

ITD Global Conference on Taxation of SMEs

Parallel Session 3, Stream B:

Taxpayer Service and Education Strategies

Kathy K. Petronchak

***Commissioner, Small Business/Self-Employed Division
United States of America, Internal Revenue Service***

Internal Revenue Service

Small Business/Self-Employed Division

Mission:

- To provide Small Business & Self-Employed customers top-quality service by educating and informing them of their tax obligations, developing educational products and services, and helping them understand and comply with applicable laws, and to protect the public interest by applying the tax law with integrity and fairness to all

SMEs Defined:

- Individuals filing business tax forms and schedules
- Sole proprietors, employers, & farmers
- Other business income
- Assets under \$10 million

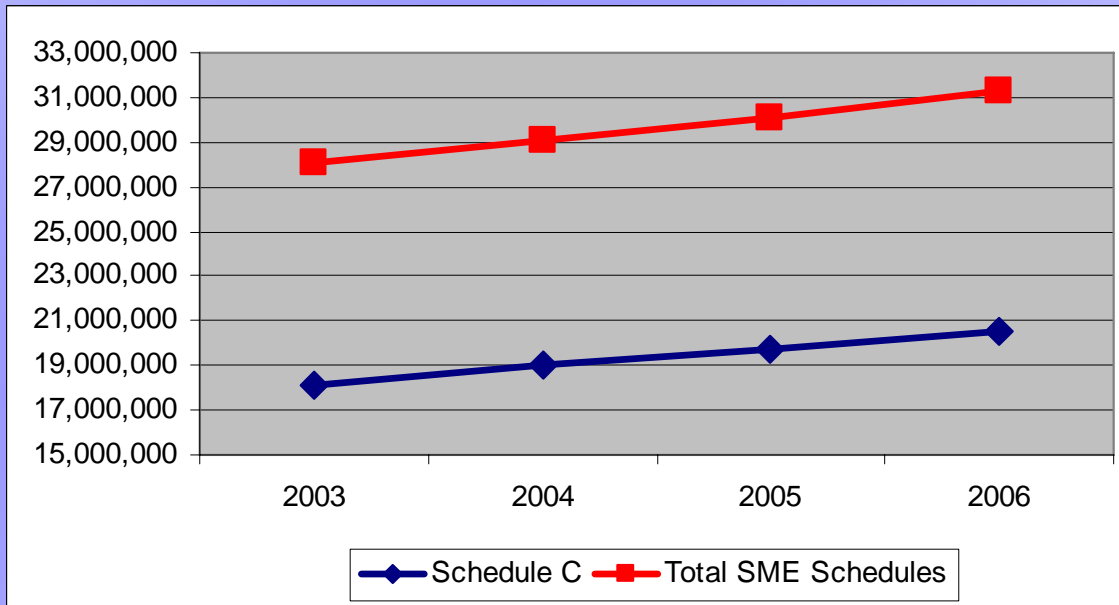
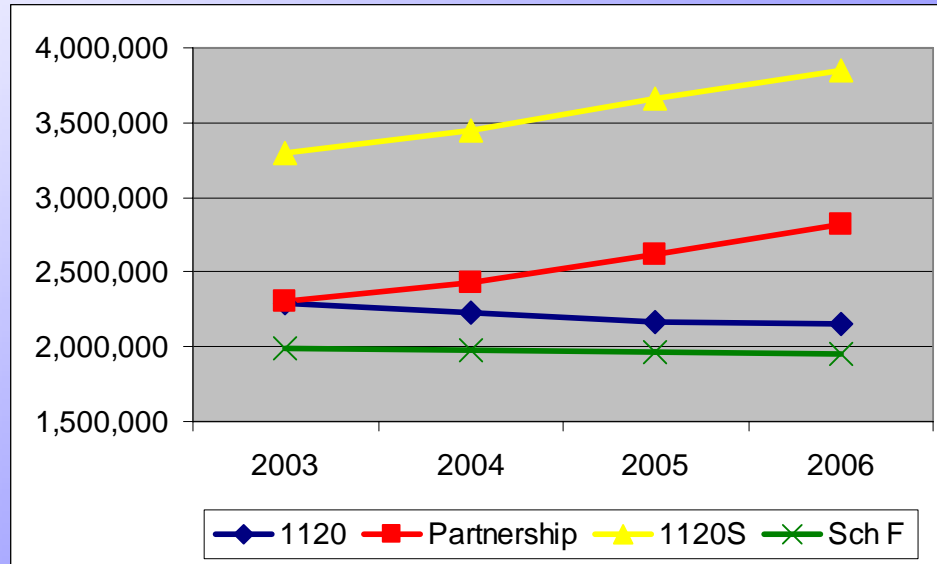
Challenges

Balanced Approach to **Services & Enforcement:**

- Addressing Voluntary Compliance Levels
- Legislation to reduce evasion opportunities and to simplify the law
- Taxpayer service to avoid unintentional errors
- Leveraging Practitioner Relationships
- E-Services



SME Return Filings



Service Strategies

- E-Services
- Industry & Practitioner Outreach
- Small Business Forums
- Tax Talk Today
- Telephone

E-Services

Suites of web-based products tailored to both taxpayers and professionals allowing them to conduct business with the IRS electronically.

- IRS.gov
 - Forms & pubs
 - Email
 - FAQs
- E-File
- E-Pay
- "Where's my refund"
- E-news



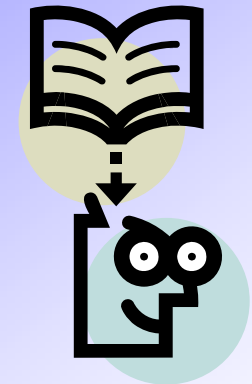
Web Site

<http://www.irs.gov>

- Business-related News
- Basics on self-employment
- Employment tax information
- Small Business Forms and Publications
- Learning and Educational Products
- Industry-specific information

Self-Help Resources & Products

- Virtual Small Business Tax Workshop DVD
- Small Business Resource Guide (CD Rom)
- E-News for Small Businesses
- E-News for Tax Practitioners
- Tax Calendar



Industry & Practitioner Outreach & Education

Outreach and education is primarily delivered through stakeholder relationships with practitioner and industry partner organizations.



OVER
1,500 organizations
2,000 events
125,000 participants

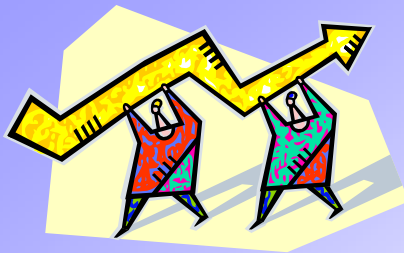
Call Site Assistance



- Accounts Management
- Tax Law Assistance
- Resolving Balance Due Issues
- Responding to Written Correspondence

Outreach Staffing

	<u># employees</u>
Internal Revenue Service	106,000
Small Business/Self-Employed Division	26,500
SB/SE Compliance Operations	25,000
SB/SE Communications, Liaison & Disclosure	575



Examples

How tailor services to meet business life cycle?



- Targeted outreach activities to new businesses
- E-News for Small Businesses (emerging issues)
- Fact Sheets
- Employment Tax—frequency of deposit and filing requirements expand as business grows
- Federal Tax Deposit Alerts identifies taxpayers that have fallen behind in their deposits

Customer Satisfaction

- Tax Professionals & Customer Base Surveys
- 9 Transactional Surveys

Tax Professionals				
% Satisfied	2003	2004	2005	2006
	55%	61%	59%	64%
SB/SE Customers				
% Satisfied	2003	2004	2005	2006
	48%	60%	61%	N/A

Taxpayer Assistance Blueprint



- Establish a credible taxpayer/partner baseline of needs, preferences and behaviors.
- Implement a transparent process for making service-related resource and operational decisions.
- Develop a framework for institutionalizing key research, operational and assessment activities to holistically manage service delivery.
- Utilize both short-term performance and long-term business outcome goals and metrics to assess service value

Research Activities

- “Level of Service” calls
- External stakeholder feedback & focus groups
- Practitioner Survey
- Emerging Issues
- Outreach & Education Task Force
- Strategic Plan & Concept of Operations
- Taxpayer Assistance Blueprint
- Research Projects

Q & A