

# GAO Highlights

Highlights of [GAO-24-106581](#), a report to congressional committees

## Why GAO Did This Study

During the annual tax filing season, IRS processes more than 160 million individual and business tax returns. IRS also provides telephone, correspondence, online, and in-person services to tens of millions of taxpayers. Partly as a result of the COVID-19 pandemic, IRS has faced challenges in recent years processing tax returns and refunds, meeting taxpayer service demands, and hiring employees. The Inflation Reduction Act of 2022 provided IRS tens of billions of dollars in funding to improve these and other areas.

GAO was asked to review IRS's performance during the 2023 filing season. This report assesses IRS's performance on (1) processing tax returns, (2) providing customer service to taxpayers, and (3) hiring staff to support filing season operations. GAO analyzed IRS documents and filing season performance data related to tax return processing, customer service, and hiring. GAO also visited two IRS processing facilities and held discussion groups with IRS staff.

## What GAO Recommends

GAO is making four recommendations to IRS to evaluate and address causes of missing timeliness goals for tax return processing, designate a responsible party to ensure accuracy of reporting, track and evaluate efforts to improve return processing, and monitor and evaluate its use of expedited hiring authority. IRS agreed with the recommendations.

View [GAO-24-106581](#). For more information, contact Jessica Lucas-Judy at (202) 512-6806 or [lucasjudyj@gao.gov](mailto:lucasjudyj@gao.gov).

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## 2023 TAX FILING

### IRS Improved Customer Service, but Could Further Improve Processing and Evaluate Expedited Hiring

## What GAO Found

The Internal Revenue Service (IRS) made progress in resolving prior year challenges with processing returns during the 2023 tax filing season. By April 22, 2023, IRS had processed all prior year returns and had a backlog of 6.1 million current year returns, 10.3 million fewer than at the same point in 2022. IRS also generally reduced the average number of days to process paper returns, which vary by type. However, GAO found that IRS missed its processing time goals for some returns. In addition, some IRS monitoring reports contained data errors because IRS lacked a designated official to ensure accuracy of the reports. Furthermore, although IRS introduced efforts to improve processing, the rate of errors staff made when processing returns continued to gradually increase.

#### Tax Documents in the IRS Kansas City, MO Processing Center, May 2023



Source: Internal Revenue Service (IRS) photo. | [GAO-24-106581](#)

IRS generally improved its customer service to taxpayers, especially telephone service, but continued to struggle in providing correspondence services. IRS customer service representatives answered 7.7 million calls during the 2023 filing season—a 65 percent increase compared to 2022—and the average time to answer a call improved from 28 to 3 minutes. However, IRS responses to taxpayer inquiries via mail continue to be delayed, with 61 percent of inquiries considered late as of the end of the filing season. Addressing GAO's 2022 recommendation to estimate time frames for resolving these delays will better set expectations for, and potentially reduce repeat inquiries from, taxpayers.

During fiscal years 2022 and 2023, IRS hired about 26,000 employees for its filing season workforce. IRS used funding from COVID-19 supplemental appropriations and the Inflation Reduction Act, along with an expedited hiring authority, to fill many of these positions. IRS has requested continued use of this authority but has not evaluated its recent expanded use. Doing so could help IRS inform efforts aimed at improving its usage of this flexibility.