Based on these principles and extensive research analysis, the TAB Strategic Plan was designed to outline the vision for taxpayer service delivery over the next five years. Key components of the TAB Strategic Plan include the Performance Measures Portfolio, the Service Improvement Portfolio, and the Implementation Strategy. The IRS' ability to conduct research and to improve the delivery of services, and consequently improve compliance, is dependent on a number of variables that contribute to the constant evolution of the TAB Strategic Plan, including tax legislation, the IRS budget, technology, and the public marketplace. Therefore, the implementation strategy must be institutionalized before specific elements of the plan can be realized.

Based on recommendations in the TAB Strategic Plan, consideration is being given to the funding necessary to enhance IRS.gov so that becomes the first choice of individual taxpayers and their preparers when they need to contact the IRS for help. Consideration is also being given to other program initiatives that will address inadvertent, unintentional errors caused by:

- Language barriers. Pursuing strategies that focus on providing tax information in languages other than English.

- Educational barriers. Pursuing strategies that focus on expanding and improving the quality of voluntary assistance though VITA/TCE and similar partnership efforts.

- Misunderstanding of tax law. Pursuing strategies that focus on clarifying and improving forms, instructions and publications to reduce the burden that taxpayers experience in attempting to comply.

- Communication barriers. Pursuing strategies that focus on improving the quality, ease of use, and access to printed, electronic, and telephonic assistance channels; as well as placement of face-to-face assistance resources to effectively serve taxpayers unlikely to use other service channels.

- Practitioners' lack of knowledge/understanding of tax law. Pursuing strategies designed to enhance the quality and accessibility of practitioner assistance through education, tailored assistance channels, and effective monitoring of practitioner behavior and return preparation quality.

The Administration's FY 2008 Budget request includes the funding necessary to implement many of the telephone service and website enhancements recommended by the TAB Strategic Plan, as well as funding for research to understand better individual taxpayer noncompliance and the effect of service on compliance. Specific taxpayer service initiatives in the request include:

- *Expand Volunteer Income Tax Assistance (VITA) programs.* This will help expand IRS volunteer return preparation, outreach and education, and asset-building services to low income, elderly, Limited English Proficiency (LEP), and disabled taxpayers. It will increase the ability to recruit, train, and support partners for outreach and tax assistance, and to identify those partners best suited to reach special populations.

- *Begin initial implementation of TAB Strategic Plan recommendations.* Based on the findings of the TAB, the funding for this initiative will implement telephone service and website electronic interaction enhancements, including the following:

  - Contact Analytics. This will provide tools for evaluating contact center experiences by recording, storing, and analyzing every element of a taxpayer's service call. It will provide the capability to drill down to individual recordings, improving the ability to measure call accuracy, timeliness, and professionalism – leading to process improvements and cost savings. It also will improve the ability to identify and respond to problems – leading to more accurate, clearer responses to taxpayers. Employee satisfaction will increase through improved work processes that allow assistors to handle more complex calls with fewer transfers.

  - Estimated Wait Time. This will provide a real-time message on the telephone service channel that informs taxpayers about their expected wait time in queue, allowing them to make more informed decisions based on the status of their call. This will reduce taxpayer burden and increase customer satisfaction.

  - Expanded Portfolio of Tax Law Decision Support Tools. This enhancement to IRS.gov will provide a common set of support tools to maximize use by taxpayers, partners, and IRS employees. It will enable users to conduct key word and natural language queries on a Frequently Asked Questions (FAQs) database and to receive answers to tax-law questions on an interactive basis. By monitoring taxpayer use, the IRS can continuously improve the information provided to taxpayers, thereby increasing customer satisfaction and operational savings.

  - Spanish "Where's My Refund?" This adds the refund status feature to the Spanish webpage on IRS.gov to provide the Spanish-speaking community with the same level of customer service available on the English webpage.

- *Conduct research on the effect of service on taxpayer compliance.* This will provide additional resources for a long-term, concerted research effort to identify ways to close the tax gap and to base the allocation of resources to both service and enforcement activities on a clearer understanding of how these activities affect voluntary compliance. This will require compiling more comprehensive data over a number of years, culminating in yearly analyses designed to quantify the effect of most IRS activities on the voluntary compliance of specific taxpayer populations. The research will focus on four areas:

  - Meeting taxpayer needs through the most effective and efficient service channels;

  - Developing a better understanding of taxpayer burden;

  - Understanding taxpayer needs through the errors they make; and

  - Examining the effect of service on overall levels of voluntary compliance.

Electronic Tax Administration

There is perhaps no area with greater potential for reducing burden for both taxpayers and the IRS than Electronic Tax Administration (ETA). The benefits of electronic interaction with taxpayers are clear and compelling. Many taxpayers find it more convenient and beneficial to do business electronically than to send paper through the mail. In addition, taxpayers can get their questions answered and can download the form they need at their convenience, at any time of the day or night. For the IRS, handling taxpayer contacts electronically means that employees can be refocused to other high-benefit purposes.

Significant challenges remain in transitioning from a paper-based environment to an electronic-based environment. The IRS has developed an E-Strategy for Growth, which outlines the IRS' plans to reduce taxpayer burden. To achieve the strategic goals, the IRS will develop and implement e-file marketing strategies, continue to expand the use of electronic signatures, and enhance IRS website services for both practitioners and taxpayers. Ultimately, the goal of the IRS is to offer all taxpayers and their representatives the ability to conduct nearly all of their interactions with the IRS electronically.

A key component of ETA for the IRS is e-filing. This system has demonstrated measurable success with regard to individual taxpayer satisfaction. From its modest beginning as a pilot program in 1986 – when 25,000 returns were filed electronically – the number of e-filed returns has dramatically increased, with more than 71 million returns filed electronically in the last filing season. The benefits to these taxpayers include:

- Faster refunds;

- More accurate returns;

- Quick electronic confirmation;

- Free Internet filing;

- Easy payment options; and

- Federal/State e-filing.

An additional service that allows tax professionals and payers to do business with the IRS electronically is e-Services, a suite of Internet based products. These services include Preparer Taxpayer Identification Number (PTIN) applications with instant delivery, Taxpayer Identification Number (TIN) matching for third-party payers, on-line registration for electronic e-Services, and on-line initiation of the electronic return originator application. The e-Services' Incentives Products offered to increase e-filing are on-line Disclosure Authorization, Electronic Account Resolution, and Transcript Delivery System. Due to industry demand, the availability of incentives to those tax professionals and payers that e-file has been lowered from 100 to 5 individual returns filed.

Another electronic service success launched recently is the new Online Payment Agreement available on IRS.gov. Over 90 percent of taxpayers entering into payment agreements with the IRS can now request an agreement and receive confirmation of its approval through this application.

Initiatives

- Enable taxpayers with disabilities to understand available tax credits and receive tax preparation assistance through partnerships with national and local organizations that serve this unique group of taxpayers. (Also supports Component 7)

- Increase accuracy on toll-free telephone customer inquiries, processing functions, and paper adjustments.

- Improve the quality of volunteer-prepared returns through enhancements to the VITA program, including quality training and sample processing reviews.

- Enhance services to persons with limited English proficiency through: the Taxpayer Assistance Blueprint; development of a Multi-Lingual Strategic Plan; development of a Virtual Translation Office; and launch of a revised version of the Spanish IRS.gov webpage.

- Improve quality and timeliness of taxpayer contacts by maintaining an enhanced integrated quality assurance process with internal and external partners. (Also supports Component 4)

- Enhance IRS.gov.

- Improve services through programs at both the national and local level by expanding collaborations with organizations serving the disabled, Native American communities, and pre-existing rural infrastructures.

- Expand and enhance the Spanish website to increase electronic options, including options for Spanish language delivery of applications currently only available in English. (Also supports Component 3)

- Provide Reporting Agents with access to e-Services. (Also supports Component 3)

- Implement Taxpayer Assistance Blueprint Phase 2, which includes a five-year strategic plan for taxpayer service based on extensive research to understand taxpayer and stakeholder needs.

- Implement Internet-Customer Account Services (I-CAS) Release 1, which will enable taxpayers to view account information. (Also supports Component 3)

- Implement I-CAS Release 2, which will enable taxpayers to change their address, file an extension, submit a Power of Attorney, and calculate a payoff amount on balances due via a secure Internet link. (Also supports Component 3)

- Continue publicity efforts encouraging use of Online Payment Agreement.

Reform and Simplify the Tax Law

Current tax law complexity is a substantial barrier to compliance.

The complexity of the tax code makes it difficult for taxpayers to understand their tax obligations and for the IRS to administer the tax law. Special rules, subtle distinctions in the tax law and complicated computations add to this complexity and foster a sense of unfairness in our tax system, which ultimately discourages compliance. Notwithstanding an increasing awareness of the discrepancy in taxes due and taxes paid, the tax law continues to move in a direction of increasing complexity, which frustrates efforts to reduce the tax gap. In 2006 alone, Congress passed six items of legislation that affected the tax law. Within these bills, 223 provisions required over 1,200 actions by the IRS to implement the new requirements. These changes to the tax law further increased complexity and, therefore, lessened the IRS' ability to increase voluntary compliance. Simplification may require a paradigm shift.

Taxpayers who want to comply with the tax law often make unintentional errors on their returns as they struggle to understand complicated rules and forms. Complexity also provides opportunities for those who are willing to exploit the system. Furthermore, complexity makes it difficult for the IRS to detect noncompliance. Simplifying the tax code will reduce unintentional errors by well-meaning taxpayers and reduce opportunities for evasion. A simpler tax code will also be easier for the IRS to administer.

The Administration's FY 2008 Budget provides several proposals that would assist with simplification, reduce errors, and improve taxpayers' understanding of available tax benefits. These proposals would:

- Clarify the uniform definition of a child;

- Simplify Earned Income Tax Credit (EITC) eligibility requirements regarding filing status, presence of children, and work and immigrant status; and

- Reduce computational complexity of the refundable child tax credit.

The complexity of the tax law necessitates that limited IRS resources are increasingly committed to administering a wide array of targeted tax provisions created to meet social policy goals. These targeted provisions divert IRS resources from basic compliance efforts. The IRS has taken a number of steps to reduce taxpayer burden, including the establishment of the Office of Taxpayer Burden Reduction (TBR). Recent improvements in IRS forms, processes, and procedures include:

- Simplifying the filing requirements for Form 944 (Employer's Annual Federal Tax Return);

- Eliminating the need for filing Form 2688 (Application for Additional Extension of Time to File U.S. Individual Income Tax Return) by allowing taxpayers to get an automatic six month extension to file; and

- Creating the EITC Assistant, an on-line tool that helps taxpayers determine their eligibility for the earned income tax credit (EITC) and their estimated EITC amount.

Additional projects to simplify tax forms and processes are currently under review by TBR.

Another IRS resource commitment aimed at addressing the issue of helping taxpayers understand complex tax rules involves form and publication improvement efforts. The IRS originates and improves tax forms, instructions and publications to ensure they are technically accurate, timely, understandable, and as easy to use as possible in order for taxpayers to fulfill their tax filing and payment obligations. There are currently over 1,000 tax products, including forms, instructions, publications, and Spanish tax products. Each year the IRS reviews its products with the goal of simplifying, reducing burden, increasing understanding, eliminating redundancy, and fostering compliance. Based on taxpayer feedback, research, and tax law changes, existing products are revised and new products developed regularly. Recent examples include the Schedule M-3, Form 944, Employer's Annual Federal Tax Return, and the new draft Form 990, Return for Organization Exempt from Income Tax, which is now available for public comment. There are also compliance proposals under review for Forms 1120, U.S. Corporation Income Tax Return, and Form 1065, U.S. Return of Partnership Income. To address potential compliance issues for small businesses and individuals with limited English proficiency, chapters in Publication 17, Your Federal Income Tax, and Publication 334, Tax Guide for Businesses, are being translated into Spanish.

IRS.gov is used to disseminate tax product information and changes. It contains draft forms, final forms, and a What's Hot in Tax Forms, Publications, and Other Tax Products, which includes articles on tax product changes. In addition, there is an email address – taxforms@irs.gov – for submitting comments on IRS tax products.

Focus groups are conducted regularly to obtain taxpayer information relative to product changes. Public interaction is also a focal point of the IRS Nationwide Tax Forums, an annual venue that provides another opportunity for feedback regarding tax forms and publications, and other interactions with stakeholder groups.

Initiatives

- Work with Congress to enact simplification legislative proposals in Administration's FY 2008 Budget to:
  - o Clarify the uniform definition of a child;
  - o Simplify EITC eligibility requirements regarding filing status, presence of children, and work and immigrant status; and
  - o Reduce computational complexity of the refundable child tax credit.

- Continue Taxpayer Burden Reduction projects involving:
  - Simplifying the S-corporation election process;
  - Simplifying employment tax return amendments (Forms 941, 943, 944, and 945); and
  - Redesigning Form 8857, Request for Innocent Spouse Relief.
- Continue Tax Form and Publication improvements.

Component 7
Coordinate with Partners and Stakeholders

Conducting outreach and leveraging external partnerships is a key component.

The IRS is partnering and leveraging resources with local, state, and federal agencies across the country. Examples of accomplishments resulting from these relationships include the following:

- Centralizing the process for IRS assessments based on state audit reports;

- Implementing a Questionable Employment Tax Practices (QETP) Initiative to develop a federal and state interagency approach to combat employment tax schemes and increase voluntary compliance. To date, 16 states have agreed to partner with the IRS on this initiative;

- Obtaining 88 agreements in 27 states with stakeholders such as state professional licensing agencies and local business licensing agencies to distribute educational information to small business applicants;

- Establishing the Leeds Castle Group with the tax administration agencies of China, India, South Korea, the United Kingdom, Japan, Australia, Canada, France, and Germany to meet regularly to consider and discuss issues related to global and national tax administration;

- Developing a Joint Operations Center (JOC) for National Fuel Tax Compliance in partnership with the Federal Highway Administration (FHWA) and participating states to act as one seamless organization leveraging resources at the state and federal level to develop fuel tax compliance strategies, including joint examinations and investigations based on JOC data analysis;

- Utilizing state/federal data for Combined Annual Wage Reporting (CAWR)/Federal Unemployment Tax (FUTA) matches; and

- Partnering with foreign tax agencies as part of the Organization for Economic Cooperation and Development's (OECD) Forum on Tax Administration.

The IRS, in connection with the OECD Working Party on Aggressive Tax Planning, is currently designing a database of various cross-border tax avoidance schemes in order to share knowledge and information among the OECD members. In addition, several Tax Information Exchange Agreements (TIEAs) recently became effective that will be useful in gathering valuable information (i.e., financial institution information) in the effort to reduce the tax gap.

The United States, Canada, Australia, and the United Kingdom continue their collaboration at the Joint International Tax Shelter Information Center (JITSIC) to supplement the ongoing work of each of the tax administrations in identifying and curbing abusive tax avoidance transactions, arrangements, and schemes. The objectives of JITSIC are to deter promotion and investment in abusive tax schemes, primarily through exchange of information. Exchange of information in JITSIC is done in accordance with the provisions of the bilateral treaties between each of the four countries involved.

Initiatives under development include the following:

- Data Warehouse/Mining: Conducting a test to evaluate the tax administration benefits of utilizing the state data warehouse concept.

- State Reverse File Match Initiative (SRFMI): Developing a system where states match IRS master file extracts against state master files to identify those who filed state but not federal returns, and those who reported different amounts on their state and federal returns.

- Tax Education: Entering into agreements with state education departments and federal immigration agencies to promote "Understanding Taxes" materials to educate younger citizens and foreign taxpayers going through naturalization about U.S. tax responsibilities.

- Small Business Assistance: Expansion of partnerships with the Small Business Administration (SBA) and its Service Corps of Retired Executives (SCORE) program and Small Business Development Centers (SBDCs), as well as other partners to deliver expanded educational messages directly to business owners.

The IRS also has a robust outreach and education program accomplished through relationships with national and local payroll, practitioner, small business, and industry stakeholder organizations. Examples of accomplishments include:

- Development of relationships with over 1,500 small business industry and tax professional organizations to deliver expeditiously key tax-related messages to small business audiences.

- Delivering information through Phone Forums to practitioners, industry representatives, and small business owners.

- Implementing Small Business Forums with industry representatives and small business owners.

- Offering multiple educational products, such as:

  o Electronic newsletters including "e-news for Tax Professionals" and "e-news for Small Businesses";

  o The Virtual Small Business Tax Workshop DVD, a 10-lesson interactive video;

  o The Small Business Resource Guide CD-Rom;

  o The Tax Calendar for Small Businesses and Self-Employed; and

  o "Tax Talk Today," a monthly web cast for tax professionals featuring IRS representatives discussing significant tax issues.

- Developing and widely distributing educational information on areas of high noncompliance, such as computation of business income, cost of goods sold, and various business expenses.

- Establishing a system to track resolution of problem issues identified by stakeholders (Issue Management Resolution System);

- Delivering an outreach campaign to industries that includes Audit Technique Guides and Tax Tips, which provide specific information for small businesses; and

- Providing Ethics Seminars for Practitioners addressing requirements from the Circular 230.

Initiatives include development of strategies to:

- Provide outreach and education to unaffiliated tax professionals – those who provide tax preparation services but do not align themselves with a professional organization; and

- Increase outreach and education regarding e-Commerce issues, including taxability of sales transactions on auction sites.

In addition, the IRS works with partners to disseminate tax information on subjects such as the EITC, child tax credit, e-file, life-cycle events, and compliance issues and to provide free income tax preparation to specific taxpayer populations (i.e., low income, elderly, limited English proficiency, disabled). Relationships exist with 60 national partners such as AARP, Armed Forces Tax Council, United Way, Health & Human Services, Annie E. Casey, and the Kellogg Foundation. In addition, the IRS supports more than 300 coalitions nationwide, comprised of thousands of community partners who educate or serve millions of taxpayers. This effort facilitated the opening of over 12,000 VITA and Tax Counseling for the Elderly sites with more than 68,000 volunteers during the 2006 filing season.

Initiatives

- Further enhance the centralized process to maximize the utilization of State Audit Reports (SARs) by IRS for federal assessments. (Also supports Component 4)

- Implement a Questionable Employment Tax Practices (QETP) initiative in partnership with the Department of Labor, the National Association of State Workforce Agencies, the Federation of Tax Administrators, and state workforce agencies, to provide a collaborative national approach to combat employment tax schemes. (Also supports Component 4)

- Further enhance the Fed/Fed program by facilitating and expanding partnerships with other federal agencies to improve tax administration. (Also supports Component 4)

- Engage all 50 states through the State Reverse File Match Initiative (SRFMI) - a process that matches IRS extracts received through the Governmental Liaison Data Exchange Program against state master files to identify individuals and businesses who filed a state return but not a federal return and to identify differences in federal and state income reporting. (Also supports Component 4)

- Determine tax administration benefits of utilizing state date warehouse concept. (Also supports Components 3 and 4)

- Develop an educational targeted outreach DVD for military personnel preparing for retirement. (Also supports Component 5)
- Enhance outreach efforts to industry audiences about available Audit Technique Guides and Tax Tips.
- Establish links to IRS.gov on industry, practitioner, educational, and governmental stakeholders' websites.
- Develop and widely distribute educational fact sheets on areas of high noncompliance.
- Develop a strategy to reach practitioners without affiliation to a professional organization.
- Leverage key partners such as the SBA and its SCORE program and SBDCs to deliver small business workshops to the new business community.
- Deliver educational messages through existing relationships with universities and colleges.
- Develop audio educational messages for toll-free wait times.
- Customize outreach to specific industries to encourage voluntary compliance.
- Request feedback from internal and external stakeholders on existing outreach and educational programs to identify best practices and enhancements.
- Develop strategies to educate first-time business filers.
- Expand relationships and collaboration with foreign tax administrations to increase the informal and formal communications on international tax administration matters.

SUMMARY

To implement the steps outlined in this report successfully, it is imperative for the IRS to have a highly trained and engaged workforce. While not addressed in detail in this report, the IRS is committed to employee engagement, ongoing training assessments and delivery, ongoing agency-wide communications, employee and managerial burden reduction, leadership empowerment, and succession planning. The IRS has extensive action plans and strategies in each of these areas. For example, in the area of succession planning, the IRS has established a Leadership Succession Planning office and is implementing a Leadership Succession Review (LSR) process in FY 2007. The LSR process involves leadership assessments of all senior managers, executive review of the assessments, and one-on-one feedback and discussion of executive potential.

The actions outlined in this report address improving compliance through a balanced approach. This report describes steps currently being taken, and those under development, by the IRS to reduce opportunities for tax evasion, details how the IRS will leverage technology, recognizes the critical need for a strong taxpayer service program, discusses development of taxpayer service initiatives, and describes legislative proposals that, when implemented, will improve compliance. At the same time, the initiatives maintain respect for taxpayer rights, limit burden on compliant taxpayers, and present an outreach approach to ensure all taxpayers understand their tax obligations. This report also details the importance of having a multi-year research program that will assist both in understanding the scope and reasons for noncompliance.

It is important to take all reasonable steps to improve voluntary compliance. As more is learned about the causes of noncompliance and ways to improve voluntary compliance, strategies will be modified to reflect the latest information.

It is clear that consistent efforts to keep the complexity and unnecessary burden of the tax system to a minimum, to provide the level of service that the taxpaying public deserves, and to maintain a strong and well-targeted enforcement presence are necessary to improve compliance rates. The IRS is committed to applying its resources where they are of most value in reducing noncompliance while ensuring fairness, observing taxpayer rights, and reducing the burden on taxpayers who comply.

Return to Table of Contents

APPENDIX

Timeframes for Initiative Implementation

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Work with Congress to enact remaining legislative proposals included in the Administration's FY 2008 Budget.	**1**, 6	Ongoing IRS will continue to identify legislative proposals in partnership with Treasury	2/09 IRS will continue to identify legislative proposals in partnership with Treasury	√

[†] 1. Reduce Opportunities for Evasion; 2. Make a Multi-Year Commitment to Research; 3. Continue Improvements in Information Technology; 4. Improve Compliance Activities; 5. Enhance Taxpayer Service; 6. Reform and Simplify the Tax Law; and 7. Coordinate with Partners and Stakeholders.

[‡] Check indicates initiative will continue beyond FY09 depending on budget availability.

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Develop regulations and other published guidance clarifying ambiguous areas of the law, targeting specific areas of noncompliance and preventing abusive behavior.	1	6/30/08 Request recommendations from stakeholders for topics on which guidance should be a priority 7/30/08 Identify approximately 250 items for which guidance is a priority 8/30/08 Release the 2008-2009 Priority Guidance Plan (PGP) 9/30/08 Release at least 80% of the items appearing on the 2007-2008 PGP	6/30/09 Request recommendations from stakeholders for topics on which guidance should be a priority 7/30/09 Identify approximately 250 items for which guidance is a priority 8/30/09 Release the 2009-2010 PGP 9/30/09 Release at least 85% of the items appearing on the 2008-2009 PGP	√

D075

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Undertake additional compliance studies, including S corporations and individuals.	**2**	10/1/07 Begin reporting compliance study for TY 2006 individual income tax returns 6/30/08 Complete S corporation compliance study	10/1/08 Begin reporting compliance study for TY 2007 individual income tax returns	√
Update tax gap estimates using new and existing data.	**2**	6/30/08 Release S corporation reporting compliance study tabulations 6/30/08 Update payment compliance estimates	6/30/09 Update payment and filing compliance estimates	√
Research the effect of service on taxpayer compliance.	**2**	9/30/08 Undertake at least three significant research projects linking service to compliance (e.g., study relationship between taxpayer attitudes and compliance)	9/30/09 Undertake at least three significant research projects linking service to compliance (e.g., study how particular types of service delivery affect individual compliance)	

D076

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Research the relationship between complexity, burden, and compliance.	2		9/30/09 Undertake survey of individual taxpayers to improve burden estimates (e.g., conduct a new survey of individual taxpayer burden) 9/30/09 Begin at least three research projects focusing on the relationships between complexity, burden, and compliance	√
Improve high income and non-EITC exam workload selection and method of delivery and assess the effectiveness of the exam treatment stream on selected nonfiler cases.	3, 4	10/1/07 Begin selecting, classifying, and auditing individual returns based on updated selection scores derived from NRP TY 2001 results 1/30/08 Implement initial phase of an automated case screening and selection process	10/1/08 Begin evaluating the productivity of high-income taxpayer cases identified using the revised scores and activity codes 9/30/09 Complete implementation of the automated case screening and selection process	

D077

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Expand AUR Auto Notice Generation to include additional income types and all Form 1040 family returns.	**3**, 4	9/30/08 Expand the volume of auto notices bypassing the screening phase on 1040 series returns	9/30/09 Expand the volume of auto notices bypassing the screening phase by including the entire ELF Form 1040 series and add cases from SB/SE inventories Add withholding to the auto notice income issues in an effort to work the most productive cases	√
Evaluate the AUR matching process, and implement an improved case scoring and selection concept to select the most productive cases.	**3**, 4	12/31/07 Reengineer the AUR matching process to improve coverage and maximize resource utilization resulting in increased AUR closures 9/30/08 Streamline overhead costs by reducing manual screening 9/30/08 Complete studies and implement an enhanced workload selection system	9/30/09 Implement additional improvements to workload selection tools (e.g., incorporating results as feedback to validate rules/score, and adding the capability to select cases for different treatments)	

D078

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Develop system requirements for expanding the AUR Soft Notice Test, which involves asking taxpayers to voluntarily self-correct for future years.	**3, 4**	9/30/08 Develop and complete programming requirements	9/30/09 Implement initiative for approximately 250,000 taxpayers	√
Develop enhancements to the Compliance Data Warehouse to improve workload identification and prioritization algorithms, allowing better evaluation of alternative treatment streams and ensuring Collection cases receive the most efficient and effective treatments.	**3, 4**	1/1/08 Release Phase 1	1/1/09 Release Phase 2	

Exh.7