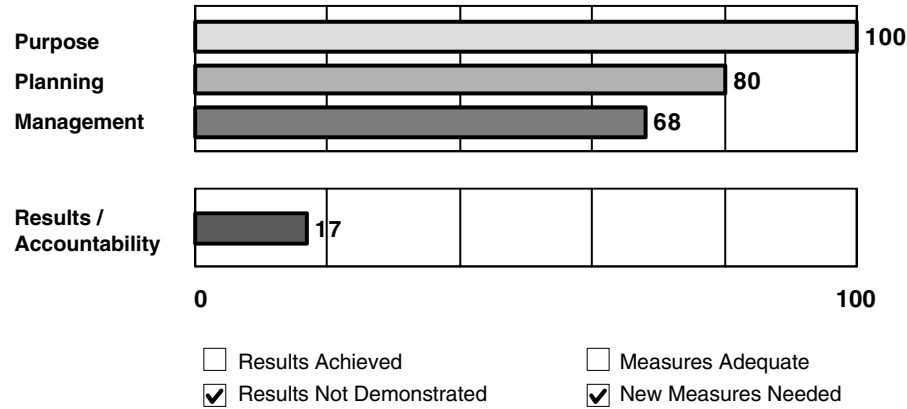


Program: IRS Tax Collection

Agency: Department of the Treasury

Bureau: Internal Revenue Service



Key Performance Measures

Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Taxpayer Delinquent Accounts case closures (field cases) These are cases where taxpayers have not paid known tax debts.	2001	846,800	757,392
	2002	804,085	724,430
	2003	714,000	
	2004	769,000	
Annual Measure: Field Collection Quality (Percent of cases meeting strict standards for process and treatment of taxpayers)	2001	86%	84%
	2002	85%	84%
	2003	87%	
	2004	89%	

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The Internal Revenue Service (IRS) Collection program collects known delinquent taxpayer liabilities (tax debts). This is distinct from IRS audits which determine how much a taxpayer owes. Collection agents contact taxpayers through notices, phone calls and personal visits to secure payments. If necessary, collection agents can use liens, levies or seizures, or refer taxpayers for criminal prosecution.

Tax revenue is necessary to finance government operations, and the Collection program is necessary to the success of tax enforcement. However, the assessment indicates that the Collection program needs improvements. Additional findings include:

1. Collection yields substantial revenue (\$18 billion in 2001). However, IRS does not work enough collection cases with its current resources, work processes and technology to ensure fair tax enforcement. Each year IRS fails to work billions of dollars worth of collection cases.
2. IRS has made numerous management improvements in the last several years, including implementing good output measures. However, it's financial management systems remain weak.
3. IRS has a strong planning process closely linked to its budget process. However, it has not yet developed collection outcome measures or goals.

The Administration is working on several efforts to improve collection performance.

1. The Budget includes a legislative proposal to allow IRS to hire private collection contractors to secure payment in some cases. The legislation includes strong taxpayer rights protections. The contractors will be paid from receipts based on actual collections.
2. The Budget includes funding for 537 new collection employees.
3. Reengineering and technology modernization efforts are ongoing to introduce risk-based approaches to target specific taxpayers with the most effective collection procedure (i.e., notice, phone call, or field visit).

(For more information on this program, please see the Department of the Treasury chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
923	967	1,038