NINA’S LEADERSHIP AS A SERVANT LEADER AND HER IMPACT ON STATES’ TAXPAYER RIGHTS

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I. INTRODUCTION

Much has been written about Nina’s contribution to federal and international taxpayer rights. Other essays or articles in this symposium discuss her contributions to creating and articulating core federal taxpayer rights and her impact on starting a dialogue about international taxpayer rights. However, little has been written or said about her contribution to the movement to improve state taxpayer rights, the creation of the New York City Department of Finance (NYC DOF) taxpayer rights, and her impact on state and local taxpayer advocates.

This essay will explore Nina’s impact as a servant leader on the modification of states’ taxpayer rights, the creation of the NYC DOF Office of the Taxpayer Advocate, and the articulation of the NYC DOF taxpayer rights. While currently I serve as a Special Trial Judge for the United States Tax Court, this essay is based on my sixteen years as a clinical director at the UConn Law School Tax Clinic representing taxpayers before the Connecticut Department of Revenue Services and my role in creating and serving as the first NYC DOF Taxpayer Advocate in its Office of the Taxpayer Advocate,¹ and my conversations with other state taxpayer advocates.²

¹ I would also like to thank Jack Trachtenberg, who served as the first New York State Department of Finance Taxpayer Advocate, for his thoughts and comments on Nina’s impact in creating that office and Timothy Sheares, Deputy Commissioner, Property Division, New York City Department of Finance, for his comments on this essay.

² Unfortunately, there is no national organization of state and local taxpayers’ advocates. Therefore, I was unable to poll other state taxpayer advocates. However, my views are informed by conversations I have had with others who currently serve or formerly served as state taxpayer advocates.

* Special Trial Judge, United States Tax Court.
II. NINA AS A SERVANT LEADER

A leader who both serves and leads the institution and its employees is the most productive and trusted type of leader. The idea of the servant leader was articulated by Robert Greenleaf in a series of essays starting in 1969. He describes the impetus for such an idea in his first essay:

The idea of the servant as leader came out of reading Hermann Hesse’s Journey to the East. In this story we see a band of men on a mythical journey, probably also Hesse’s own journey. The central figure to the story is Leo, who accompanies the party as the servant who does their menial chores, but who also sustains them with his spirit and song. He is a person of extraordinary presence. All goes well until Leo disappears. Then the group falls into disarray and the journey is abandoned. They cannot make it without the servant Leo. The narrator, one of the party, after some years of wandering, finds Leo and is taken into the Order that had sponsored the journey. There he discovers that Leo, whom he had known first as servant, was in fact the titular head of the Order, its guiding spirit, a great and noble leader.3

As Mr. Greenleaf notes, a servant leader says, “I will go; follow me” and others (be they institutions or individuals) trust and follow the leader.4 The servant leader cares about the institution or individuals (hence the service part) and provides direction that inspires trust.5 Mr. Greenleaf articulated ten qualities that many servant leaders exhibit: (1) listening and understanding; (2) using language to communicate that inspires imagination; (3) pacing oneself by appropriately withdrawing and reorienting; (4) accepting and empathizing, never rejecting; (5) knowing the unknowable; (6) foresight; (7) wide awareness to perceive more of the environment; (8) persuasion, sometimes one person at a time; (9) taking one action at a time; and (10) conceptualizing change.6

Nina exhibits many of these qualities and she has inspired trust not only from her employees but also from stakeholders such as the low-income taxpayer clinics (LITCs) and Congress. Recently, Procedurally Taxing

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4 Id. at 29.
5 Id. at 23–25, 29–30.
6 Id. at 30–47.
published reflections on Nina’s impact. The following ones are just a few that reflect her qualities as a servant leader:

Ted Afield: “. . . I had never met Nina before, and so I thought there was a good chance that my email [to ask her to speak at an event] might get lost in the shuffle . . . . I couldn’t have been more wrong. Nina replied immediately and readily agreed to come down and speak at our event. I still assumed that, given how busy [Nina] was, she would likely have to give her speech and then leave relatively quickly. Nina made me 0 for 2 in my assumptions. She insisted on getting to know our clinic students (and we have a lot of them), and she took the time to speak to all of them, to share her thoughts with them about their careers, and to really listen to their experiences in the clinic and what they perceived to be the most pressing issues facing low-income taxpayers. While speakers can often time revert to chatting with faculty and distinguished guests in the audience, Nina was laser focused on wanting to communicate with our students so that she could make sure that she could influence them to always be thinking of how the tax system could be inadvertently hurting the most vulnerable among us.”7

Bob Probasco: “In addition to organizations and institutions, Nina recruits people, to build the general community of those who want to help low-income taxpayers. Ted Afield’s post mentioned her making time to talk with all of the students at the 25th anniversary celebration of his LITC, in part so ‘she could influence them to always be thinking of how the tax system could be inadvertently hurting the most vulnerable among us.’ I saw the same thing when she spoke at the 2017 annual meeting of the State Bar of Texas Tax Section. This was in June, when most of the students are busy with summer jobs or summer relaxing, but three of my former students from another law school attended the conference; Nina’s speech was the big draw. And when she spoke with them, at length, afterward? They will remember that for a long time.”8

From David Sams: “In my humble opinion, Nina’s legacy will be more than the sum of all the parts she created. It will be more than the LITC program. It will be more than her Congressional testimony, more than the thousands of words spoken and written, and more than the awards she received. Her legacy will be the spark that ignites a fire in a practitioner to fight tooth and nail for a taxpayer who is not being treated fairly by the tax system. It will be the spark that urges a practitioner to write about an injustice they are experiencing, or the spark to advocate for a

change in the law. I can say that I have received that spark, as I know many of my fellow LITC clinicians have.”

III. STATES’ TAXPAYER ADVOCATES AND TAXPAYER RIGHTS

Many state departments of revenue, like the Internal Revenue Service (IRS), had a position titled “Problem Resolution Officer” or something similar. In 1996, ahead of the 1998 IRS Restructuring and Reform Act, Congress created the IRS Taxpayer Advocate Service and the National Taxpayer Advocate as part of the Taxpayer Bill of Rights 2. Many states, like the IRS, also had a designated position in their revenue departments of taxpayer advocate. Today, twenty-one state revenue agencies, the District

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of Columbia, Los Angeles, and New York City have a position titled Taxpayer Advocate. However, in my experience most taxpayers were not aware of the states’ taxpayer advocates offices until Nina elevated the National Taxpayer Advocate position and “advertised” its accomplishments.

Also, like the Federal Taxpayer Bill of Rights, many states had enacted such provisions—some by statute, many by administrative action—before Nina championed the current version of the IRS Taxpayer Bill of Rights.


16 All but three of those states had created the position before the National Taxpayer Advocate position was enacted. In 1988, a decade before Congress created a National Taxpayer Advocate, California became the first to create by statute the position of taxpayer advocate. CAL. REV. & TAX. CODE §§ 7083, 21004 (West 1991). In 1993 California also created a taxpayer advocate for property tax. Id. §§ 5903–5904(a).

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However, of the states that have enacted or published taxpayer bills of rights, today many mirror the format and language of the IRS Taxpayer Bill of Rights.\footnote{\textit{Taxpayer Bill of Rights,} \textsc{Internal Revenue Serv.}, https://www.irs.gov/taxpayer-bill-of-rights (last updated Nov. 9, 2020).}

I worked in two Departments of Revenue before Congress enacted the statute creating the National Taxpayer Advocate. From 1989 through 1995, I served as a hearing officer and then manager in the Massachusetts Department of Revenue Services appeals division. From 1995 through 1998, I served as an attorney in the Connecticut Department of Revenue Services legal division. During my time there, both departments of revenue had a form of a taxpayer bill of rights.\footnote{Connecticut enacted its Taxpayer Bill of Rights in 1994. The Connecticut Department of Revenue had a problem resolution officer whose title was changed to Taxpayer Advocate. See Conn. State Dep’t of Revenue Servs., PS 2007(2), \textit{Your Rights as a Connecticut Taxpayer} (2007), https://portal.ct.gov/DRS/Publications/Policy-Statements/2007/PS-20072-Your-Rights-as-a-Connecticut-Taxpayer.} However, in both of my roles I do not remember
ever seeing the state taxpayer bill of rights cited by either practitioners or revenue agency employees to assist taxpayers.

Today, many practitioners and LITC clinicians frequently interact with states’ taxpayer advocates. These same practitioners and clinicians can use the National Taxpayer Advocate and Nina’s work to push state revenue departments to consider or enforce taxpayer rights similar to the federal model. While states may not always adopt similar interpretations of such rights, the consistent and constant advocacy of practitioners and clinicians who are used to the federal model helps strengthen the roles of states’ taxpayer advocates.

When Nina took over as the National Taxpayer Advocate, I was a clinic director of the UConn Law School Tax Clinic. In that role, I routinely interacted with the Connecticut Department of Revenue Services. I routinely cited Nina’s work on the Federal Taxpayer Bill of Rights. I would like to think that, being guided by Nina’s servant leadership, the UConn Tax Clinic pushed the Connecticut Department of Revenue Services to consider the power and role of its taxpayer advocate.

Jack Trachtenberg, when he was hired in 2009 as the New York State Department of Taxation and Finance’s first taxpayer advocate, was able to push that state’s revenue department. He had some conversations with Nina, invited her to a conference in which he was speaking to be a keynote speaker, and pushed the envelope of what a state taxpayer advocate should do. Even after his departure, the New York State Department of Taxation and Finance’s taxpayer advocate continues to have a place at the table in that revenue department.
IV. Nina’s Impact on the Creation of the Office of the Taxpayer Advocate and Taxpayer Rights for the New York City Department of Finance

When I was appointed to create the Taxpayer Advocate position for the New York City Department of Finance (NYC DOF), the first person I contacted was Nina. She listened to my questions and understood the challenges that lay ahead of me. She encouraged me to take on one action at a time (which I probably did not heed), and she offered to speak at the New York City TaxRAPP conference shortly after I was appointed. I will not forget how she tried to inspire the audience of cynical New York City tax professionals to imagine the way the new New York City Office of the Taxpayer Advocate could provide help and champion taxpayer rights with respect to property taxes. Nina also spoke at a subsequent conference at which Margaret (Peggy) Neri, then the Taxpayer Advocate for the State of New York Department of Finance, and I also spoke. It occurred to me at that time how Nina had served as a servant leader not only to me but also to state taxpayer advocates.

A. Creation of the Office of the Taxpayer Advocate

When I interviewed for the newly created position of Taxpayer Advocate for the NYC DOF, I prepared by thinking about what Nina had taught me, how the office of a taxpayer advocate should both serve and lead, and the skills Nina modeled: listening; using language to communicate in a way that inspires imagination; accepting and empathizing, never rejecting; wide awareness to perceive more of the environment; persuasion, sometimes

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20 I was very fortunate to have another servant leader, Jacques Jiha, the Commissioner of the New York City Department of Finance, hire and support me. Commissioner Jiha, like Nina, has many qualities of a servant leader. He was especially skilled at conceptualizing the office and convincing the New York City Council to create and fund it. He also listened and empathized with me whenever I brought to his attention an example of what the Office of the Taxpayer Advocate thought might be a violation of a taxpayer’s rights. While he sometimes rejected the proposed action, he never rejected me or rejected the argument.

Creating a new office in a large bureaucracy is a daunting task. There are competing constituencies—agency managers versus politicians and taxpayers, the drag of inertia, the reluctance to change what some may view as unbroken, and the expectations for change. At each juncture in creating the office—setting up the structure, hiring case advocates, identifying the lines of authority, and setting up independence—I channeled Nina because I trusted her and I admired her accomplishments within the IRS. So, it should not come as a surprise that I created an office with case advocates, an attorney advisor, and, with the forethought of Commissioner Jiha, an office separate from the DOF offices and accessible by walk-in taxpayers. Also very similar to the IRS model, I created (1) procedures that allowed taxpayers to contact the office by email, mail, and phone and to report systemic problems; (2) a mechanism for a Taxpayer Assistance Order to request the Commissioner to order another part of DOF to take action; and (3) a procedure for creating an annual report identifying the ten top problems faced by New York City taxpayers. Finally, our office drafted and advocated for the adoption of a NYC DOF Taxpayer Bill of Rights.22

B. Development of NYC DOF Taxpayer Bill of Rights

One of the first tasks our office took on was creating the NYC DOF Taxpayer Bill of Rights. Of course, I started with Nina’s then recently articulated Federal Taxpayer Bill of Rights. I faced an immediate challenge, however, because some of the taxes and programs the NYC DOF administers do not have any federal parallel. The major type of tax that is administered by the NYC DOF is the property tax, which does not have any parallel at the federal level. I talked with Nina about this and received a boost when, at her keynote address at the TaxRAPP conference, she instructed the audience to see how a taxpayer advocate could assist with property tax disputes.

The taxpayer right our office articulated was the Right to Know How Your Property Tax Is Determined, defined as:

The right to understand in non-technical language how the Department of Finance calculated your property tax. You have the right to understand how the Department of Finance determines market value and assessed value. You have the right to understand the tax rates and tax caps that the Department of Finance applied in calculating your property tax. You have the right to know what property tax exemptions and/or abatements you can apply for and how to apply for them. You have the right to receive an explanation, in writing, why the Department of Finance accepted, denied or removed a property tax exemption or abatement.23

It may be useful to understand that the New York City property tax is probably one of the most complicated systems that exists. In very general terms, its foundations flow from a case in the late 1970s that threatened to upend the impact of property taxes on businesses and homeowners in a way that would have shifted the incidence of property tax to homeowners.24 As a result, the share of taxes paid mostly by classes of residential property owners was more or less frozen at the percentage those classes paid in 1980. On top of that, there are layers of laws that create time-limited abatements; different rules for family homes, condominiums, and cooperatives; and a myriad of other special interest incentives. The result is a complex system that reflects entrenched interests. Unlike the federal income tax where taxpayers can submit offers to compromise and pay what they can afford to pay, the property tax of New York City cannot be compromised, nor can the amount due be put into currently-not-collectible status. In large part this is because property tax revenues represent such a large portion of New York City tax revenues. The foundation of the property tax is the assessed value of property, which cannot, and probably should not, be easily changed due to the whims of interest groups or politicians. By its very nature, however, assessed value can create property value winners and losers.

To advocate for this right, I practiced some of what Nina had modeled. I spent time listening to the challenges from the NYC DOF perspectives. I spent a lot of time listening to Timothy Sheares, Deputy Commissioner, Property Division, and his managers and assessors. I spent time listening to advocacy groups for cooperatives and other real estate interests. I tried to see

23 Id.

the problem from various angles. I tried to conceptualize and use language to imagine incremental changes. I tried to persuade one person at a time. I would like to think that the successes of the NYC DOF Office of the Taxpayer Advocate were the result of my modeling a servant leader and having the good fortune to work with Tim Sheares, who was amenable to my leadership and a true servant himself.

Working with a tireless case advocate, Robin Bermudez, and empowered by Tim Sheares’s vision, the Property Division created web applications and global positioning system (GPS) maps to help Class 1 and Class 2 property owners to understand how their property taxes are calculated\(^{25}\) and to see information about other property owners.\(^{26}\) It may seem like an easy thing to do, but given the complexity of the New York City property tax, it was not. This is a real example of the impact that Nina’s servant leadership had on me and how it influenced my abilities to recreate levels of trust and provide the space for the NYC DOF employees to serve.

V. CONCLUSION

Sometimes it is easy to connect a very successful person with one thing—in Nina’s case her advancement of, and advocacy for, federal taxpayer rights. But often a person’s success has ripple effects that may go unnoticed. My hope in this essay is to draw attention to the way in which Nina, as a servant leader, had ripple effects in the area of state and local taxation. Her servant leadership had a profound impact on the creation of the NYC DOF Office of the Taxpayer Advocate and the NYC DOF Taxpayer Bill of Rights. As important, however, is that her servant leadership contributed to developing other servant leaders who each day work to carry on the servant part of their jobs as state or local taxpayer advocates and, like Nina, help develop trust between taxpayers and revenue departments.
