



TaxNewsFlash

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IRS releases strategic operating plan for use of IRA funds

The IRS today unveiled its [strategic operating plan](#) [PDF 3.2 MB] (150 pages) to transform the tax agency and dramatically improve service to taxpayers and the nation during the next decade.

As explained in a related IRS release—[IR-2023-72](#) (April 6, 2023)—the 150-page report to the Treasury Secretary outlines the agency's historic plans to make fundamental changes following funding from H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA)). The resources to be deployed over the short and long term will be used to:

- Rebuild and strengthen IRS customer service activities, putting an end to long wait times on the phone, adding capacity to the in-person taxpayer assistance centers around the country, and providing new online tools for those who want to engage with the IRS digitally;
- Add capacity to unpack the complex filings of high-income taxpayers, large corporations and complex partnerships, addressing a growing chasm between the number of experienced compliance personnel at the IRS who audit high-income, high-wealth tax filings for compliance (about 2,600 employees) and the roughly 30,000 individuals making more than \$10 million a year, 60,000 large corporations and 300,000 large partnerships and S corporations; and
- Update various outdated systems in IRS core operations to help ensure the agency has the most modern and robust security in technology to protect taxpayer data.

The IRS also stated that it has no plans to increase the audit rate for small businesses and households making less than \$400,000; it is focused on pursuing high-income and high-wealth individuals, complex partnerships and large corporations..

The plan is organized around five objectives:

- Dramatically improve services to help taxpayers meet their obligations and receive the tax incentives for which they are eligible;
- Quickly resolve taxpayer issues when they arise;
- Focus expanded enforcement on taxpayers with complex tax filings and high-dollar noncompliance to address the tax gap;
- Deliver cutting-edge technology, data and analytics to operate more effectively; and

- Attract, retain and empower a highly skilled, diverse workforce and develop a culture that is better equipped to deliver results for taxpayers.

Each objective will be accomplished through specific initiatives outlined in the plan. The plan contains 42 initiatives designed to achieve IRS goals, each of which includes multiple key projects and milestones to measure progress. Additionally, the plan covers more than 190 key projects and more than 200 specific milestones. For each milestone, the plan includes specific timeframes based on year. The IRS will identify additional projects and milestones as work continues. As a result, the IRS has stated the number of projects and milestones will grow significantly over time as the plan evolves to meet the needs of the nation and tax administration.

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