

Letter to IRS Commissioner Protests Closings of Hartford and New Haven Taxpayer Assistance Centers

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WASHINGTON, D.C. – Connecticut's Congressional lawmakers sent a letter to the Commissioner of the IRS Thursday opposing the pending closings of taxpayer assistance centers in Hartford and New Haven.

In the letter, Sen. Christopher Dodd, Sen. Joe Lieberman, Congresswoman Rosa DeLauro and Congressman John B. Larson urged Commissioner Mark W. Everson to reconsider shutting down centers in two of the state's largest urban areas. The closures, the letter said, would leave "the entire central and northern areas of the state, and the people who are in most need of help, without access to a TAC."

Hartford and New Haven are among 68 help centers nationwide that the IRS has tagged for closure by the end of the fiscal year. Connecticut currently has seven centers. Hartford and New Haven area residents would have to travel to one of the five remaining centers in Bridgeport, Waterbury, Danbury, New London and Norwalk. Hartford area residents would also have the option of going to Springfield, MA.

The walk-in centers are a place where taxpayers can get help and resolve disputes in person. As the legislators noted in their letter, many residents cannot afford accountants, home computers with Internet service or spending hours on hold during the day. Some don't have phones. For those displaced by the closings, public transportation to an assistance center will be costly and time-consuming.

The Connecticut delegation is requesting a meeting with IRS Commissioner Everson at the earliest date to discuss this possible loss of services to constituents.

The text of the letter in its entirety:

Dear Commissioner Everson:

We are writing today to urge you to reconsider your recent decision to close the Taxpayer Assistance Centers (TAC) in Hartford and New Haven Connecticut. We are troubled that the IRS would consider closing any Taxpayer Assistance Center, let alone these TACs in two of our state's largest and poorest urban areas.

The IRS Oversight Board's Special Report on the FY2006 President's Budget Request, presented during testimony to the House Ways and Means Committee on April 14, 2005, specifically opposes closing these centers. They are particularly concerned that those affected by the proposed TAC closings disproportionately are lower-income taxpayers and those with limited or no English language proficiency.

Our constituents primarily using these TACs tend to be low, low-middle, and fixed income taxpayers who cannot afford private taxpayer assistance. Connecticut TACs assisted 129,000 taxpayers last year with preparation, account balances, installment agreements, form distribution, explaining often times incomprehensible IRS notices, identity theft issues, ITINs filings for legal immigrants and, unique to Hartford, getting help with the EITC certification program. Closing these centers would leave the entire region without access to these services.

We have serious questions and doubts about the methodology and conclusions that have been used to justify these recommendations. We simply do not understand how you can justify closing the TACs in two of the largest urban areas in Connecticut with the lowest overall statewide median income levels and the highest percentages of people in poverty, leaving the entire central and northern areas of the state, and the people who are most in need of help, without access to a TAC. In addition:

- We find it astonishing that one of the reasons listed for the closure of the Hartford office was "low numbers of EITC filers" while the IRS is currently conducting an EITC pilot program in Hartford that it previously justified specifically on the basis of its large and unique group of EITC eligible taxpayers. We would like to know how you reconcile these contradictory positions and the fact that there was a roughly 14 percent increase in EITC filers in Hartford from 2003 to 2004. Are the results of the EITC pilot invalidated by this new assessment of Hartford EITC filers? The aftermath of the EITC experiment is still being assessed, and it is imperative that these centers remain open at least until its conclusion.

- Justification provided by the IRS for closing the Hartford TAC states "the population within the zip code served by this site has a higher median income level of \$44,000 and lower unemployment (4.3%)." We are very concerned about the accuracy of this assessment. According to the U.S. Census Bureau, median household income in Hartford, the city which the TAC primarily serves is \$24,820, per capita income is \$13,428 and persons below poverty is 30.6 percent. This is a long way from the \$44,000 figure presented by the IRS. New Haven has a median household income of \$29,605, a per capita income of \$16,393, and 24.7 percent poverty rate. Simply put, these are two of the most distressed cities in the country and the taxpayers need access to local IRS services.

- You reference in your justification for closing these facilities that a decrease in customers served was a key factor in your decision to close these TACs. We would like you to reconcile this decline with recent IRS policies like increasing the income cap on taxpayers eligible to use the TACs and restricting the same day distribution of return transcripts which the Internal Revenue Service's National Taxpayer Advocate attributed in her 2004 Annual Report to Congress to a nationwide 23 percent decrease in account inquiries.

- The original announcement for TAC closings was scheduled for Friday April 29, but was postponed until last Friday, and we understand that there may have been changes made to the list of recommendations during that time. We would like to know why the announcement was delayed and what, if any, changes were made during that time.

- The Hartford TAC is located in the William R. Cotter Federal Building, in office space which the IRS will continue to maintain for other IRS operations, providing no net facility cost savings. This is contrary to another justification provided by IRS that high facilities cost is a reason for closing the TAC. In Hartford, the IRS is actually maximizing its investment by using existing capacity to provide these taxpayer services.

- Your letter states that there is comparable access at other TAC centers, Volunteer Income Tax Assistance (VITA) sites in the region, or over the phone or internet.

- Our constituents using these TACs get to the center primarily by walking, using public transportation, or getting rides from family and friends. There is simply not any reliable, affordable, public transportation connecting these urban areas to the next closest TACs you recommend.

- It is wrong to think that urban taxpayers have a better ability or more access to the internet or phones to resolve tax problems. Many low income or low wage workers are not given the flexibility to make phone calls during the day, and it is also almost impossible on a telephone to determine if a taxpayer understands the spoken or written word. Requiring individuals to be digitally competent as a prerequisite to access the IRS is also unacceptable and unrealistic.

- Forty-one percent of Hartford's inquiries occurred after the filing season when VITA sites are not available and cannot assist taxpayers with late filing issues or other issues that fall outside the April 15 window. In addition, a Treasury Inspector General for Tax Administration audit in August 2004 of VITA sites found that none of the 35 tax returns prepared as part of the audit were prepared correctly.

- The Hartford TAC alone processes nearly 30 percent of the entire state workload. The New Haven TAC meets with 40-60 taxpayers daily, and during filing season can prepare between 70 to 90 tax returns per day. Demand is so high in New Haven that they are frequently forced to refer taxpayers elsewhere. Closing the Hartford and New Haven TACs would decrease the number of IRS employees in Connecticut by two-thirds, from 36 employees to 12. We have very serious concerns about whether 12 employees spread out over 5 locations could absorb this increased volume even if they were accessible by all of our constituents.

Finally, we are very concerned with your statement that this "was a data driven decision." We understand that a computer

actually selected these sites. We believe the fact that there has been virtually no human, compassionate, understanding or involvement in this process underlines the flaws with this entire proposal. We would like to meet with you in Connecticut to discuss these issues at your earliest possible convenience. We also invite you to visit these centers while you are here and talk with the employees and the individuals that use them to help you get a better perspective on exactly what it is your computers are proposing.

We look forward to meeting with you soon to discuss this matter.

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