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Wyden Statement at Finance Committee Hearing on IRS Fiscal Year 2019 Budget

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Less than two months ago, Republicans passed legislation making ten trillion dollars in tax changes virtually on the fly -- the biggest tax overhaul in three decades, requiring a web of complicated rule changes. Now they're giving short shrift to the IRS, which is the agency that actually has to implement those changes and provide service to American families and businesses based on the new rules.

The IRS said it would need nearly \$400 million to implement the new law, but the Trump budget held the agency's funding flat. The budget makes a fake reference to increasing enforcement dollars, but it kicks the actual decision to appropriators in Congress who are unlikely to fork over the necessary resources. And that comes at a time when tax cheats are looking at the Trump tax law and licking their chops, planning complicated new schemes of abusing the rules to get out of paying their fair share. Particularly with the new passthrough loophole, the law is an open invitation for scamsters to game the system, leaving a heavier burden for Americans who do follow the rules.

This isn't an academic matter. Denying the IRS the resources it needs to be an effective agency impedes its ability to serve the American people, and the Trump administration knows it. By the administration's own projections, as a result of continued budget cuts for taxpayer service, fewer than half the people who pick up the phone to call the IRS for filing services in 2019 will get through, down from 75 percent in 2018. And that's with lawmakers on both sides already bemoaning poor service provided to taxpayers by the IRS.

Bottom line, the IRS might not be anybody's favorite federal agency, but Americans expect it to function without political agenda or interference. That brings me to another issue I need to address this afternoon.

Mr. Kautter, who is here with the committee this afternoon in the throes of tax filing season, is the acting IRS commissioner. That is supposed to be a non-partisan job, overseeing the administration of tax law. But Mr. Kautter is also currently the assistant secretary for tax policy, which in this administration is about as partisan a position as they come.

This committee recently spent years investigating accusations of political interference at the IRS. That bipartisan investigation determined that sloppy work by IRS officials led to both conservative AND progressive tax-exempt groups being subjected to unfair scrutiny. And in my view, both sides would agree that the IRS should be politics-free when it's administering the law. I recall a lot of insistent

speeches to that effect, particularly from my Republican colleagues. But now that the party in control of the White House has flipped, there's a Republican political appointee running IRS at the very same time it's implementing a monumentally complicated and partisan law his department helped write.

In December, I wrote a letter to Mr. Kautter asking how he would guarantee their politics aren't bleeding into IRS, what policies or safeguards have been created to avoid conflicts of interest, any guidance regarding communication between the White House and IRS, and much more. I have not received a response to my specific questions. Given the energy and focus this committee has placed on the issue of political influence at IRS in the recent past, it would be awfully hypocritical not to take it seriously now.

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