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IRS and Plain English

Did you know the first thought some taxpayers get when they receive a letter from the IRS stating 'notice to levy' is, "Who's Levy?" They mistakenly think it was wrongly sent to them and call in to the IRS call center to complain. Likewise, according to call center records, a full quarter of the people who received IRS letters in 2007 demanding proof of eligibility for a low-income tax credit didn't realize they were being audited.

These and other instances of miscommunications and misunderstandings have given rise to the need for the Plain Writing Act. Every year, the IRS sends out some 200 million letters to taxpayers. When these letters contain unambiguous and crystal clear sentences, it would reduce the need for taxpayers to call in to the IRS for clarification. Each call costs the IRS about \$25 and in 2010, the call center received some 110 million calls.

The Plain Writing Act was signed into law by President Obama last year and compels every government department to communicate in 'clear, concise, well-organized' language by October 2011. The law does not cover regulations, but it does apply to all other documents that describe government requirements or services such as tax forms, letters, benefits applications, and Medicare and Social Security handbooks.

Not only does clear communication reduce administrative and enforcement cost, but there is evidence that it also improves compliance with rules and reduces errors.

In 2008, IRS Commissioner Doug Shulman appointed Jodi Patterson, former IRS Communications Director, to establish the Office of Taxpayer Correspondence and streamline the agency's complicated automated correspondence system. Patterson solicited the services of Siegel and Gale, a New York-based design firm that went to work and who had produced, among other things, the present 1040EZ back in 1979.

Siegel and Gale diagnosed the problem as redundancy in a large number of IRS letters and the 'excessively authoritative' tone in the language that often failed to clearly state their purpose. After 2 years, the IRS has managed to redesign 85 of the most commonly sent letters based on 9 prototypes that were proven to be user-friendly by a sample of 400 representative taxpayers. These 85 letters account for 50% of the correspondence volume. For the record, the word 'levy' now appears with a word that clearly defines it – 'seize'.

But the more significant development in this project is the realization that almost all correspondences from the IRS boil down to only 2 essential messages. They are either 'Send us more money' or 'Give us more information'. From there the IRS was able to reduce the content of about 700 letters down to fewer than 40, and develop a 'content library' of words proven to be comprehensible to the average taxpayer.