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MEMORANDUM

To: Reporters and Editors
Re: General Accounting Office report on the IRS' Innocent Spouse Program
Da: Thursday, May 16, 2002

Last April, Sens. Chuck Grassley and Max Baucus asked the General Accounting Office (GAO) to audit the Internal Revenue Service's Innocent Spouse Program out of concern over the agency's inability to provide timely responses to taxpayers who requested relief from debt caused by a spouse's failure to pay taxes due. The GAO has completed its report, "IRS's Innocent Spouse Program Performance Improved; Balanced Performance Measures Needed (GAO-02-558)." Baucus and Grassley made the following comment on the report.

"The report shows the IRS has made good progress in improving the Innocent Spouse Program for taxpayers. The IRS has reduced a backlog and made improvements in processing these cases more timely, at lower costs and at a maintained or improved level of accuracy. However, key challenges remain. The IRS lacks performance measures for the program to help ensure that in the future, the agency doesn't focus on processing times at the expense of customer service and accuracy. The IRS also needs to evaluate its Innocent Spouse Program Web site to determine how useful it is to taxpayers and the effect, if any, on lessening taxpayer confusion about innocent spouse eligibility.

"Based on these findings, we encourage the IRS to follow the GAO's recommendations to improve the Innocent Spouse Program. The improvements will help the program better serve taxpayers who are caught in a bureaucratic web over debt to the federal government for which they aren't responsible. Improving this program will help thousands of taxpayers a year. It's a key step toward fulfilling the IRS' broad goal of improving its service to all taxpayers."

The GAO report is attached.