The United States Government Accountability Office (GAO) issued a report on May 25, 2011, touting the benefits of enhanced pre-refund compliance checks. Many in the low income tax community lived through the pre-certification effort attempted several years ago with respect to the earned income tax credit. While many benefits may accrue from pre-refund compliance checks, such checks can also present difficult hurdles for low income taxpayers. This panel seeks to explore the benefits and the problems associated with these recommendations.

Moderator: Keith Fogg, Professor, Director of Federal Tax Clinic, Villanova Law School
Speakers: Nina Olson, National Taxpayer Advocate, IRS, Washington, DC; Scott Schumacher, Professor of Law, Director of Graduate Tax Program and Federal Tax Clinic, University of Washington School of Law, Seattle, WA; and, Joanna Stamatiades, Assistant Director, GAO

1) Findings of the Report
   a. Current prerefund checks provide significant benefits
   b. Identity checks are very important
   c. Math error checks protect significant revenue
   d. Prerefund checks can be enhanced with more math error authorization and review

2) Concerns with enhancing math error authority and enhancing prerefund checks
   a. Much of concern driving prerefund checks comes from refundable credits
   b. Refundable credits do not necessarily equal improper payments
   c. Legislative and compliance history of Earned Income Tax Credit
   d. Improvements proposed by Taxpayer Advocate Service for refundable credits
   e. Possible additional steps to protect revenue
   f. Policy issues presented by getting tougher on prerefund credits

3) Low income taxpayer clinic perspective
   a. Difficulty many clients have in responding to correspondence
   b. Client’s lack of internet access
   c. Loss of refunds due to procedural hurdles
   d. Need to limit remedies to areas of high abuse

4) Discussion of possible remedies and areas of abuse on which to focus

              Testimony of Nina Olson, National Taxpayer Advocate before House Ways and Means Subcommittee on Oversight
              GAO Description of agency