

GAO

Report to the Chairman, Subcommittee on
Commerce, Consumer and Monetary
Affairs, Committee on Government
Operations, House of Representatives

December 1987

TAX
ADMINISTRATION

Accessibility,
Timeliness, and
Accuracy of IRS'
Telephone Assistance
Program



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United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-227740

December 3, 1987

The Honorable Doug Barnard, Jr.
Chairman, Subcommittee on Commerce,
Consumer and Monetary Affairs
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

On January 7, 1987, you requested that we review the accessibility, timeliness, and accuracy of the Internal Revenue Service's (IRS) telephone assistance program. We reported the preliminary results of our work in testimony¹ before your Subcommittee on April 8, 1987. This report supplements and updates that testimony. Appendix I describes IRS' telephone assistance program.

To accomplish our objectives, we developed 21 tax law questions. Over a period of 42 calling days during the filing season, we anonymously placed 1,574 calls to 29 of IRS' 32 telephone assistance sites and asked IRS assistors our questions. Specific questions and call intervals were randomly selected. We recorded information on completed calls,² busy signals, time on hold, and accuracy of responses. Table 1 shows the subjects of our questions and the number of questions by subject. Our review was performed from February 17, 1987, through April 15, 1987, in accordance with generally accepted government auditing standards.

¹IRS' Efforts To Help Taxpayers During the 1987 Tax Filing Season (GAO/T-GGD-87-12, Apr. 8, 1987).

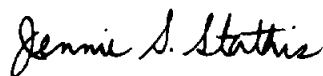
²We defined completed calls as including those answered by an assistor as well as those terminated while we waited for a response after talking to an assistor. Terminated calls were not counted, however, in our calculations on accuracy of responses.

compared to 82 percent for questions that were not affected by these changes. Although IRS agreed that assistors should be able to answer our questions, our results do not necessarily reflect the overall accuracy of assistors' answers to the full range of questions they actually received from taxpayers. The results of our review are more fully detailed in appendix II.

In commenting on a draft of this report, the Commissioner of Internal Revenue highlighted a number of specific steps taken in recent months to improve the quality of taxpayer service and to prepare for an expected increase in taxpayer contacts in 1988. Also, the Commissioner expressed reservations that our sampling methodology did not reflect taxpayer questions in proportion to those which are generally asked of IRS assistors during the filing season. The Commissioner expressed a desire to continue working with us in developing the methodology for future surveys. (See appendix IV.) IRS recently began collecting data which identifies broad categories of questions asked by taxpayers. When this data is available, we will consider using it in the design of any future telephone surveys we may undertake.

As agreed with your office, we are providing copies of this report to IRS. Also, as agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days from its issue date. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,



Jennie S. Stathis
Associate Director

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Abbreviations

GAO	General Accounting Office
IRS	Internal Revenue Service

Appendix I
The IRS Telephone Assistance Program

work space. These resources include tax code manuals, training manuals, and tax forms and publications. Backup assistors are expected to have a wide range of tax knowledge and should be able to answer technical questions in detail.

As shown in table I.1, in an effort to increase responsiveness to taxpayers, IRS has increased since 1985 the number of telephone lines and staff.

Table I.1: Comparison of Toll-Free Telephone Operations for Fiscal Years 1985 Through 1987

	1985 Actual	1986 Actual	1987 Estimated
Number of answering sites	36	34	32 ^a
Number of lines	3,036	3,372	3,454
Toll-free staff	2,700	3,329	3,476
Toll-free calls answered (in millions)	41.1	37.9	34.1

^aActual number of answering sites in 1987

While the number of lines and staff has increased, the number of calls has decreased over this period. The IRS Commissioner attributed this decrease to a change in the way that IRS provides service. In testimony before the Subcommittee on Commerce, Consumer and Monetary Affairs on April 8, 1987, the Commissioner said that the Taxpayer Service Program was now emphasizing full service the first time a taxpayer calls. IRS' goal for full service is that it will eliminate the need for taxpayers to call back. By providing this type of assistance, the amount of time it takes to answer a taxpayer's question is expected to increase.

IRS' toll-free telephone assistance is supplemented by Tele-Tax—multifunctional telephone equipment that provides recorded tax information as well as automated refund information. The Tele-Tax System provides information on about 150 topics ranging from general tax information to specific tax issues. Table I.2 shows the size of the Tele-Tax System for fiscal years 1985 through 1987.

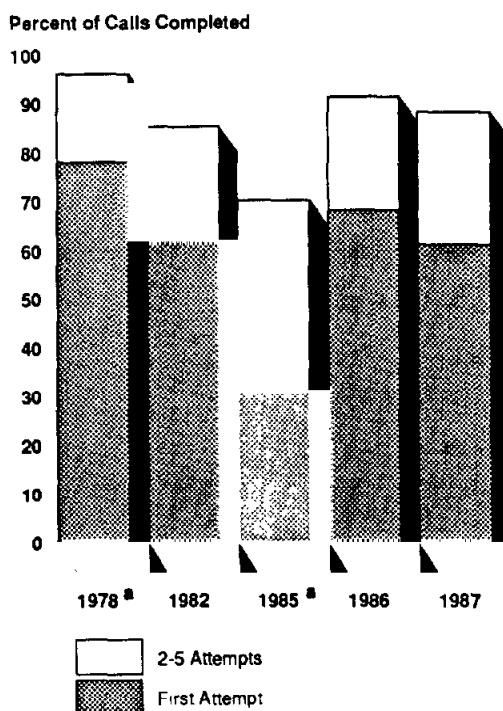
Table I.2: Size of the Tele-Tax Telephone System for Fiscal Years 1985 Through 1987

	1985	1986	1987
Telephone lines	718	1,504	1,484
Answered calls (in millions)	8.3	7.9	8.5 ^a

^aestimated

Taxpayers have used Tele-Tax primarily to obtain refund information. Of the 7.9 million calls made to the Tele-Tax System during fiscal year 1986, 6.4 million, or 81 percent, involved refund inquiries.

Figure II.2: Comparison of Accessibility Rates by Year



^a For these years the results are not statistically comparable to the other years.

(which were expected to handle 56 percent of the estimated total calls) with the 10 smallest sites (which were expected to handle 17 percent of the total estimated calls). The average accessibility rates were 65 and 61 percent for large and small sites on our first call attempts. For up to five attempts, the average rates were 89 and 86 percent for the large and small sites.

We also compared accessibility for different time periods: by month, day of week, and time of day. We attempted to determine if accessibility increased or decreased as the tax filing period progressed. We found no appreciable difference in accessibility when measured by month. The accessibility rates were 85 percent for February, 89 percent for March, and 88 percent for April.

Our analysis of completed calls by day of week showed taxpayers placing only one call would have a greater chance of reaching an assistor on Wednesday through Friday. However, taxpayers willing to make multiple calls would find generally comparable rates of accessibility for all 5

Timeliness of IRS Telephone Assistance

Approximately half of the taxpayers calling IRS' telephone assistance could expect to be placed on hold once reaching the system, but taxpayers were less likely to be placed on hold once reaching an assistor. The likelihood of initially being placed on hold was about the same during each of the 3 months. However, taxpayers calling on Monday or at mid-day were more likely to be placed on hold. Conversely, taxpayers calling on Friday or early in the morning were least likely to be placed on hold.

Of the 1,384 calls we completed, 709 calls, or about 52 percent when projected, were initially placed on hold until a frontline assistor was available. For these calls, the wait time averaged about 55 seconds. Also, for 226 (16 percent) of the 1,384 calls, we were in effect placed on hold while frontline assistors researched answers to our questions. The amount of this hold time after initially asking our question averaged 1 minute and 17 seconds. The maximum amount of time we would wait before terminating the call was 5 minutes.

The likelihood of being placed on hold was about the same whether we called in February (54 percent), March (51 percent), or April (50 percent). With regard to the day of the week, we were most likely to be placed on hold if we called on Monday (56-percent chance) and least likely to be placed on hold if we called on Friday (45-percent chance). As far as time of day, we were most likely (59-percent chance) to be placed on hold if we called during the period 12:01 p.m.-3:00 p.m. and least likely (38-percent chance) to be placed on hold if we called between 7:30 a.m.-9:00 a.m.

Accuracy of IRS Responses

Our analysis of the answers we received in 1987 showed that taxpayers could expect the majority of their questions to be answered accurately. Of the 1,370 answers¹ we received, 1,082, or 79 percent, were correct and 288, or 21 percent, were incorrect. Of the answers received, we categorized 238 (17 percent) as correct but not complete, but counted them as correct in calculating the overall 79 percent accuracy rate.

Depending on one's viewpoint, some answers provided by assistors may be considered incomplete or perhaps incorrect. We, therefore, established a "correct but not complete" category. In analyzing IRS' responses

¹An additional 14 calls were initially completed but terminated before IRS answered the questions. We terminated five of these calls after being put on hold by the frontline assistor for 5 minutes, and two calls were disconnected while we were waiting on hold for backup assistance. The remaining seven calls were terminated because backup assistors could not be located, and we did not want to leave a name and telephone number.

generally expected to have more technical expertise in answering questions than a frontline assistor due to more experience on the job and more training. Of those calls referred to backup assistors, 84 percent of our questions were answered correctly and 16 percent incorrectly.

As mentioned earlier, IRS is emphasizing that assistors provide taxpayers full service the first time they call. IRS assistors thus were encouraged to probe more thoroughly during the 1987 filing season to ensure that they had all of the pertinent facts before providing answers to taxpayers. To assess how well they were doing this, we analyzed the 7 of our 21 questions that required assistors to probe in order to correctly understand and answer our questions. Our analysis of the 1,370 responses showed that the assistors' failure to probe was a major reason for the 21 percent inaccuracy rate. For 14 questions not requiring probing for the answer to be correct, the inaccuracy rate was 10 percent. However, for seven questions that required probing, the inaccuracy rate was 43 percent. Table II.1 compares the assistors' accuracy to questions on the basis of the amount of probing required.

Table II.1: Comparison of Assistors' Accuracy on Questions That Required Probing and Those That Did Not Require Probing

	Responses	Correct ^a		Incorrect	
		Number	Percent ^b	Number	Percent ^b
Questions for which assistor probing required(7)	461	260	57	201	43
Questions for which probing not required(14)	909	822	90	87	10
Totals	1,370	1,082	79	288	21

^aIncludes answers that were correct but not complete

^bRepresents projected percentages

Of the 201 incorrect responses to questions requiring probing, 140 resulted from a lack of probing. The remaining 61 occurred despite probing by assistors.

When analyzing accuracy by individual question, we found that the rates ranged from 43 to 99 percent. Responses to 14 of the 21 questions were equal to or exceeded the overall accuracy rate of 79 percent. Questions dealing with filing Form W-4, filing Form 1040A with respect to a student with unearned income, and how to report income from pensions were more likely to receive incorrect responses. Inaccuracy rates for these questions were 57, 57, and 52 percent, respectively.

Appendix II
Results of GAO's Telephone
Assistance Review

Table II.2: Accuracy of IRS' Telephone Assistors by Question

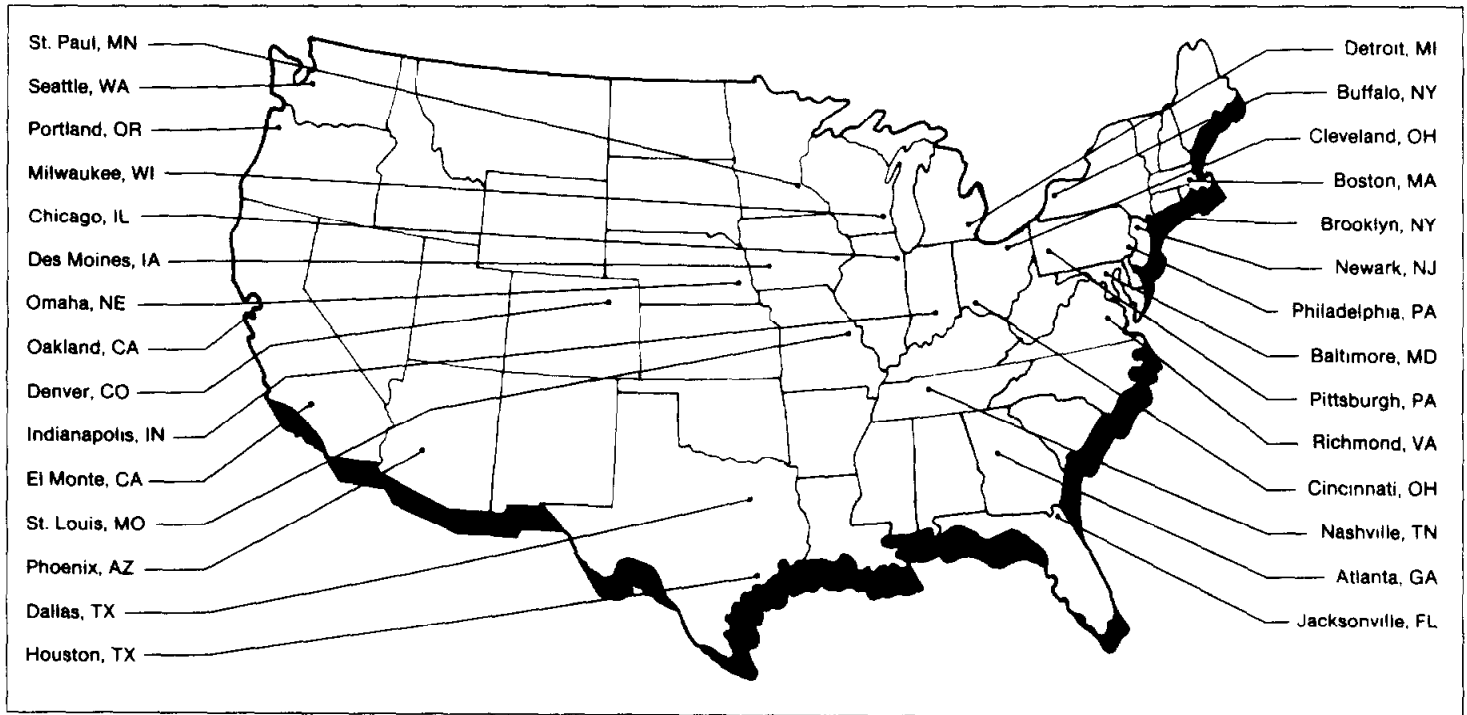
Question number	Subject	Correct	Correct but not complete	Incorrect
1	Pension income ^{a, b}	44%	4%	52%
2	Childcare credit	30	65	5
3	Childcare credit	34	62	4
4	Form W-4 ^{a, b}	40	3	57
5	Alimony	95	1	4
6	Alimony	94	3	3
7	Home office business expense ^a	62	7	31
8	Earned income credit ^a	89	0	11
9	Form 1040A: student with unearned income ^a	41	2	57
10	Noncash contributions	15	72	13
11	Dependent social security number ^b	47	48	5
12	Residential energy credit ^b	97	0	3
13	Form 1040A spouse filing separately and itemizing deductions	96	0	4
14	Elderly tax credit	68	11	21
15	Childcare credit ^a	49	0	51
16	Moving expenses ^a	46	7	47
17	Married couple deduction	57	42	1
18	Individual Retirement Account: spousal	92	0	8
19	Gain on sale of home	77	13	10
20	Individual Retirement Account: single person	38	13	49
21	Itemized deductions: zero bracket amount	90	5	5

^aQuestion required probing

^bQuestion involved recent change to tax law

Appendix III
Sampling and Data Analysis Methodology

Figure III.1: Locations of IRS Telephone Sites Contacted by GAO



**Appendix III
Sampling and Data Analysis Methodology**

sample allocated the 1,602 calls proportionate to each site's projected volume of calls during the 1987 filing season. (See table III.2.)

Although we planned for 1,602 calls, 28 had to be excluded from our usable database, which reduced the final sample size to 1,574 calls. This reduction did not affect the confidence level of our projections since we originally oversampled for each site.

Table III.2 GAO's Sample of Calls by IRS Telephone Site

IRS telephone site	Estimated number of calls during filing season	Percent of estimated calls	Number of calls scheduled	Sample size
Atlanta	1,077,464	6.25%	100	100
Baltimore	600,036	3.48	55	55
Boston	988,229	5.74	95	93
Brooklyn	714,628	4.15	66	64
Buffalo	275,325	1.60	26	26
Chicago	856,505	4.97	80	78
Cincinnati	502,422	2.92	47	47
Cleveland	372,230	2.16	34	34
Dallas	1,160,000	6.73	110	108
Denver	556,830	3.23	53	53
Des Moines	168,904	0.98	16	16
Detroit	484,671	2.81	45	45
El Monte	1,287,887	7.48	119	117
Houston	902,065	5.24	79	78
Indianapolis	500,562	2.91	45	45
Jacksonville	815,387	4.73	77	77
Milwaukee	327,624	1.90	30	30
Nashville	783,497	4.55	74	65
Newark	338,292	1.96	31	31
Oakland	1,102,247	6.40	101	99
Omaha	138,158	0.80	13	13
Philadelphia	517,165	3.00	48	48
Phoenix	306,257	1.78	29	27
Pittsburgh	303,559	1.76	29	29
Portland	298,469	1.73	31	29
Richmond	415,922	2.41	37	36
Seattle	503,612	2.92	46	46
St. Louis	403,244	2.34	37	36
St. Paul	528,900	3.07	49	49
Totals	17,230,091	100.00%	1,602	1,574

Because of such differences, caution should be exercised when making comparisons between years.

Table III.4: Comparison of Review Scopes

Year	Sample size	Calling days	IRS sites contacted	Number of questions
1987	1,574	42	29 of 32	21
1986	1,280	32	31 of 34	21
1985	577	11	33 of 36	27
1982	1,092	48	49 of 52	30
1978	873	3	20 of 70	14

Projection of Sample Results

Each of the 1,602 scheduled telephone calls represented a portion of the larger universe and we used the appropriate formulas to weight the data to project to the total universe. This allows the sample statistics we reported, with their respective sampling errors, to estimate the universe statistics.

Sampling Errors

We computed sampling errors for all estimates in our survey. Our sampling plan was designed to provide a sample size that would yield an expected sampling error of not greater than 2.5 percent at the 95-percent confidence level. However, the actual sampling error on any question depends upon the number of responses to the question and the variance of these responses. Table III.5 lists the sampling errors for the major figures in this report.

Table III.5: Confidence Intervals for Major Estimates Reported

Category	Estimate	Estimated Range	
		Lower limit	Upper limit
Accessibility on first attempt	61.2%	58.9%	63.5%
Accessibility on all attempts	87.9	86.3	89.5
Calls placed on hold	51.6	49.1	54.1
Questions answered correctly	78.9	76.8	81.0
Questions answered incorrectly	21.1	19.0	23.2
Accuracy on questions relating to changes in tax law	68.2	63.0	73.3
Accuracy on questions not relating to changes in tax law	81.5	79.3	83.8
Accuracy on questions requiring probing	56.7	52.3	61.2
Accuracy on questions not requiring probing	90.2	88.2	92.2

Appendix IV
Comments From the Internal Revenue Service

-2-

Ms. Jennie S. Stathis

reflect taxpayer questions in proportion to those which are generally called to our toll-free assistors during the filing season. As discussed with your staff, we would like to continue to work with you to develop survey questions that represent those asked by taxpayers nationwide, to have those questions asked at toll-free sites in proportion to taxpayers using each site, and to have each question asked in proportion to taxpayers asking those questions. While we realize that no two taxpayers ask a question in exactly the same fashion, we could work toward developing a set of sample questions in given categories as identified in the Taxpayer Service Trend Analysis Report.

With kind regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Larry J. Fish". The signature is written in dark ink and is positioned to the right of the typed word "Sincerely,".

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Comments From the Internal Revenue Service



COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON DC 20224

OCT 23 1987

Ms. Jennie S. Stathis
Associate Director
General Government Division
United States General Accounting Office
Washington, DC 20548

Dear Ms. Stathis:

We appreciate the opportunity to review your recent draft report on "Tax Administration: Accessibility, Timeliness, and Accuracy of IRS' Telephone Assistance Program". Although the report contains no recommendations to the Service, I would like to offer several comments on it.

We have taken specific steps in recent months to improve the quality of taxpayer service. In the recent reorganization of the Internal Revenue Service, we created the position of Assistant Commissioner (Taxpayer Service and Returns Processing) to reflect a renewed commitment to and focus on taxpayer service. By raising the taxpayer service function to an Assistant Commissioner level and through coordination with our returns processing function, we have enhanced our ability to plan for the challenges of the upcoming filing season.

To prepare for the expected increase in taxpayer contacts in 1988 due to the Tax Reform Act and the need to continue improving the accuracy of the Service's responses to taxpayers' inquiries, the Taxpayer Service Division began hiring and training for the 1988 filing season several months earlier than normal. After completing the initial training course, which emphasizes tax reform, all new hires will be retained on board (not furloughed as in past years) and provided on-the-job training. In addition, the Taxpayer Service Division recently established a Quality Staff at the national level which is responsible for promoting a quality culture and quality improvement initiatives within Taxpayer Service nationwide. These efforts with respect to tax reform are important to correct the much lower accuracy rate reflected in this report for questions dealing with recent tax law changes (68% accurate compared to 82% for questions not related to recent tax law changes).

While we believe much headway has been made between our organizations in reaching an understanding concerning the sampling methodology, we feel that the sampling methodology used during the most recent survey still does not accurately

Table III.3 shows the subjects of our questions and our sample size by subject.

Table III.3: Subject Areas Addressed by GAO's Questions and Sample Size by Subject

Subject area	Number of questions	Sample size
Pension income	1	8
Child care credit	3	23
Form W-4	1	8
Alimony	2	16
Home office business expense	1	7
Earned income credit	1	9
Form 1040A	2	15
Noncash contributions	1	8
Social security numbers for dependents	1	7
Residential energy credit	1	6
Itemized deductions	1	6
Elderly tax credit	1	6
Moving expenses	1	6
Married couple deduction	1	6
Individual retirement accounts	2	13
Gain on sale of home	1	8
Totals	21	1,57

This was our fifth review of IRS' telephone assistance and our work was performed in accordance with generally accepted government auditing standards. Previous reviews were conducted in 1986, 1985, 1982, and 1978. This year we asked 21 tax law questions, of which 18 were similar to the ones we used in our 1986 and 1985 reviews. For one of them, however, the answer changed due to a change in the tax law. In addition, we replaced three other questions with questions reflecting changes in the tax law. Accordingly, 4 of the 21 questions sought answers that were applicable for the first time during the 1987 filing season. As in prior reviews, IRS reviewed our questions and answers and agreed in advance that the (1) questions were representative of questions it would expect assistors to answer correctly and (2) answers we sought were correct.

Although our five reviews were similar, their scopes and methodologies differed. Table III.4 compares the differing sample sizes. For example, we made a comparatively small number of calls over a very limited number of days in 1978 and 1985 and consequently, unlike the other reviews, the results are not statistically comparable to the other years.

**Appendix III
Sampling and Data Analysis Methodology**

Table III.1: Areas Covered by 29 IRS Telephone Sites GAO Contacted

Site	Area covered by site
Atlanta	Alabama, Georgia, Louisiana, Mississippi, South Carolina
Baltimore	District of Columbia, Maryland
Boston	Connecticut, Maine, Massachusetts, New Hampshire, Northeast New York, Rhode Island, Vermont
Brooklyn	Brooklyn Metropolitan Area, Long Island, Manhattan Metropolitan Area
Buffalo	Central and Western New York
Chicago	Illinois
Cincinnati	Southern Ohio, West Virginia
Cleveland	Northern Ohio
Dallas	Kansas, New Mexico, Oklahoma, Northern Texas
Denver	Colorado, Wyoming, Utah
Des Moines	Iowa
Detroit	Michigan
El Monte	Southern California
Houston	Southern Texas
Indianapolis	Indiana, Kentucky
Jacksonville	Florida
Milwaukee	Wisconsin
Nashville	Arkansas, North Carolina, Tennessee
Newark	New Jersey
Oakland	Northern California, Nevada
Omaha	Nebraska
Philadelphia	Delaware, Eastern Pennsylvania
Phoenix	Arizona
Pittsburgh	Western Pennsylvania
Portland	Idaho, Oregon
Richmond	Virginia
St. Louis	Missouri
St. Paul	Minnesota, Montana, North Dakota, South Dakota
Seattle	Washington

IRS estimated that the 29 sites in our sample would receive 17,230,091 calls during the 1987 tax filing season and provided a breakdown of this universe for each site. At a confidence level of 95 percent, we determined that we needed to make 1,400 to 1,500 calls in order to project our results to the 4 new tax law questions and the previously used 17 questions. To allow for better predictability and to cover possible problems making successful calls, we drew a stratified random sample of 1,602 calls scheduled at 15-minute intervals over our 42 calling days. Sites with evening hours had calls scheduled during those hours. The

Sampling and Data Analysis Methodology

This appendix describes how we selected our sample of calls to IRS telephone sites and how we projected the sample data. Statistical sampling errors for the major figures in the report are included in this appendix.

Sampling Methodology

Statistical sampling allows us to draw conclusions about a population on the basis of information from a randomly selected sample of that population. The calculated sample statistics are estimates of the population statistics. However, each estimate has a measure of uncertainty, or sampling error, associated with it because only a portion of the universe has been selected for analysis.

Sampling errors indicate how much confidence we have that the sample estimate matches the population statistic it measures. We can use sampling errors to form an interval around each estimate showing where the average result of all possible samples could be expected to fall. This sample of calls to IRS telephone sites was designed so that we would be 95-percent certain that the sampling errors would be no greater than 2.5 percent.

Sample Selection and Scope

Our sample consisted of telephone calls made to 29 (see fig. III.1) of IRS' 32 telephone sites on 42 days beginning February 17, 1987, and ending April 15, 1987. We placed these calls on Mondays through Fridays during this time period. We did not make calls to Alaska, Hawaii, and Puerto Rico because of time differences and/or difficulty of placing calls to those locations. Considering each site's hours of operation during our time frame, we calculated the number of 15-minute calling intervals available to the sites on each day to be used for scheduling our calls.

Table III.1 shows the geographical areas covered by each of the 29 call sites.

Appendix II
Results of GAO's Telephone
Assistance Review

Answers to questions relating to recent changes in the tax law were also less likely to be correct. Questions affected by recent tax law changes were answered correctly 68 percent of the time compared to an 82 percent accuracy rate for questions that were not affected by these changes.

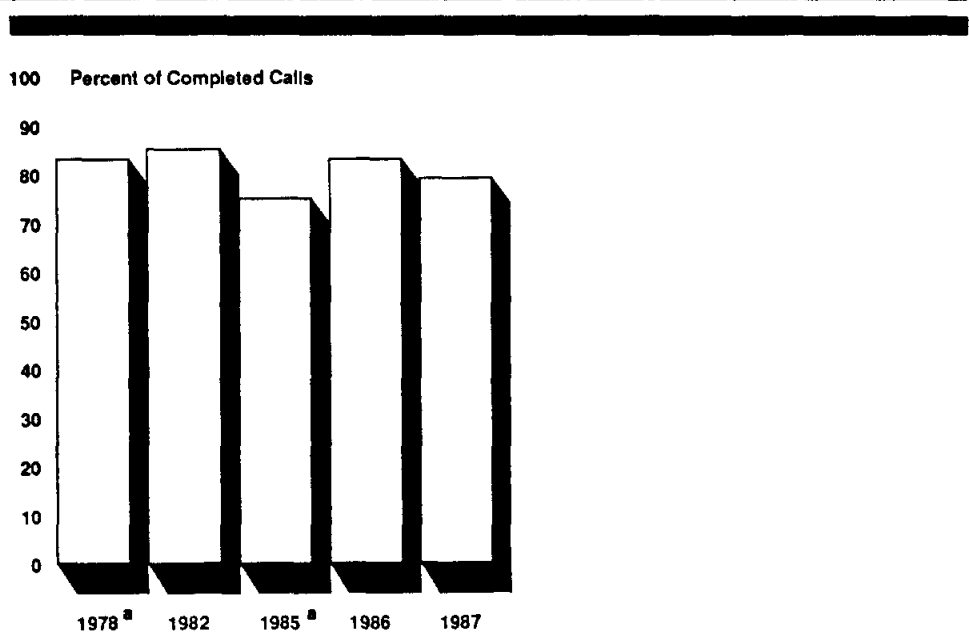
We also analyzed accuracy by the number of calls completed at selected sites and found that volume had little effect on overall accuracy. For the 10 sites that handled the largest number of calls, the accuracy rate was 75 percent compared to 83 percent for the 10 sites that handled the smallest number of calls.

Table II.2 shows the accuracy and inaccuracy rates for each of the 21 questions.

to our questions, we considered an assistor's answer correct if we could act on the information given and comply with the tax laws. We counted an answer from an assistor as correct but not complete if the assistor (1) provided us with an answer without pursuing the specific aspects of our situation but in our judgment we would nevertheless comply with the tax law, (2) answered our question without telling us about a related form we needed to file with our return but we would be likely to learn about the form during return preparation, and/or (3) did not offer us a direct answer but referred us to a publication that contained information needed to answer our question. We counted an answer from an assistor as incorrect if in acting on the information provided, we would not be complying with the tax law or the assistor did not probe sufficiently to obtain the facts needed to answer our questions.

Figure II.4 shows the percent of correct answers we received in our 1987 and prior telephone assistance reviews.

Figure II.4: Accuracy of IRS Responses by Filing Period

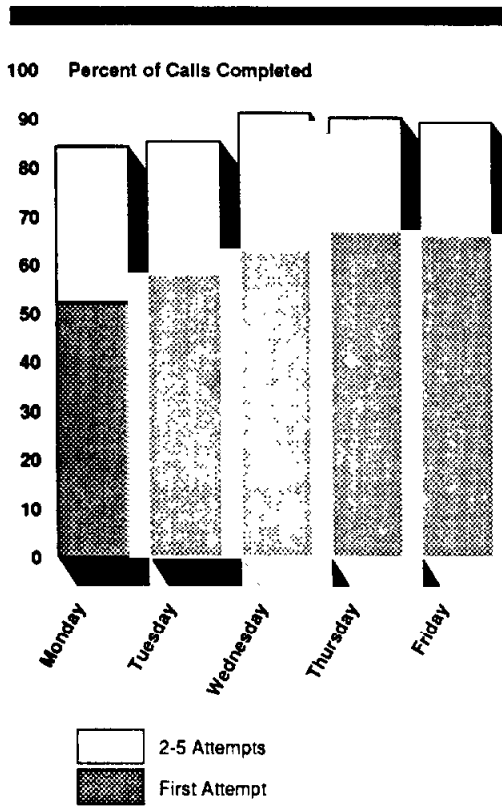


^a For these years the results are not statistically comparable to the other years.

A further analysis showed that 37 (3 percent) of the calls were referred to backup assistors who answered our questions. A backup assistor is

days. Figure II.3 shows the Monday through Friday accessibility rates for calls completed during our review.

Figure II.3: Comparison of Accessibility Rates by Day



We also found that the time of day that calls were placed generally did not affect accessibility. We divided our calling into five time intervals for each IRS telephone site reviewed—early morning (7:30 a.m.-9:00 a.m.), late morning (9:01 a.m.-12:00 p.m.), early afternoon (12:01 p.m.-3:00 p.m.), late afternoon (3:01 p.m.-6:00 p.m.), and evening (6:01 p.m.-8:00 p.m.). Information regarding evening accessibility was inconclusive because only two IRS sites were open after 6:00 p.m. during the filing season. As a result, our sampling plan called for placing only 18 calls during the evening time interval.

Results of GAO's Telephone Assistance Review

Our 1987 review of IRS' Toll-Free Telephone Assistance Program showed that for the majority of calls, taxpayers could expect to successfully contact IRS assistors and obtain accurate answers to their questions. We also noted that taxpayers could expect to be initially placed on hold in 52 percent of the calls for an average of about 55 seconds.

Accessibility of IRS Telephone Assistors

Our analysis of the 1,574 calls we attempted during the 1987 filing season showed that a taxpayer could expect to reach an IRS assistor on the first call 61 percent of the time. As shown by figure II.1, a taxpayer willing to make multiple calls had an 88-percent chance of reaching an assistor within five calls. Twelve percent of our calls were not completed because the line was busy, there was no answer after 10 rings, or we were disconnected after having been automatically placed on hold.

Figure II.1: Ability to Complete Calls to IRS Assistors

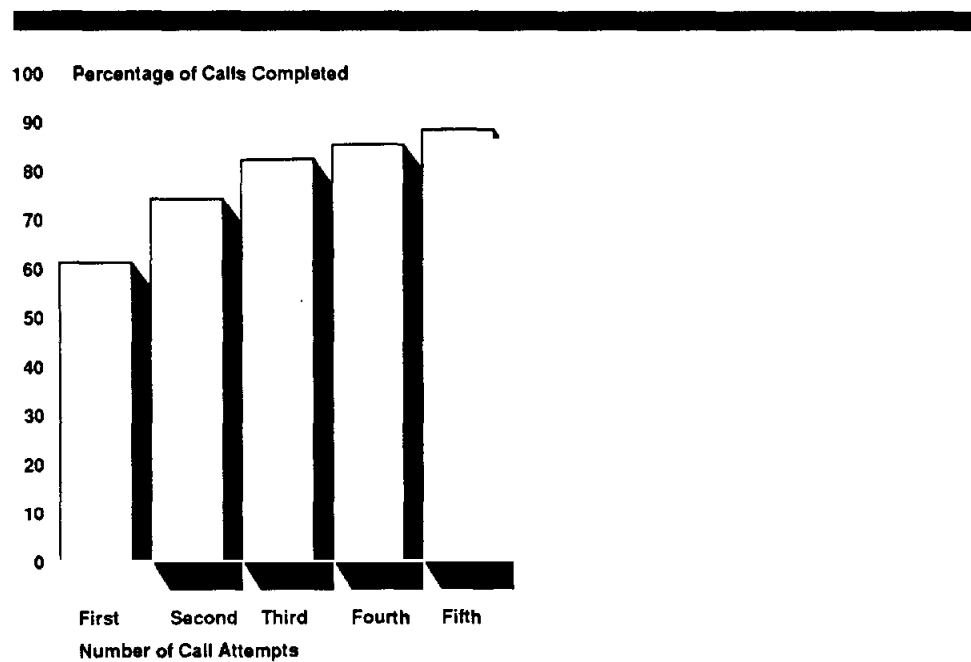


Figure II.2 shows the accessibility rates on our first and subsequent call attempts for each year.

The volume of telephone calls at surveyed sites had little effect on assistor accessibility. We compared accessibility rates at the 10 largest sites

The IRS Telephone Assistance Program

Because our income tax laws are complicated, taxpayers often need assistance in understanding the tax laws and in preparing their returns. For over two decades, IRS has had a toll-free telephone program for assisting taxpayers and has sought to improve that program.

Historically, IRS has considered telephone assistance to be the most efficient method for helping taxpayers. Accordingly, IRS has devoted substantial resources—personnel and equipment—to telephone assistance and encourages taxpayers to use the telephone as a means of getting answers to their tax law questions. During fiscal year 1986, 84 percent of IRS' contacts with taxpayers having tax law and account-related questions were handled by telephone. The other contacts were either face-to-face or through correspondence. Currently, IRS operates toll-free telephone systems in 32 different locations serving all the states, the District of Columbia, and Puerto Rico. According to IRS, during the 1987 filing season, 17.5 million toll-free telephone calls were answered.

According to IRS officials, assistors consist primarily of two groups—frontline assistors and backup assistors. Frontline assistors initially take taxpayers' calls and refer questions that they cannot answer to backup assistors who have more experience and additional research materials on hand. The majority of the assistors who answered our questions were frontline assistors. Of the 1,370 answers we received, 1,325 were from frontline assistors.

According to an IRS official, frontline assistors have a variety of information to rely on when answering a taxpayer's question. They receive approximately 5 weeks of basic training when first employed and have reference manuals and various publications within their work space. Frontline assistors are generally classified as General Schedule grades 4 through 6 and are referred to as Taxpayer Service Representatives. They could be seasonal, part-time, or full-time employees. Employees at these levels earn \$6.35 to \$10.29 per hour or \$13,248 to \$21,480 per year, if employed full-time.

Taxpayer Service Specialists, also referred to as backup assistors, are General Schedule grades 6 through 9 and are more likely to be year-round employees. Employees at these levels earn \$7.92 to \$13.99 per hour or \$16,521 to \$29,199 per year, if employed full-time. According to an IRS official, backup assistors, through years of training and on-the-job experience, generally have developed tax law expertise. Backup assistors have a library of detailed resources within close proximity to their

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Table 1: Subject Areas Addressed by Questions Used in GAO's Review

Subject area	Number of questions
Pension income	1
Child care credit	3
Form W-4	1
Alimony	2
Home office business expense	1
Earned income credit	1
Form 1040A	2
Noncash contributions	1
Social security numbers for dependents	1
Residential energy credit	1
Itemized deductions	1
Elderly tax credit	1
Moving expenses	1
Married couple deduction	1
Individual retirement accounts	2
Gain on sale of home	1
Total	21

As in our prior reviews for the 1978, 1982, 1985, and 1986 filing seasons, IRS reviewed our questions and answers and agreed in advance that the (1) questions were representative of questions it would expect assistors to answer correctly and (2) answers we sought were correct. Our scope and methodology are discussed in greater detail in appendix III.

The results of our review showed that for the majority of calls, taxpayers could expect to reach IRS telephone assistors and obtain accurate answers to their questions. We completed 61 percent of our calls on the first attempt and 88 percent within five calls. We noted that for about 52 percent of the calls, taxpayers could expect to be placed on hold for an average of 55 seconds until an assistor was available to take their questions. Moreover, once in contact with an assistor, taxpayers could expect to be placed on hold 16 percent of the time for an average of 1 minute and 17 seconds while the assistor researched answers to their questions. Of the questions we asked, 79 percent of IRS' answers were correct and 21 percent were incorrect. For questions that required IRS assistors to probe callers for more information in order to sufficiently understand the question, the accuracy rate was 56 percent compared to 90 percent for questions where probing was not required. For questions that dealt with recent tax law changes, the accuracy rate was 68 percent

