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 WASHINGTON CHAPTER
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 ON
 TAXPAYER NONCOMPLIANCE
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I would like to tell you what a pleasure it is to speak to you this evening about IRS' efforts to combat taxpayer noncompliance, or the so-called "tax gap" problem. I hope this presentation will be informative, and provide each of you with a better understanding of this most critical problem and the federal government's efforts to deal with it.

Generally speaking, everyone recognizes that the current voluntary income tax system has some problems. The tax laws are complex and difficult to administer, and the system by its very nature is subject to abuse, making compliance enforcement extremely difficult. The system is viewed by many as favoring the rich and those individuals who know how to use the tax laws to their limits. Many believe the system is in need of reform and simplification. But, solutions which could resolve the problems inherent in the current system are difficult, if not impossible, to devise largely because of the overwhelming political and special interest concerns that surface when discussing tax reform.

The complexities of the current system and its perceived unfairness by many could be one reason why taxpayer noncompliance is high. The Commissioner of Internal Revenue recently stated that many Americans regard tax cheating as a minor infraction of the law, and in some sense it is becoming the taxpayer's revenge against an unfair system.

So where do we go from here? Until a more practical system can be conceptualized, designed, and implemented, I personally do not see much choice but to continue to find ways of simplifying and better administering the existing system. Many proposals have been made to overhaul the current system. But, that will take an enormous amount of time and effort. That is why it is extremely important to bring this noncompliance problem under control as soon as possible. If we don't, it could start undermining the credibility and integrity of the current system.

Both the Congress and the Administration recognize the seriousness of the noncompliance problem and have voiced deep concern about the (1) deterioration of the tax system, (2) trends of increasing noncompliance, and (3) loss of significant revenues. In an attempt to come to grips with this problem and generate additional revenues, the Congress passed the Tax Equity and Fiscal Responsibility Act of 1982, commonly referred to as TEFRA. Its major provisions as they relate to alleviating the noncompliance problems are as follows.

--Expanding and improving of information reporting by third parties for various types of income--tips, interest, capital gains, etc.; and

--Granting of special enforcement authority which enhances IRS' investigative efforts in detecting and pursuing individuals engaged in legal or illegal activities who evade the tax laws.

Over the next few years we will begin to see just what impact TEFRA has had in reducing the noncompliance problem.

I would now like to specifically discuss

--the extent and nature of the compliance problem facing IRS, that is, the tax gap;

--IRS' traditional compliance enforcement programs for dealing with the tax gap;

--some selected special compliance problems facing IRS; and

--GAO's efforts to help improve IRS' ability to reduce taxpayer noncompliance.

THE EXTENT AND NATURE OF THE TAX GAP

The tax gap, as defined by IRS, encompasses all aspects of taxpayer noncompliance, such as failing to file income tax returns, underreporting income, overstating deductions, and failing to pay taxes due on returns that are filed. No one knows for sure how large the tax gap really is. Because of the lack of data and of the various unknowns in the noncompliance environment, it is extremely difficult to obtain precise measurements. Even so, most tax experts will agree that the problem is significant enough that special attention is needed to cope with it.

There have been many estimates regarding the size of the underground economy and the tax gap. The most recent estimate, and the one that has the most relevance for tax administration purposes, is IRS' estimate. IRS estimated that the total tax

revenue loss for 1981 is about \$90.5 billion. The components of the \$90.5 billion estimate were:

- (1) Unreported income by individuals--\$52.2 billion.
- (2) Overstated expenses, deductions, and credits by individuals--\$13.4 billion.
- (3) Taxes owed by individuals who filed returns but failed to pay--\$6.8 billion.
- (4) Nonfiling by individuals--\$2.9 billion.
- (5) Noncompliance of all kinds by corporations--\$6.2 billion.
- (6) Tax losses on income derived from illegal sources--\$9.0 billion.

How accurate the estimates are is difficult to say. The important point is that these estimates indicate that large amounts of tax revenues are not being paid. Unfortunately, they do not tell us how to encourage people to comply with the tax laws. This would require knowledge of the causes of noncompliance, and there has been little research in this area. Until such research is undertaken, we must rely to a great extent on IRS' enforcement of the tax laws and the quality of its enforcement programs.

IRS' TRADITIONAL ENFORCEMENT PROGRAMS

In this regard, IRS has nine major enforcement programs which are directed at detecting and/or deterring one or more of the following forms of noncompliance--nonfiling, underreporting income, overstating income offsets, and nonpayment of delinquent taxes. For fiscal year 1984, IRS has allocated about \$2 billion, or about 62 percent of its total appropriations to these programs. Let me briefly describe these nine programs for you.

Math Verification And Unallowable Items--This program provides IRS' first check on the compliance of taxpayers who voluntarily file tax returns. The check is part of the normal returns processing at IRS' 10 service centers. Through various computer and manual procedures, IRS verifies the accuracy of math computations on tax returns and the propriety of certain items included on returns. In fiscal year 1983, IRS corrected about 930,000 tax returns, which resulted in additional tax and penalties of \$420 million.

Information Returns--This program provides for matching information from taxpayers' returns with documents furnished to IRS by third parties such as banks, dividend-paying establishments, and the Social Security Administration. IRS uses such documents (1) to verify the wages, salaries, dividends, interest, and other income reported by those who file tax returns and (2) to identify individuals who did not file a tax return but should have. Where discrepancies exist between tax returns and the related information documents, IRS sends notices to taxpayers assessing additional taxes or requesting that returns be filed. IRS received 626 million information documents of all types during 1983 and expects to receive 926 million documents during 1985. IRS compared 80 percent of the documents it received with related tax returns for tax year 1982; it expects to compare nearly 100 percent for tax year 1984.

Examinations--The examination program, IRS' largest compliance program, is where examinations of selected taxpayers' returns occur. IRS uses a computer model and mathematical formulas to select returns for examination on the basis of probability of error. IRS examines returns and supporting books and records to verify that taxpayers accurately reported income, and claimed deductions, exemptions, and other offsets to income only to the extent to which they were entitled. In fiscal year 1983, IRS examined 1.6 million individual, corporate, estate, and gift tax returns or 1.56 percent of the 102 million such returns filed. IRS' Examination Division recommended additional tax assessments and penalties totaling \$13 billion, of which \$7.6 billion related to corporate tax returns.

Taxpayer Delinquency Accounts--This program is IRS' primary means of enhancing payment compliance where a return has been filed. To secure delinquent taxes, IRS first screens taxpayers' accounts to offset tax debts against any refunds due the taxpayers for subsequent years. IRS then sends a series of computer-generated notices to the delinquent taxpayers requesting payment. Where the taxpayer fails to pay and the debt exceeds a certain amount, IRS classifies the case as a delinquent account and attempts to contact the taxpayer directly and secure payment. If the debt is small, IRS holds it for possible offset against future refund claims or for other action. In fiscal year 1983,

IRS disposed of 3.1 million delinquent accounts and collected almost \$9.6 billion in late taxes.

Taxpayer Delinquency Investigations--This is IRS' primary program for dealing with individuals who do not file a required tax return. IRS identifies potentially delinquent returns by checking either (1) information returns such as wage statements submitted by employers and interest payments submitted by financial institutions or (2) its master file for individuals who did not file in the tax year. IRS screens, selects, and investigates nonfiler cases to secure the returns and taxes due. In fiscal year 1983, IRS secured about 3.6 million delinquent returns, involving about \$1 billion in additional tax assessments.

Returns Compliance--Under this program, IRS secures tax returns from individuals who have never filed a required return or have not filed for several years. Since IRS has no record of these individuals in its master file, it uses sources such as newspaper articles, television, and IRS employees to initiate specific projects.

General Enforcement--The general enforcement program is one of the two programs conducted by IRS' Criminal Investigation Division. Under this program, IRS investigates taxpayers based on information from three basic sources--referrals from the Examination and Collection Divisions,

information gathering efforts, and unsolicited communications from various sources such as the general public, public agencies, financial institutions, and IRS employees. The general enforcement program identifies tax evasion cases with prosecution potential and assures balanced and consistent criminal tax enforcement for the various types of tax law violations. In fiscal year 1983, IRS completed over 3,700 criminal investigations under the general enforcement program and recommended prosecution in 1,519 cases. Of the 1,020 taxpayers who were sentenced in fiscal year 1981, 612 received jail sentences.

Special Enforcement--The special enforcement program, which also is conducted by the Criminal Investigation Division, identifies and investigates those individuals who derive substantial income from illegal activities and in the process violate the tax laws. Investigators in this program also participate in the federal strike force program aimed at organized crime, the Drug Enforcement Administration's high-level drug dealers project, and other specific initiatives against racketeers. In fiscal year 1983, IRS completed 2,039 criminal investigations under the special enforcement program and recommended prosecution in 1,091 cases. Over 620 taxpayers were sentenced that year, with 444 receiving jail sentences.

Taxpayer Service--Finally, IRS helps taxpayers to voluntarily comply with the tax laws by providing them with the information and assistance needed to file an accurate return. IRS offers a broad range of services to taxpayers including explanations of federal tax requirements, assistance in preparing returns, distribution of tax forms and instructions, educational services, and resolution of taxpayers' complaints. In fiscal year 1983, IRS received about 148,000 written, 42 million telephone, and 7 million walk-in inquiries.

In addition to these nine programs, IRS has two main types of research projects that are tailored specifically for aiding in compliance efforts. They are (1) computer-based compliance research projects, of which there are currently about 40, specifically directed at detecting areas of noncompliance, such as ineligible claiming of child care credits and underreporting of alimony; and (2) compliance measurement and estimation projects, such as IRS' Taxpayer Compliance Measurement Program.

The Taxpayer Compliance Measurement Program is IRS' largest research project. Through it, IRS obtains data from detailed audits of random samples, chosen from each of the many types of returns. This data is used by IRS to measure compliance levels, and to improve the efficiency and effectiveness of operations.

I would also like to point out that IRS has more than 650 smaller scale compliance projects underway at its various district and regional offices. These projects are geared to the particular noncompliance problems prevalent in each locality. As you can see, IRS is quite serious about dealing with the noncompliance problem. The degree of its commitment is evidenced by the variety of compliance enforcement programs in existence and its willingness to develop new ones for unique or special compliance problems.

SELECTED COMPLIANCE PROBLEMS FACING IRS

Now, if I may, I would like to discuss two special compliance problems faced by IRS, and its efforts to deal with them. These are tax shelters, and underreporting of income.

Tax Shelters

In a recent press interview, Commissioner Egger was asked to mention four factors that would cause a return to be selected for audit in 1984. His reply was "Tax shelters, tax shelters, tax shelters, and tax shelters"--that is, those shelters which IRS considers abusive because they lack economic reality or viability. Such shelters have come to be the number one enforcement target for IRS and have in recent years put a tremendous drain on IRS' resources.

For example, 10 years ago, the Service had about 400 shelter cases under examination. These examinations focused on four areas: oil and gas, real estate, movies, and farming. Since then, the popularity of tax shelters has increased dramatically,

and the number of abusive shelters multiplied. Some promoters' marketing techniques went from aggressive to outrageous. The Service was inundated with cases for investigation. Today, there are more than 325,000 shelters under examination by the Service covering a variety of arrangements involving leasing, mining, commodities, and many other areas.

IRS' examination strategy for the abusive tax shelter problem is to use the "must work" approach in its examination program. That is, all identified abusive tax shelter returns are required to be examined. This approach along with the dramatic increase in shelter cases has consumed an ever-increasing percentage of IRS' examination resources--rising from 2.5 percent of direct examination time in 1979 to 8.9 percent in the first 6 months of fiscal year 1983.

In 1983, we issued a report¹ which recognized the strain placed on IRS' examination program by abusive tax shelters. We also noted the adverse effects on the morale of examiners imposed by the significant administrative burden associated with examining tax shelters. We estimated that about 60 percent of examiner time spent on tax shelter cases was spent on such administrative tasks as tracking and controlling returns, with only 40 percent of the time applied to developing examination issues. We made several administrative recommendations for improving IRS' tax shelter initiatives.

¹With Better Management Information, IRS Could Further Improve Its Efforts Against Abusive Tax Shelters (GAO/GGD-83-63, Aug. 25, 1983).

IRS has made several administrative changes to its handling of abusive tax shelter cases. Moreover, it recently received legislative tools which will help it to deal more effectively and efficiently with its mounting inventory of abusive tax shelter cases.

In this regard, the Tax Equity and Fiscal Responsibility Act of 1982--TEFRA--strengthened existing penalties and added others for use against taxpayers who participate in abusive tax shelters, as well as promoters of such schemes. TEFRA provided that IRS can assess a penalty against a promoter of a tax shelter arrangement who makes a gross valuation overstatement, or who makes a statement which the promoter knows or has reason to know is false or fraudulent as to a material matter. In addition, TEFRA adds a penalty for substantial understatement of tax liability with special rules for cases involving tax shelters. IRS has already put these new penalties to use.

TEFRA may also give IRS examiners some relief from the administrative burden which currently results from tax shelter examinations. Before TEFRA, IRS examiners had to separately audit each member of a partnership involved in a tax shelter scheme. Now, TEFRA permits a single-audit approach to partnerships. TEFRA's single-audit approach should streamline partnership examinations and litigation.

A further TEFRA provision has allowed IRS to become more innovative and refocus some of its efforts from trying to identify after-the-fact taxpayers who have claimed questionable

deductions or credits involving an abusive tax shelter to proactively eliminating the problem before returns are filed. Specifically, this provision allows the government to obtain an injunction against abusive tax shelter promoters to stop further promotion activity. IRS has already been granted injunctions in the cases of certain "family trust," equipment leasing, and real estate time-sharing tax shelter offerings. The Commissioner in a recent interview stated that IRS has "more than 100 cases in the pipeline for injunctive relief."

IRS went a step further with its front-end approach. It tested, on a limited basis, a pre-filing notification to investors. The notification advised that based on a review of the promotion, IRS believed that associated tax deductions and/or credits were not allowable. Further, it advised that the return would be audited if said deductions and/or credits were claimed. While the taxpayer was guaranteed appeal rights if the audit should result in an adjustment, the letter clearly emphasized negligence, overvaluation, and substantial underpayment penalties that could be applied in "appropriate cases."

All this is not to say that IRS has won the war against abusive tax shelters. It has been said that if you invent a better mouse trap, nature will create a smarter mouse. Thus far, shrewd promoters have been very ingenious in adapting to changes in IRS' enforcement strategy. But there can be no doubts about the seriousness of IRS in its current attempts to eliminate abusive tax shelters.

One further point of note on tax shelters. In the February 23, 1984, Federal Register, IRS published regulations which set standards for attorneys and CPA's to follow in providing opinions used in the promotion of tax shelters. Those regulations become effective with respect to tax shelter opinions provided after May 23, 1984.

Underreporting of Income

The biggest noncompliance problem facing IRS in terms of revenue loss is underreporting of income by taxpayers. IRS estimated that taxpayers who filed returns failed to report a total of almost \$134 billion dollars in 1981, which translates into a tax loss of over \$52 billion. This represents about 56 percent of the total estimated tax gap for that year and underscores the difficulty IRS has in tackling the compliance problem of underreported income.

Some types of income payments, especially income not subject to withholding or to informational reporting, are more easily hidden from IRS than others; and it seems logical that such income is more likely to be understated or omitted from a tax return. Cash transactions are easier to hide from the tax collector than business conducted with checks. Both currency and checks are more susceptible to underreporting than are credit card transactions. Direct barter transactions bypass all records--currency, checks, and credit cards--and are the most difficult to detect.

In analyzing income tax noncompliance, IRS found that voluntary reporting by taxpayers varied for the different types of income, ranging from about 21 percent for informal suppliers to about 94 percent for wages and salaries. Less than half of the income which should have been reported was voluntarily reported on tax returns in categories such as direct seller, partnership, small business, and rental income, according to IRS estimates. Other types of income also show a substantial amount of underreporting. For example, IRS estimates that only about 60 percent of capital gains income is voluntarily reported; the resulting tax loss is estimated at over \$7 billion. In general, where either withholding or strong information reporting requirements were present, compliance levels were somewhat higher. As expected, the percentage of income voluntarily reported was highest in the category of wages and salaries, where withholding is generally applied. This was closely followed by interest and dividends, where detailed information reporting is required of the payers.

IRS has difficulty finding through examinations alone income not reported by taxpayers. An IRS study showed that even IRS' most detailed line-by-line audits, used to estimate total compliance levels, failed to detect about 3 of every 4 dollars of income which was unreported by filers. Even though the study itself has results subject to some degree of statistical uncertainty, it emphasized the need for new compliance tools for tackling unreported income.

As previously mentioned, estimates of the unreported income problem are proportionally lowest where the income is subject to withholding and information reporting requirements. Therefore, it comes as no surprise that tax withholding and information reporting are the methods IRS prefers for dealing with the unreported income problem on a mass scale. IRS constantly looks for new areas to apply these two types of requirements and for ways to improve its effectiveness in areas where the requirements already exist. Through TEFRA, the Congress made more income subject to withholding and information reporting requirements and attempted to make existing requirements more effective.

Specifically, TEFRA

- expanded information reporting by requiring that reports be sent to IRS by brokers, certain direct sellers, certain employers with respect to tips, and states for payments of tax refunds.
- increased information reporting to IRS on interest payments, including interest on U.S. Government obligations.
- included specific measures designed to better insure that payers submit all required information documents and that IRS can use the documents it gets.
- established or increased penalties which can be assessed against payers who fail to file required information returns.

--gave IRS authority to set standards for determining when payers should file information returns on computer tapes instead of paper.

In addition, TEFRA enhanced IRS' efforts to deal with the problem of documents being submitted with an incorrect or no taxpayer identification number. It did this by (1) increasing substantially the penalty for failure to supply the taxpayer identification number and (2) requiring withholding at the source if a taxpayer fails to supply a correct number, a so-called backup withholding requirement. These penalties are important because information documents cannot be compared or matched to tax returns without an accurate identification number, and it is costly to research records or to contact payers to get missing numbers. This problem currently results in millions of documents going unused by IRS. Therefore, the penalties and the backup withholding provisions, if effectively enforced, should help.

Now I would like to briefly discuss GAO's efforts in assessing and helping to improve IRS' compliance enforcement efforts, and GAO's future strategy, given the recent administrative and legislative changes relating to IRS' noncompliance activities.

GAO'S EFFORTS TO HELP IMPROVE IRS' ABILITY TO REDUCE TAXPAYER NONCOMPLIANCE

GAO's work in the compliance area has been very comprehensive, with a special emphasis on assessing the overall operations of IRS' traditional enforcement programs and evaluating

their impact in reducing noncompliance. We issued many reports and testified numerous times on the noncompliance issue, as well as on what can be and needs to be done about it. Since our presence in the tax area, IRS has gone from an examination-oriented agency to one that recognizes the need for a comprehensive compliance enforcement strategy--a strategy that attacks noncompliance on many fronts--from the nonfiler to the under-reporter, to the protester, to the designer of abusive tax shelters. IRS' current focus is on the total noncompliance problem, and its activities are not just limited to examination of returns.

I do believe GAO's efforts have greatly influenced IRS in developing its current program strategies and operational approaches for addressing the noncompliance problem. Our efforts have helped IRS, as well as the Congress, gain a better understanding of the

- extent and makeup of the noncompliance problem;
- factors impeding IRS tax collection and enforcement efforts;
- kinds of research needed to identify the reasons for noncompliance;
- initiatives required to enhance return selection and audit quality;
- types of investigative programs that will detect noncompliance; and
- resource needs and legislative tools which are essential for promoting better compliance.

In all these and other areas, IRS acted favorably on many of our recommendations. The Congress has also acted on many of GAO's recommendations to improve IRS' operations. Many of our observations and views were considered by the Congress in the passage of TEFRA, and also in the appropriations process that deliberated IRS resources for compliance enforcement.

As I stated earlier, GAO has issued a number of reports related to the taxpayer compliance problem. Three major reports come to mind. In July 1979, we issued a report on nonfilers². In that report, we profiled, for the first time, who the nonfilers were by occupation, income, educational level, and other characteristics. We also stressed the importance of estimating the magnitude of the nonfiler problem and the need for identifying the type of resources that are necessary for combating it. We made a number of recommendations aimed at improving IRS' investigative techniques, resource allocations, and caseload management practices. IRS adopted almost all of our recommendations and, as a result, we believe its nonfiler program is more effective and efficient than before.

In August 1979, we issued a report to the Joint Committee on Taxation³ on the adequacy of IRS' audits of individual taxpayers and its audit quality control system. We concluded that the quality of IRS' audits needed improvements and its

²Who's Not Filing Income Tax Returns? IRS Needs Better Ways To Find Them and Collect Their Taxes (GGD-79-69, July 11, 1979).

³IRS' Audits of Individual Taxpayers and Its Audit Quality Control System Need To Be Better (GGD-79-59, Aug. 15, 1979).

system for identifying and correcting less-than-quality audits was not as effective as it could be. Our review found that:

--Too frequently, IRS' tax auditors (1) make technical or computational errors, (2) overlook significant audit issues, (3) either do insufficient work to properly decide whether the item under examination is allowable or fail to document their audit efforts, and (4) fail to inquire about unreported income.

--IRS' quality control system for identifying less-than-quality audits contained design and procedural weaknesses that led to an inaccurate or inadequate measure or picture of the quality level being attained.

As a result of this report, IRS recognized it needed to improve its audit quality process and agreed with most of our recommendations for improvement. We are currently processing a similar report dealing with the quality of IRS' examinations of small corporations.

In July 1982, we issued a report on IRS' compliance research efforts.⁴ In this report, we stated that IRS still needs to do further compliance research to establish a better basis for structuring its compliance activities and allocating its compliance resources. If IRS is to have an effective compliance strategy, it needs to know the proper mix of programs

⁴Further Research Into Noncompliance Is Needed To Reduce Growing Tax Losses (GAO/GGD-82-34, July 23, 1982).

and resources that will be most compatible for effective compliance enforcement. We also reported that IRS' resources have not kept pace with the demands placed on the tax system because of the (1) continuous decline in compliance, (2) increase in the scope and complexity of federal tax laws, and (3) increase in the taxable population.

In addition to these three GAO reports, we have issued numerous others covering areas such as criminal enforcement, tax shelters, illegal tax protesters, and collection of delinquent accounts. And, in recent years, IRS has made changes to these activities based partly on our recommendations.

GAO will continue to have a significant presence in the tax compliance enforcement area as long as noncompliance threatens the integrity and credibility of the tax system and reduces revenues that are so badly needed. We will continue to perform audit work aimed at identifying program problems and recommending ways of overcoming them. But we also plan to focus our efforts on the overall management of those programs, their usefulness, and the need for change. We will evaluate TEFRA and its impact on agency operations, as well as review and assess IRS actions taken in implementing the recommendations contained in all prior GAO reports related to the noncompliance environment. We will evaluate whether the recommendations were implemented effectively, and we will determine what problems still exist that impair program operations.

In addition to assessing IRS' overall management approaches and operational effectiveness, we will also be deciding whether

IRS has the comprehensive and systematic approaches that are needed for dealing with this continuing compliance problem. How does IRS approach noncompliance in the tip, interest, bartering, and independent contractor areas? Has IRS really formulated an effective, overall, cohesive compliance strategy? Or is its approach fragmented, with emphasis on just reacting to one compliance problem after another?

In designing our strategy we will be asking the following questions:

- 1) Is IRS organized and managed effectively to respond to the myriad of problems associated with noncompliance --underreporting, nonreporting, overstating deductions, tax shelters, etc.?
- 2) Does IRS have a fix on the extent of the problems, the contributing factors to the problems, and the locations and targets where the major abuses occur?
- 3) Are IRS' goals and objectives that drive program operations achievable?
- 4) Are IRS' feedback and information systems adequate to monitor programs, identify problem areas, and provide needed data to manage program operations?
- 5) Does IRS evaluate its program results, and if so, what measurement system is used?
- 6) Has TEFRA really helped IRS in its enforcement efforts?

We must ask ourselves if IRS' traditional enforcement programs are ever going to be effective enough to close the existing tax gap. If the answer is no, then what more can and needs to be

done? It seems IRS needs to continue to develop new techniques and approaches as it has already done in the tax shelter area.

One thing is for sure: The current tax system is not likely to change significantly in the near future. Therefore, new ideas and strategies must be considered, and more needs to be done if the federal government is to efficiently and effectively administer the tax system and deal with the tax gap problem. Our work in the future will be aimed at helping IRS use its current tools and resources efficiently and effectively, as well as identifying and developing innovative approaches and strategies for using those tools and resources to generate better program results.

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In closing, I would like to leave you with one last thought. Regardless of how much IRS improves its enforcement efforts and what kind of tax legislation the Congress passes, in the final analysis, the viability of the system is dependent upon people like us. It's the taxpayers, accountants, tax lawyers, and government administrators that must make the system work. Without this cooperation and commitment the tax system can deteriorate to such an extent that, in the long run, we all will lose.