Raymond T. Wagner, Jr.
Chairman
IRS Oversight Board
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Measuring the Service's Progress in Meeting its Long-Term Goals

Dear Chairman Wagner:

I write in response to the Oversight Board’s recent request to stakeholder groups for input on the metrics proposed by the Internal Revenue Service to measure its progress in meeting its strategic goals. We appreciate the opportunity to provide our views to the Board as it carries out its mission of providing the Service with long-term guidance and direction. This letter represents the views of the American Bar Association Section of Taxation. They have not been approved by the Board of Governors or the House of Delegates of the American Bar Association and should not be construed as representing the policy of the American Bar Association.

We believe that establishing relevant, objective, measurable benchmarks is extremely useful. Appropriate metrics of this type can greatly assist the Service in focusing its resources in productive ways. They also provide a means by which you, in your oversight capacity, and outside observers can evaluate how much progress the Service is making in achieving its long-term goals. Thus, we applaud the Service and the Board for their efforts to establish appropriate and meaningful measures of success.

We are not in a position to provide informed input on the specifics of the proposed metrics. We would, however, offer two observations. First, in order to have a positive impact on the implementation of the Service’s Strategic Plan, the targets should be realistically attainable. At the same time, setting the bar too low can have the perverse consequence of retarding the accomplishment of longer-term objectives since the target may function as a maximum or cap that, once attained, will lead to diversion of scarce resources in other, less productive directions.

Second, we would urge the Board, in its review and evaluation of these metrics, to keep in mind the need for the Service to find the appropriate balance between service and enforcement. As we have previously testified before the Board, balancing service and enforcement is a difficult task, and continued improvement in both areas must remain high priorities of the Service. Neither can be given short shrift. Accordingly, we encourage the Board to evaluate the proposed metrics from the perspective of whether they reflect an appropriate balance in their relative emphasis on service and enforcement.

We hope that the foregoing observations and suggestions are helpful to you and the Board in discharging your important responsibilities. We would be pleased to meet with you to discuss these views or any other matters.

Sincerely yours,

Susan P. Serota
Chair, Section of Taxation