date in the Model Year when it was produced because some models are produced in multiple locations. The build location of a particular vehicle should be confirmed by referring to its Vehicle Identification Number (VIN) using the VIN decoder above or an information label affixed to the vehicle. For questions about the VIN or other specific qualifying information, consumers should contact the manufacturer.

Final Assembly in North America: To be eligible for the Clean Vehicle Credit, a vehicle must have undergone final assembly in North America. In general, North America includes the United States and Puerto Rico, Canada, and Mexico for purposes of determining the location of final assembly.

The information on this page should not be viewed as an official or legally binding document. For full details and most up-to-date information on eligibility requirements, refer to [IRS.gov/cleanvehicles](#).

Model Year

From: To: (optional)

Make

Model

Vehicle Type

☐ All-Electric **EV**

☒ Plug-in Hybrid **PHEV**

☐ All

Federal Tax Credits for Plug-in Electric and Fuel Cell Electric Vehicles (Vehicles placed in service on or after April 18, 2023 and before January 1, 2024)

Make	Model	Model Year	Vehicle Type	Credit Amount	MSRP Limit	Assembled in N. America
Ford	Escape Plug-in Hybrid	2022-2023	PHEV	\$3,750	\$80,000	✓

Updated 5/19/2025

Source: Internal Revenue Service

[Requirements](#)

[Claiming the Credit](#)

[Additional Information](#)

D. Discussion, Suggestions, Opinions etc.

I have not a clue how the IRS cannot replicate this information (although a number of employees have). Perhaps typos have been made in inputting the VIN # (it is easy to mistake a 0 (zero) for an O (Orion)). Perhaps machine reading of these VIN numbers also is prone to error. Type fonts vary.

Is there an issue with the IRS database? Operator error? There does not seem to be an issue with the NHTSA or (State) DMV databases.

I have not a clue how the IRS cannot resolve such a trivial mistake. In filing tax returns over 40 years in the US, yes there have been small similar errors, but these have been picked up and resolved through a conversation, or the IRS has sent a correction letter which I have accepted because indeed there was a mistake.

I have not a clue why this issue has taken over a year and wasted so much of everyone's time.

Please note that (my current representative) was made aware of this issue in early May of 2025.

They have been sent all of the information in this submission.

Again, she passed me onto the TAS. I will have to wait until the end of July 2025 to hear their response, but looking at their mandate this may not be the sort of issue that they deal with.

The (representative) website states "My staff and I are ready and happy to help cut through the red tape, solve problems, and get answers to questions about federal agencies." I am not sure this is the case!

Previously I have worked as a "company man" for a major oil company in charge of a semi-submersible oil rig in the North Sea. Yes the weather was rough. I had to make decisions that affected the overall safety of the 100 or so persons on board and the environment. Yes, I had some good help, but in those days communications from town were sparse and sometimes non-existent. But I was trusted to make those decisions. Military service is similar in requiring such trust and delegation of responsibility.

I wonder if today's IRS (and many private companies) are "micro-managed" by a combination of rigid protocols and 24/7 monitoring of actions by "smart" data systems, such that employees are unable to take action on what are obviously simple mistakes (recognized by both IRS and citizen) which are also simple to correct.

If this is the case, it makes resolving these simple mistakes very complex and wastes much time and in the case of the IRS diverts the limited resources away from resolving more complex and potentially much higher \$ cases.

I suspect that the IRS needs more employees and in turn these need to be trained and trusted to provide simple resolutions for many cases.

I suspect that the current administration has effected the opposite – fewer employees and tighter restrictions on following the “protocol”, which I suspect is not up to the task.

Communicating with the IRS introductory telephone answering system about a 1 digit error in a VIN number is impossible! You may as well be speaking to someone who only speaks Mongolian (apologies to Mongolians).

It would seem that the automated phone answering system may be good for some “regular calls”, but is woefully inadequate for “quirky” issues such as this. “I understand sentences” – yes, perhaps, but not ones involving trivial mistakes on a tax return. Human intervention is required! Automation (or even AI) is not up to the job of communicating yet. We (as individuals) do not know how to phrase questions and the phone answering service does not know how to prompt questions it can answer!!

Note: I have logged on to **my account** at IRS.gov. Information on this website has not helped at all. In addition it fails to include notices from the IRS – useful in case of a failure on the part of the USPS (they are good, but sometimes not perfect).

As a citizen and taxpayer I can see how the IRS service can be improved for the benefit of all.
Note: **I AM HAPPY TO PAY MY SHARE OF TAXES.** I fear that we are going in the wrong direction.

Please let me know if you would like additional information.

Yours respectfully,

Countersigned

E. Important Update 7/1/2025

A conversation with two of the parties involved has brought up the issue of IRS Form 15400.

The vehicle was bought in June 2023. At that time there simply was **NO** IRS Form 15400.

It was introduced later in 2023 and required sellers of “clean vehicles” to report the sale and the identity of the buyer to the IRS. The form was to be given to the buyer as well.

It is possible that sellers were expected to report this retroactively to the IRS no later than 1/31/2024.

This did not happen in this case. However in **none** of the conversations/notices from the IRS to date has this been brought up.

It seems that the IRS “moved the goalposts” and possibly failed to communicate that they had. Note that buying a clean vehicle in 2022 did not require such a procedure, just the filling out of Form 8936. I know I did it!

I remain completely uncertain how such a muddle can be sorted out, but remain convinced that someone (within the IRS) must be given authority to sort out these “Black and white” situations where the evidence is clear such that the solution is fair, appropriate, quick and such that resources can be used on more complex (and much higher \$) cases.

As an individual, I feel I know a lot more about this type of clean vehicle credit than I would like to. I suspect it means that quite a few others were caught out by the Form 15400 “less than perfect” execution. I suggest the IRS should have simply maintained the 2022 rules (albeit with some changes to vehicles able to qualify) and then introduced Form 15400 on 1/1/2024 when everyone was ready and informed.

Finally on this topic. The Instructions for Form 8936 state:

The dealer/seller of a new clean vehicle (including a qualified fuel cell vehicle) must provide a report to you and the IRS providing information required to claim the credit,

“must provide a report” would be far better if written “must provide **IRS Report 14500**”

Oh well, another twist in the story!!

Attachment 1 – Communication with IRS (May/June 2024)

Unredacted portion of letter

Dear Taxpayer:

In processing your return for the tax periods listed above, we made the following corrections:

Form or Schedule	Line or Item	Your Entry	Corrected Entry
Schedule 3	6 f	\$ 3,750.00	\$.00

We disallowed all or part of the credits you claimed on Form 8936, Clean Vehicle Credits, because one or more of the Vehicle Identification Number(s) (VINs) reported on Form 8936, Schedule A, didn't match our records.

If you disagree with any of the changes we made, you can call us at the number provided below. If you prefer, you can write us at the return address at the top of this letter. If you write us, include a copy of this notice.

To preserve your right to appeal our decision in the U.S. Tax Court, you must contact us by phone or in writing within 60 days from the date of this letter. We'll then reverse the change we made to your return. You don't need to provide an explanation or additional documents when you request the reversal, but we'll consider any information you provide us. If we don't receive information that supports your return, we may forward your case for audit, in which case you will be contacted by the audit staff within 6 weeks to explain the process and your rights. We are not required to reverse changes we made to the tax withholding or estimated tax payments you reported but will consider the information you provide us.

Redacted

Redacted

Enclosures:
Envelope
Publication 1

Reply to IRS June 2024

Thankyou for your letter pointing out the mismatch of a clean vehicle VIN with your records and therefore disallowing \$3750 Clean Vehicle Credit for the vehicle.

You were indeed correct based on my submission on Schedule A Form 8936. I reviewed the form and saw that I had inadvertently typed [] as the last digit of the VIN when I should have typed []

I have shown the error and the correction below.

I talked with your staff today to see if my error could be corrected over the phone. The lady I talked with did indeed check the corrected VIN against your database and confirmed that if I had entered the correct VIN the Clean Vehicle Credit of \$3750 would have been applied to my tax return.

I have attached:

1. Your letter (LTR0474C) to ourselves
2. A copy of the errored Schedule A Form 8936
3. A copy of a corrected Schedule A Form 8936
4. A copy of the bill of sale for the Ford Escape PHEV which includes the VIN number

Can you please arrange for [] to be corrected, given this information. If you agree with this I would still like a refund of [] be refunded to myself through the bank account noted and presumably the addition of [] be out towards this years taxes for a total of [] e applied to the 2024 Estimated taxes.

Please let me know if you have any further questions or if I need to take further action.

I very much appreciate the politeness and professionalism of the IRS staff I have spoken to on this matter

Details of Schedule A – As Submitted and As corrected

Redacted

Ford Dealer Invoice

Redacted

Attachment 2 – An Example of “We need additional time” documents

Detail redacted

We're working on your account. However, we need an additional 60 days to send you a complete response on what action we are taking on your account. We don't need any further information from you right now.

If you prefer, you can write to that office at the address we provided in this letter.

If you have questions, you can call 1-800-829-0922.

If you prefer, you can write to the address at the top of the first page of this letter.

July 11, 2025

SUBMITTED VIA EMAIL TO publicliaison@irs.gov

Internal Revenue Service Advisory Council (IRSAC)
c/o Internal Revenue Service
1111 Constitution Ave. NW
Washington, DC 20224

RE: Professional Managers Association Written Statement for IRSAC July 2025 Meeting

On behalf of the Professional Managers Association - the non-profit professional association that has, since 1981, represented professional managers, management officials, and non-bargaining unit (NBU) employees at the Internal Revenue Service (IRS) – we write to provide the IRSAC with information and insights into the extremely challenging circumstances that IRS managers are currently leading through. PMA believes engaging in this public forum is important, because we are currently hard pressed to find willing leaders in the IRS, Treasury, or in the majority of Congress who will substantively engage on critical issues facing IRS managers and the IRS workforce and their nexus with tax administration and customer service.

The challenges facing IRS managers—particularly in light of losing over 30,000 staff, workforce restructuring and reorganizing, increasing workloads, a decimated budget, and ongoing modernization efforts—warrant thoughtful attention from all IRS stakeholders. We believe IRSAC is well-positioned to advocate for transparency around IRS operations that can yield the strategic attention by policymakers necessary to develop solutions that enhance operational efficiency, support and sustain managerial leadership, and ultimately improve IRS taxpayer service and customer experience.

Key Issues IRS Managers Elevate to IRSAC

1. Impact of Workforce Restructuring and the Deferred Resignation Program (DRP)

- **Concern:** Loss of institutional knowledge, increased workload for remaining managers, uncertainty in leadership pipelines. IRS managers are not being provided with transparent data about their workforce including the effects of buyouts, the DRP, and other voluntary and involuntary employee separations. The publication by the Taxpayer Advocate of the 2025 mid-year report¹ provided the first public information about specific impacts of workforce cuts and staff departures on the IRS, by business function and by the professions and positions of affected employees. Prior refusal by the IRS and Treasury to release this basic workforce information, including to Congress as it considers FY 2026 funding, have

¹ [National Taxpayer Advocate issues mid-year report to Congress | Internal Revenue Service](#)

limited the ability of policymakers to connect the dots between IRS workforce capabilities, customer service, and tax administration.

- PMA is hearing from members and IRS employees who took the DRP and would like to take the offer to come back to service. They are finding it challenging to do so. The IRS should publish exactly which positions they need to fill and explain how folks on DRP can return to the service if their prior positions are slated to be filled.
- **IRSAC Role:** Recommend strategies for continuity planning and knowledge transfer; advice on management development pipelines. Call for increased transparency and improved communication.

2. Gaps in Communication and Implementation of Policy Changes

- **Concern:** Inconsistent or delayed internal communication related to program rollouts, technology changes, or compliance initiatives.
- IRS managers are learning about new directives and guidance via media reports instead of from agency leadership. IRS managers are not included in the planning around changes both major and minor, severely limiting their ability to lead and effectiveness in implementation.
- **IRSAC Role:** Advocate for more structured internal communication tools or leadership support materials during periods of change.

3. Managerial Capacity and Support

- **Concern:** Managers are increasingly tasked with complex responsibilities while understaffed and sometimes handling the duties of multiple managers, impacting service delivery and compliance programs.
- The IRS is undergoing a rapid period of workforce contraction, shedding over 30,000 positions this year with additional losses anticipated. This is not sustainable.
- Amidst unpredictability on the IRS budget along with the hiring freeze, the agency has not yet started hiring for 2026 tax season; that is a red flag.
- **IRSAC Role:** Propose enhancements in managerial training, resource allocation, or operational streamlining. Request additional information from the IRS about workforce planning and allocation and impacts on service and agency performance.

4. Technology Integration and User Challenges

- **Concern:** Managers often mediate between staff frustrations and technological demands placed upon them, balancing the need for adoption with the very real challenges of usability, training gaps, inconsistent performance, and lack of frontline input in the design

phase. These issues are often compounded by limited resources and timelines that do not reflect operational realities.

- In many cases, managers find themselves responsible for troubleshooting issues, addressing morale concerns, and communicating system workarounds—all while meeting performance expectations tied to new systems
- **IRSAC Role:** Recommend user-driven input in technology development and more inclusive testing phases before full implementation. Involving frontline managers and staff in user testing and feedback loops before major platforms or systems are finalized and deployed. Encouraging the IRS to adopt pilot programs or phased rollouts that allow for real-time evaluation, adjustment, and communication of lessons learned.

5. Retention and Morale

- **Concern:** Declining morale among front-line managers due to perceived lack of recognition, limited advancement opportunities, and burnout. PMA is seeing managers voluntarily downgrade their positions to line-roles because the inadequate financial remuneration does not justify the added stress and work required by management positions.
- In the association's history, this is the most dire leadership environment the IRS has experienced, with very few IRS employees eager and interested in becoming IRS managers.
- **IRSAC Role:** Discuss cultural and structural recommendations to improve retention and engagement, particularly in mid-level leadership.

6. Training and Professional Development

- **Concern:** IRS managers need significantly stronger access to continuous, structured leadership training, particularly as they take on expanded responsibilities due to widespread attrition and organizational changes. In today's environment, many are promoted or reassigned to new roles—often managing more complex teams or broader responsibilities—without sufficient preparation or support.
- This challenge is especially acute for mid-level and department managers, who are responsible for supervising multiple frontline managers and large numbers of employees. These leaders play a critical role in setting the tone for performance, communication, leadership development, labor relations training, manager development and morale across entire divisions. Yet many are navigating expanded roles with minimal formal leadership development, no transition planning, and inconsistent expectations.
- Additionally, seasonal managers—who are vital to meeting IRS workload demands especially during tax filing season—receive wholly inadequate onboarding and training for the complex responsibilities they are assigned. This not only affects their performance and confidence but

also places a heavier burden on permanent staff to fill training and procedural gaps.

- The current IRS approach to managerial development leaves new and mid-level leaders underprepared, unsupported, and overextended, which ultimately affects employee engagement, retention, and service delivery across the agency.
- DOGE decommissioned the IRS University and cut all contracts for training, kneecapping these capacity-building functions.
- **IRSAC Role:** IRSAC can elevate the issue of manager and leader development and investment and recommend systemic improvements by: Advocating for the development of a comprehensive, tiered leadership training framework tailored to each level of IRS management—from seasonal to frontline to department-level roles.
- Encouraging mandatory, role-specific onboarding and transition planning for managers taking on new or expanded duties.
- Recommending dedicated mid-level leadership development programs focused on multi-team management, operational leadership, change management, and strategic communication.
- Promoting regular access to ongoing professional development opportunities, mentorship, and peer-to-peer learning networks to reinforce growth and support.
- Supporting increased investment in seasonal manager training and mentorship, to ensure these temporary leaders are empowered to succeed and contribute effectively.
- Empowering IRS managers through more intentional training and development not only sets them up for success but also strengthens the agency's long-term operational capacity and institutional leadership pipeline.

7. Taxpayer Experience and Public Trust

- **Concern:** IRS managers are on the front lines of implementing policy changes, service enhancements, and organizational priorities. Yet too often, they are excluded from the early stages of policy development and are not informed in a timely or strategic manner. This leaves them unprepared to address questions from their teams, explain the rationale behind decisions, or effectively guide their employees through transitions.
- In many cases, managers are the last to learn about new initiatives—receiving updates at the same time, or even after, the rest of the workforce and employee unions. This not only undermines their credibility as leaders but also hinders their ability to promote agency resources, support workforce engagement, and maintain operational stability during periods of change.
- Managers need to be equipped with advanced knowledge, talking points, and implementation guidance before initiatives are rolled out to frontline staff. As the bridge

between senior leadership and employees, managers play a vital role in communicating goals, reinforcing priorities, and driving adoption. Keeping them in the dark until the last-minute damages trust, weakens execution, and results in avoidable confusion and inefficiencies.

- **IRSAC Role:** Elevate the need for managerial input when shaping taxpayer service improvements, enforcement practices, and compliance education campaigns.
- Formalize a communication protocol that ensures managers receive information, context, and resources before broad workforce announcements are made.
- Involve managers in the policy design and feedback process, particularly for initiatives that affect daily operations, staffing, or employee expectations.
- Provide toolkits or briefing materials to managers to help them explain changes and reinforce consistent messaging across teams.
- Recognize managers not just as implementers, but as key stakeholders in successful organizational change.

Ensuring that managers are informed first, and included meaningfully in policy development, strengthens internal communication, reinforces leadership credibility, and supports a more unified and resilient workforce.

8. Issues in Tax-Exempt and Government Entities (TE/GE) Oversight

- **Concern:** Managers in the Tax Exempt and Government Entities (TE/GE) division face a growing number of challenges related to workload volume, case complexity, and limited access to timely, authoritative guidance. These challenges are particularly pronounced in the Exempt Organizations (EO), Employee Plans (EP), and Federal, State and Local Governments (FSLG) sub-functions, where legal intricacies and compliance requirements are both nuanced and evolving.
- TE/GE managers report that: Case complexity continues to increase, especially in areas involving charitable tax law, retirement plan compliance, and governmental entity reporting, often requiring interpretation of overlapping sections of the Internal Revenue Code (e.g., Sections 501(c)(3), 403(b), 457, and 115).
- Delays in receiving technical advice, closing agreements, or interpretive support from Counsel and headquarters functions frequently leave managers navigating gray areas without adequate direction.
- The volume of work continues to grow, exacerbated by attrition and hiring lags, leaving fewer experienced employees to handle increasingly difficult determinations and compliance checks.

- In addition, managers express concern that limited staffing in specialized positions, such as revenue agents with advanced knowledge of retirement plan compliance or governmental accounting, makes it difficult to assign cases strategically and develop their teams effectively.
- **IRSAC Role:** Address the need for updated guidance, standardized case handling protocols, or improved inter-divisional coordination.
- Support the development of a centralized, searchable TE/GE guidance repository, including redacted technical advice memoranda, closing agreements, and issue briefs to help managers and staff navigate recurring complex issues.
- Streamlining the process for requesting technical assistance from Counsel or HQ, including better tracking of request status and more consistent timelines.
- Increasing investment in specialized training and knowledge sharing for both new and experienced managers, with a focus on high-risk areas such as 403(b)/457 compliance, employment.

9. Public Perception and Professional Standards

- **Concern:** IRS managers uphold high standards, yet face growing public scrutiny and media pressure, especially during enforcement or compliance campaigns.
- Managers are often left without timely guidance, limiting their ability to address concerns and maintain trust with their teams and the public. Inconsistent communication and lack of support can undermine professionalism and damage morale.
- **IRSAC Role:** Recommend expanded training on ethical leadership and public-facing professionalism during investigations or audits.
- Promote consistent messaging, manager-focused communications training, and proactive internal guidance to equip managers to lead confidently in a high-visibility environment.

We respectfully ask IRSAC to consider how mid-level leadership challenges—such as retention, workload redistribution, performance management, and effective communication—impact taxpayer service and compliance outcomes. IRS managers are eager to contribute solutions and seek better alignment between field operations and policy development.

PMA would be pleased to further discuss these issues with the IRSAC or the relevant subcommittees, and I can be reached at kelly@promanager.org. Thank you for your consideration of PMA's perspective.

Sincerely,





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