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DEPARTMENT OF THE TREASURY

Renewal of the Internal Revenue Service Advisory Committee

AGENCY: Department of the Treasury.

ACTION: Notice of renewal.

SUMMARY: The Treasury Department has determined that it is in the public interest to renew the Internal Revenue Service Advisory Committee (IRSAC). A Charter for the committee has been prepared and will be filed with Congress no earlier than seven (7) days following the date of publication of this notice.

FOR FURTHER INFORMATION CONTACT: John Lipold, Designated Federal Officer, (202) 317-6556, john.a.lipold@irs.gov.

SUPPLEMENTARY INFORMATION: In accordance with the Federal Advisory Committee Act (FACA) (5 U.S.C. 1001-1014), the Department of the Treasury (Department) is providing notice of the renewal of the charter for the Internal Revenue Service Advisory Committee. The Public Interest Determination, approved by Treasury, is provided in accordance with 41 CFR 102-3.65.

Public Interest Determination

Pursuant to 41 United States Code (U.S.C.) 102-3.60(a), to establish, renew, reestablish, or merge a discretionary (agency discretion) advisory committee, an agency must first consult with the General Services Administration's Committee Management Secretariat (the Secretariat) and, as part of the consultation, provide a written public interest determination approved by the head of the agency to the Secretariat with a copy to the Office of Management and Budget. In addition, pursuant to 41 U.S.C. 102-3.35, an agency shall follow the same consultation process and document in writing the same determination of need before creating a subcommittee under a discretionary committee that is not made up entirely of members of a parent advisory committee.

Information on the following factors for the committee was provided to the Secretariat to demonstrate that renewing the committee is in the public interest:

1. Annual budget: $706,350.

a. Federal personnel on a full-time equivalent (FTE) basis: 2.27.

b. Other Federal internal costs: $536,350

c. Proposed payments to members: $0.

d. Proposed number of members: Up to 42.

e. Reimbursable costs: $170,000.

2. If applicable, the total dollar value of grants expected to be recommended during the Fiscal Year: N/A.

3. Criteria for selecting members to ensure the committee has the necessary expertise and fairly balanced membership: The IRSAC members are approved for appointment as Representative members by the Department of the Treasury's Committee Management Officer upon recommendation of the Commissioner of Internal Revenue. They serve at the pleasure of the Department of the Treasury, in conjunction with the Commissioner of Internal Revenue, and can be removed for cause. The IRSAC members are selected through a structured, IRS-managed application process that seeks members representing a cross-section of the taxpaying public with substantial, disparate experience in: tax preparation for individuals, small businesses and/or large, multi-national corporations; information reporting; tax-exempt and government entities; digital services; and professional standards of tax professionals. Adequate geographic representation is also a factor. The body of the IRSAC consists of up to 42 members. Members serve three-year appointments with the possibility of a one-year renewal. Appointments are staggered to ensure a balanced cross-section of members.

4. List of all other Federal advisory committees of the agency:

- Art Advisory Panel of the Commissioner of Internal Revenue
- Electronic Tax Administration Advisory Committee

- IRS Taxpayer Advocacy Panel

5. Justification that the information or advice provided by the Federal advisory committee or subcommittee is not available from another Federal advisory committee, another Federal Government source, or any other more cost-effective and less burdensome source: The IRSAC directly supports the administration's priority of modernizing the IRS into a more service-wide, taxpayer-focused organization. Providing invaluable counsel with respect to assessing the public's perception of IRS activities, the IRSAC offers constructive observations regarding current or proposed IRS policies, programs, and procedures, suggests improvements to IRS operations, and in so doing, endeavors to maximize voluntary compliance while minimizing the burden to taxpayers. Unlike other FACA committees at IRS, such as the Electronic Tax Administration Advisory Committee with a focus on electronic tax administration or the Art Advisory Panel which limits its scope to reviewing and evaluating property appraisals, the IRSAC is tasked with researching, analyzing and making recommendations to the IRS on a broader range of issues affecting multiple areas of federal tax administration, including the technology-first priority of the IRS.

6. If the consultation is a committee renewal, a summary of the previous accomplishments of the committee and the reasons it needs to continue: During Fiscal Year 2025, the IRSAC provided real-time advice to the Commissioner of Internal Revenue regarding appropriate budget and funding levels. In addition, each of the Council's subgroups submitted several issues specific to the areas of focus they represent.

Among the issues raised during the January 2026 IRSAC Public Meeting were IRS Funding Supports America's Future; Recommendation that the IRS Actively Take Steps to Educate the Public about its Crucial Role in the U.S. and Address Misinformation Spread About Its Operations; Updating and Maximizing Usefulness of IRS Websites: Accounting Method Change Requests; Simplify Use of Online Tax Services; Processing of Form 730 and Excise Tax Payments; Address Changes for Large Businesses; Non-tax-related Identity Theft and Account

Takeover Fraud; De minimis Threshold for Reconciling Form 1042 and Form 1042-S; Character and Source of Staking Income; Recommendations for Increasing the Tax Information Reporting Threshold for Slot Machine Jackpot Winnings; Comments regarding Changed E-Filing Requirements; Recommendations for Modernizing Form 1065, U.S. Return of Partnership Income; IRC §§ 6038 and 6038A Penalty Administration; Broadening and Promoting Settlement Programs; Enhancing Digital Tools for Taxpayer Engagement; Expanding ADR and the Pool of Eligible Mediators; Using Proactive Prompts to Improve Small Business Voluntary Compliance; Expanding and Developing Resources to Increase Tax Literacy for Small Business Owners; CAF Authorization Process Improvements; Access to Entire Electronically Filed 1040 Tax Return Data; Amended Return Processing and Time; Leveraging Social Media to Improve Service and Compliance; Pre-launch Testing and Post-launch Support; Supporting Live Chat for Tax Professionals; High Cost for Exempt Organizations to Use the PLR Process; Implementation of the Saver's Match; Defining Identical Terms Identically for Purposes of the Unrelated Business Income Tax (UBIT) and Real Estate Investment Trusts (REITs) to Avoid Confusion and Facilitate the Effective Administration of Tax Law.

7. Explanation of why the committee/subcommittee is essential to the conduct of agency business: The committee reports to the Commissioner of Internal Revenue (agency head). The Commissioner has approved the Public Interest Determination indicating continued support for the committee. The current Secretary of the Treasury reviewed all Treasury discretionary committees in March 2025 and determined that the IRS Advisory Council should be continued. The IRSAC is an advisory body that provides real-time feedback and recommendations to the Commissioner of Internal Revenue. The IRSAC proposes enhancements to IRS operations; recommends administrative and policy changes to improve taxpayer experience and service, compliance and tax administration; discusses relevant information reporting issues; addresses matters concerning tax-exempt and government entities; conveys the public's perception of

professional standards and best practices for tax professionals; and advises on fairness in tax administration.

Spencer W. Clark,

Treasury Committee Management Officer.

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