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Tax Maven

The Contemporary Tax Journal’s Interview with Ms. Gloria Sullivan

By: Liubov (Luba) Shilkova, MST Student

Gloria Sullivan is the Director of Western Compliance Practice Area in Large Business & International (LB&I) Division at the Internal Revenue Service (IRS). In this position, she oversees tax administration activities for C and S corporations and partnerships with assets greater than $10 million within a geographic area that includes eighteen states. The Western Compliance Practice Area is also responsible for the Computer Audit Specialist program in LB&I.

Ms. Sullivan received a Bachelor of Science Degree in Accounting from the University of Montana and is a Certified Public Accountant (CPA) in the state of California. She has been with the IRS for 37 years. She has long-time connections with the San Jose State University (SJSU) Tax Advisory Board. Ms. Sullivan also regularly attends and participates in the TEI-SJSU High Tech Tax Institute conference.

I had the pleasure to interview Ms. Sullivan on October 28 via Zoom. Beyond her exceptional reputation and professional achievements, I found Ms. Sullivan approachable and gregarious. She believes that if you enjoy what you do, you will definitely succeed. Ms. Sullivan was kind enough to share her career experiences and thoughts with The Contemporary Tax Journal.

1. How did you get involved in the tax field? Was that your plan when you started college?

I think I was always meant for a career in income tax. As early as high school, I gave a civics class speech on “How to complete a Form 1040A.” I began volunteering for VITA in college. When I was a junior in college, the IRS recruited on my campus for interns – which was our “tax auditor coop program” at that time. I was selected for the Missoula office in Montana. It was an incredible experience. We got the in-depth IRS tax training in San Francisco (which was quite an education by itself at that time) and then actually got to audit 1040 tax returns. I really felt the weight of that responsibility, as I had some pretty interesting cases and was only 20 years old. When I was preparing to graduate, I hoped to stay with the IRS if possible, because I really liked the challenge of auditing, and was learning so much. It worked out and I was able to convert to full-time Revenue Agent status in Seattle right after graduation.

2. What stands out as one or two of your most significant accomplishments in your career?

As I reflect back, it’s so interesting what does stand out. After several years as a revenue agent, I had the opportunity to become an “industry specialist” in the forest products industry and the
environmental issues area, where I served as a consultant to the large corporate audits around the country in those specialty areas. This was a career changer for me, since it really broadened my IRS and external perspective as well as my network. This was sort of pre-IRS-Internet, so the way I maintained my network was to host periodic national meetings. In 2000, I hosted a national Environmental Issues meeting in Seattle, where over 250 people attended including several external stakeholders. It was widely appreciated for advancing our understanding of several issues and led to a national strategy on a Sec. 1341 issue, and ultimately to IRS success in the courts on this issue. I felt I made a lasting contribution to tax administration.

Much later, as an LB&I Executive in the Enterprise Practice Area, the Tax Cuts and Jobs Act (TCJA) was enacted almost at year-end, and I became responsible for the implementation of many domestic corporate provisions. This was a huge task, but we had many partners in counsel as well as the other operating divisions who we were coordinating with, including Tax Forms & Pubs and IT. I learned so much about what it takes to successfully prepare for filing season with that experience, and although not all the guidance was published by the time taxpayers had to file, we were able to get a lot of interim guidance, new forms and instructions done in time. We all took pride in that.

3. How do you keep up to date with changes in tax law and new types of business transactions of the digital era?

Since I was heavily involved with TCJA implementation, I was fortunate enough to have had a front row seat to a lot of the law changes and guidance items that followed that significant law change. I also attend regular online training sessions (both IRS and external events); I read the daily tax press, and I check the IRS TCJA website regularly for new items that may impact our taxpayer base in the Western Compliance Practice Area. I also attend or speak at numerous external stakeholder events, including the SJSU-TEI High Tech Tax Institute, as well as the Pacific Rim conference, that provide great technical updates every year. Also, I’ve seen the need to re-invigorate our Industry Specialization program area to get greater expertise in certain industries that are prevalent in Western, such as high tech and the petroleum industries, so I selected new full time industry specialists for those industries. I participate in their regular events, to better understand the economics, business models, and generally increase my commercial awareness so that I can more readily anticipate compliance risks.

4. What do you think is one key area of tax administration that could/should be improved and why?

Following the enactment of the Taxpayer First Act, I hosted a listening event with stakeholders in Silicon Valley to hear their feedback on “the taxpayer experience.” They spoke quite clearly of the need for greater digitalization in tax administration. This included both short term and longer term capabilities, including greater ability to exchange digital information over various portals, greater ability to sign and exchange electronic documents, greater ability to communicate through the web or portals, as opposed to phone calls and mail. Of course, many
of these short-term capabilities have come to reality because of the pandemic, and were an absolute necessity in order to keep the “lights on.” I expect many of them to become permanent. Taxpayers also spoke to us about new capabilities being tested in other tax jurisdictions, such as the ability to seamlessly report digital information to the IRS using secure platforms that could eliminate the need to compile data, report it on forms, and then have the IRS extract it. Obviously, there are many privacy, cybersecurity, cultural barriers, and other implications that would need to be worked through to get to this level of transparency. But the idea is already out there, and this kind of data exchange would totally revolutionize so many of our reporting and compliance processes and functions, including the audit function. I think the public expects this kind of efficiency from the federal tax system, and IRS will eventually be funded and positioned to make it a reality.

5. What do you wish more people understood about the IRS?

Where to begin?! Americans hold many misconceptions about the IRS!

Research has shown that most Americans are not confident about their understanding of the tax code but more than 50% believe they are over-taxed. Many also believe it’s the IRS that writes the tax laws. Research also shows that more than 50% of Americans don’t understand how tax refunds work, not realizing it’s a reimbursement for an overpayment of tax, rather than a government payment. Research also shows that some taxpayers may not understand why they are being audited or receive a piece of IRS correspondence of any kind. And it’s true that most Americans have a negative view of the IRS, but over 66% of Americans think the IRS does a good job of collecting the nation’s taxes.

Clearly the American view of income taxes and the IRS is very complicated! By a vast majority, Americans think it is a civic responsibility to pay one’s fair share of taxes, and more than 50% also connect paying taxes with their core values and sense of community. However, some Americans also perceive the tax code and system as working in favor of the very wealthy or large corporations. When people think that not everyone is paying their fair share, they justifiably view that as unpatriotic and it undercuts the perception of fairness about the tax system, and the IRS as well.

I believe that greater transparency in all phases of compliance is important toward making the system more understandable and seem fairer, and ultimately the responsibility is with the IRS to do the clarifying! But the IRS is not an amorphous bureaucracy. It’s an organization of people. After 37 years with the Service, my ultimate bottom line is that IRS employees are well trained professionals, and take a huge amount of pride in public service and in performing the mission of the IRS, and try very hard to apply the law fairly and accurately even in the face of unbelievable hurdles, such as the current pandemic. Most are more than happy to answer any question or explain the situation at hand. People should know that.

6. What advice do you have for students preparing for a career in tax?
I think it’s important to realize that there are so many areas of potential specialization in tax; and that your career can grow and evolve along any chosen path, and then change and go down a different path. There is no right starting place, and no right or wrong path. Trust your passions and strengths because they will lead you in the right direction. Then spend the time and energy to get proficient at what you are doing now, continue to work at it, learn it well, and it will provide you with the next opportunity. I have seen so many of our mid-level people worry about their next job, when they should be focused on their current job and knock it out of the park. My adage is that tomorrow will take care of itself if you do your best today. Opportunity always follows high achievement. I had no idea when I started at age 20 as a student coop at the IRS that I would eventually have 14 different IRS positions and become an executive, or that I would stay for 37 years and counting! Last bit of advice: don’t rule out public service, it’s incredibly satisfying.

**Fun Questions:**

7. **If you could have dinner with anyone (living or not), who would it be?**

This is an easy one – RBG!!! She has been on my mind for obvious reasons. I just loved her style and tenacity ---as well as her love of family and enjoyment of her own pop culture status! She seems so fun while still being incredibly smart, strategic and serious. Dinner with her would be a blast, I imagine her having great taste in food and wine; and no topic would be off limits! It would be great to hear some of the behind the scenes stories of her time on the Supreme Court! And I would definitely thank her for being the trailblazing force she was for women’s equality.

8. **What is the most unusual item in your office or something in it that has special meaning to you?**

I have a small stuffed raccoon in my office, that was given to me by my Mom to remind me to never give up. Several years ago, my sister and I did the Peaks to Prairie triathlon together in Montana. We had run many races together over the years and always wore some kind of costume or clothing that showed our team spirit. For this event, we wore children’s raccoon tail caps, to signify our silliness (keep us laughing so we wouldn’t cry); and the fact that we were embarking on an epic Montana adventure! This triathlon was in March and wasn’t your average triathlon. We rode our bikes 75 miles, ran 9 miles and then kayaked the Yellowstone River to the finish - about 15 miles. It took all day. It rained, the wind blew, and we were beyond exhaustion when we got the finish line. I admit to being in tears when we finished and saw our family, because it was such a tough course. A sportswriter from the Billings Gazette took our picture with our raccoon tail hats and we made the front page the next day! Not long after that, I was going through a tough personal time, and my Mom sent me the small stuffed raccoon with a red heart on it. No words were needed.
Gloria Sullivan and Liubov (Luba) Shilkova, October 28, 2020 (Zoom interview).