



# Building on filing season 2023 success, IRS continues to improve service, pursue high-income individuals evading taxes, modernize technology

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WASHINGTON — Thanks to Inflation Reduction Act resources, the IRS delivered dramatically improved service in filing season 2023. IRS achieved an 87% level of service. Through the end of filing season, IRS answered 3 million more calls, cut phone wait times to three minutes from 28 minutes, served 140,000 more taxpayers in-person, digitized 80 times more returns than in 2022 through the adoption of new scanning technology, cleared the backlog of unprocessed 2022 individual tax returns with no errors, launched two new digital tools, and enabled a new direct-deposit refund option for taxpayers with amended returns.

The IRS is continuing to build on this progress focusing on critical work across the agency in achieving world-class service, strengthening enforcement against high-income individuals who do not pay taxes owed, and modernizing core technology infrastructure to enable better service and improve data security.

## Improving taxpayer service

The IRS is focused on helping taxpayers get it right the first time — claiming the credits and deductions they are eligible for and avoiding back-and-forth with the agency when errors arise. To help taxpayers get it right, the IRS is working toward taxpayers being able to seamlessly interact with the agency in the ways that work best for them on the phone, in-person and online. IRS is expanding in-person service and meeting taxpayers where they are, particularly those in underserved and rural communities. IRS is continuing to expand Taxpayer Assistance Centers (TACs) across the country, while also starting a special series of events to help taxpayers living in areas not close to the agency's in-person offices.

- Community Assistance Visits:** In these new Community Assistance Visits, IRS will set up a temporary Taxpayer Assistance Center to give taxpayers from underserved areas an opportunity to meet face-to-face with IRS customer service representatives. IRS conducted the first event last month in Paris, Texas in partnership with the United Way and has plans to hold similar events in more states. Currently, seven additional locations have been determined in Alpena, Michigan; Hastings, Nebraska; Twin Falls, Idaho; Juneau, Alaska; Lihue, Hawaii; Baker City, Oregon; and Gallup, New Mexico.
- Opening Taxpayer Assistance Centers:** Currently, the IRS has opened or reopened 35 Taxpayer Assistance Centers since the passage of the Inflation Reduction Act.

| Taxpayer Assistance Centers | Date opened/reopened * |
|-----------------------------|------------------------|
| Lincoln, Neb.               | May 23, 2023           |
| La Vale, Md.                | May 15, 2023           |
| Altoona, Pa.                | May 8, 2023            |
| Fredericksburg, Va.         | May 1, 2023            |
| Parkersburg, W. Va.         | May 1, 2023            |
| Bend, Ore.                  | April 17, 2023         |
| Greenville, Miss.           | April 10, 2023*        |
| Trenton, N.J.               | April 10, 2023         |
| Bellingham, Wash.           | April 3, 2023          |
| Augusta, Maine              | March 30, 2023         |
| Jackson, Tenn.              | March 28, 2023         |
| Joplin, Mo.                 | March 28, 2023         |

|                              |                |
|------------------------------|----------------|
| Colorado Springs, Colo.      | March 27, 2023 |
| Glendale, Ariz.              | March 27, 2023 |
| Cranberry Township, Pa.      | March 22, 2023 |
| La Crosse, Wis.              | March 20, 2023 |
| Charlottesville, Va.         | March 17, 2023 |
| Queensbury, N.Y.             | March 9, 2023  |
| Santa Fe, N.M.               | Feb. 27, 2023  |
| Longview, Texas              | Jan. 17, 2023  |
| Overland Park, Kan.          | Jan. 17, 2023  |
| West Nyack, N.Y.             | Jan. 5, 2023   |
| Binghamton, N.Y.             | Jan. 3, 2023   |
| Casper, Wyo.                 | Jan. 3, 2023   |
| Fort Myers, Fla.             | Dec. 19, 2022  |
| Grand Junction, Colo.        | Dec. 19, 2022  |
| Rockford, Ill.               | Dec. 12, 2022  |
| Hagerstown, Md.              | Dec. 1, 2022   |
| DASE (Guaynabo), Puerto Rico | Nov. 28, 2022* |
| Johnson City, Tenn.          | Nov. 28, 2022  |
| Prestonsburg, Ky.            | Nov. 28, 2022  |
| Vienna, Va.                  | Nov. 28, 2022  |
| Greensboro, N.C.             | Nov. 22, 2022  |
| Bloomington, Ill.            | Nov. 21, 2022  |
| Ponce, Puerto Rico           | Nov. 14, 2022* |

\* TACs that have been added. The others were reopened.

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

- **Individual Account:** IRS is deploying enhanced capabilities for Individual Online Account, including secure messaging, live chat, and virtual assistant. Taxpayers will also be able to validate their bank accounts and save multiple accounts. Virtual assistant and live chat were made available to taxpayers in May and the validate bank account information feature is launching by the end of September.
- **Tax Professional Account:** IRS is deploying enhanced capabilities for the Tax Professional Online Account, including account authorization management and payment viewing by the end of September, and live chat and secure two-way messaging in FY 2024.
- **Business Online Account:** IRS is launching Business Online Account, enabling businesses to view outstanding balances, make payments online and conduct a business tax check. Business Online Account will initially be available for Sole Proprietors by the end of September.
- **IRS.gov improvements:** By filing season 2024, IRS is making significant improvements to the ability to access and find information on IRS.gov. Some of these improvements include home page updates, filing season content updates and more intuitive global site navigation.

- **Application-to-application launch for 1099 filing:** With this launch, bulk filers, 3rd party transmitters and software developers will be able to transmit from their system to IRS' Information Return Intake System (IRIS) bulk filings of Forms 1099. Bulk filers will soon be able to transmit hundreds of thousands of 1099s at once via the new platform. This is an important milestone to note because it shows how quickly the IRS can build on its new technology products. IRS just launched the 1099 tool in January, and its capabilities are already being significantly expanded.
- **Respond to notices online:** Taxpayers are now able to respond to notices online and have new online filing options. Until this filing season, when taxpayers received notices for things like document verification, they had to respond through the mail. During filing season, taxpayers were able to respond to 10 of the most common notices for credits like the Earned Income and Health Insurance Tax Credits online, saving them time and money. By mid-August, IRS will provide the capability for taxpayers to respond digitally to an additional 53 notices and letters received from the IRS. These updated IRS notices and letters will provide a URL for the taxpayer to submit their response digitally, instead of mailing the response to the IRS.
- **Enable taxpayers to submit mobile-friendly forms:** IRS is enabling taxpayers to submit mobile-friendly forms. Electronic versions of forms 941-X (Amended form processing), 943-X (Amended form processing), 945-X (Amended form processing), 4626, 7203, 7205, 7207, 7208, 7210, 8332, 8985, 8986, 1116 Schedule B, 1116 Schedule C, 1118 Schedule L, 1120S Schedule B1 and 8936 Schedule A will be made available to taxpayers for filing season 2024. This is also an important milestone to note because it ties into our goal of meeting taxpayers where they are and allowing them to interact with the IRS in the ways that work best for them. An estimated 15% of Americans rely solely on mobile phones for their Internet access — they do not have broadband at home — so it's important to make forms available in mobile-friendly formats.

## Ensuring high-income taxpayers pay taxes owed

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

**Making delinquent millionaires pay up.** In just the last few months, we closed about 175 delinquent tax cases for millionaires, generating \$38 million in recoveries. This is just the start. We will continue to go after delinquent millionaires as we ramp up enforcement capabilities through the IRA.

**Pursuing tax-evading millionaires.** In recent months, our Criminal Investigation team has closed a lengthy list of cases where wealthy taxpayers have been sentenced for tax evasion, money laundering and filing false tax returns. Instead of paying taxes, these evaders spent money owed to the government on gambling at casinos, vacations and the purchase of luxury goods. For example, in one case alone the person was ordered to pay more than \$6 million in restitution. In addition to this, there are other highlights:

- **High-dollar scheme in Puerto Rico.** We recently identified about 100 high-income individuals claiming benefits in Puerto Rico without meeting the residence and U.S. possessions. These wealthy individuals are attempting to avoid U.S. taxation on U.S. source income, and we expect many of these cases to proceed to criminal investigation.
- **Pension arrangements in Malta.** As part of our effort to go after unlawful offshore tactics, IRS and Treasury issued proposed rules in June that define Maltese personal retirement schemes used to avoid U.S. taxes as listed transactions. We are already working to identify taxpayers that are improperly using Malta-U.S. Treaty rules to improperly claim exemptions. The IRA will enable us to forcefully find tax avoiders who leverage these offshore schemes.

**Cracking down on millionaire non-filers.** The IRS continues to intensify work around wealthy individuals who do not file tax returns. These are particularly egregious cases where instead of filing their taxes and paying their fair share, these people used the money to make lavish purchases. In one recently closed case, an individual used funds owed to the government to buy a Maserati and a Bentley. We will continue to work with our law enforcement partners to hold these individuals accountable.

## Modernizing technology

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

- **Mail-Sorting Machines:** IRS is in the process of replacing decades-old mail sorting machines. These new machines will allow the IRS to quickly open and prepare mail for processing, which will result in the IRS processing paper returns and delivering refunds more quickly. The IRS plans to replace at least six mail sorting machines in Kansas City, Ogden, and Austin locations.
- **Scanners:** The IRS will replace 205 old scanners to improve its ability to quickly process the volume of incoming paper. All told, 698 modernized scanners are funded. These include high capacity, desktop, and handheld scanners so that IRS employees can use them in various situations.
- **Digitization:** The IRS also continues to make significant progress scanning and e-filing paper returns. As of filing season, the IRS had scanned about 480,000 forms—470,000 Forms 940 and 10,000 Forms 1040 and 941. In the three months since filing season, the IRS has scanned more than 250,000 additional forms. IRS has now scanned about 484,000 Forms 940, 210,000 Forms 941, and 38,000 Forms 1040. Digitization has far-reaching implications for how the IRS can improve service. IRS is currently testing a mobile application prototype, Inform Me, built with the capability to scan a paper IRS form, notice, or other document. The app will recognize the document and pull up related information and guidance on IRS.gov to help taxpayers get their questions answered and get it right. The app is currently undergoing user testing with IRS' industry partners and at this summer's Nationwide Tax Forums. After this user testing is complete, IRS will determine the timeframe for full deployment.

## For further information:

- [Strategic Operating Plan](#)

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