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Tax Administration

IRS Exempt Organizations Director Switching Roles Next Month

Tamera Ripperda, who replaced Lois Lerner as director of exempt organizations at the IRS, will leave the division next month.

Ripperda will become acting deputy commissioner of the Small Business and Self Employed Division, an announcement she made Oct. 25 during a presentation at a TEGE Council–Gulf Coast Exempt Organizations Update. She was tapped for her current position in 2013, replacing Lerner after scandal rocked the agency.

Margaret A. Von Lienen, the current director of examinations for exempt organizations, will become acting director of the division starting Nov. 14, Ripperda said. Mary Beth Murphy will become commissioner of the SB/SE division, a change announced to Internal Revenue Service employees in a Sept. 30 internal memo, which was obtained by Bloomberg BNA. The memo also announced Ripperda's position switch.

The embattled Tax Exempt and Government Entities Division has faced backlash for several years after some employees were accused of improperly scrutinizing conservative groups applying for tax exemptions. Lerner retired after the scandal, which also led to changes in senior management of the division and the retirement of then-acting IRS Commissioner Steven Miller. The division has also struggled, like other areas of the agency, with a constrained budget and employee attrition.

Ripperda—who was previously the IRS industry director for Global High Wealth within the Large Business and International Division—said she is leaving the role “with a strong sense of accomplishment.” She previously held several other leadership positions in the SB/SE division, including serving as director of abusive transactions and technical issues, according to the memo.

“I really do feel we’ve rallied together during a difficult time,” Ripperda said. “I hope you can appreciate the progress we’ve made over the last few years. I’m sorry to leave, but I am also excited about the new adventures that await me.”

The Fixer. Ripperda streamlined the division in a tumultuous time, practitioners who specialize in nonprofit tax told Bloomberg BNA Oct. 25. Under her guid-

ance, the division cleared a massive backlog of exemption applications; launched the Form 1023-EZ, Streamlined Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code; and began using a more data-driven strategy for auditing organizations. She also helped oversee a major transition as attorneys from the exempts division were moved into the Office of Chief Counsel.

Alexander Reid, a partner at Morgan, Lewis & Bockius, said Ripperda is a “fixer” and compared her to Mary Poppins, because “she comes in and she helps put everything in order, and then when she leaves, it’s sort of like ‘OK, you know things are in order now.’ ”

The move to SB/SE is also a signal that she is an effective manager, practitioners said. As the IRS budget was cut over the last several years, streamlining became even more critical. She was straightforward and receptive to feedback, qualities that were valuable, two practitioners said.

Those qualities showed in meetings with practitioners, Elizabeth E. Krisher, president at Maher Duessel, said. Ripperda showed she wanted to help nonprofit organizations, Krisher said, and was open about the agency’s challenges at the same time.

“That’s helpful, to be rooted in reality but still feel like progress is being made and things are moving forward,” Krisher, the exempt organizations chair on the American Institute of CPA’s Taxation Technical Resource Panel, said.

Other Changes. Murphy replaces Karen M. Schiller as the head of the SB/SE division. Murphy will lead a nationwide staff of about 28,000 employees, according to the memo. Murphy was previously the deputy commissioner in the division, according to the memo.

Schiller has been selected as the assistant deputy commissioner for services and enforcement, where she will help ensure “the efficient and effective operation of the programs that enforce tax laws and assist taxpayers in meeting their tax obligations,” according to the memo.

The memo didn’t include dates for the position changes.

By COLLEEN MURPHY

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