



## **CEETA Applauds Introduction of Preserving Taxpayers' Rights Act**

**WASHINGTON – July 13, 2017** – The Coalition for Effective and Efficient Tax Administration (CEETA) applauds the introduction today of the **Preserving Taxpayers' Rights Act**. We thank bill sponsor Representative Jason Smith (R-MO) and co-sponsors Representative Judy Chu (D-CA), Representative Carlos Curbelo (R-FL), Representative George Holding (R-NC), Representative Terri Sewell (D-AL), and Representative Mike Thompson (D-CA) for their leadership on this important issue. We have been working for years on genuinely needed process reforms to help the Internal Revenue Service improve its working efficiency and to strengthen its ability to provide service to its customers. Today's legislation marks a major bipartisan step in that direction.

Certainly, the Internal Revenue Service and the U.S. Congress have had their differences in recent years. However, it is our earnest goal to bring a newly cooperative working arrangement into practice. The Preserving Taxpayers' Rights Act provides just such an opportunity to improve those relationships and bring efficiency and relief both to the agency and those it serves.

The Preserving Taxpayers' Rights Act would achieve at least four significant goals:

First, it would give taxpayers a legal right to have their case heard by the independent and impartial IRS Office of Appeals to ensure the timely, efficient, and cost-effective resolution of any tax disputes that may arise between a taxpayer and the IRS.

Second, the bill would ensure that cases the IRS "designates for litigation," which is a procedure that removes a case from the process that otherwise would lead to Appeals, can only be used where the matter involves a tax abuse that is a recurring, significant legal issue affecting a large number of taxpayers.

Third, the bill would further ensure that the extraordinary use of designated summonses that extend the time period for the IRS to assess a tax liability are properly authorized and only used when taxpayers are uncooperative and refuse to provide information requested by the IRS.

And fourth, the bill would prevent the IRS from outsourcing federal tax audits of private taxpayers to outside law firms. The bill thus prevents a recent development, and a practice unprecedented in the history of the IRS, from becoming routine.

In sum, the bill's provisions would restore an audit process that was generally collaborative between taxpayers and the IRS, reduce costs for the IRS, courts, and taxpayers, and reinvigorate the IRS' mission of helping taxpayers meet their tax responsibilities. The bill would help the agency be able to manage better with its limited resources, and help taxpayers experience swifter resolution of their concerns.

Taxpayers and the IRS share an interest in effective and efficient tax administration. Since 1927, the IRS Office of Appeals has had as its stated mission "*to resolve tax controversies, without litigation, on a basis which is fair and impartial to both the Government and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service.*" The Preserving Taxpayers' Rights Act will help achieve that vision.

Again, we applaud the members of Congress who have crafted and are shepherding this legislation to its hopeful eventual enactment. We encourage others to join the effort, and we welcome any questions.

#### **About CEETA**

CEETA's mission is to promote constructive administrative changes and legislative solutions to the inefficiencies and excesses of IRS audits. CEETA comprises 14 trade associations and taxpayer groups, representing a broad cross section of industries and publicly and privately-owned companies.

A detailed description of CEETA's membership and policy positions can be found at [www.eetax.org](http://www.eetax.org).

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