Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Update the Collection inventory management system to improve functionality and navigation and provide capability to interface with other modernized systems.	**3**, 4	9/30/08 Completion of coding and integration testing	11/1/08 Begin piloting of the updated system 1/1/09 Begin nationwide deployment of updated system 6/30/09 Nationwide deployment completed	
Automate lien delivery, recording, and release processes with state and local jurisdictions to improve the timeliness of lien filings, lien releases, and the payment of fees.	**3**, 4	9/30/08 Complete cost analysis, design specifications, and establish enterprise standards	8/31/09 Establish and fully test prototype 9/30/09 Full deployment	

D080

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Test the use of statistical modeling techniques within TEGE to detect high-risk compliance patterns in order to use data to expand and improve examination case selection.	3, 4	1/31/08 All test examinations completed 4/30/08 Final report completed		
Develop and implement a set of compliance decision analytic tools that will support analysis of TEGE returns and other data to detect compliance trends and improve case and issue selection.	3, 4	1/15/08 Complete logical and physical design phase 5/31/08 Complete system development 7/31/08 Deploy system to all users		

D081

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Implement a new TEGE electronic examination system (TREES) that will consolidate agent tools to increase the accuracy and efficiency of the examination process.	**3**	Deployment began in May 2007 <u>11/30/07</u> Complete roll-out of TREES to all TEGE examination revenue agents		
Build and implement MeF receipt of electronic transmissions for additional tax forms.	**3**	<u>1/08</u> Deploy Form 1120F on the MeF platform <u>1/08</u> Deploy Form 990N (ePostcard) on the MeF platform	<u>9/09</u> Deploy first phase of Form 1040 on the MeF platform	
Increase audit coverage and better target returns for examination.	**4**	<u>10/1/07</u> Begin selecting, classifying, and auditing individual returns based on updated selection scores (DIF) derived from NRP TY 2001 results (cont'd)	<u>10/1/08</u> Begin evaluating the effectiveness of the updated DIF scores <u>9/30/09</u> Increase number of Schedule C audits by an additional 5% to (cont'd)	√

D082

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
(cont'd)		9/30/08 Increase number of Schedule C audits by 7% to address the individual business income tax underreporting gap 9/30/08 Migrate correspondence exam telephone customers to the enterprise call routing platform, which will expedite case closures	address the individual business income tax underreporting gap 9/30/09 Utilize information obtained from the Subchapter S Corporation National Research Project to enhance return selection and examinations 9/30/09 Begin screening amended returns through the Dependent Database 9/30/09 Improve the number of correspondence audits that are closed by enhancing the case selection methodology with real-time information 1/31/09 Improve correspondence case selection methodologies based on real-time information	

D083

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Enhance the ability to identify and address tax schemes of business and individuals involving offshore activity, address illegitimate use of tax havens to shelter income, and increase information matching and examination activity for individuals living abroad.	**4**	9/30/08 Complete the examination of cases in the pilot phase of the Broker Compliance Initiative Project. Make IRC section 6700 promoter investigation referrals for those individuals and large businesses identified as facilitating abusive offshore transactions as a result of this project 9/30/08 Develop compliance initiative projects in the areas of private banking and offshore merchant accounts to address offshore noncompliance	9/30/09 Analyze results of cases in the Broker Compliance Initiative Pilot phase and update selection criteria for future cases. Make IRC section 6700 promoter investigation referrals for those individuals and large businesses identified as facilitating abusive offshore transactions 9/30/09 Implement pilot phase for any approved compliance initiative projects	√
Enhance collection programs and increase the Federal Payment Levy Program using third-party data.	**4**	8/31/08 Work with Centers for Medical Services (CMS) to modify levy processing and improve offsets of Medicare reimbursements for tax debts	3/31/09 Work with Financial Management Service (FMS) to determine feasibility of including CMS Medicare payments in the Treasury Offset Program/FPLP	√

D084

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
Work with other federal agencies regarding the Federal Payment Levy Program (FPLP).	**4**, 7	<u>6/30/08</u> Increase dollars collected by expanding FPLP to: • Defense Finance and Accounting Service salary payment files • Department of Defense Civilian Employees • Department of Health and Human Services • Environmental Protection Agency • Department of Energy	<u>3/31/09</u> Increase dollars collected by pursuing agreements with the Department of Defense to add additional Federal wage and other payments	
Improve compliance by tax preparers through implementation of the Servicewide Enforcement Preparers Strategy.	3, **4**, 7	<u>10/1/07</u> Convene servicewide preparer strategy summit <u>3/30/08</u> Finalize and begin implementation of service-wide preparer strategy <u>1/1/08</u> Initiate research study of preparer compliance	<u>10/1/08</u> Update, as necessary, service-wide preparer strategy based on research study findings	√

D085

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Improve collection selection criteria and filters for balance due and nonfiler cases, including identifying and addressing potential high income nonfilers.	3, **4**	12/31/07 Expand use of third-party information and research to enhance case selection 12/31/07 Finalize Servicewide Nonfiler Strategy	12/31/08 Refine Decision Analytics rules to improve inventory delivery 12/31/08 Develop a new model to enhance collection case selection criteria	
Litigate cases, work settlements, and design large scale resolution initiatives for tax shelter transactions to deter noncompliance.	1, **4**	3/31/08 Complete examination of Global Settlement Initiative (GSI) participants 9/30/08 Litigate unresolved Son of Boss cases, cases of GSI non-participants, and promoter penalty cases that opted not to take the resolution initiative	9/30/09 Complete audits of GSI non-participants 9/30/09 Continue to litigate unresolved Son of Boss cases, cases of GSI non-participants, and promoter penalty cases that opted not to take the resolution initiative	

D086

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Initiate a project using Combined Annual Wage Reporting (CAWR) data to identify tax-exempt organizations that may not be properly reporting and paying employment taxes.	3, **4**	<u>11/30/07</u> Identify opportunities for other employment tax related projects <u>2/28/08</u> Analyze results of FY 2007 CAWR examinations and document lessons learned for future CAWR projects		
Increase criminal enforcement on abusive schemes, corporate fraud, employment tax, egregious nonfilers, and on Bank Secrecy Act violations.	**4**	<u>9/30/08</u> Achieve an average conviction rate of 92% for the combined component programs <u>9/30/08</u> Achieve an average publicity rate of 80% for the combined component programs	<u>9/30/09</u> Achieve an average conviction rate of 92% for the combined component programs <u>9/30/09</u> Achieve an average publicity rate of 80% for the combined component programs	√

D087

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Improve the alignment and allocation of service-wide resources to identify, develop, and resolve challenges better in the global taxation arena.	**4**	12/31/07 Realign LMSB International Resources to Improve Integration/Leverage Expertise 12/31/07 Utilize International Planning and Operations Council to identify opportunities to conduct cross-divisional examinations	3/31/09 Increase International Examiner hiring with emphasis upon high-risk geographic areas 12/31/08 Enhance cross-divisional coordination to ensure coverage and development of significant issues while reducing burden 6/30/09 Promote identification and assessment of emerging international/U.S. Possessions compliance issues through development of a process for referrals and a system for timely evaluation of those referrals	√

D088

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Improve tax administration to deal more effectively with increased emphasis on globalization by all corporate and individual taxpayers.	**4**	3/31/08 Expand information-sharing through increased membership in the Joint International Tax Shelter Information Centre (JITSIC), by adding Japan and expanding JITSIC offices to London 3/31/08 Introduce new M-3 for Form 1120F to gather information on foreign controlled corporations Ongoing Increase education and guidance to U.S. taxpayers of their withholding responsibilities on Fixed Determinable Annual Periodic (FDAP) payments to non-U.S. persons and expand similar activities with qualified intermediaries	9/30/09 Introduce revised Form 5471 for international transactions that have potential U.S. tax issues 9/30/09 Pilot issue identification and workload selection using filings of the revised form 1120F with Schedule M-3	√

D089

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Increase industry and global issue focus by aligning resources to cases and issues with the highest compliance risk.	**4**	9/30/08 Pilot the Shelter Data Management system and the automated international issue selection process 9/30/08 Use Transactions of Interest under proposed regulation 6011 (when finalized) to identify emerging issues	6/30/09 Fully implement the Shelter Data Management System (SDM) and pilot the larger Selection and Workload Classification system, of which SDM is a part 9/30/09 Integrate international issue identification into overall workload selection process 9/30/09 Expand use of Transactions of Interest approach	
Leverage the efforts of examiners as well as external partnerships with foreign tax administrators to identify and address emerging issues of significant compliance risk.	**4**, 7	12/31/07 Expand the use of the Organization for Economic Co-operation and Development (OECD) Abusive Transaction Database to identify emerging abusive transactions/ issues 9/30/08 Hire additional International Examiners in areas with high risk international issues	9/30/09 Complete Basic level International Training of LMSB Front-line and Senior Managers to improve Issue Identification and Familiarity	√

D090

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Address offshore and cross-border compliance risks through enforcement and by issuing published guidance.	**4**	12/31/07 Initiate Project on Foreign Athletes & Entertainers (FAE) to ensure appropriate reporting and sourcing of income 12/31/07 Complete Voluntary Settlement Initiative for embassy/consular employees and begin enforcement activities on non-electors 9/30/08 Issue regulations on transfer pricing, foreign tax credit, and foreign trusts	9/30/09 Issue additional regulations on transfer pricing guidance, foreign tax credit, and foreign trusts, and new regulations on cross border restructuring	√

D091

Exh.7

Initiatives	Related Treasury Strategy Component(s)[†] (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009[‡]
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.	**5**, 7	<u>12/30/08</u> Partner at the local and national levels to expand efforts with organizations that serve people with disabilities, to increase return preparation assistance space <u>3/31/09</u> Work with select government entities to increase the availability of free tax assistance programs	<u>12/31/09</u> Partner at the local and national levels to expand efforts with organizations that serve people with disabilities and to increase return preparation	

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Increase accuracy on toll-free telephone customer inquiries, processing functions, and paper adjustments.	**5**	1/31/08 Implement an Interactive Tax Law Assistant (ITLA) tool to assist employees in providing accurate, efficient, and complete responses to basic tax law telephone inquiries 1/31/08 Continue to develop Accessory Manager Tools that provide standard research paths, consolidate account data, and automatically populate input fields 9/30/08 Implement recommendations from the Correspondence Accuracy Improvement Study	1/31/09 Continue to develop and enhance the Interactive Tax Law Assistant (ITLA) tool to assist employees in providing accurate, efficient, and complete responses to a wider variety of more complex tax law telephone inquiries 1/31/09 Review nationwide error trends to determine the areas where implementation of an Accessory Manager Tool would have the most significant impact, and develop tools based on this analysis 1/31/09 Continue to utilize program review teams to conduct annual quality reviews to seek improvement opportunities and identify best practices	√

D093

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Improve the quality of volunteer-prepared returns through enhancements to the Volunteer Income Tax Assistance (VITA) Program, including quality training and sample processing reviews.	**5**	<u>3/31/08</u> Conduct on-site workshops to address quality concerns identified while making visits during filing season	<u>12/31/09</u> Replace current knowledge-based tax law preparation training with a process-based training approach	√
Enhance services to persons with limited English proficiency (LEP) through: the Taxpayer Assistance Blueprint (TAB); 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.	**5**	<u>1/31/08</u> The Internet application "Where's My Refund" allows taxpayers to access their refund information. This application will be offered on the Spanish IRS.gov <u>9/30/08</u> The Multi-Lingual Project Office will work with Research to pinpoint isolated community locations and identify actions to customize assistance (cont'd)	<u>Ongoing</u> Maintain the application and upgrade annually as needed <u>Ongoing</u> Continue expansion efforts	

D094

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
(cont'd)		9/30/08 Launch targeted outreach messages for LEP taxpayers in isolated communities 9/30/08 Expand the Virtual Translation Office (VTO) to increase and enhance VTO translations. The VTO will: • translate glossaries of tax terms into multiple languages • produce the tax forms and publications currently published in Spanish • create additional forms and educational materials in Spanish • produce new educational materials in other languages • lay the foundation for translating products into other IRS-priority languages		

D095

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Improve quality and timeliness of taxpayer contacts by maintaining an enhanced integrated quality assurance process with internal and external partners.	4, **5**	<u>12/31/08</u> Develop and deliver Site Coordinator's Training <u>12/31/08</u> Define volunteer training levels and focus on consistent use of intake and interview sheets and volunteers performing quality reviews <u>6/30/08</u> Engage partners and employees in feedback solicitation through roundtable discussions and partner satisfaction surveys	<u>6/30/09</u> Engage partners and employees in feedback solicitation through roundtable discussions and via partner satisfaction surveys	
Enhance IRS.gov.	**5**	<u>9/30/08</u> Deploy an interactive tax law decision support tool as recommended in the Taxpayer Assistance Blueprint report and deliver improved Frequently Asked Questions (FAQs) support	<u>9/30/09</u> Deploy enhancements to the interactive tax law decision support tool to deliver Probe and Response Capability	√

D096

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
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.	**5**	9/30/08 Increase availability of EITC education and financial education in hard to serve Native American communities through network of partnerships involving Native community financial institutions, community development corporations, financial education providers, and Native American advocates	3/31/09 Work with U.S. Department of Agriculture to increase the availability of free tax assistance programs 12/31/09 Collaborate with Rural Funding Foundations to expand tax related services in rural areas	
Expand and enhance the Spanish Website to increase electronic options, including options for Spanish language delivery of applications currently only available in English.	3, **5**	1/31/08 Launch Spanish version of the internet application "Where's My Refund," which allows taxpayers to access their refund information 9/30/08 Expand and enhance the Spanish website to educate Spanish speaking taxpayers about tax responsibilities for determining various tax eligibility	Ongoing Maintain the application and upgrade annually as needed	√

D097

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Provide Reporting Agents with access to e-Services.	3, **5**	Deployed access to Electronic Account Resolution (EAR) and Transcript Delivery System (TDS) for Reporting Agents in June 2007 <u>10/1/07</u> Market availability of new services to all Reporting Agents <u>6/30/08</u> Monitor access and modify as necessary <u>9/30/08</u> Work with Reporting Agents to explore opportunities for electronic delivery of bulk notices	<u>Ongoing</u> Maintain the application and upgrade annually as needed	

D098

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
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.	**5**	9/30/08 Identify attributes of intentional versus unintentional taxpayer noncompliance	9/30/09 Pending success of model development, determine causes for taxpayer errors and begin to develop appropriate treatments	√
Implement Internet-Customer Account Services (I-CAS) Release 1, which will enable taxpayers to view account information.	3, **5**	9/30/08 Implement I-CAS Release 1 to enable taxpayers filing Form 1040 to view account information via a secure Internet link. I-CAS will offer online tax account services that will emulate an online banking experience		

D099

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
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.	3, **5**		9/30/09 Implement I-CAS Release 2 to 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	
Continue publicity efforts encouraging use of Online Payment Agreement.	**5**	Ongoing During Filing Season Issue News Releases and other communications encouraging use of on-line application for tax year 2007 balance due returns Ongoing Promote ease of using Online Payment Agreement via multifaceted stakeholder distribution networks	Ongoing During Filing Season Issue News Releases and other communications encouraging use of on-line application for tax year 2008 balance due returns Ongoing Promote ease of using Online Payment Agreement via multifaceted stakeholder distribution networks	

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Work with Congress to enact simplification legislative provisions in Administration's FY 2008 Budget.	**1, 6**	Ongoing Treasury and IRS and will work with Congress to enact legislative proposals.	2/09 Treasury and IRS and will recommend additional legislative initiatives to Congress	
Continue Taxpayer Burden Reduction projects.	**6**	1/31/08 Release new Forms 1120S and 2553 2/29/08 Complete regulations for new amended Forms 94X, (new forms under development to reduce employment tax reporting errors) 3/31/08 Verify customer acceptance of new Form 8857, Innocent Spouse Relief	1/31/09 Release new amended Forms 94X	√

D101

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Continue Tax Form and Publication improvements.	**6**	<u>9/30/08</u> Develop a multi-year prioritized plan of burden reduction activities to include forms redesign and simplification <u>9/30/08</u> Define the Modernized e-file (MeF) platform for the XML enabled PDF Form 1040, U.S. Individual Income Tax Return, for Tax Year 2009 <u>9/30/08</u> Launch a hyperlinked Publication 17, Your Federal Income Tax, on the irs.gov website. Hyperlinks will be incorporated, enabling taxpayers to link to relevant sections within Publication 17 to assist in tax preparation research		√

D102

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Further enhance the centralized process to maximize utilization of State Audit Reports (SARs) by IRS for federal assessments.	4, **7**	5/31/08 Establish a system to baseline usability and productivity of incoming SARs	6/30/09 Partner with states to implement enhancements to improve the usability of SARs	Partner with states to automate receipt of SARs
Implement a Questionable Employment Tax Practices (QETP) Initiative in partnership with the U.S. 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.	4, **7**	12/31/07 Launch QETP initiative by securing a minimum of 20 state participants 6/30/08 Fully implement process to deliver data provided by the states for incorporation into employment tax audit work streams 9/30/08 Increase number of states participating by 25%	9/30/09 Continue to increase state participation by an additional 25%	

D103

Exh.7

Initiatives	Related Treasury Strategy Component(s)† (Bold = Primary)	FY 2008 Milestones	FY 2009 Milestones	Beyond FY 2009‡
Further enhance the Fed/Fed program by facilitating and expanding partnerships with other federal agencies to improve tax administration.	4, **7**	6/30/08 Develop and launch a minimum of two new federal agency partnerships (e.g., SSA and SBA)		

D104

Exh.7