

**SUMMARY OF TESTIMONY OF JANE C. BERGNER
ON THE IMPLICATION OF THE INTERNAL REVENUE SERVICE'S
NONFILER INITIATIVE BEFORE THE SUBCOMMITTEE ON OVERSIGHT,
COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES**

The Nonfiler Initiative is a nationwide program to encourage a return to the Federal tax system of the 10 million taxpayers who the Service estimates are now failing to file annual income tax returns. Volunteers from the District of Columbia Bar Taxation Section staffed a series of successive TAX DAYS throughout the city on April 3, 10 and 17, 1993. In preparation, we worked extensively with IRS representatives; solicited volunteer attorneys from the Taxation Section; assembled and prepared instructional materials and forms for the use of our volunteers; established site locations and coordinated staffing by volunteer attorneys, IRS Revenue Officers and trained non-legal volunteer income tax preparers recommended by the IRS; gathered the necessary tax forms for past years and for submitting deferred or reduced payment proposals to the IRS; and arranged extensive local publicity.

Volunteers from the D.C. Bar Taxation Section counseled nonfilers confidentially and free of charge on the implications of the Initiative on criminal prosecution; what constitutes reasonable cause for relief from civil tax penalties; how to document income and deductions; how to obtain misplaced income information from the IRS; how to file estimated returns; and how to enter into installment or reduced payment agreements with the IRS. This project made a significant contribution to the tax health of our community and to national tax compliance, and filled a previously unaddressed need in this community.

Following is a summary of our recommendations:

1. Revenue Officers should be provided more frequently by the Internal Revenue Service to local community sites on weekends as a resource to taxpayers who seek to resolve their collection problems in a non-threatening atmosphere. This promotes respect for and prevents withdrawal from the tax system.
2. Increased cooperation from the press is necessary to publicize the existence of *pro bono* tax assistance programs which benefit our citizenry. The tax story is not just an April 15 story; the real story exists long before that date.
3. The Internal Revenue Service must analyze the legal effect of IRC section 7214(a)(8) on the ability of Government employees to provide volunteer tax assistance.
4. Greater tax compliance education and enforcement initiatives are necessary as they relate to certain industries.
5. The Service's National Office should induce more effective cooperation by its local District offices in publicizing and implementing the Nonfiler Initiative.
6. Local District of Columbia officials should be encouraged to cooperate in the implementation of *pro bono* programs which benefit both the District's residents and the District's ability to collect its own taxes.
7. The Internal Revenue Service is to be commended for its Nonfiler Initiative which reaches out to our citizenry and, at the same time, enhances revenue collection.