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IRS Offers \$10K Prize For Interacting With IRS; Trump, Ted Cruz Unlikely To Win

The IRS is pretty hip these days, starting its first Tax Design Challenge, a crowdsourcing competition to encourage innovative ideas for the 'taxpayer experience of the future.' Well, can you imagine the 'taxpayer experience of the future'? Do you *want to*? The three-week competition invites the public to imagine the taxpayer experience of the future, and specifically design an online experience that better organizes and presents a person's tax information.

The goal is to make it easier for a person to manage their tax responsibilities, and use their own tax data to make informed and effective decisions about their personal finances. Ted 'Abolish-the-IRS' Cruz probably can imagine what *he* wants his taxpayer experience to be. He has called for the abolition of the IRS. Donald Trump has alluded to the tax audit from hell that might cover 12 years, which many tax professionals find perplexing. But Mr. Trump has published [a letter from his tax counsel](#) regarding the many year affair.



Republican Presidential candidate Donald Trump films a town hall meeting for MSNBC with Chris Matthews at the Weidner Center located on the University of Wisconsin Green Bay campus on March 30, 2016 in Green Bay, Wisconsin. Candidates are campaigning ahead of the Wisconsin primary on April 5. (Photo by Tom Lynn/Getty Images)

A 12 year audit sure isn't the IRS experience you *want* to imagine. But the IRS is serious, and its effort is being done in coordination with the Mortgage Bankers Association (MBA). The crowdsourcing competition is open to the public. It will engage teams of designers, developers, and innovative thinkers across the U.S. to envision options for taxpayer interactions. Well, Senator Cruz might imagine no interaction at all. Mr. Trump may not be far behind.

But impeachment resistant IRS Chief John Koskinen says:

- 6 “Crowdsourcing is a new activity for the IRS, but we believe working with citizens and the private sector will help support innovation in an important area for the nation’s tax system,” said IRS Commissioner John Koskinen. “The Tax Design Challenge reflects our commitment to find the best ideas and plan for a future state of tax administration that works well for taxpayers and our partners.”

Each submission will be considered for all three prize categories listed below. A review panel will select winners based on defined criteria and an individual submission can win multiple awards:

- Overall Design—\$10,000 (1st), and \$5,000 (2nd)
- Best Taxpayer Usefulness—\$2,000 (1st), and \$1,000 (2nd)
- Best Financial Capability—\$2,000 (1st), and \$1,000 (2nd)

Oh, speaking of interactions, the IRS does warn contestants that the awards may be subject to federal income taxes. After all, that's an interaction you can't vary. Submissions will be accepted starting April 17 through May 10, 2016. Participants must first register on the website www.taxdesignchallenge.com. The winning designs will be showcased in an online gallery and receive monetary prizes, funded exclusively by the MBA. Employees of the IRS and MBA are not eligible to participate in the contest. For more about this government-wide program, visit www.challenge.gov.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not legal advice.