



2024 Annual Audit Plan

Treasury Inspector General
for Tax Administration

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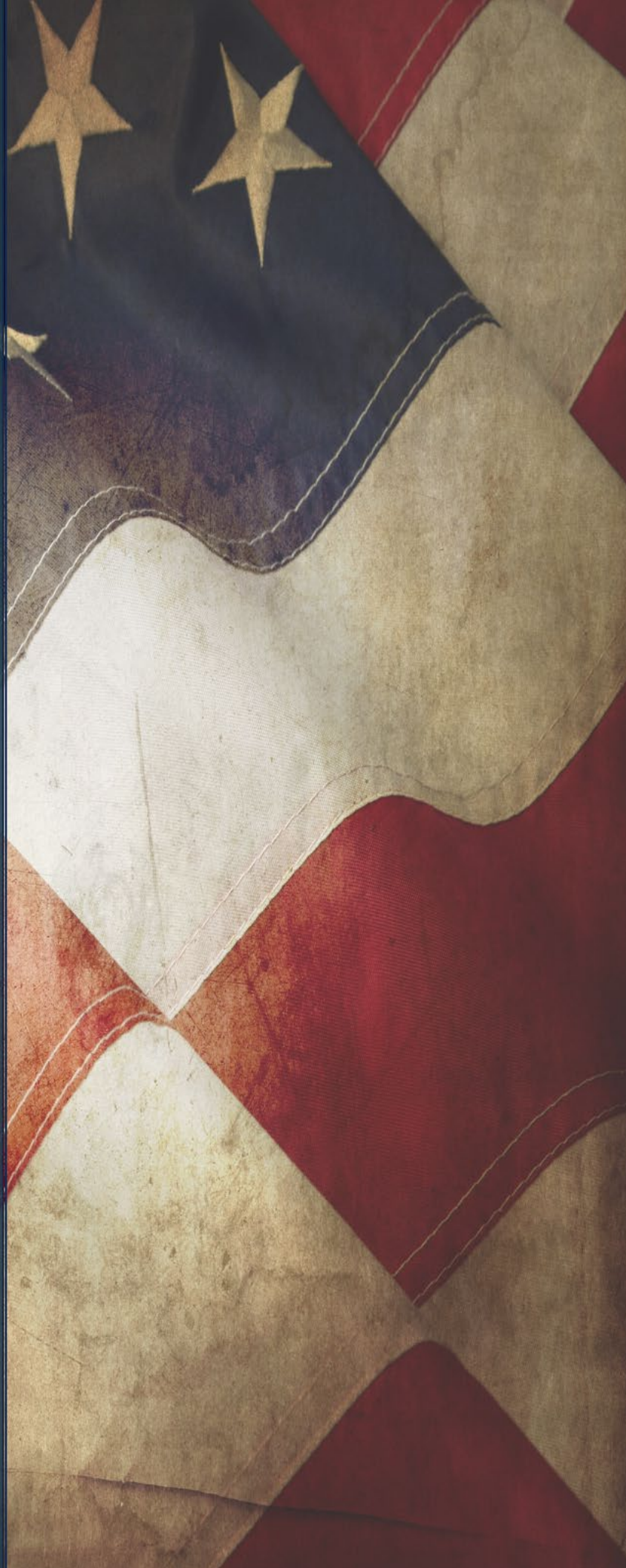


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Message from the Deputy Inspector General for Audit

The Office of Audit Fiscal Year (FY) 2024 Annual Audit Plan communicates the Treasury Inspector General for Tax Administration's (TIGTA) audit priorities to the Internal Revenue Service (IRS), Congress, and other interested parties. Many of the activities described in the Annual Audit Plan address the fundamental goals related to the IRS's mission to administer its programs effectively and efficiently. The FY 2024 Annual Audit Plan includes 137 new and in-process audits.

This Annual Audit Plan is organized into emphasis areas, which the Office of Audit will focus on this fiscal year:

- ❖ **Compliance and Enforcement**
- ❖ **Information Technology/Cybersecurity**
- ❖ **Operational Support**
- ❖ **Taxpayer Service**
- ❖ **Tax Processing**
- ❖ **Tax Exempt and Government Entities**

The Annual Audit Plan also includes the mandatory coverage specified in the IRS Restructuring and Reform Act of 1998 (RRA98)¹ as well as other statutorily mandated reviews involving computer security, taxpayer rights, and privacy issues.

We are committed to delivering our mission of ensuring an effective and efficient tax administration system and preventing, detecting, and deterring waste, fraud, and abuse.



Heather M. Hill
Deputy Inspector General for Audit

¹ Pub. L. No. 105-206, 112 Stat. 685.

Fiscal Year 2024 List of Planned Audits



Compliance and Enforcement

Filing and Payment Compliance of Form 5329 (202310009)

Determine whether the IRS is effectively ensuring that taxpayers comply with Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*, requirements when they receive an early distribution from a retirement account or had excess contributions to an Individual Retirement Arrangement.

Addressing Willful Employee Tax Noncompliance and Rehiring Former Employees With Prior Conduct or Performance Issues (202310025)

Evaluate the process for identifying and remediating willful IRS employee tax noncompliance and the steps taken to mitigate the risks of rehiring former employees with past conduct or performance issues.

Automated Collection System Business Results and Level of Service (202230011)

Evaluate the effectiveness of the IRS's actions to improve Automated Collection System call sites' business results and level of service, including the current status of performance in the light of the COVID-19 pandemic.

Income and Excise Taxes on Wagering (202230021)

Evaluate the IRS's efforts to promote income tax compliance for individuals who have reported winnings from gambling activities and compliance by gaming operators responsible for payment of associated excise taxes on wagering.

Ghost Employer Initiative (202230036)

Review the IRS's efforts to bring ghost employers into compliance with employment tax reporting and payment requirements through collaboration with Small Business/Self-Employed (SB/SE) Division Examination and Collection functions, Criminal Investigation and Research, Applied Analytics and Statistics.

Cryptocurrency Taxable Events (202330015)

Determine how effectively the IRS identifies income earned from virtual currency transactions.

Auditing High-Income Taxpayers (202330020)

Determine whether the IRS is meeting the Department of the Treasury's established goal of auditing a minimum of eight percent of all high-income individual returns filed each year.

Taxpayer Compliance With Civil and Criminal Code Provisions Pertaining to Biofuel Tax Credits (202330023)

Assess the effectiveness of the IRS's procedures to detect and prevent questionable claims for the Biofuel Tax Credit.

Revenue Officer Compliance Sweeps (202330028)

Determine the efficiency and effectiveness of Revenue Officer Compliance Sweeps on high-income delinquent nonfilers.

Advanced Manufacturing Production Credit (202330826)

Evaluate the IRS's efforts to implement the Advanced Manufacturing Production Credit and what processes are planned or being developed to identify and address erroneous advanced manufacturing production credits.

Corporate Alternative Minimum Tax (202330827)

Assess the processes and procedures to implement the Corporate Alternative Minimum Tax Provision² included in the Inflation Reduction Act of 2022³ and ensure future compliance.

Expanding Audits of High-Income Taxpayers (2024308009)

Review the IRS's examination plans to increase enforcement on high-income taxpayers with complex tax filings and high-dollar noncompliance while not increasing audit rates on taxpayers earning less than \$400,000 per year.

Methodology for Measuring Compliance With the Mandated High-Income Taxpayer Audit Threshold (2024308010)

Evaluate the IRS's methodology to determine compliance with the mandate that audits of taxpayers earning less than \$400,000 should not experience increased audit rates from additional resources provided in the Inflation Reduction Act of 2022.

Trends in Compliance Activities Through Fiscal Year 2023 (2024300011)

Provide various statistical information regarding Collection and Examination function activities as they relate to the IRS's efforts to bring taxpayers into compliance with their tax obligations.

² Internal Revenue Code (I.R.C.) Section (§) 55(b)(2), as amended by Act Sec. 10101(a)(1).

³ Public Law No. 117-169, 136 Stat. 1818.

Large Business and International Division’s Plans to Audit Large Partnerships (2024308012)

Assess the Large Business and International (LB&I) Division’s plans to increase enforcement on large partnerships and assess productivity of large partnership audits.

Large Business and International Division Campaigns – Follow-Up (2024308013)

Assess the role of LB&I Division campaigns in pursuing enforcement for complex, high-risk, and emerging issues.⁴

Identifying Partnership Noncompliance (2024308014)

Determine if the IRS is using available information to identify partnership noncompliance.

Compliance With the Standard for the Fair and Equitable Treatment of Taxpayers (2024300015)

Determine if the IRS complies with Section 1204(b)’s standard for the fair and equitable treatment of taxpayers.

Nonfiler Strategic Plan (2024308016)

Assess whether the SB/SE Division has implemented the Nonfiler Strategic Plan.

Trust Fund Recovery Penalty Pyramiding Taxpayers (2024300017)

Evaluate the IRS Collection function’s efforts to identify and prioritize the most noncompliant Trust Fund Recovery Penalty taxpayers who are pyramiding on their trust fund liabilities.

Transforming Collection to Offer Proactive Debt Resolution (2024308018)

Assess the transformation of the IRS’s Collection function through proactive debt resolution.

Using Artificial Intelligence in Examination Case Selection (2024308019)

Determine how effective the IRS is in using artificial intelligence in examination case selection.

Preferential Treatment of Large Businesses and International Companies (202240024)

Determine if preferential treatment is given to large multinational companies.

Carryforward Credits – Follow-Up (2024400002)

Assess the effectiveness of IRS controls to detect and prevent questionable carryforward credits on individual and business income tax returns.⁵

⁴ TIGTA Report No. 2019-30-066, *Initial Compliance Results Warrant a More Data-Driven Approach to Campaign Issue Selection* (Sep. 2019).

⁵ TIGTA Report No. 2019-40-044, *Billions of Dollars of Potentially Erroneous Carryforward Claims Are Still Not Being Addressed* (Aug. 2019).

Combined Annual Wage Reporting Program – Follow-Up (2024400003)

Assess controls to select Combined Annual Wage Reporting (CAWR) cases with the highest potential tax assessments and improvements to CAWR processes.⁶

Qualified Business Income Deductions – Follow-Up (2024400004)

Evaluate actions taken by the IRS to ensure that taxpayers claim the correct Qualified Business Income Deduction.⁷

U.S. Residency Certification Program (2024400005)

Assess the U.S. Residency Certification Program to ensure taxpayers comply with the filing requirements and payment of fees before certificates are issued.

Continued Assessment of Social Security Tax Deferral Repayment (2024406006)

Evaluate the IRS’s ongoing efforts to ensure that taxpayers (*i.e.*, businesses and individuals) repay their deferred Social Security taxes, as required.⁸

Individual Tax Return Revenue Protection Processes (2024404007)

Assess the IRS’s Service-wide revenue protection strategy for individual tax returns.

Preparer Tax Identification Numbers – Follow-Up (2024404008)

Evaluate processes to ensure all paid tax return preparers meet the requirements to obtain and renew a Preparer Tax Identification Number.⁹

Audits Required by Statute

Fiscal Year 2024 Review of Assessment Statute Extension Dates (2024100006)

Determine whether the IRS is properly notifying taxpayers and their authorized representatives of the right to refuse to extend the period of limitations, or to limit such extensions to particular issues or to a particular period of time, on each occasion when the taxpayer is requested to provide written consent to extend the period of limitations for the assessment of tax.

⁶ TIGTA Report No. 2021-40-030, *Backup Withholding Noncompliance and Underreported Employment Taxes Continue to Contribute Billions of Dollars to the Tax Gap* (May 2021).

⁷ TIGTA Report No. 2021-40-009, *Millions of Dollars in Potentially Erroneous Qualified Business Income Deductions Are Not Being Verified* (Jan. 2021).

⁸ TIGTA Report No. 2023-46-030, *Recurring Identification Is Needed to Ensure That Employers Full Pay the Deferred Social Security Tax* (May 2023).

⁹ TIGTA Report No. 2015-40-075, *Preparer Tax Identification Numbers Are Not Revoked for Unsuitable Tax Return Preparers* (Aug. 2015).

Fiscal Year 2024 Mandatory Review of Liens (2024300001)

Determine whether liens issued by the IRS comply with legal guidelines set forth in the I.R.C. and Treasury Regulations.

Fiscal Year 2024 Mandatory Review of Compliance With Legal Guidelines When Conducting Seizures of Taxpayers' Property (2024300002)

Determine whether seizures were conducted in accordance with I.R.C. § 6330-6344 and IRS procedures.

Fiscal Year 2024 Mandatory Review of Levies (2024300003)

Determine whether the IRS complied with the IRS RRA98 requirements to notify taxpayers and/or their authorized representatives of the right to a Collection Due Process hearing prior to issuing levies and to suspend levy action during the time frames required pursuant to I.R.C. § 6330.

Fiscal Year 2024 Mandatory Review of Disclosure of Collection Activity With Respect to Joint Returns (2024300004)

Determine whether the IRS is complying with provisions of I.R.C. § 6103(e)(8) as related to the disclosure of collection activities to joint filers.

Fiscal Year 2024 Mandatory Review of Fair Tax Collection Practices Violations (2024300005)

Obtain information on any reported violations of Fair Tax Collection Practices (I.R.C. § 6304) by IRS employees and on any reported or potential violations of the Fair Debt Collection Practice Act (15 United States Code (U.S.C.) §§ 1601 note, 1692-1692p (2010)) by private collection agency employees, including any related administrative or civil actions resulting from those violations.

Fiscal Year 2025 Biannual Independent Assessment of Private Collection Agency Performance (2024300006)

Independently evaluate the performance of private collection agencies.

Fiscal Year 2024 Mandatory Review of IRS Compliance With Restrictions on the Use of Enforcement Statistics (2024300007)

Determine whether the IRS is complying with restrictions on the use of enforcement statistics to evaluate employees, as set forth in the IRS RRA98 Section 1204.

Fiscal Year 2024 Mandatory Review of Restrictions on Directly Contacting Represented Taxpayers (2024300008)

Determine whether the IRS is in compliance with legal guidelines addressing the direct contact of taxpayers and their representatives set forth in I.R.C. § 7521(b)(2) and (c) and the fair tax collection practices set forth in I.R.C. § 6304 (a)(2).

Compliance With the Improper Payment Reporting Requirements for Fiscal Year 2023 (2024400001)

Determine whether the IRS complied with annual improper payment reporting requirements for FY 2023.



Information Technology/Cybersecurity

Information Technology Organization Closed Corrective Actions (202320003)

Determine whether selected corrective actions reported as closed by the Information Technology organization have been fully implemented, adequately documented, properly approved, and effectively corrected the identified deficiencies.¹⁰

Cloud-Managed Services Contracts (202320014)

Assess the IRS's efforts to provide effective management and oversight of cloud-managed services contracts.

Research, Applied Analytics and Statistics Compliance Data Warehouse Data Security (202320017)

Determine whether sufficient security safeguards over the Compliance Data Warehouse exist to protect taxpayer data against unauthorized access.

Vulnerability Disclosure Program (202320021)

Evaluate the IRS's vulnerability disclosure program for Federal systems.

IRS Direct File System Security (202320024)

Assess the security of the IRS Direct File System.

Controls Over the Exfiltration of Taxpayer Data (202320025)

Evaluate the IRS's controls to prevent the exfiltration of sensitive taxpayer data.

Federal Risk and Authorization Management Program Security Threat Analysis (2024200003)

Assess the effectiveness of the IRS's efforts to monitor security of its cloud systems.

Security Vulnerability and Configuration Compliance of a Selected General Support System (2024200004)

Determine whether the IRS effectively identifies and addresses security vulnerabilities and configuration compliance issues on a selected general support system.

¹⁰ TIGTA Report No. 2019-20-017, *Electronic Authentication Security Controls Have Improved, but Continued Progress Is Needed to Ensure the Protection of Public-Facing Applications* (Apr. 2019).

Information Technology Hiring and Follow-Up on Prior Recommendations (2024208005)

Evaluate information technology hiring to accomplish the IRA Strategic Operating Plan and follow up on prior recommendations.¹¹

Management Oversight of Selected Inflation Reduction Act Information Technology Contracts (2024208006)

Assess the effectiveness of management oversight of selected Inflation Reduction Act of 2022 information technology contracts.

Information Technology Digitalization Efforts (2024200007)

Determine whether the IRS is effectively implementing its digitalization strategy and meeting the statutory requirements of Office of Management and Budget (OMB) Memorandum M-19-21.¹²

Assigning Assets to the Appropriate General Support System or Business Unit (2024200008)

Determine the effectiveness of the process for assigning IRS assets to the appropriate General Support System or business unit.

Transition to Internet Protocol Version 6 (2024200009)

Determine the effectiveness of the IRS's progress, strategy, and implementation of converting its networks to Internet Protocol Version 6 to comply with the OMB requirements.

Information Technology Hardware Asset Inventory Controls (2024208010)

Evaluate the effectiveness of information technology hardware asset inventory controls and the migration to ServiceNow-IRWorks.

Network Perimeter Security (2024200011)

Determine the effectiveness of the internal IRS penetration testing process and the mitigation of identified deficiencies.

Cloud Architecture and Design Group (2024208012)

Assess the Cloud Architecture and Design Group's efforts to provide effective management and oversight of cloud applications.

Replacing and Decommissioning Legacy Systems – Follow-Up (2024200013)

Assess the efforts to identify, replace, and decommission legacy systems and follow up on prior audit recommendations.¹³

¹¹ TIGTA Report No. 2021-20-028, *Opportunities Exist to Improve Hiring and Retaining Employees With Information Technology Expertise* (Jun. 2021).

¹² OMB/National Archives and Records Administration, Memorandum M-19-21, *Transition to Electronic Records* (June 28, 2019).

¹³ TIGTA Report No. 2020-20-044, *Legacy Systems Management Needs Improvement* (Aug. 2020).

Customer Account Data Engine 2 – Individual Tax Processing Engine Defect Remediation Efforts (2024208014)

Determine whether the IRS is effectively and efficiently managing the Customer Account Data Engine 2 program’s Individual Tax Processing Engine project with a focus on defect remediation and is considering how potential legislative changes may impact the Customer Account Data Engine 2 program.

Microsoft 365, Software-As-A-Service (2024200015)

Assess the IRS’s deployment of Microsoft 365 and evaluate the effectiveness of user account access and security controls.

Progress of Information Technology Modernization Efforts (2024208016)

Evaluate the progress of the IRS’s information technology modernization, including transforming core account data and processing efforts funded by the Inflation Reduction Act of 2022.

Privileged User Management and Access System (2024200017)

Assess the Privileged User Management and Access System deployment and evaluate the effectiveness of the privileged user account access and security controls.

Enterprise Data Platform (2024208018)

Determine the effectiveness of the IRS’s development and implementation of the Enterprise Data Platform capabilities.

Implementation of Executive Order 14028, *Improving the Nation’s Cybersecurity* (2024208019)

Determine whether the IRS is effectively implementing the requirements of Executive Order 14028, *Improving the Nation’s Cybersecurity*.

Enterprise Case Management Migration and Decommissioning Efforts (2024208020)

Determine whether the Enterprise Case Management program has effectively increased migration efforts and evaluate the decommissioning of legacy systems components.

Electronic Signature Strategy (2024208021)

Evaluate the effectiveness of the implementation of e-Signature Services.

Login.gov Deployment and Security (2024200022)

Evaluate the effectiveness and security of the Login.gov deployment.

Taxonomy of IRS Systems and Applications (2024200023)

Determine whether the IRS has an effective process to consistently identify systems and applications and can track sensitive data held on these systems across multiple IRS inventory systems.

Audits Required by Statute

Annual Assessment of the IRS's Information Technology for Fiscal Year 2023 (202320002)

Assess the adequacy and security of the IRS's information technology.

Fiscal Year 2024 IRS Federal Information Security Modernization Act Evaluation (2024200001)

Assess the effectiveness of the IRS's information security program on a maturity model spectrum based on the FY 2024 Inspector General Metrics.

Annual Assessment of the IRS's Information Technology for Fiscal Year 2024 (2024200002)

Assess the adequacy and security of the IRS's information technology.



Disclosure of Federal Tax Information to State Agencies (202310007)

Determine if the Office of Safeguards provides adequate oversight of State agencies receiving Federal Tax Information.

Employee Progressive Discipline (202310008)

Assess the effectiveness of the IRS's efforts in using progressive discipline for employees with multiple violations of personnel standards.

Workers' Compensation Program – Follow-Up (202310010)

Assess the oversight of the IRS's workers' compensation program's claim initiation, return to work monitoring, and accuracy of chargeback costs.¹⁴

Reducing Real Estate Costs – Follow-Up (202310011)

Assess continuing efforts to reduce the associated costs related to the IRS's real estate footprint, including the leveraging of workstation sharing as part of its space reduction efforts and the efficient allocation of space for future projected needs.¹⁵

¹⁴ TIGTA Report No. 2018-10-037, *Improvements Are Needed to Provide Effective Oversight of Workers' Compensation Claims* (Jun. 2018).

¹⁵ TIGTA Report No. 2018-10-020, *More Effective Workstation and Office Utilization Could Result in Rental Cost Savings* (Apr. 2018).

Contractor Separation and Transfer Procedures (202310026)

Assess the effectiveness of processes to remove contractor access to IRS facilities, systems, and equipment upon separation or transfer of duties.

Improving the Hiring Process (202310812)

Evaluate the IRS's efforts to implement efficient hiring processes that will fill critical program vacancies.

Pilot IRS (2024100007)

Evaluate the IRS's efforts to promote contracting efficiencies through the use of expedited or simplified procurement procedures established in the Pilot IRS initiative.

Oversight of Select Non-Information Technology Inflation Reduction Act of 2022 Contracts (2024108008)

Assess the effectiveness of management oversight provided to select non-information technology Inflation Reduction Act of 2022 contracts.

Attracting a Talented and Diverse Workforce (2024108009)

Evaluate efforts to attract a talented and diverse IRS workforce.

Improving the Onboarding Process (2024108010)

Evaluate efforts to deliver more effective employee onboarding programs that are designed to successfully integrate new employees into the IRS workforce.

Remote Work Pilot (2024100011)

Determine whether the IRS adequately evaluates the success of its remote work pilot and ensures that participants adhere to pilot requirements.

Taxpayer Paper Files Management (202330016)

Assess the efficiency and effectiveness of the IRS's oversight of the inter-agency agreement for storage, management, and retrieval of taxpayer paper files.

IRS Development and Implementation of the IRS University (2024308020)

Assess the IRS's stand-up of the IRS University as its principal training resource.

Inflation Reduction Act of 2022 Enforcement-Related Investment Decisions (2024308021)

Assess the IRS's decision-making process for Inflation Reduction Act of 2022 enforcement-related investment decisions, including assessment of potential return on investment.

Audits Required by Statute

Government Charge Card Abuse Prevention Act of 2012 Semiannual Mandatory Review [(April 1, 2023, through September 30, 2023) 202310004, (October 1, 2023, through March 31, 2024) 2024100003, and (April 1, 2024, through September 30, 2024) 2024100004]

Assess whether the IRS complied with the Government Charge Card Abuse Prevention Act of 2012¹⁶ requirements.

Attestation Review of the IRS's Fiscal Year 2023 Annual Accounting of Drug Control Funds (2024100005)

Attest to the reliability of assertions made in the IRS's FY 2023 Office of National Drug Control Policy Detailed Accounting Submission and Performance Summary Report.



Taxpayer Service

Taxpayer Assistance Centers: Quality of Taxpayer Assistance (202210036)

Assess the quality of assistance provided to taxpayers at Taxpayer Assistance Centers.

Low Income Taxpayer Clinics (202310015)

Assess the effectiveness of the National Taxpayer Advocate's oversight of the Low Income Taxpayer Clinics grant program.

Taxpayer Access to Telephone Service (202310017)

Assess the IRS's efforts to improve toll-free access and reduce taxpayer wait times when calling for assistance.

Effectiveness of Customer Satisfaction Surveys (202310023)

Evaluate the IRS's process for measuring taxpayer satisfaction with customer services and determine how survey results are used to make improvements.

Identity Theft Inventory Backlog (2024100013)

Evaluate the IRS's efforts to reduce the inventory backlog of identity theft cases.

¹⁶ Pub. L. No. 112-194 (Oct. 2012).

Independent Office of Appeals Case Results (2024100014)

Evaluate how the quality of conceded IRS Independent Office of Appeals case determinations are assessed and determine if the case results are used to provide feedback to the respective IRS Operating Divisions.

Taxpayer Advocate Service Case Processing (2024100015)

Evaluate the IRS's efforts to overcome barriers to timely and accurately process Taxpayer Advocate Service cases.

Making Taxpayer Payments Easier (2024108016)

Assess the IRS's efforts to enable taxpayers to make payments easier and seamlessly through all service channels.

Office of Systemic Advocacy (202330009)

Evaluate the efficiency and effectiveness of the Office of Systemic Advocacy in the Taxpayer Advocate Service and determine the extent to which the office fulfills its mission.

U.S. Energy Security (2024308022)

Assess the IRS's actions and use of Inflation Reduction Act funds to accomplish energy security for the United States.

Automated Chat Bots (2024308023)

Determine if the IRS's automated chat bots are providing effective and efficient service to help taxpayers meet their tax obligations.

Equitable and Unbiased Case Selection in Earned Income Tax Credit Audits (2024308025)

Assess the IRS's progress in determining whether there is inherent racial bias in the Earned Income Tax Credit audit selection process and what steps the IRS is taking to ensure such bias does not exist.

Suitability Checks for Participation in IRS Programs – Follow-Up (202340018)

Assess the effectiveness of the IRS's process to ensure suitability of applicants seeking participation in IRS programs.¹⁷

Free File Program – Follow-Up (202340028)

Follow up on the IRS's efforts to improve the Free File Program, focusing on additional taxpayer safeguards as well as actions that the IRS has taken to improve testing and monitoring of compliance with program participation requirements.¹⁸

¹⁷ TIGTA Report No. 2020-40-005, *Improvements Are Needed to Ensure That Consistent Suitability Checks Are Performed for Participation in Internal Revenue Service Programs* (Nov. 2019).

¹⁸ TIGTA Report No. 2020-40-009, *Complexity and Insufficient Oversight of the Free File Program Result in Low Taxpayer Participation* (Feb. 2020).

Information Returns Modernization (2024408009)

Assess the IRS's efforts to modernize information return processing by implementing an Internet-based platform for Forms 1099.

Accounts Maintenance Research Transcripts (2024400010)

Evaluate the IRS's identification and resolution processes for the Accounts Maintenance Research Transcripts.

Direct File Pilot Program (2024408011)

Assess the IRS's plans to develop and pilot an IRS-run Direct File System in Filing Season 2024.

Resolving Missing and Misapplied Payments – Follow-Up (2024400012)

Determine the effectiveness of the IRS's efforts to identify and resolve missing and misapplied payments.¹⁹

Audits Required by Statute

Fiscal Year 2024 Mandatory Review of the Compliance With the Freedom of Information Act (2024100002)

Determine whether the IRS improperly withheld information requested by taxpayers in writing based on the Freedom of Information Act exemption 5 U.S.C. § 552(b)(7) or I.R.C. § 6103.

Fiscal Year 2024 Mandatory Review of Collection Due Process – Independent Office of Appeals (2024300024)

Determine whether the IRS complied with 26 U.S.C. §§ 6320 and 6330 when taxpayers exercised their right to appeal the filing of a Notice of Federal Tax Lien or issuance of a Notice of Intent to Levy.



Tax Processing

Destruction of Paper-Filed Information Returns (202240625)

Assess the IRS's policies and procedures relating to the destruction of paper-filed information returns, including Affordable Care Act information returns.

¹⁹ TIGTA Report No. 2021-40-012, *Processes Exist to Assist Taxpayers With Misdirected Refunds, but Additional Controls Could Further Help to Prevent Them* (Jan. 2021).

2023 Filing Season Individual Tax Return Processing (Final) (202340004)

Evaluate whether the IRS timely and accurately processed individual paper and electronically filed tax returns during the 2023 Filing Season.

Accountability Over Manual Refunds – Follow-Up (202340006)

Evaluate the effectiveness of the IRS's controls to minimize the risk of issuing erroneous manual refunds.²⁰

Tax Offsets (202340024)

Assess the IRS's processes to identify and offset refunds associated with individual and business tax accounts with debt owed.

Accuracy of IRS Notices Issued During Tax Return Processing (202340027)

Determine whether processes and procedures are sufficient to ensure that notices issued during tax return processing are accurate.

Continued Review of Employee Retention Credit Claims – Follow-Up (202340030)

Assess the IRS's processes for identifying potentially fraudulent claims for the Employee Retention Credit on original and amended employment tax returns.²¹

Continued Assessment of Efforts to Address the Backlog During Filing Season 2023 (202340610)

Assess the IRS's efforts to address backlogs of unworked inventories at its Tax Processing Centers during the 2023 Filing Season and the effect on taxpayers.²²

Clean Vehicle Credits (202340825)

Evaluate the IRS's processes to identify and prevent erroneous Clean Vehicle Credit claims for new, previously-owned, and commercial vehicles, and assess actions taken by the IRS to implement corrective actions to address previously reported deficiencies.²³

Scanning Paper-Filed Individual Tax Returns for the 2023 Filing Season (202340829)

Evaluate the IRS's efforts to scan paper-filed individual tax returns into an electronic format for the 2023 Filing Season.

²⁰ TIGTA Report No. 2009-40-131, *Increased Automated Controls Could Further Improve Accountability Over Manual Refunds* (Sep. 2009).

²¹ TIGTA Report No. 2022-46-059, *Delays Continue to Result in Businesses Not Receiving Pandemic Relief Benefits* (Aug. 2022).

²² TIGTA Report No. 2023-46-007, *Backlogs of Tax Returns and Other Account Work Will Continue Into the 2023 Filing Season* (Dec. 2022).

²³ TIGTA Report No. 2019-30-072, *Millions of Dollars in Potentially Erroneous Qualified Plug-in Electric Drive Motor Vehicle Credits Continue to Be Claimed Using Ineligible Vehicles* (Sept. 2019).

Employer Identification Number Application Processing and Business Account Maintenance – Follow-Up (2024400013)

Evaluate the effectiveness of the IRS's controls for processing Employer Identification Number (EIN) applications and ensuring that they accurately consolidate accounts with multiple EINs.²⁴

Detecting and Preventing Fraud on Schedule C – Follow-Up (2024400014)

Assess the IRS's efforts to detect and prevent tax refund fraud related to income claimed on a Schedule C, *Profit or Loss from Business*.²⁵

Accuracy of Estate and Gift Tax Return Processing (2024400015)

Evaluate processes and procedures to ensure timely and accurate processing of estate and gift tax returns.

Elective Payments and Transferability of Credits (2024408016)

Assess the IRS's implementation and development of processing controls for elective payments and transfer of credits related to energy and electricity produced from certain renewable resources.

Amended Business Tax Returns Processing (2024400017)

Determine whether proper controls are in place to ensure the accurate processing of amended business tax returns.

Qualifying Advanced Energy Project Credit – Follow-Up (2024408018)

Evaluate the IRS's efforts to identify and address erroneous Advanced Energy Project Credits.²⁶

American Rescue Plan: Exclusion of Cancelled Student Loan Debt From Taxable Income (2024407019)

Evaluate the IRS's implementation of the American Rescue Plan Act exemption of cancelled student loan debt from taxable income.

Employment-Related Identity Theft Victim Assistance – Follow-Up (2024400020)

Assess the IRS's processes to identify and assist victims of Employment-Related Identity Theft.²⁷

²⁴ TIGTA Report No. 2018-40-013, *Actions Are Needed to Reduce the Risk of Fraudulent Use of Employer Identification Numbers and to Improve the Effectiveness of the Application Process* (Feb. 2018).

²⁵ TIGTA Report No. 2019-40-012, *Partnership With State and Industry Leaders Is a Key Focus in Further Reducing Tax-Related Identity Theft* (Dec. 2018).

²⁶ TIGTA Report No. 2014-40-011, *Processes for Ensuring Compliance With Qualifying Advanced Energy Project Credit Requirements Can Be Strengthened* (Feb. 2014).

²⁷ TIGTA Report No. 2017-40-031, *The Number of Employment-Related Identity Theft Victims Is Significantly Greater Than Identified* (Jun. 2017).

Pre-Refund and Soft Notice Strategy for Refundable Credit Claims (2024408021)

Assess the IRS's pre-refund and soft notice strategy in order to deliver early and appropriate treatment for issues identified during tax return processing.

Accuracy of Form 56 (2024400022)

Evaluate the IRS's processes and procedures for ensuring the accuracy of processing of Form 56, *Notice Concerning Fiduciary Relationship*.

2024 Filing Season (Interim) (2024408023)

Provide select information related to the IRS's 2024 Filing Season.

2024 Filing Season (Final) (2024408024)

Evaluate whether the IRS timely and accurately processed individual paper and electronically filed tax returns during the 2024 Filing Season.

Individual Amended Tax Return Processing Modernization (2024400025)

Evaluate the IRS's efforts to improve the efficiency and accuracy of amended tax return processing.

Perfecting Individual Income Tax Returns for Processing (2024400026)

Evaluate the effectiveness of the IRS's processes to perfect individual income tax returns for processing.

Payment Processing (2024400027)

Assess the accuracy and timeliness of IRS payment processing.

Continued Assessment of Efforts to Digitize Paper Tax Returns for Processing (2024408028)

Evaluate the IRS's efforts to digitize the processing of paper-filed individual tax returns during Processing Year 2024.²⁸

Expanded Research Credit for Small Businesses (2024408029)

Determine whether the IRS can ensure that taxpayers who claim the Research Credit against their payroll taxes are eligible to claim the credit and that they claim the correct amount.

Audits Required by Statute

²⁸ TIGTA Audit No. 202340829, IRS Efforts to Scan Paper-Filed Individual Tax Returns for the 2023 Filing Season.

Individual Taxpayer Identification Number Program (202340002) ²⁹

Assess the IRS's continued efforts to ensure that only individuals with a tax need are assigned an Individual Taxpayer Identification Number.³⁰



Tax Exempt and Government Entities

Tax Exempt and Government Entities Division's Compliance Units (202310020)

Assess the effectiveness of the Tax Exempt Compliance Unit's efforts to improve tax administration.

Nonprofit Hospital Compliance Efforts (2024100017)

Assess the IRS's oversight of tax-exempt hospitals to ensure that they are compliant with providing community benefits and other requirements.

²⁹ Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, 129 Stat. 2242 (2015).

³⁰ TIGTA Report No. 2022-40-013, *Administration of the Individual Taxpayer Identification Number Program* (Jan. 2022).