my IRS Account

I have a dream

- Taxpayer Identity is secure, authorized and authenticated – only taxpayers can sign and submit their return.
- Tax responsibilities will be easier to manage.
  - Less manual entry, less time for tax prep, fewer physical documents to lose, fewer errors to fix on the back end for Taxpayers and the IRS
- Taxpayers will be better informed of tax benefits and liabilities for financial decisions.
- Providing tax information to others will be secure, encrypted and simple.
- There will be new integration of tax data across source systems for further automation and protect identity.
- Simple returns will be available on-line or in the mail, ready for review, approval, signing and filing.

Vision: A Taxpayer Portal

- A single secure Taxpayer Portal where taxpayers can:
  - Maintain their personal information such as dependents, Power of Attorney, Tax Preparer, bank accounts and health insurance
  - Access their Tax Information from prior years and share it with 3rd parties
  - Discover tax benefits
  - Find all current tax documents, prepare, sign and file their return online or with help from others
  - Access their Tax Account and make payments

Incremental Steps leading to big improvements

Deliver small "chunks" of functionality over time that will provide a highly secured taxpayer portal that leads to significant efficiency while improving compliance *and* tax benefits for the majority of taxpayers.

my **IRS Account** – The entryway into new taxpayer functionality

my **Profile**

> **Personal Information** – Maintain personal information such as POA, Tax Preparer, Bank accounts
> **Relationships and Dependents** – Identify dependents and the data needed for tax benefits

my **Tax Information** – Access tax transcripts and share information with 3rd parties

my **Tax Account** – View Tax Account, see balances due, interest, and payments

my **Tax Return** – See status of Tax Documents, view details, prepare return and file it

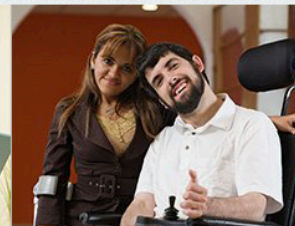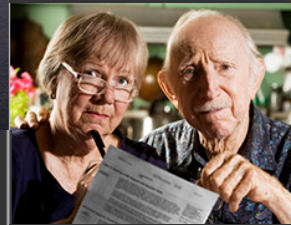*my* **Tax Benefits** – View current tax benefits and find new ones available

my Profile

Phase I a – Personal Information

- Build application for use of new authorization and Identification system that will be the robust and secure foundation for future applications.
- Identify new data requirements for taxpayer identification for matching to returns.
- Leverage source system data for verification and identification. Examples might be:
  - Social Security data would be the source for Name, Social Security Number, Marriage, Divorce, Death.
  - State ID/Drivers License Data could be used for Identity matching, partnering with states.
  - Passport data from the US Department of State could be leveraged for identity matching.
- Add functionality for linking Financial accounts and Health Insurance data.
- New data would be stored for future needs for automated return creation

my Profile (Cont'd)

Phase I b –Relationships and Dependents

- Build new application so Taxpayer can manage relationships and dependency.
- Application would add functionality to determine eligible tax benefits and dependency leveraging tools similar to those in the Interactive Tax Assistance tool.
- Ability to Add, Change and Remove relationships/dependency through multiple channels to support diverse needs (web, email, mail, phone).
- Ability to "request" transfer of dependents from existing taxpayer who will have ability to "approve" or "deny" transfer.
- Head off identity theft, dependency conflicts and injured spouse delays by recognizing conflicts and providing an opportunity for dispute resolution *before* filing.
    - The first return filed will no longer be able to "steal" a person. Existing relationships in new system will rule.
    - Every transfer of dependency must be approved by the person who had the dependent in the prior year. Call centers will have secured capability to help taxpayers with transfers and disputes.
    - Disputes would put a hold on the dependent until resolved.

my Tax Information

Phase II a - Taxpayer will be able to view, download and share their transcripts

- Leverage e-Services capabilities and add functionality to give taxpayer the ability to authorize e-Services for Third Parties such as Tax Preparers, Mortgage Brokers, and Credit Card Providers who are registered with the IRS with a designation of something like the current Approved Business Partner.
    - Possible revenue opportunity for the IRS and efficiency for the partners.
- All users of transcript data will be registered and identified for this access and all access will be tracked.
- Reports will be improved, but only to the extent possible with the existing data. Format will represent a 1040 and source schedules and forms.

my Tax Information (Cont'd)

Phase II b - Taxpayer information availability will be complete

- The ultimate goal for the Return Transcript will be a report in the form of a 1040 return, with taxpayer amendments and IRS changes clearly identified.
- All source document data will be captured and retained to provide the foundation for further capabilities.
  - Access to source tax documents for the current tax year would reduce the need for paper W-2's, 1099's etc., and could eliminate manual entry of tax data.
    - Lost tax documents are a major issue for many taxpayers, particularly seniors.
  - Complex tax laws make tax compliance difficult for the majority of taxpayers. Additional data would enable fully automated tax preparation for many taxpayers. For example, state taxes paid are not captured today but are needed for itemization.
  - Partnerships with organizations such at Tax Prep Software Firms, Payroll and Benefits firms, not-for-profits (insurance providers, AARP) could help finance capabilities.

my Tax Account

Phase III – Clear online tracking of taxpayer liabilities and payments

- New functionality will make it easier for the Taxpayer to view any tax liabilities and payments to their tax account.

- Functionality would be similar to on-line banking with liability, penalties, interest, and payments clearly displayed.
  - Taxpayer could clearly see all quarterly and account payments.

- Alternatives for making payments will be available and linked to the Tax Account from Financial accounts identified in the "Personal Information" application.

my Tax Return

Phase IV a – Reduction of manual entry and reduced risk of ID theft

- Secured, encrypted ability to download all data to Vendor Tax Programs either by taxpayer, POA, or Authorized Preparer.
- Secured, encrypted ability to transmit return data from Vendor Tax Programs to Taxpayer *my* IRS Account.
- New Taxpayer functionality to Review, Sign and e-File current return through multiple channels.
  - Secured on-line accounts for taxpayer *and* spouse.
  - Multiple channels available including phone call with IRS call center and security processes for taxpayers with low vision and other disabilities.
  - Secured approval and signing prevents ID theft, prevents illicit firms from rerouting refunds and requires spousal review and submission.

my Tax Return (Cont'd)

Phase IV b – New tax prep capabilities

- Delivers a dashboard showing status of tax documents currently available and status of the return.

- Link to complete source documents such as W2, 1099's, 1095a's etc.
  - Could reduce complexity of source documents by standardization of format (for example, today's 1099-B Broker statements are "interesting").
  - Could alert taxpayers to issues with documents that are missing.
- Provides data, tax calculations, credit, deduction and subtraction automation, return completion, approval and filing.

my Tax Benefits

Phase V – Document current benefits and suggest potential tax benefits

- Logic capabilities from the Interactive Tax Assistant Tools would leverage new data captured in **Personal Information** and **Relationships and Dependents.**
- Areas where there are actual tax savings on a return would be identified:
  - Deductions
  - Tax Subtractions
  - Tax Credits
  - Favorable treatment of income – Capital Gains, Dividends, Social Security.
- Provide ability to identify new opportunities for tax savings
  - Various Education Credit Scenarios (e.g. Pell Grant for housing, higher dependent income), 401k, IRA, HSA, Health Care, Child Care.

Sequence of Documents

To meet size constraints, the presentation has been divided into three PDF Documents

My IRS Account – 1
- ***my* IRS Account**
- ***my* Profile**
  - **Personal Information**
  - **Relationships and Dependents**

My IRS Account – 2
- ***my* Tax Information**
- ***my* Tax Account**

My IRS Account – 3
- ***my* Tax Return**
- ***my* Tax Benefits**

Credits & Approach:

- Special thanks to WWW.IRS.Gov and WWW.SocialSecurity.gov
  - Capabilities and style have been heavily "borrowed" from these sites
  - Both organizations have done a lot with very limited resources, particularly in the last few years.
  - IRS resources contacted have been generous with their time.
- Focus for this document was new capabilities predominantly for lower and modest income families and seniors
  - Priorities and design would require significant in depth analysis
  - To provide conceptual examples, new types of data are suggested, but are illustrative, only. An example might be that Drivers Licenses might not be a best practice for ID validation.
  - Due to time constraints, only simple, "happy path" scenarios have been illustrated

Thought bubbles are used for conveying
new ideas, interactions, and
hopefully, adding some clarity!
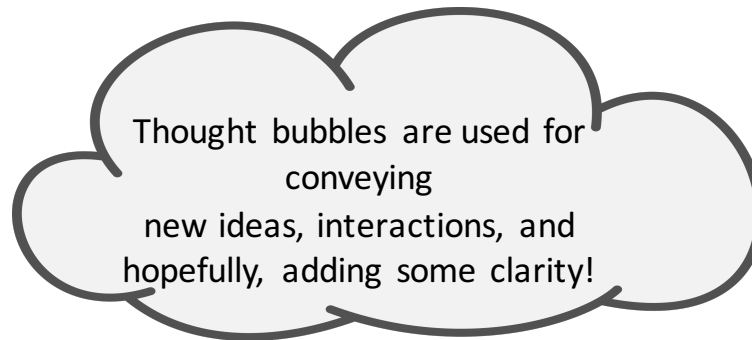
About the entrant

Kathy Goeddel, PMP, CSM, Tax-Aide Fellow

Kathy Goeddel is a passionate volunteer with the AARP Tax-Aide Program. She is currently the District Coordinator and Technical Coordinator for 11 Tax Sites with 75 volunteers serving inner North, Northeast and Northwest Portland, Oregon. She has been recognized as a Tax-Aide Fellow for her long and distinguished service to the program. No more than 1% of the volunteers are recognized as a Tax-Aide Fellow each year.

In 2010, Kathy retired from a career as a Director and Program Manager in Information Systems. She built and managed new high performance teams for Standard Insurance and Tektronix. She is known for defining and implementing significant process improvements in conjunction with the integration of new technology in the business. She has strong leadership, financial, and strategic management skills. During her tenure with the Internet Business Group at Tektronix, the website was recognized with an eWEEK top 10 ranking of FastTrack 500 Innovators for e-business, and the InternetWeek.com 100 for top commercial web innovators. She has implemented global business applications such as e-Commerce, ERP, Manufacturing, Finance, Automatic Call Distribution and Data Warehouses. She has led teams implementing new strategic technology platforms including content management, portal, messaging, and technology that integrates legacy applications. Prior to this, she held positions in Information Systems and Finance at Procter & Gamble. She has also been an instructor at Portland State University and Oregon State University in Information Systems at both undergraduate and graduate levels. Her education includes a BA in Economics and an MBA in Management Information Systems from Indiana University.

my Profile

Scenarios for *my* Profile

- Married taxpayer, Katherine, views her **Personal Information**
  - Taxpayer will be able to see her data. Contact information can be updated
  - They can enter and maintain their Financial Accounts.

- Taxpayer updates relationships and dependents.
  - Katherine will update her filing status.
  - She will :
    - Confirm and update an existing dependent son, John.
    - Remove a sister, Susan, who is no longer a dependent.
    - Add a brother-in-law, Thomas.
    - Review tax benefits available for dependents.

IRS

my IRS Account

Welcome, Katherine! You last signed in on May 02, 2015 at 10:28AM EDT.

| My Home | Help Center | Security Settings |

| My Profile | My Tax Information | My Tax Account | My Tax Return | My Tax Benefits |

| Personal Information | My Relationships & Dependents | Insurance Information |

Your Name:
Katherine A. Portland
Social Security Number:
XXX-XX-1234
Date of Birth:
January 01, 1975

My Spouse:
Don A. Portland
Social Security Number:
XXX-XX-2234
Date of Birth:
January 01, 1972

> Taxpayer and Spouse data will be sourced and updated from Soc. Security Records. New ID Verification will be needed. Matching to source systems such as State DMV or Immigration and Naturalization Passport data may be added.

Your Address, Phone Number and E-mail   **IP PIN**   **Government ID's**

Address:
1300 N Hall Street
Portland, OR 97212
Daytime Phone: (503) 555-1212
Home Phone: (971) 555-1212
Cell: (971) 555-1234
Email: kathy.portland@gmail.com
Biometric data: TBD

XXXXXX

Driver's license / state ID numb...
Issue date of license or state ID: 11/15/20...
Expiration date of license or state ID: 01/01/202...
State where license or state ID was issued: OR

Passport Number: 411111117
Date of Issue: 15 Apr 2009
Date of Expiration: 14 Apr 2019

...as a blind or visually impaired user?

| Update Contact Information | Update IP PIN | Update Government ID's |

Additional Information

Occupation: Instructor
Blind: No
Totally and Permanently Disabled: No
Injured Spouse: No

Other New Data: TBD....
 Do you want $3 to go to the
 Presidential Election Campaign: **Yes**

| Update Information |

▶ Go to Security Settings

Your security settings allows you to view or update your:
- security options,
- password, and
- password reset questions.

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Financial Account Information		Account Type
Our Checking Account US BANK NA Account Number: x0012 (Last 4 Digits)	Katherine A Portland Don A Portland	Checking
Portland's Joint Savings US BANK NA Account Number: x0024 (Last 4 Digits)	Katherine A Portland Don A Portland	Savings
Katherine's Regular IRA Bank of America Account Number: x0015 (Last 4 Digits)	Katherine A Portland	IRA
Katherine's Roth IRA MyRA Account Number: x0015 (Last 4 Digits)	Katherine A Portland	Roth IRA

Update Financial Accounts

This is a continuation of the Personal Information screen. All financial accounts required for payment or deposit are included. Security and edit requirements should be similar to online financial institution transfer account verification processes for external accounts. Only accounts verified here can be used for refunds, reducing risk refund identity theft.

IRS *my* IRS Account

| My Home | Help Center | Security Settings |

| **My Profile** | My Tax Information | My Tax Account | My Tax Return | My Tax Benefits |

| Personal Information | **My Relationships & Dependents** | Insurance Information |

My Qualifying Child

> **John A Portland**
Date of Birth: **01/01/2006**
Social Security Number: **XXX-X**
Relationship: **Son**

Son, John, is selected. Once all of the Interactive Tax Assistant questions for dependency and benefit eligibility have been answered, the data for dependency and eligibility is updated and the date confirmed is set.

> **Susan B Tony**
Date of Birth: **01/05/1976**
Social Security Number: **XXX-X**
Relationship: **Sister**

Review   **Start Over**   **Return**

Dependency & Benefit Eligibility Interactive Tax Assistant

Was John married any time in 2015? ○ Yes ● No

Did John provide more than half of his or her own support? ○ Yes ● No

Are you filing a joint return with John's other legal parent (as determined by state law)? ● Yes ○ No

Did John live with you for more than half of 2015 (including temporary absences? ● Yes ○ No

Can another person claim John as a **qualifying child?** ○ Yes ● No

John is your qualifying child dependent.

Did you pay or incur expenses to care for an individual in order to work or look for work? ● Yes ○ No

Of the expenses incurred to allow you to work or look for work, what portion of the expenses was paid for the care recipient(s) to **attend kindergarten or a higher grade of school?** [None ▼]

Did you receive **dependent care benefits** from a dependent care benefits plan or flexible spending account? ○ Yes ● No

During 2015, was the student enrolled at a **postsecondary educational institution** eligible to participate in a student aid program administered by the U.S. Department of Education? ○ Yes ● No

[Update Dependency & Eligibility Status]

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IRS *my* **IRS Account**

Review

Transfer a Dependent

Transfer — **John A Portland**
Date of Birth: **01/0...**
Social Security Nu...
Relationship: **Son**

Transfer — **Susan G Portland**
Date of Birth: **04/...**
Social Security Nu...
Relationship: **Dau...**

Transfer — **Susan B Tony**
Date of Birth: **01/...**
...ecurity Nu...
...ip: **Sist...**

Transfer:

Susan B Tony
Date of Birth: **01/05/...**
Social Security Numbe...
Relationship: **Sister**

Transfer to: [Select One ▼]

✓ Select One
Self
Other
Unknown

First name and initial
[   ]

Last Name
[   ]

Email Address
[   ]

Home Address (Number and Street)
[   ]

...ail Address
[   ]

City, Town or Post Office, State, and ZIP code
[   ]

Transfer

The next Transfer step is to indicate who should be able to claim the exemption, if possible, to reduce the likelihood of identity theft or "dependent poaching". If "self", is selected, transfer is automatic.

If "Other" is selected for the transfer, extra data fields will gather email or US Mail notification of transfer with secured access/ID Code. Transfer can happen online or over the phone.

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IRS *my* IRS Account

My Home	Help Center	Security Settings

My Profile	My Tax Information	My Tax Account	My Tax Return

Personal Information	My Relationships & Dependents	Insurance In

Add a Dependent

First name and initial

Thomas B

Last Name

Portland

Dependent's Social Security Number

XXX-XX-2213

Dependent's Date of Birth

10/10/1990

Dependent's Relationship to you

Brother-in-law

IP PIN

XXXXXX

Dependent's Transfer Effective Date

02/16/2016

Status: Pending   **Date Confirmed:**   **Last Updated: 02/10/2016 1:05 PM**

Third Party

Don's adult brother, Thomas needs to be added as a dependent for 2016. Since Thomas has not yet transferred his own dependency, Katherine will add him in a "Pending Status". He won't be "available" to be confirmed until that has happened. In event of a dispute, the issue can be raised to the IRS in advance of the filing date.

Add a Dependent

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my IRS Account

My Home | Help Center | Security Settings

My Profile | My Tax Information | My Tax Account | My Tax Return

Personal Information | **My Relationships & Dependents** | Insurance Info

My Qualifying Child	Eligibility

> John A Portland
Date of Birth: **01/01/2006**
Social Security Number: **XXX-XX-3234**
Relationship: **Son**

Exemption: **Qu...**
Dependent and...
Earned Income...
Medical Expense...
Tuition and Fees Adj...
or Education Credit:...

Once the new Profile capabilities are available, tax returns submitted for filing could be matched to the new information prior to continuing on to legacy return processing. This would provide a new line of defense against some types of identity theft. Taxpayers would also have visibility of tax benefits.

> Susan G Portland
Date of Birth: **04/01/2015**
Social Security Number: **XXX-XX-4234**
Relationship: **Daughter**

Exemption: **Qualifying Child**
Dependent and Child Care Credit: **Yes**
Earned Income Credit: **Yes**
Medical Expense Deduction: **Yes**
Tuition and Fees Adjustment
   or Education Credit: **Yes**

02/01/2016

Update My Tax Preparer, Power of Attorney and Third Party Designee

My Qualifying Relative	Eligibility	Date Confirmed

> Thomas B Portland
Date of Birth: **10/10/1990**
Social Security Number: **XXX-XX-2213**
Relationship: **Brother-in-Law**
Status: **Pending**

[Add a Dependent]   [Release a Dependent]

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