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'Devastating erosion' of taxpayer services at IRS

Budget cuts at the IRS have resulted in "a devastating erosion" of services for Uncle Sam's No. 1 benefactor: the U.S. taxpayer.

That's according to [National Taxpayer Advocate](#) Nina Olson, who on Wednesday delivered her [annual report](#) to Congress, which focuses on the most serious problems facing taxpayers and her recommendations for how to remedy them.

[Record low level of taxpayer service:](#) Olson, whose office was created by Congress to represent the interests of taxpayers, compiled a string of numbers to tell the tale.

The IRS is being asked to do much more than it has in the past with a budget that has been cut by 17% since 2010. Consequently it has had to reduce spending on employee training by 83% and has reduced its workforce by 12,000.

An additional 3,000 to 4,000 jobs are likely to be [eliminated this year](#), according to IRS Commissioner John Koskinen.

The agency gets 70% more phone calls and up to 18% more tax returns than it did a decade ago, and it's now required to administer major parts of two complicated new laws: the [Affordable Care Act](#) and the [Foreign Account Tax Compliance Act](#).

[Related: IRS warns of tax refund delay and other service cuts](#)

End result: the IRS is unlikely to answer even half the calls it receives and those callers who do get through will experience long waits, Olson said.

What's more, the agency will only answer the most basic tax-law questions through April 15, but none after that. And it has reduced services at [Taxpayer Assistance Centers](#).

"The IRS can operate more effectively and efficiently in certain areas. However, we do not see any substitute for sufficient personnel if high-quality taxpayer service is to be provided," Olson wrote.

Lack of clear rationale for chosen cuts in taxpayer services: The IRS needs to do a better job prioritizing which services it cuts as a result of the budget reductions, Olson said.

"The IRS has come under scrutiny by external oversight organizations who have questioned the IRS's rationale for its budget decisions. They have not been satisfied with the IRS's response to their inquiries," she wrote.

Difficulty appealing IRS decisions: In 12 states and Puerto Rico, taxpayers do not have convenient access to IRS officials to appeal an IRS decision in person.

While the IRS sends appeals officers to these areas every quarter, Olson said those cases often take much longer to resolve. And the only other alternative is for taxpayers to take their appeal to a field office far from their home.