

# TAG Update

**Jerry Coble**

North Carolina Department of Revenue  
TAG Chair 08-09

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# TAG History

- What is TAG
  - ◆ Charter formed in 2003
  - ◆ 6 States and Key IRS Executives
  - ◆ TIGERS Liaison
  - ◆ Determine State Interest in E-Initiatives

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## Focus of TAG

- E-Commerce projects, primarily E-file
  - ◆ Transitioning from Legacy systems to Modernized
    - IRS approached TAG to mobilize forces for 1120, 1120s and 1065
    - MEF 1040

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## TAG Success Stories

- Fed State 1120, 1120 S and 1065
- MLI – (Multi Language Initiative)
- States Telefile Strategies
- Joint Marketing
  - ◆ Fed/State Ads
  - ◆ Best Practices for e-file marketing
- ERO's – (Electronic Return Originator)
- Formation of TAG Security Subcommittee

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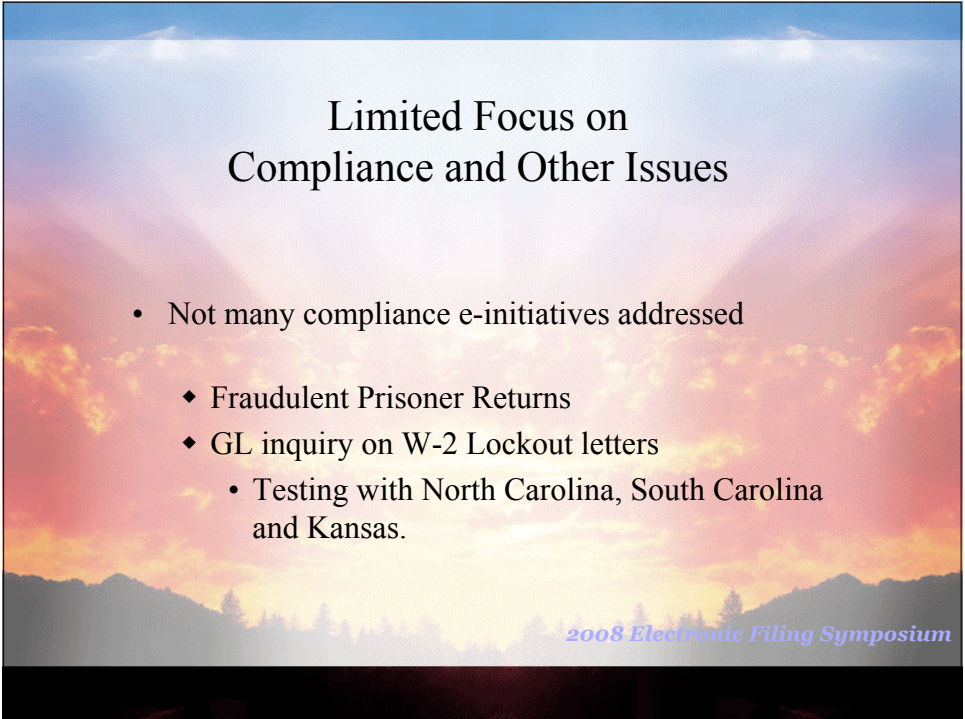


## **Current Projects - Fed/State Withholding Payments**

### **Electronic Federal Tax Payment System - EFTPS**

- Phase 1 went live January 2007
- Evaluating further expansion opportunities including batch and phone
- Pilot effort: IRS, FMS, BofA, IL, & SC

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## **Limited Focus on Compliance and Other Issues**

- Not many compliance e-initiatives addressed
  - ◆ Fraudulent Prisoner Returns
  - ◆ GL inquiry on W-2 Lockout letters
    - Testing with North Carolina, South Carolina and Kansas.

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## Future TAG Initiatives State Survey

- TAG ask Commissioners and Senior Staff of states to prioritize direction of future TAG initiatives through survey.
- To identify contact points who can participate in teleconferences and brainstorm.
- Provided survey and asked to provide contact points and level of interest.

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## State Survey

- **Audit** (Computer Assisted, abusive tax shelters, audit productivity tools, discovery, non-filer, RAR, CP 2000)
- **Collections** (offer in compromise programs, collection techniques, risk scoring)
- **Criminal Enforcement** (criminal proceedings, marketing prosecutions, etc.)
- **Data Matching/Data Mining/Data Warehousing**
- **Improving Agency Performance** (efficiency and effectiveness) tools, work process improvements, etc.

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## State Survey

- **Internal Operations** (return processing, exception returns, workflow technology products)
- **On-Line Filing or E-filing** (mandates and non-mandates, marketing, Free File and non-Free File states, ethnic islands)
- **Technology** (architecture, hardware and software)
- **Voluntary Compliance** (education, forms, training, media, advocate, taxpayer assistance, etc.)

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## State Survey – Commissioner Responses

1. **On-Line Filing or E-filing**
2. **Data Matching/Data Mining/Data Warehousing**
3. **Voluntary Compliance**
4. **Internal Operations**
5. **Audit**
6. **Improving Agency Performance**
7. **Collections**
8. **Technology**
9. **Criminal Enforcement**

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## E-file Survey Teleconference

- Joint Fed/State Extension Project. The suggestion would allow a taxpayer to submit an electronic submission for Federal and state extension.
- W-2 Informational Filing Program for Employers. This project would allow employer filing of w-2's.
- 1041 Modernized E-file program for Fed/State. Would allow for e-filing of Fed/State withholding returns.

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## Next Steps

- **TAG will begin initiating the remainder of the conference calls**
- **Discuss with IRS on prioritization of IRS and State e-initiatives**
  - ◆ Goal - Must be mutually beneficial

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Welcome to TaxExchange! - Microsoft Internet Explorer

Address: http://www.taxexchange.org/member/

# tax exchange

an oasis for tax administration information

Research/Information Exchange | Interstate/FedState Coordination | Compliance/Audit Issues | Find People/Directories

**hot topics**

**Publications/Reports**

- STEAL-IT
- Listserve Responses
- Special Projects
- Federal Legislation
- IRS/Federal Agencies
- Legal Issues
- Tobacco Tax Section
- Research/Tax Policy
- Electronic Tax Administration
- Motor Fuel Section
- Exchange Agreement
- MTC News

**ICT Paper on Economic Stimulus**  
[Includes Design Issues for Implementing Individual Tax Rebates]

**IRS Pub. 1075 -- Safeguard and Security Guidelines for Federal Return Information**  
[ETA Bulletin 03/08 on New Pub. 1075][January 2008]

**Nominations Accepted for FTA Awards**  
[in Leadership, Technology, and Research]

**New Listserve Responses Posted**  
[10 New Responses Added] [January 8, 2008]

**Survey of State Statistical Sampling Audit Practices** [FTA Survey] [updated May 2007]

**IRS - The Budget in Brief - FY 2009**  
[IRS - February 2008]  
[more IRS information]

**Meetings**

- FTA Midwinter Commissioners' Meeting, Chandler, AZ, Feb. 8-9, 2007
- FTA Compliance Workshop, San Diego, CA, Feb. 24-27, 2008
- FTA/IRS Safeguard Workshop, St. Louis, MO, Mar. 31-Apr. 2, 2008
- FTA/IRS Computer Security Workshop, St. Louis, MO, Apr. 2-3, 2008

[more on Meetings](#)

**Publications**

- TaxExpress - February 19, 2008
- LAST WEEK ON THE HILL

Start | Novell GroupWise - ... | Microsoft PowerPoin... | FTA Home Page - Mic... | Welcome to TaxEx... | 10:53 AM

Address: http://www.taxexchange.org/member/projects/projects.html

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**SPECIAL PROJECTS**

- hot topics
- suspicious filer project
- streamlined sales tax project
- fta performance measures
- refund offset implementation
- edi task force
- customs data
- FTA-IRS Tactical Advisory Group (TAG)
- links

**hot topics**

**Suspicious Filer Exchange of Information Program**  
[Presentation Describing the Program](#)

**FTA/IRS Tactical Advisory Group**

**Refund Offset Implementation**  
**State Collections Total \$227 Million Through August**  
**Refund Offset Contact List Updated [2007]**  
[more on Refund Offset Program]

**FTA Customs Data Project**  
**Updated List of Tariff Codes**  
[more on Customs Project]

**FTA Performance Measures Project**

Go

Internet

## TAG SS

- Contains representatives from both state tax agencies and IRS organizations
  - ◆ Are 10 state agencies
  - ◆ Includes IRS representatives from
    - ◆ Disclosure
    - ◆ Safeguards
    - ◆ Modernization & Information Technology (MITS) Modernization Security
    - ◆ MITS Cybersecurity Operations

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## TAG SS Success Stories

- Established a cooperative relationship between state tax organizations and IRS
- Created Information Technology Security Commandments
- Provided feedback to IRS regarding checklists used for reviews
  - Windows, Unix, Network configurations

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## TAG SS Success Stories

- Created Best Pick IT Security Tools, identifying security tools used by IRS and state tax agencies
- Created and began using a Computer Security “Point of Contact” list
- Jointly addressed a potential computer security incident

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## TAG SS Success Stories

- Piloted the IRS Secure Data Transfer (SDT) initiative
  - ◆ Served as first users
  - ◆ Provided feedback on user agreements
  - ◆ Identified issues to IRS technologists
- Provided comments and was instrumental in two major rewrites of the Publication 1075, Safeguarding Taxpayer Information for Federal, State, Local Agencies & Entities

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## TAG SS Contacts

- **Dr. Ellen Pieklo, CISSP, Co-Chair TAG SS**
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- **Tim Blevins, Co-Chair, TAG SS**
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## Recruitment Announcement

- Executive level participation in setting direction for Fed/State e-initiatives
- Three face meetings each year
- Three new states on TAG every year
- If your state is interested, please contact Jonathan Lyon, FTA
  - ◆ [Jonathan.Lyon@taxadmin.org](mailto:Jonathan.Lyon@taxadmin.org)
  - ◆ Phone 202-624-5894

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## Contacts for Questions or Comments

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