

Tax Administration

New IRS Commissioner Should Have Tax Law Experience: Advocate

BNA Snapshot

- Nina Olson wants candidate experienced in IRS culture
- Trump administration has yet to announce nominee



By Kat Lucero

The new IRS commissioner is expected to be an experienced business manager, but the agency's taxpayer advocate doesn't think that should be the primary qualification.

National Taxpayer Advocate Nina E. Olson prefers that the next tax chief be a lawyer who has represented people before the Internal Revenue Service—especially with major tax changes on the horizon.

Olson's vision for the position sets her apart from the views of current IRS Commissioner John Koskinen, practitioners, and other stakeholders that the new leader should have experience as a manager at a large organization—a requirement called for in Section 1102 of the IRS Restructuring and Reform Act of 1998 (IRRA).

"The IRS commissioner's position demands a variety of skills, including management and leadership capabilities, as well as an understanding and appreciation of the tax law and its administration," Lawrence B. Gibbs, senior counsel at Miller & Chevalier Chartered, told Bloomberg BNA Oct 10. Gibbs led the agency under former President Ronald Reagan.

The ideal candidate's government experience could be with the Department of Justice, the IRS Office of Chief Counsel, or another area within the agency so that the new commissioner will be "someone who knows the culture of the IRS," Olson told Bloomberg BNA in an interview.

The next commissioner would benefit from private sector experience so he or she would have "been on both sides of the table," said Olson, who heads the Taxpayer Advocate Service, an independent organization within the IRS that helps taxpayers resolve tax-related problems.

No Nominee Yet

The Trump administration has yet to nominate a replacement for Koskinen, whose term will end in November. The vacancy will occur around the time the GOP is pushing to enact tax reform legislation, followed by an effort to overhaul the IRS in April 2018.

Olson said the administration is "actively working" to find a new commissioner, but refrained from saying whether she has recommended candidates. "That's not for me to say," she said.

Kevin Brown, who served as acting commissioner for several months in 2007, said a deputy commissioner is expected to become the agency's interim leader, but that role has limited executive decision-making authority. Brown is now a principal and co-leader of PricewaterhouseCoopers LLP's tax controversy and regulatory services practice.

Manager or Tax Lawyer?

A commission that examined the IRS organization for the 1998 IRRA identified "a number of skill sets that make up a good

commissioner,” said Jeffery S. Trinca, who was chief of staff for the National Commission on Restructuring the Internal Revenue Service, created by Congress in 1995.

“One of them would be an understanding of the laws governing tax administration—not necessarily tax law. Others would be experience running a large organization, technology modernization, customer service, and compliance,” Trinca, a vice president at Van Scoyoc Associates, told Bloomberg BNA.

Koskinen, who was appointed in 2013 by former President Barack Obama, has echoed a similar message.

“My experience has been that that's what the IRS needs, since you have an organization with about 80,000 employees and all the management challenges and opportunities that go along with an agency that size,” Koskinen said May 18 at the Council for Electronic Revenue Communication Advancement spring meeting.

“If they happen to know something about tax law, that wouldn't hurt,” he said.

Koskinen has worked in the private and public sectors and has been involved with turning around distressed organizations. He held executive positions at the Federal Home Loan Mortgage Corp., known as Freddie Mac, from 2008 to 2012 before becoming the 48th IRS commissioner.

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