



Committee On Finance

Max Baucus, Ranking Member

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Senators Dorgan and Baucus release new report:

GAO SUGGESTS IRS MAY BE WASTING MILLIONS OF DOLLARS ON TAXPAYER ASSISTANCE TRAINING PROGRAMS

(WASHINGTON, D.C.) – A Government Accountability Office (GAO) report released Thursday by U.S. Senators Byron Dorgan (D-ND) and Max Baucus (D-MT) suggests that the Internal Revenue Service (IRS) could be wasting millions of dollars on employee training programs intended to improve accuracy and ensure that taxpayers get the right answers to their questions. GAO cited previous reports revealing that the IRS continues to provide inaccurate information to taxpayers who request help in complying with federal tax laws.

The GAO study looked at employee training and development for four types of taxpayer assistance: less complex tax law questions answered by phone; more complex tax law questions answered by phone; tax law questions answered at walk-in sites; and tax return preparation at IRS walk-in sites.

After previous studies revealed that taxpayers were routinely getting inaccurate information about tax laws and incorrect tax return preparation assistance at IRS walk-in Taxpayer Assistance Centers, the IRS put enhanced employee training programs in place. The GAO report says, however, the IRS is failing to meet its own annual accuracy goals and is doing little to measure the effectiveness of that training. It also has no long-term accuracy goals, training goals, or other measures suitable for an assessment of long-term skill training on accuracy, the GAO report said. Further, the IRS has not conducted an assessment of long-term skill needs for those who provide taxpayer assistance, and does not benchmark its training programs and practices for comparison with training programs at other organizations, the GAO reported.

“Taxpayers deserve, and should be able to expect that they will receive, correct information when they ask the IRS for help,” said Dorgan, who with Baucus requested the GAO study in January 2004. “More training and better training is obviously part of the answer, but if you’re not measuring the effectiveness of that training you don’t know whether you’re actually

solving the problem. Clearly the IRS needs to do better. Otherwise we're compounding the problem of providing incorrect information by wasting tax dollars on training that appears to be missing the mark."

Senator Baucus commented: "The IRS cannot keep blindly throwing money at training without seeing the results. It must put a strategy in place that includes long-term goals and performance measures for training and accuracy so it can make informed decisions about the use of its limited resources to improve customer service."

Dorgan and Baucus said the IRS has agreed to establish some long-term training goals and do better monitoring of the effect of its training on the accuracy of information provided to taxpayers.

A copy of the report, "Tax Administration: IRS Needs Better Strategic Planning and Evaluation of Taxpayer Assistance Training", GAO-05-782, can be located at www.gao.gov.

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