



Conservative groups want new taxpayer advocate to ride herd on IRS

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Conservative advocates want a successor to retiring National Taxpayer Advocate Nina Olson to be their ally in pushing to limit the reach of the Internal Revenue Service and implement existing laws.

While key lawmakers like Senate Finance Chairman Charles Grassley want a strong consumer advocate to replace Olson, who retires July 31, right-leaning stalwarts like Dan Alban of the Institute for Justice argue for Treasury Secretary Steven Mnuchin to select a person who can promote their priorities, including limits on the power of the agency, such as preventing regulation of paid tax return preparers.

"The National Taxpayer Advocate should resist IRS's frequent requests for more power and should demand that the IRS better use the power it already has," Alban told *MLex US Tax Watch* in an e-mail. Rather than seeking licensing of preparers, like Olson, Alban said her successor "should encourage the IRS to focus on identifying and stopping ghost preparers."

Alban won a legal victory in 2014 in *Loving v. IRS* when the US Court of Appeals for the DC Circuit struck down a short-lived mandatory IRS tax preparer regulation program.

The next national taxpayer advocate could make recommendations on a number of issues important to conservative advocates and other stakeholders that weren't resolved in the IRS overhaul (PL 116-25) signed by President Donald Trump on July 1. They include potential proposals to regulate paid return preparers, a report the bill requires on restructuring IRS operations and expanded protections for low-income taxpayers.

Some conservative advocates like Chris Edwards of the Cato Institute believe the new advocate must push for the taxpayer's perspective. Edwards said in an e-mail that Olson's successors must argue for a "less intrusive IRS" and should "consistently take the side of taxpayers on issues such as simplification, compliance costs and tax burdens."

Pete Sepp, president of the National Taxpayers Union, said it was important for Olson's successor to ensure the agency is following the IRS overhaul law "rather than just going through

the motions." "The importance of having someone in the position quickly can't really be overstated," he added.

Lawmakers weigh in

While conservative advocates push their priorities, Grassley and other senior congressional tax writers say they want a strong consumer advocate like Olson.

"I guess that you can't do any better than the title of the position - taxpayer advocate," Grassley said when asked about his priorities for Olson's successor.

Grassley served on the National Commission on Restructuring the Internal Revenue Service, which issued a 1997 report calling for greater independence for the Taxpayer Advocate. The IRS Reform and Restructuring Act of 1998 (PL 105-206), which followed a year later, strengthened the Office of the National Taxpayer Advocate and ensured its independence, according to a Treasury Inspector General for Tax Administration report.

Grassley said the commission found the IRS was intimidating small businesses and sought to ensure taxpayers would be able to get assistance when problems arose.

Olson's performed well and will be hard to replace, said House Republican tax writer Mike Kelly. "I would look at the game films on her and try to find somebody that matches up," he said.

Ron Wyden, the Senate's top Democratic tax writer, took a similar tack. "I think we want almost a carbon copy of Nina Olson," he said, adding she "really set the gold standard" for being independent [and] factual.

Keith Fogg, director of Harvard Law School's Federal Tax Clinic, also lavished praise on Olson, saying her successor will face a similar challenge to the coach who followed legendary UCLA men's basketball coach John Wooden.

"The new person will have to be very comfortable with themselves because they will face a lot of discussions comparing what they do with what she did," he said, noting Olson's successor should have "broad experience in tax practice."

Fogg said he hopes the new advocate will "succeed in bringing the Taxpayer Bill of Rights into the culture of the IRS" and that more funding and new staffing could help make that happen.

Speaking June 21 at a conference in New York City, Olson said her successor can't let issues drop.

"The next National Taxpayer Advocate has to have that ability to turn on a dime, because otherwise you will be leaving battles behind," she said.