

Office of the Comptroller – Taxpayer Advocate Division

**Maryland House Appropriations Committee HB 707
Maryland Senate Budget and Taxation Committee SB 660**

**Comments by
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Thank you for the opportunity to present written testimony on House Bill 707 and Senate Bill 660, the “Office of the Comptroller—Taxpayer Advocate Division” (the “Bill”). My name is Elena Fowlkes, and I am the Assistant Director of Operations at the DC Office of Tax and Revenue. I served as the first DC Taxpayer Advocate when the Office of the Taxpayer Advocate was established in 2019. I deliver my remarks based on my experience in that role and to share the success that the District of Columbia has experienced in having an active and engaged Office of the Taxpayer Advocate working with District taxpayers.

Increasingly, state tax administration has shifted its focus to furthering collaborative partnerships with taxpayers to promote voluntary compliance. As tax administrators, we aim to have every taxpayer voluntarily report their tax obligations correctly and pay any outstanding balances in full and on time, without harsher enforcement actions.

Voluntary compliance, however, requires that taxpayers understand their rights and obligations. Often, tax requirements are complex and challenging to comprehend. And especially for low-income, vulnerable, marginalized, low-literacy, or non-native English-speaking taxpayers—who may lack the resources for qualified assistance—the availability of a dedicated advocate within the revenue authority helps taxpayers to voluntarily comply with tax requirements.

In the District of Columbia, the Office of the Taxpayer Advocate was established in late 2019 and was introduced to the public in January 2020. Modeled after the IRS National Taxpayer Advocate, the DC Office of the Taxpayer Advocate:

- Provides taxpayer education and information;
- Provides direct taxpayer assistance; and
- Engages in systemic advocacy to improve the tax system as a whole.

First, an Office of the Taxpayer Advocate provides taxpayers with education and information, which is critical to ensuring that taxpayers understand their rights and obligations. In the District of Columbia, the Office of the Taxpayer Advocate engages in various educational and outreach events, including those geared toward seniors, the unhoused, single parents, returning citizens, and others. The District's Office of the Taxpayer Advocate hosts webinars, attends community outreach events, and meets with stakeholders to ensure that information is widely available. In addition, the ability to interact with a wide variety of individuals allows OTR to consider a broad spectrum of taxpayer perspectives in its initiatives and policy decisions.

Second, the District of Columbia Office of the Taxpayer Advocate works directly with taxpayers to assist in resolving matters when the ordinary resolution channels have broken down. In the District, having a dedicated point of contact looking holistically at a tax matter enables us to resolve errors quickly and brings taxpayers into current and future compliance. Taxpayers who benefit from this process are more empowered, well-informed, and better prepared to meet their future tax obligations.

Finally, the Office of the Taxpayer Advocate addresses systemic issues that impact many taxpayers simultaneously. Systemic advocacy broadly provides a way to make a tax system more equitable, efficient, streamlined, simple, transparent, and customer friendly. In addition, a focus on data-driven decision-making through reporting provides additional transparency for internal and external stakeholders. While I served as the District's Taxpayer Advocate, I worked on various initiatives, including system fixes, notice simplification, form updates, and policy recommendations. The District's Office of the Taxpayer Advocate works diligently to ensure that the customer experience is at the center of how the District administers its programs and

policies. As a result, the District tax system is better each day because of the establishment of this office.

The District of Columbia's experience with offering the services of the Office of the Taxpayer Advocate to our taxpayers has been overwhelmingly positive and has added tremendous value to the residents of the District of Columbia. Thank you for the opportunity to contribute my reflections on the District's experience in establishing the Office of the Taxpayer Advocate. I look forward to working with the Maryland Taxpayer Advocate if the legislature moves forward with the adoption of this measure.