

**INTERNAL REVENUE SERVICE  
Tax Reform Roundtable  
February 7, 2018**

**Statement on Implementing the Tax Cuts and Jobs Act**

Thank you for giving the American Payroll Association the opportunity to speak to the IRS about implementing the Tax Cuts and Jobs Act.

I'm Alice Jacobsohn, Senior Manager of Government Relations at APA.

With me is Stephanie Salavejus, Vice President and Chief Operating Officer at PenSoft. Stephanie also is an APA Vice President, co-chair of APA's IRS Issues Subcommittee, and she serves on the IRS's Advisory Council.

APA is a professional association representing more than 20,000 payroll professionals nationwide who work for employers with internal payroll operations, payroll service companies, software vendors and users, and payroll tax practitioner companies.

With 68.5 percent of federal tax collections into the IRS coming from payroll, APA's ongoing relationship with the IRS as a stakeholder is critically important.

The greatest issue for APA's members regarding the TCJA is implementation time. This includes time to understand revised IRS forms, instructions, and guidance; inform key employer managers and employees about the impacts; develop and test software; make internal procedural adjustments; and train payroll, human resources, and finance personnel. Of course, the amount of time needed will depend on the complexity of the tax changes.

In addition, APA is concerned about the availability of knowledgeable IRS employees to respond to questions. Normally, the IRS adds seasonal employees to telephone services during the filing season. For payroll professionals, withholding questions arise throughout the year and can increase at year-end. APA members already experience inconsistencies in answers or long wait times when contacting the IRS, especially for complex problems.

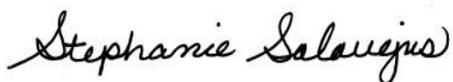
The TCJA created an additional training and response burden on the IRS without additional funding. We hope that this will change, but increased funding or not, the agency, in partnership with payroll professionals must be more responsive with accurate, consistent answers.

Of more immediate concern is outreach to the employer community. Despite media coverage, APA members are finding that many employees are unaware of the new law. Translate this to employers unaware of the new law and the problems increase exponentially. Employees who have received wages under the new withholding tables are asking why and whether they will have to pay the money back at the end of the year. For those that paid some attention, they may be confused because they thought tax reform was aimed more at corporations. Others may know that tax reform passed and that there are no more personal exemptions, but are confused about what that will mean to them, if anything, and what they must do.

Unfortunately, the burden to respond to the confusion falls on the IRS and its stakeholders. However, payroll professionals cannot offer tax advice to employees. We would like the IRS's outreach to include advice for payroll professionals and employers about how to tell employees about their personal responsibility in dealing with the effects of the changes as well as direct information directed to taxpayers about the changes and what they need to do.

APA is already working with the IRS on specific information, such as revising Form W-4. We look forward to continuing our relationship.

Respectfully Submitted,



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