THE PHILADELPHIA INITIATIVE ON TAX PROFESSIONALISM

A Guide for Other Districts

September 28, 1994
Ronald M. Wiener & James J. Wondolowski

Mission Statement: Conduct a meaningful, ongoing dialogue between IRS District managerial and field personnel and local tax practitioners about ways to improve their dealings with each other.

The goal is not merely to run a few programs--that is easy. To be considered successful, this initiative should accomplish the following objectives:

(1) Enhance the level of communications and trust between the Service and practitioners;

(2) Improve quality by eliciting and implementing suggestions for reducing problems currently encountered in processing cases through the tax system;

(3) Reduce the burden on taxpayers, practitioners, and the Service that now results from unnecessary delays due to poor communications between practitioners and District personnel;

(4) Establish constructive working relationships with tax practitioner organizations, thereby facilitating greater cooperation in efforts to increase the level of voluntary compliance within the District (for example, by obtaining practitioner cooperation in acquiring data for DORA and MSSP activities and in disseminating information about programs such as the non-filer initiative and electronic filing).

Suggested Actions:

- Identify all tax practitioner organizations in the District. Note that you may want to have multiple dialogues with practitioner groups in different geographical areas within the District; if there are natural geographical divisions, the practitioner organizations can be grouped accordingly.

- The District Director should identify someone on his/her senior staff to be personally involved in working with the District personnel and practitioner representatives to make this program a success. This person should have the confidence of the District Director and be considered trustworthy by practitioners, because a successful program will require a significant degree of mutual trust and a perception (internal and external) that the Service takes the program seriously.

- The District Director should send a personal letter to the head of each practitioner organization inviting him/her to attend a meeting to plan the beginning of an IRS-practitioner dialogue in the District. Each organization should send at least one representative who is prepared to devote a significant amount of time to this initiative. (The District Director may want to discuss this initiative in advance with one or more key practitioners in the District with whom the District Director has existing close relationships; obtaining enthusiastic support from even one or two key practitioners can greatly improve the likelihood of success.)

- The practitioner organizations should commit to distribute to all their members from time to time written materials summarizing issues raised and suggestions made by both sides over the course of the initiative (which if successful will be of indefinite duration). Such materials may include information about Circular 230, case studies illustrating problems encountered (such as delays) and alternatives for resolving them, requests for suggestions for improvements in practices or systems, and program announcements and summaries. It is not possible to reach a substantial percentage of practitioners without periodic written communications, and the District's practitioner newsletter is not adequate for the job. (In Philadelphia, even with a high level of commitment, there have to date been only very limited written communications to practitioners; improving this is one of our major goals for the coming year.) The Service should be prepared to produce a substantial portion of all written materials, with comments and edits from practitioners, because it often will not be possible to involve practitioners who are able and willing to produce the initial drafts of the necessary materials.

- The Service should be prepared to commit to the practitioners that the Service will "get the message out" to all of its front line employees (revenue agents, tax auditors, revenue officers, ACS and taxpayer service personnel - i.e., all "contact employees") and get their input and involvement in order to assure a two-way communication.

- It is likely that you will encounter, within the practitioner community, a significant degree of skepticism and mistrust of IRS motives and willingness to take practitioner complaints and suggestions seriously. You will need to establish as much credibility up front as possible.

- Gather relevant materials to be used in connection with this program. These should include very little from the Service's internal ethics training but rather should concentrate on issues of professionalism, conduct and behavior that are relevant to the Service's dealings with taxpayers and practitioners. The attached bibliography/resource guide should provide you with enough not only to get started but also to use for several years.

- Concerning programs/forums:
  Don't merely copy the Philadelphia materials, but tailor materials to the needs and interests of participants in your District.
  Don't over-rehearse programs - spontaneity and disagreements stimulate dialogue.
  Don't exclude stakeholder groups, and don't limit practitioner participants to white males.
  Don't use the word "ethics" in promoting this initiative to practitioners and Service personnel - this is a turnoff.
  Don't limit audience participation at programs, even if you don't get through the entire agenda - dialogue is more important than trying to cover everything or give "answers."

- Resist practitioner requests to focus on Service Center issues, where there are problems but few face-to-face contacts - deal with these in a different forum.

- Don't let lawyers dominate. Most front line contacts involve non-lawyer practitioners. The Philadelphia District conducted a separate CPE program with the Philadelphia Bar Association to address Appeals and District Counsel issues.

Service/Practitioner Dialogue
Bibliography/Resource Guide

1. "IRS and the Tax Practitioner - Working Together," 1/11/93, Philadelphia District - Program materials (including video tapes) from first Philadelphia District professionalism conference, including case studies for discussion - available through OEBC or Philadelphia District.

2. "IRS and the Tax Professional - Working Together - The Dialogue Continues," 5/16/94 - Program materials (including improved quality video tapes) from second Philadelphia District professionalism conference - Available through OEBC or Philadelphia District.

3. Materials from National Invitational Conference on Professionalism in Tax Practice, 10/18/93 - Papers and case studies addressing numerous issues of professionalism; also available is a detailed summary of the proceedings prepared by the Reporter for the conference; excellent materials - Available through OEBC or the Office of the Director of Practice.

4. "Circular 230," the Treasury Regulations governing practice before the IRS; be sure to include all amendments, including those adopted in 1994. Available through OEBC or the Director of Practice.

5. <u>Standards of Tax Practice</u>, by Prof. Bernard Wolfman, James P. Holden, Esquire, and Asst. Prof. Kenneth L. Harris (Volumes I-13 and 1-14, CCH Tax Transaction Library - looseleaf service continually updated). This is the leading treatise and reference work on issues of tax professionalism and related issues and can be an invaluable guide, especially to the tax practitioners who will be actively involved in this dialogue.

6. State and national codes of professional conduct for lawyers, CPAs, and other practitioner groups. Available through the local practitioner organizations.

7. Practical guidance on presenting programs at large and small posts of duty (including identifying Service and practitioner participants, CPE credit approvals, financial logistics, etc.) - James J. Wondolowski, Philadelphia District PAO (215-597-4245)

DSC:211111.2