



TRS Newspaper

Tax Resolution Services, Co., Est. 1997

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Aggressive Tax Collection Takes Toll on Advocate

The government office created to help protect the rights of U.S. taxpayers and advocate on their behalf has been unable to keep up with IRS collection efforts, report finds

Faced with an historic deficit, the federal government has taken an aggressive stance on tax collection.

It's clear every day when you read the news: more money allocated to enforcement, more audits and criminal charges against celebrities as well as neighbors.

But a new study from the Treasury Inspector General for Tax Administration found this aggressive enforcement has come with an unwelcome, unfair side effect.

The Taxpayer Advocate Service, an independent office created in 1996 under the Taxpayer Bill of Rights 2, has been unable to keep pace with rising case numbers.

In other words, the taxpayer advocate hasn't been able to keep up with its duties of advocating due to increased enforcement and case loads by the well-funded IRS, which this year is working with a record \$5.5 billion enforcement budget.

"The Taxpayer Advocate Service plays an important role in tax administration by helping taxpayers who have tried, unsuccessfully, to resolve their tax problems using normal IRS channels," J. Russell George, the Treasury Inspector General for Tax Administration, said in a statement. "However, I believe many of the issues identified in our review will continue to present challenges for this problem-solving organization."

According to the Treasury Inspector General report, various internal and external factors have affected the Taxpayer Advocate Service's ability to assist taxpayers in a timely way.

The primary factors sending more taxpayers to

the advocacy service are the ailing economy, the IRS's more aggressive enforcement and legislative changes that have left taxpayers with questions.

A rising number of taxpayers are also finding themselves in jams with the IRS due to identity theft.

In fiscal year 2006, the number of identity theft cases brought to the Taxpayer Advocate Service was 2,486. That figure increased to 14,023 in fiscal year 2009 — an increase of more than 460 percent.

In a letter included in the Treasury Inspector General report, National Taxpayer Advocate Nina E. Olson said the average workload for an advocate case manager has increased about 50 percent over the previous five-year period.

As a result, the report suggests, the Taxpayer Advocate Service has been unable to resolve taxpayer problems in a timely manner.

In fiscal year 2009, cases were open 80 days — an increase of 14 days over fiscal year 2005, or a 22 percent increase.

At present, due to the IRS's historic enforcement budget and mandate to increase revenue collections, taxpayers are at a disadvantage when going to the office designed to advocate on their behalf.

Remember: A qualified tax professional can be your advocate as well.

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