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## Quotes...

“As a guiding principle, the Commission believes that taxpayer satisfaction must become paramount at the new IRS . . . .”

“Customer satisfaction must be a goal in every interaction the IRS has with taxpayers, including enforcement actions. Taxpayers expect quality service in all interactions with the IRS, including taxpayer assistance, filing tax returns, paying taxes, and examination and collection actions.”

***Report of the National Commission on  
Restructuring the Internal Revenue Service (June 25, 1997)***

“For the vast majority of Americans who want to do the right thing, the IRS should do right by them, and that means treating them with respect and trust. And, it means recognizing that taxpayers are its customers.”

***Vice President Gore, Reinventing Service at the IRS  
(NPR Report - 1998)***

“Most of the IRS is organized around internally-defined functions, rather than the needs of customers. . . . The IRS should begin to refine customer segments and key events for each of those segments as they relate to those customers’ tax responsibilities.”

***Reinventing Service at the IRS (NPR Report - 1998)***

“For any particular kind of identified noncompliance, the choice between using the “service arm” and the “enforcement arm” or something else [is] a matter of crucial professional judgement on which the public image and credibility of the agency depend.”

***Imposing Duties (Malcolm Sparrow)***

“The Internal Revenue Service shall review and restate its mission to place a greater emphasis on serving the public and meeting taxpayers’ needs.”

“The Commissioner of Internal Revenue shall develop and implement a plan to reorganize the Internal Revenue Service. The plan shall establish organization units serving particular groups of taxpayers with similar needs.”

***IRS Restructuring and Reform Act of 1998***

"When the topic of the Internal Revenue Service arose (during a congressional delegation meeting), staff members were unanimous in their sincere expression of satisfaction with the quality of your agency's services. We appreciate the significant efforts made by the IRS employees in dealing with our staffs. Our delegation is pleased to express our gratitude for your hard work."

***July 30, 1999, letter from Senator Richard Durbin and Speaker of the  
House J. Dennis Hastert signed by the entire Illinois Congressional  
Delegation***

"Thanks to the IRS Restructuring and Reform Act of 1998, which mandates the rights and needs of taxpayers be made top priority, the IRS is on a new mission this tax season: to collect only those taxes that are owed and to do so fairly, respectfully and efficiently."

***CNNfn, March 7, 1999***

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# Foreword to Modernizing America's Tax Agency

In the last several years, the Internal Revenue Service (IRS) has been the subject of much study and criticism, including a Presidential commission, several congressional committees and the Vice President's National Partnership for Reinventing Government. Many problems were identified and many solutions proposed, dealing with virtually every dimension of the IRS – from electronic filing to employee discipline. This process culminated with the overwhelming passage of the IRS Restructuring and Reform Act in July 1998. Since then, many audit reports, press stories and congressional hearings have reviewed and commented on the changes taking place at the IRS.

In the mass of detail and complexity that this intense scrutiny of the IRS produced, it is easy to get lost in the trees and fail to see the forest. What the IRS was told in this process is that it is expected to do a far better job serving the public, based on a much better understanding of the taxpayer's point of view.

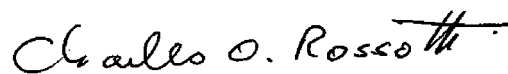
Responding to this mandate, the IRS embraces the opportunity to rise to a new and much higher level of performance. If we are successful, millions of American taxpayers and thousands of IRS employees will benefit for years to come: the taxpayers because they will have a tax agency serving them the way they expect to be served; the employees because they will work in an agency that people internally and externally trust.

Rising to the challenge is not a simple task. It requires fundamental change in almost all aspects of the IRS and affects the way almost all employees work with taxpayers and with each other. The required changes range from performance measures to technology, but they are all necessary for success and are very much interdependent.

The purpose of this paper is to provide an overview of the entire process of change that the IRS is undertaking to meet the public's expectations. This process will take years and carries with it considerable risk that progress will not happen as planned or expected, and that setbacks will occur. But there is no low risk plan for the IRS. Therefore, it is essential to identify and manage the risks by confronting them, and honestly communicating what the IRS is doing and why.

Since this process of change at the IRS will be underway for a period of years, this overview document will also change reflecting progress, setbacks and learning that cause us to make adjustments. This second edition is updated to reflect the outlook as it appears early in the year 2000.

While recognizing the enormous challenge and the long road ahead, we are nevertheless convinced of the necessity and value to America's taxpayers of reaching the higher level of performance for the IRS. With the continued support of the Treasury, the Congress and the public, we are confident we can succeed.



Charles O. Rossotti  
Commissioner  
Internal Revenue Service