

Less Paper, More Profit or More Paper, Less Profit

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The opinions expressed during this presentation are those of the presenter, and do not necessarily represent the official opinion of the Internal Revenue Service or the Department of the Treasury.



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Overview

- **Katrina – What will the next Disaster do to YOU!**
- **e-Filing**
- **IRS.gov**
- **Benefits of Digital Processes**
- **Increased Demands on IT**



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IRS Mission Statement

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



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IRS Organization

Four primary Operating Divisions

- **Wage and Investment**
 - **Media and Publications**
- **Small Business and Self-Employed**
- **Large and Mid-Size Business**
- **Tax Exempt and Government Entities**



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Katrina – The Big Disaster

- **Floods**
- **Hurricanes**
- **Tsunami**
- **Company Wrong**
 - No Preparation
 - Gone – Disappeared
- **Company Right**
 - Prepared
 - Electronic Data
 - Offsite Storage



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Katrina



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PDF Conference— Arlington, Virginia – September 26-27, 2005

Katrina



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Katrina



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Your Next Disaster

- US Government Agency
- Warehouse full of paper files
- Survived Katrina
- Will it Survive the next Disaster
- Moving files to new location
- **One Million Dollars**
 - to pack up and move the files
- They will still have paper



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Fastest

even if you owe the IRS –



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PDF Conference– Arlington, Virginia – September 26-27, 2005

E-File Statistics

- **More than 70 million returns accepted**
- **Free File Program**
 - **exceeded 2004 totals by March 16, 2005**



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COMMISSIONER OF INTERNAL REVENUE MARK W. EVERSON - April 7, 2005

Electronic filing continues to grow. Last year Americans filed over **61 million electronic returns**. This year we expect that over half of all individual returns will be e-filed. Thus, it appears that individuals who file on paper will soon be in the minority. E-filing is fast, convenient and gets your refund to you in half the time of paper returns.

Use of our website, IRS.gov, is also up sharply. During the filing season, it is one of the busiest websites in the world. We average more than one million visits a day. Just to give you a frame of reference: one major search engine reported that in a recent week we were surpassed only by Paris Hilton, Clay Aiken, Pamela Anderson, Britney Spears, and a poker game. During the past year, we have also rolled out important new on-line services to tax professionals to help them better serve their clients.



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Direct Deposit – Refunds

- **Filed March 29, 2005**
 - Refund deposited in the bank - April 8, 2005
- **Funds were available 10 Days**
- **Where's my Refund!**



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THE DIGITAL DAILY

FASTER THAN A SPEEDING 1040-EZ . . . NOV 24, 2000 (142 DAYS UNTIL APRIL 15TH).

You get an extra day to file your 2000 income tax return; it's due April 16, 2001

[\[Text Only Version\]](#)

Disagree With
The IRS?



You May
Have The
Right To
Appeal

IRS Hiring
Hundreds
Now!

Not Happily
Ever After?



Check Out Our
Spousal Tax Relief
Eligibility Explorer

Fashion Fledgling Finds Form Filing Frustrating, Files Form 941 Faster.



NEW YORK, NY It's tough breaking into the fashion industry. Rising new designer Polly Esther Algodon spends 14 to 18 hours a day meeting design schedules and shipping dates. "On top of that you

How we looked in 2000

www.irs.gov

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Free File

Ever missed a good thing and regretted it? Don't miss Free File. Millions of eligible taxpayers can use Free File — a free online service that lets you prepare and file your tax return electronically. It's smart, free and fast. Don't miss it!

1040 Central: Find what you need, fast.

1040 Central has the links you'll need to file your 2004 tax return. Get news and forms. It's all at 1040 Central.

Don't Fall Victim to the Dirty Dozen

List of notorious tax scams reminds taxpayers to be wary of schemes that sound too good to be true.

EITC Assistant Can Cut Guesswork

Do you qualify for the Earned Income Tax Credit? Don't guess. Know. Use the EITC Assistant.

- **Where's My Refund?**
It's easy, quick and secure.
- **Refunds Ready to Claim**
2001 refunds await 1.7 million.



Online options -- fast, free

Forms and Publications



Welcome to the forms and publications resource page, the official source of IRS tax products. The links below provide methods to access and acquire both electronic and print media. Additionally, the ***Search for ... within: Forms and Publications*** function to the left provides basic and advanced search capabilities for published products available on IRS.gov.

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Easy Access

1099 Inst	1020 Instructions
2004 Form 1040	U.S. Individual Income Tax Return
2004 Inst 1040	Instructions for Form 1040 and Schedules A, ...
2004 Inst 1040A	Instructions
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2004 Form 1040 (Schedule C-EZ)	Net Profit from Business (Sol...
2004 Form 1040 (Schedule D)	Capital Gains and Losses
2004 Inst 1040 (Schedule D)	Instructions
2004 Form 1040 (Schedule D-1)	Continuation Sheet for Schedul...
2004 Form 1040 (Schedule E)	Supplemental Income and Loss
2004 Inst 1040 (Schedule E)	Instructions
2004 Form 1040 (Schedule EIC)	Earned Income Credit
2004 Form 1040 (Schedule F)	Profit or Loss From Farming
2004 Inst 1040 (Schedule F)	Instructions
2004 Form 1040 (Schedule H)	Household Employment Taxes



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Reduction in Calls

- 1996 – < 12 million calls
- 2001 – < 7.5 million calls
- 2004 – > 5 million calls
 - Telephone orders have been outsourced



**IRS Tax Forms,
may I take your
order please?**



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Reduction in Orders

- **Three Distribution Centers**
 - 1992 – < 20 million orders filled
 - 2001 – < 12 million orders filled
 - 2004 – 5.1 million orders filled
 - 75% reduction in orders since 1992



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Cause and Effect

Competitive Sourcing

- **One National Distribution Center**
 - National competition
 - Awarded to IRS – Most Efficient Organization
 - Closed down two centers
- **Centrally located**
 - Bloomington, Illinois
- **Estimated savings – 60 Million over 5 Years**
 - Numerous changes to existing operations



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Digital Processes

- Why transition from Paper to Electronic
 - Benefit your Customer/Organization
- Reduce costs
 - Reallocation of resources
- Decrease turnaround times
- Processes must support all delivery needs
- Increase functionality (*options*)
 - Extension to file (*April 8 News Release*)
 - Phone or Computer



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Digital Processes *(example)*

- **Political Organization Filing/Disclosure**
 - **Form 8871 & Form 8872**
 - **Form 8871 & Form 8872 XML Schemas**
- **Political organizations required to file Form 8871 must do so electronically. Those tax-exempt political organizations that are required to file Form 8872 and have, or expect to have, more than \$50,000 in contributions or expenditures for the year, must file Form 8872 electronically.**

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Increased Demands on IT

- **Expanded e-File options**
 - Incentives for Filing Electronically
- **Advanced forms solutions**
 - Fill/Save/Submit PDF files
- **Two Dimensional (2D) Barcodes**
- **Archiving Files**
 - PDF/A



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"Even if you are on the right track, if you aren't moving forward fast enough, you will be run over."

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Thank you

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and our products and services,
please visit our web site,

www.irs.gov



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