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BAUCUS CALLS FOR IRS PRINTING AND POSTAGE REFORMS
IRS could save millions by improving document design and distribution, report finds

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today called for the Internal Revenue Service (IRS) to enact a series of reforms to its distribution and design of internal documents, tax publications, forms and notices, as proposed by a new report from the Treasury Inspector General for Tax Administration (TIGTA). The report, released late last week, looked at inefficiencies in publishing and postage programs at the IRS, which have suffered multimillion dollar deficits in recent years. In its postage budget alone, the IRS expects a \$29.5 million dollar deficit in fiscal year 2008.

“This is more than a matter of trimming government waste,” Baucus said. **“Deficits in the publishing and postage budget at the IRS must be made up somewhere, and that can mean fewer resources to address other important objectives.”**

In the report, the Treasury Inspector General for Tax Administration examined three Media and Publication programs at the IRS. According to TIGTA, the Post of Duty Program, which distributes documents to Taxpayer Assistance Centers, could save \$3.2 million over five years by not printing and sending excess tax documents. The Internal Document Distribution System (IMDDS), which sends documents between IRS offices, could save \$4.1 million over five years by delivering only necessary documents. Finally, the report projected the Notice/Letter Program could save \$4.9 million over two years by eliminating extra pages and stuffers in IRS notices and letters to taxpayers.

To prevent this waste, the Inspector General recommended that the Commissioner of the IRS Wage and Investment Division:

- Establish a control system to ensure that the level of inventory of tax products at Taxpayer Assistance Centers is cost effective.
- Ensure that IRS functional offices are aware of the purpose and proper use of IMDDS.
- Establish and implement a system of internal controls to ensure that IMDDS data are current and reliable.
- Enhance the notice improvement process to include reviews of all notices and letters to ensure that they use the least possible resources.

In a statement included in the report, the IRS disagreed with the TIGTA’s projected savings numbers, but agreed to adopt all four suggested reforms.

“The American taxpayer deserves an IRS that runs efficiently, and I support the IRS’s decision to adopt these reforms,” Baucus said. **“I expect the IRS to follow through with TIGTA’s recommendations. This is a chance to make the IRS more efficient and free up resources to improve services to taxpayers and enforce tax law.”**

The full text of the report can be found at the TIGTA website:
<http://www.treas.gov/tigta/auditreports/2008reports/200840125fr.html>.