

# FY2023 LB&I Strategic Goals

## MEET OUR TAX ADMINISTRATION RESPONSIBILITIES EFFECTIVELY

- Efficiently and effectively implement the new tax and service provisions of the Inflation Reduction Act
- Continue efforts to select the best work and optimally use our resources through a variety of means, including:
  - Enhancing our capabilities to receive and use data
  - Pursuing form improvements that deliver better data from taxpayers
  - Further refining our compliance programs to increase effectiveness and efficiency (e.g., LCC, CAP, campaigns)
  - Exploring the best options for case assignment (continued focus on pushing out the next best case, not driven by geography)
- Increase our work in the areas of pass-throughs and high income/high wealth to reduce the tax gap and effect greater fairness across all taxpayer groups
- Consider potential issue resolution options for taxpayers
- Further address key compliance issues/emerging issues
- Continue efforts to be a paperless/digital organization

## SUPPORT CURRENT AND FUTURE LB&I EMPLOYEES BY PURSUING SUSTAINABLE, CONSISTENT WORKPLACE IMPROVEMENTS THAT INCORPORATE THE FUTURE OF WORK

- Support a hiring and onboarding strategy to increase enforcement personnel to address high priority areas
- Define and adopt a modern workplace environment that supports employee flexibility while effectively meeting the needs of tax administration
- Build intentional, meaningful employee engagement opportunities
- Support employees through continued work and Servicewide collaboration on hiring, training, career, and personal development
- Foster a transparent, diverse, and inclusive culture where employees are both comfortable raising issues and confident that those issues will be addressed

# Commissioners' Message for the FY23 Focus Guide

The release of LB&I's annual Focus Guide comes at a time of great excitement and anticipation for the IRS. For several years, insufficient resources have required us to adjust our strategies in order to effectively meet our mission. We are pleased to start Fiscal Year 2023 with legislation that increases funding and with recent progress in the IRS's plan to change its structure to best ensure an effective and fair tax system for all Americans. These recent developments bolster our pride in the agency and motivate us to be ambitious in our FY23 goals. While the current environment still presents many challenges, the dedication and diligence of the LB&I workforce has proven powerful against setbacks. There is much hard work to be done, but you have demonstrated you are more than capable.

Each year this guide steers the work of the nearly 4,700 people who make up this organization in a way that is transparent, time-based, and measurable. We work smarter when we can see ahead to where we want to end the year, and when we know the purpose behind all that we do during the year. In taking this annual look at the landscape, we also discover and mitigate potential risks to us achieving our objectives before they materialize.

What may stand out most as you look at this guide is that our planned efforts are all under the umbrella of just two strategic goals. These are the two most critical elements of LB&I: our tax administration work and fully supporting the people who deliver on this work. Everything that each of us does is in support of one or both areas.



Nikole C. Flax  
LB&I Commissioner



Holly O. Paz  
LB&I Deputy Commissioner

Our foremost goal is to meet our tax responsibilities effectively. For many years, LB&I has focused on using data to select better work, distributing cases effectively across the field of LB&I compliance personnel, and refining the programs in our portfolio to be as effective as possible.

Important to our overall responsibilities is being good stewards of the increased funding provided by the Inflation Reduction Act and not losing sight that we were afforded these resources so that we could meet promises the agency has been making to taxpayers for many years. Closing enforcement gaps in the areas of pass-through entities and high wealth individuals will go a long way toward increasing fairness in LB&I's work portfolio and across all taxpayer sectors. We are also committed to being active and collaborative as we help the agency achieve its goal to organize compliance work and staff into a single, unified enforcement unit to make the Service more responsive to the needs of taxpayers and their representatives.

While the first of our strategic goals is about what we can do, the second is about who we can be. This year, we expect our numbers in LB&I to grow. These new employees and those hired into the other compliance units of the IRS will be our new colleagues. They will need your ambassadorship to learn our workplace culture and the opportunity to share ideas based on the unique work and life experiences they bring to the Service.

This same openness to collaboration and inclusion is essential as we prepare to gain new coworkers through the organizational redesign plan. The broad willingness of LB&I employees to help other parts of the IRS over the past two years leaves us confident that the future transition will be smooth. As leaders, we will continue to push for a workplace and work style that acknowledges the complex current environment. Championing the multiple support programs (coaching, mentoring, training, development) in LB&I and at the IRS will be a key priority for us this year.

Prior years' Focus Guides included a message on equity, diversity, and inclusion (EDI) as a separate section. This year, it feels more important to integrate EDI principles directly into the goals and into this message. Including it alongside our everyday business is not just symbolic; it's necessary for our diversity and inclusion efforts to be successful. Work in this area is long-term and is difficult. In FY22, we released a multi-year strategy and took the first action on the plan: giving LB&I employees an opportunity to weigh in on the current state of diversity and inclusion and identify where to best focus our attention. In FY23, we will use this feedback as a starting point for our next steps. It will be complementary to the new agency-wide strategy led by the IRS Office of Equity, Diversity, and Inclusion and the efforts of other business units with which we may combine in the future. The more people we have thinking about ways to make the organization stronger through greater diversity and inclusion, the better.

We stand to make great contributions to tax administration and taxpayer service in the coming year. This is only possible with your buy-in and with hard work from all of us. We are happy to have you all as partners in this very important public service.

Thank you.

Nikole and Holly

## Our Staffing

Positions	October 2021	October 2022*
Leadership Team	590	584
Administrative Professionals	240	194
Revenue Agents	2,997	2,717
Tax Law Specialists	126	113
Economists	102	105
Engineering Program	183	149
Tax Examiners	159	136
Tax Compliance Officer	34	28
Other Program Staff	586	574
<b>Total</b>	<b>5,017</b>	<b>4,600</b>

\*Numbers are projected based on selections made with new hires due to come on board through November.

