

Internal Revenue Service, Information Technology
Modernization Vision & Strategy
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Final Summation

The IRS faces a daunting array of business and technological challenges in its efforts to provide enhanced services to taxpayers and assure compliance with the tax laws. Business challenges include a massive and continually growing workload, increasing complexity of the both the tax laws and taxpayer transactions, expectations for continued service improvements, and the need to quickly respond to legislative change.

During 2007, two documents were published which serve as guides for the Service's business strategy to meet these challenges: the "Taxpayer Assistance Blueprint" and "Reducing the Federal Tax Gap". Recognizing the realities of limited resources to achieve business improvements, both documents recognize the need for new and improved information technology services as a key contributor to the overall strategic direction of the Service.

In meeting these business challenges, IRS is hampered by its aging systems and technology infrastructure. In addition, a constant flow of new threats and a heightened state of alert require the IRS to improve its ability to secure and protect systems and confidential data. Investments must be made to refresh and upgrade current infrastructure and existing applications, while building new capabilities to respond to stakeholder expectations.

To meet these critical demands within limited resources, IRS has developed its Modernization Vision & Strategy (MV&S). The MV&S program is a longer term program of change which changes the way the IRS performs strategic planning, investment planning and portfolio management. It is joint partnership between the IT organization and the various business functions of the Service. In October 2006, the Service published the first version of its new MV&S which laid out its IT modernization plans for the next few years in six key tax administration business domains – Submission Processing, Managing Taxpayer Accounts, Customer Service, Reporting Compliance, Filing & Payment Compliance and Criminal Investigation.

In the second MV&S planning cycle, which has just been completed, strategies and potential solutions for those functions have been updated and a new business domain for Internal Management has been added. IRS has also added the concepts of Technical and Service domains to the planning process. These domains represent the basic IT products and services which enable and support the business functions. These domains are not yet as mature in their planning development as the business domains which were started much earlier. The lone exception is the Security & Privacy domain, reflecting the high degree of importance that the Service places on its responsibilities for the protection of systems and data.

In addition to the strategies and potential solutions for the various domains, IRS has laid out a plan for expanding both the depth and breadth of its MV&S planning process. Over the next few years, IRS will continue to mature its strategic planning and portfolio management processes to ensure that maximum value is derived from available IT resources.