



August 9, 2022

Ms. Dietra Grant
Director, Customer Account Services
Wage & Investment Division
Internal Revenue Service
401 W. Peachtree Street, NW
Atlanta, GA 30308

Re: Practitioner Priority Service Line

Dear Ms. Grant:

The American Institute of CPAs (AICPA) thanks you again for participating in the June meeting of our IRS Advocacy and Relations Committee, and for being open to our comments and suggestions, including those relating to the Practitioner Priority Service (PPS) line. This letter is in response to your request to provide in writing our thoughts regarding PPS.

To provide a bit of context, the AICPA recognizes and appreciates the efforts the Internal Revenue Service (IRS) has made over the past three years to provide relief to taxpayers and practitioners affected first by the extraordinary circumstances caused by COVID-19 and more recently by the resulting return and processing backlog. Additionally, we appreciate the efforts made by the IRS to address taxpayer and practitioner concerns. In particular, the suspension of certain automated notices and the creation of surge teams to address the backlog have provided significant relief for taxpayers and practitioners, and we commend the IRS for implementing these solutions.¹

Nevertheless, an area of continuing concern, as was discussed with you during our June committee meeting is the plummeting Practitioner Priority Service (PPS) telephone line level of service (LOS). We acknowledge that some aspect of the reduction can be attributed to surge team use:

In late February 2022, the IRS reassigned employees from other areas to its [account management] (AM) function, including telephone customer service representatives (CSRs) and provided this AM “surge team” with additional training to process tax returns and correspondence.²

However, in January 2022, before the surge teams were created, the National Taxpayer Advocate reported³ that the year-over-year PPS line data sank:

¹ See [AICPA July 11, 2022 letter to IRS](#) regarding “Additional Measures to Address Backlog.”

² National Taxpayer Advocate’s [Fiscal Year 2023 Objectives Report to Congress](#), page 5.

³ National Taxpayer Advocate’s [Annual Report to Congress 2021](#), page 68.

Line and Measure	FY 2018	FY 2019	FY 2020	FY 2021
Practitioner Priority Service (PPS) Call Attempts	3.1	3.5	4.8	9.3
PPS Assistor Calls Answered	2.2	2.1	1.9	2.2
PPS Assistor Calls Answered by Percentage	72%	61%	39%	24%
PPS LOS	85%	78%	56%	28%

In her mid-year report to Congress⁴ issued in June 2022, the National Taxpayer Advocate reported on the further challenges experienced during a very difficult tax filing season:

FIGURE 4, IRS Telephone Results, 2019-2022 Filing Seasons Comparing Weeks Ending April 19, 2019; July 17, 2020; May 21, 2021; and April 23, 2022²⁰

	2019	2020	2021	2022	Percent Change 2019-2022
Enterprise Total					
Calls Received	40,796,555	55,267,317	167,396,426	72,811,503	78%
Calls Answered by CSRs	10,082,963	11,605,369	15,667,499	7,453,961	-26%
Percent of Calls Answered by CSRs	25%	21%	9%	10%	-60%
CSR Level of Service	59%	52%	19%	18%	-69%
Accounts Management					
Calls Received	34,382,805	46,538,775	150,183,477	60,036,799	75%
Calls Answered by CSRs	8,059,818	8,716,057	10,962,520	4,641,053	-42%
Percent of Calls Answered by CSRs	23%	19%	7%	8%	-65%
CSR Level of Service	67%	56%	15%	15%	-78%
Average Speed of Answer (in minutes)	9	15	19	28	211%

Anecdotally, we are hearing from tax practitioners everyday regarding their significant PPS line challenges and the impact those challenges have on their interactions with IRS on behalf of taxpayers.

Below are our comments on the specific PPS line challenges tax practitioners are experiencing and suggestions for improving the experience for tax practitioners and IRS customer service representatives (CSRs) in the following areas:

- Power of Attorney (POA) Issues

⁴ National Taxpayer Advocate (n 2), pages 5 and 6.

- Transcripts
- Accounts Management (AM) versus Automated Collection (ACS)
- General Recommendations

Power of Attorney (POA) Issues

1. *If, at the start of a PPS call, the practitioner indicates that his/her POA likely is not on file, provide a fax number to the practitioner at the start of the call.* The faxing of the POA takes several minutes and waiting for it to be transmitted causes unnecessary delay where the PPS CSR first has the POA representative identify himself or herself, identify the taxpayer and name the type of tax and the periods to be discussed. If the fax number could be provided at the outset, it would be there for the PPS CSR when the identification of the POA representative and the taxpayer is completed, eliminating the delay.

2. *Where a delegated POA is presented and appears in order, do not require the first POA be posted to the CAF before recognizing the delegated POA.* Rules regarding what constitutes a valid POA continue to change and often without notice to practitioners until they are told by a PPS CSR. For example, recently, practitioners have been told that, if they are presenting both a valid direct POA (i.e., a POA granted to a practitioner by the taxpayer) and a delegated POA (i.e., a POA granted to a practitioner by the authorized practitioner under a direct authority POA) to the PPS CSR, the direct POA must be *recorded* on the CAF before the authority of the second practitioner may be recognized. This can also pose problems when box 4 is checked for the entity and other related issues not recorded on the CAF.

It is unclear why the second unposted delegated POA would be valid but the first direct POA would not be valid until posted. If both a properly executed direct POA and delegated POA are together presented by a credentialed practitioner, the delegated POA should be accepted by the PPS CSR.

3. *Ensure PPS CSRs are consistently educated in proper taxpayer titles.* PPS CSRs are often inconsistent on what is required to be completed on a POA for it to be valid. For example, not all staff are aware that Limited Liability Companies (LLC) have “members,” and that the authorized signer of the POA may be a member.

4. *IRS should allow use of POAs that are signed by the taxpayer and the representative calling in – even if it is not yet signed by other listed representatives.* While the Internal Revenue Manual (IRM) provides that IRS staff are to accept the POA, the IRM is not universally followed in this regard.

Transcripts

Transcripts, including internal screen-print transcripts, are critical for practitioners to assist taxpayers in assessing and properly resolving issues. Indeed, when practitioners have access to internal transcripts, they are equipped to resolve taxpayer issues in the most efficient manner by engaging the correct IRS staff at the right time – often faster and more efficiently than IRS staff can.

1. *Restore providing internal screen-print type transcripts over the phone during PPS calls.* PPS CSRs have indicated lately that they will not provide internal screen-print type transcripts by fax or secure mailbox; they are only willing to use U.S. mail, which takes 4 to 6 weeks for receipt. The IRM provides that these transcripts are available to taxpayers and practitioners and making them difficult to obtain makes it increasingly difficult for practitioners to identify and resolve issues in a timely manner.
2. *Restore the IRS message line (transcripts).* This IRS team, staffed in Memphis, TN several years ago, was there solely to provide internal and other types of transcripts to practitioners as they waited. The speed of providing these transcripts and lack of unnecessary restrictions on the type of transcripts enabled practitioners to better serve their clients and resolve issues more quickly and more efficiently. With the use of secure mailboxes, these transcripts could be provided through that method as well.
3. *Eliminate the “law line.”* Practitioners should not need to consult with IRS staff on interpretations of law – the practitioners should be competent in those areas. Moreover, the breadth of knowledge of “law line” staff is often not high or incorrect information is given. These employees could be reassigned to other functions of the PPS line, which would help alleviate the long wait times.

Accounts Management (AM) versus Automated Collection System (ACS)

1. *Restore the ability to grant cycle holds with AM staff.* Historically, if an account was not yet in Collection, accounts management personnel was empowered to grant cycle holds of, for example, 4, 6, 8, or 15 weeks. This was particularly useful in times where it takes IRS close to a year to respond to correspondence or resolve issues that cause balances due (often incorrect balances). AM staff are also able to work issues and resolve the underlying issues, often on the phone. Allowing AM staff to both resolve issues and grant cycle holds makes resolution much more efficient.

Recently, AM has been unwilling to grant cycle holds, referring such requests to ACS. Restoring authority to grant cycle holds with AM before an account gets to Collection will return more speed and efficiency in resolving issues, will eliminate needless Collection Due Process cases, and will keep more cases out of the Taxpayer Advocate Service as well.

2. *Empower ACS to resolve more account issues.* In cases where ACS is contacted regarding taxpayer accounts, ACS staff are often not able to resolve issues, such as penalty abatement requests and other account-related issues. Empowering ACS staff to resolve underlying issues, similar to AM, will often result in greater efficiency and decrease or eliminate taxpayer account balances.

3. *Authorize PPS CSRs to grant 180-day holds where correspondence was sent in.* Authorize PPS CSRs (AM or ACS) to grant up to 180-day holds on balances when it is clear correspondence has been submitted (e.g., abatement requests). This authority is particularly important given the continuing and extensive correspondence processing backlog.

General Recommendations

1. *Staff the PPS line again with highly trained, highly empowered personnel.* During calls to PPS, responding CSRs have a varying degree of knowledge, and their ability (or willingness) to act varies greatly from staff member to staff member. This lack of consistently trained and empowered personnel very often results in practitioners finding that they need to call back to, hopefully, get a more knowledgeable or more empowered CSR.

2. *Discontinue asking practitioners for their social security numbers and birth dates.* Discussing and possibly recording this information is highly risky – riskier than the identity theft it seeks to prevent. More sensitive information is being asked of the practitioner than of the taxpayer; asking for birthdates is something that is not even done for the taxpayer being represented during the call – only the practitioner.

3. *Enhance the new automatic return call system.* The automatic return call system is a greatly appreciated feature being offered by the IRS. We understand its use is being expanded which we support. A return call system is consistent with one of AICPA's Priority Guidance Plan recommendations⁵ regarding utilizing an online system to communicate with taxpayers and practitioners.

4. *Empower PPS CSRs from one line to handle all types of calls, whether Business Master File (BMF), Individual Master File (IMF), or Exempt Organization.* Currently, when a practitioner contacts the PPS line, the CSR is only able to assist in their specific area, such as individual versus business. Presently, we understand staff answering the Spanish language line can address all these types of cases; the same should be for the English-speaking line; for example, if a practitioner is speaking with an individual issues representative, that representative should be able to address business issues as well. This consolidated approach will avoid the need to call back the PPS line, and often results in more efficiency, particularly if the individual case is related to the business case.

⁵ See [AICPA comments "Recommendations for the 2022-2023 Guidance Priority List \(Notice 2022-21\)](#), May 24, 2022, page 11.

5. *Require that all PPS CSRs accept and consider submission of correspondence, documentation, and other communication by taxpayers or their representatives through e-services or facsimile.* Presently, only rarely do some PPS CSRs allow the representative to fax information to the PPS line. Allowing practitioners to submit reasonable cause statements and other information to the PPS CSR by fax or e-services should be encouraged by management and included in the IRM and other instructions and training for PPS CSR staff. For requests that must be submitted in writing, allowing faxing or e-services transmission of relevant information would expedite the submission and processing time. For issues that can be resolved over the phone, providing documentation (e.g., a certified mail receipt showing timely filing or an Electronic Federal Tax Payment System (EFTPS) payment confirmation), will enhance the ability of the CSR to consider the request.

6. *Allow PPS CSRs to process and post extensions.* PPS CSRs should be empowered to process and post extensions of time to file with proof of timely submission of the extension request. Further, PPS CSRs should be empowered to handle any related account cleanup or penalty matters as a result of subsequently granting the extension request.

7. *Provide more supervisor availability.* During a PPS call, if a practitioner requests to speak with a supervisor, that request is not often granted; the account is noted for a supervisor call back, which does not always occur or occurs well after the initial PPS call. Providing immediate availability of a supervisor during a PPS call would be more efficient, resulting in speedier resolution of issues. It also would be helpful if PPS supervisory staff contact information is published so practitioners could provide feedback on improving the PPS process.

8. *Enable PPS CSRs to handle international issues and international taxpayers and enable such PPS CSRs to apply first-time abatement in international situations, such as international penalties.* Currently, international issues are handled only in writing, and correspondence can remain outstanding for a very long time. Allowing PPS to resolve simple matters that involve international tax issues or non-U.S. taxpayers would reduce the backlog of international correspondence and free up IRS international tax resources for more complicated matters. International enablement could also be a new option on the PPS line to handle filings by taxpayers located outside the United States or international issues of U.S. or international taxpayers, such as missing correspondence or penalty abatement.

As an example, Taxpayer X, who has never been delinquent in filing Form 1120, files the 2021 form 2-days late. Form 1120 shows no tax liability. The filing, however, includes Form 5471, *Information Return of U.S. Persons With Respect To Certain Foreign Corporations* which is also 2-days late. Taxpayer X incurs no section 6651 (Failure to file tax return or to pay tax) penalty but is assessed a \$10,000 penalty under section 6038 (Failure to furnish information). Although Taxpayer X qualifies for first-time abatement of the penalty because section 6038 is an international penalty, PPS CSRs cannot handle the abatement and advises the tax practitioner to mail in the abatement request.

9. *Prohibit PPS CSRs from answering a call when their shift ends within the next 15 minutes.* The system might be set up so that such staff do not even get the call routed to their desk. Although PPS CSRs are permitted to discuss up to five taxpayers per call, when a PPS CSR takes a call close to the end of their shift, they terminate the call after just the first taxpayer issue is discussed. Terminating calls at the end of a shift unfairly forces the practitioner to call back and wait on what is typically an extended hold for another time if the practitioner can get back into the queue at all. If this happens after the PPS line's hours of operation have closed, the practitioner must wait until the next day and hope to get into the queue at that time.

10. *Investigate certain systemic call answering issues.* The PPS line is open between 7:00am and 7:00pm in each time zone. Tax practitioners in the Mountain and Pacific time zones are expressing concerns about PPS line access particularly regarding the 7:00am opening time.

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The AICPA is the world's largest member association representing the CPA profession, with more than 421,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state, and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. If you have any questions, please feel free to contact Rochelle Hodes, chair of the AICPA IRS Advocacy and Relations Committee at (202) 552-8028 or Rochelle.Hodes@crowe.com; Edward Karl, AICPA Vice President, Tax Policy & Advocacy, at (202) 355-4892 or Edward.Karl@aicpa-cima.com; or me at (601) 326-7119 or JanLewis@HaddoxReid.com.

Sincerely,



Jan F. Lewis, CPA
Chair, AICPA Tax Executive Committee

cc: The Honorable Charles P. Rettig, Commissioner of Internal Revenue
Mr. Ken Corbin, Commissioner, Wage & Investment Division
Ms. Erin Collins, IRS National Taxpayer Advocate