

IRS chief denies use of quotas

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WASHINGTON — The head of the Internal Revenue Service today denied charges that IRS works under a quota system that rewards tax agents for their harshness.

IRS Commissioner Donald C. Alexander, appearing before a Senate appropriations subcommittee, challenged earlier testimony that IRS agents are under pressure to produce a certain number of case closings a year.

"Let me assure you the Internal Revenue Service has no quota system," Alexander said.

"I have not once established or predicted any dollar goals or enforcement results," he said. "Dollar or case production are not the criteria for evaluations or promotions, nor are individual statistics maintained for this purpose."

Alexander also told the panel that IRS is beefing up its taxpayers assistance program by, among other things, upgrading the taxpayer representative position to a "blue ribbon occupation."

He also said IRS is increasing the number of permanent taxpayer representatives from about 1,400 last

year to slightly over 1,900 this year.

Today's session was a continuation of hearings that started in April when witnesses accused IRS of violating people's rights, defying federal law and operating with a system that stresses numbers of cases closed instead of the manner in which they are handled.

One witness at those hearings, Vincent L. Connery, president of the National Treasury Employees Union, said that initiatives to meet taxpayer needs and ease discontent have been announced by IRS but "no matter how highly they may trumpet these initiatives,

they are no more than cosmetic reforms."

Connery said revenue officers often are forced by management to initiate proceedings against a taxpayer "rather than permitting him to enter into an installment payment arrangement because of the time-consuming paperwork and leg-work involved in administering part-payment plans."

He testified that no matter what IRS officials may say, "production goals and quotas are the name of the game." He said the most important thing to the collection division of IRS is the number of cases closed, with little or no regard for the effect on the taxpayer.

"Revenue officers are oftentimes rewarded for seizing a taxpayer's assets and severely disciplined if they permit him to remain in business and repay his debt to the federal government: part-payment plans do not close cases," Connery said.

Another witness in April, Joseph N. Ingolia, a U.S. tax court commissioner, said IRS fails to tell taxpayers their rights at the beginning of a tax dispute.