

TAX ADMINISTRATION

IRS's 2003 Filing Season Performance Showed Improvements



Highlights [GAO-04-84](#), a report to Chairman, Subcommittee on Oversight, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

During the tax filing season, millions of taxpayers file their returns and seek assistance by calling or visiting IRS's offices or Web site. GAO was asked to assess IRS's 2003 filing season performance in five areas: processing returns, refunds and remittances; electronic filing; telephone service; walk-in assistance, and Web site. We assessed for each of those five areas (1) IRS's performance in 2003, including any factors that helped or impeded its efforts, (2) any new initiatives that were intended to improve IRS's performance in 2003, and (3) IRS's performance over past filing seasons.

What GAO Recommends

GAO recommends that IRS consolidate and disseminate available wait-time information to field managers.

In commenting on a draft of this report, IRS partially agreed with our recommendation, stating that it will require walk-in sites equipped with a system to report wait-time information quarterly and that this information would provide valuable data for assessing overall trends and relationships in timeliness and quality. However, IRS did not agree to disseminate this consolidated wait-time information to field managers, but without it, managers would have difficulty balancing timeliness and quality.

[www.gao.gov/cgi-bin/getrpt?GAO-04-84](http://www.gao.gov/cgi-bin/getrpt?GAO-04-84)

To view the full product, including the scope and methodology, click on the link above. For more information, contact James R. White at (202) 512-9110 or [whitej@gao.gov](mailto:whitej@gao.gov).

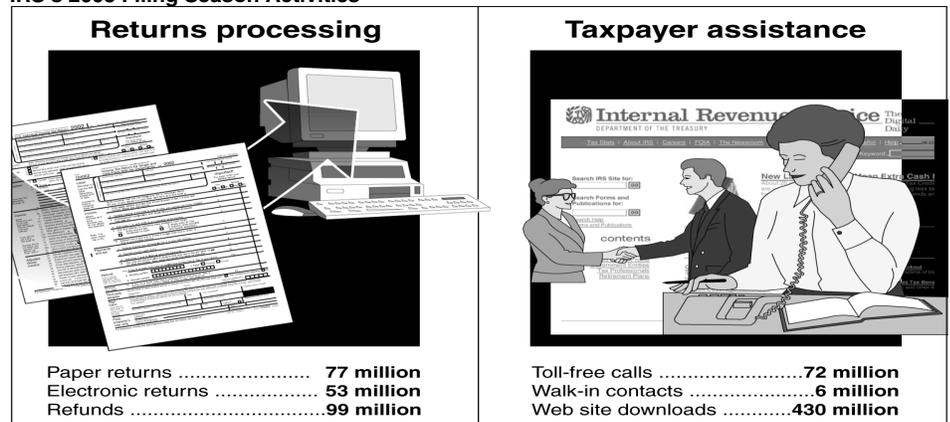
What GAO Found

Available data for each of five key filing season activities indicates that IRS's performance showed some improvements in 2003 compared to 2002 and IRS met or exceeded many of its 2003 performance goals. IRS processed returns and issued refunds more timely and accurately and increased the rate of electronic filing, although not at a rate that would allow IRS to meet its long-term goal. While IRS provided significantly more accessible telephone service, the accuracy rate of IRS responses declined. The accuracy of tax law assistance provided at walk-in sites improved, although the number of taxpayers assisted at IRS's walk-in sites declined, in part because taxpayers made greater use of the return-preparation assistance offered by volunteer organizations. In addition, IRS did not consolidate or disseminate data on how long taxpayers waited for walk-in assistance, making it difficult to balance quality and service. Finally, IRS's Web site performed well and was more user friendly than last year. IRS attributes improved performance, in part, to (1) fewer tax law changes that affected taxpayers and (2) continued emphasis on performance measures, a key part of IRS's strategy to improve its performance in processing returns and providing taxpayer assistance.

IRS implemented initiatives in 2003 intended to improve filing season performance. For example, IRS entered into an agreement with a consortium of 17 tax preparation companies to offer free on-line tax preparation, established new toll-free telephone numbers to better target different taxpayers, and began certifying walk-in staff to answer tax law questions.

Over a longer period of time, available data, although limited in some areas, also show that IRS's filing season performance has improved. Since the mid-1990s, the growth of electronic filing has allowed IRS to close one paper processing center and the accuracy and accessibility of telephone assistance has improved. While the Congress and taxpayers expect further progress, the improvements to date are a payoff from IRS's ongoing modernization.

IRS's 2003 Filing Season Activities



Source : IRS and Art Explosion.