TAX DEBT COLLECTION

IRS Needs to Define Field Program Objectives and Assess Risks in Case Selection

Why GAO Did This Study

IRS’s Field Collection program is where IRS revenue officers make in-person contact with noncompliant individuals and business officials to enforce tax return filing and payment requirements. Sound processes for selecting cases are critical to maintain taxpayer confidence in the tax system and use federal resources efficiently. GAO was asked to review the processes IRS uses to select collection cases for potential enforcement action.

This report (1) describes the Field Collection program’s automated and manual processes for prioritizing and selecting cases and (2) assesses how well Field Collection case selection processes support the collection program’s mission, including applying tax laws “with integrity and fairness to all.” To address these objectives, GAO reviewed IRS documents and conducted interviews with IRS officials knowledgeable about the case selection processes, including a series of focus groups with IRS Field Collection managers. GAO evaluated how well the processes adhere to relevant federal standards for internal control.

What GAO Found

The Internal Revenue Service (IRS) uses automated processes to prioritize cases to be potentially selected for in-person contact to resolve a tax collection issue (see figure), but group managers in the Field Collection program manually select the cases to assign to revenue officers. For example, when reviewing cases, group managers consider characteristics of the revenue officer available—such as current workload—and case characteristics—such as potential collectability—when deciding whether to assign a case.

What GAO Recommends

GAO is making five recommendations, including that IRS: develop and document objectives in clear and measurable terms, including fairness; provide guidance for group managers’ use of judgment in selecting cases; and develop procedures to assess automated and manual processes. IRS agreed with the recommendations and outlined planned steps to address them.

View GAO-16-787. For more information, contact James McTigue at (202) 512-9110 or mctiguej@gao.gov.