

Statement for the Record of Ranking Member Mike Crapo
Open Executive Session
Senate Committee on Finance
March 2, 2023

Mr. Chairman, we have considered Mr. Neiman and Ms. Haffajee in the prior Congress, and I intend to vote the same way as I did last Congress.

Mr. Werfel has an impressive background, and I appreciate his past service and willingness to serve today.

During his nomination hearing, Mr. Werfel made a number of important public commitments if he is confirmed, including:

- Using unbiased, data-driven performance metrics to publicly benchmark IRS performance;
- Working with this committee and being fully transparent and accountable for the IRS's actions; and
- Fairly administering the IRS in full compliance with the letter and spirit of the tax code.

It will be incumbent on him to follow-through on these public commitments.

Unfortunately, the unprecedented spending bonanza bestowed on the IRS through the misnamed Inflation Reduction Act sets no meaningful conditions or goals for the IRS.

After the legislation was passed, Treasury Secretary Yellen noted that an expeditiously-prepared operational plan for the funds was “critical” given its potentially transformational nature, and directed the IRS to provide her such a plan within six months.

Yet here we are, six months after the self-imposed deadline, and American taxpayers and members of Congress have still not seen this “critical” plan.

Meanwhile, the IRS has been spending its billions without any apparent limit.

This “spend first, plan later” approach is not transparent or responsible, and is a surefire recipe for error, waste and mismanagement.

Despite rhetoric about how the IRA funding will transform the IRS into efficient and modern service organization, only a paltry 6 percent of the IRA funding goes

towards modernization. Over 32 percent is set aside for keeping the lights on, and the remainder – nearly 62 percent – is for headcount.

The fact is that the IRS will be getting **much bigger** than it currently is.

Based simply upon the ratio of the dollars the IRA sets aside for hiring, more than 93 percent of this growth will occur in the IRS's enforcement arm. I am concerned about what these new enforcers will actually be doing, and how efficient, effective and taxpayer-focused they will be.

A longer-term issue that Mr. Werfel will need to address is that at the end of the ten-year funding term the IRS will be much larger than it is today and its inflated headcount should not become a long-term obligation of the American taxpayers through ongoing annual appropriations.

While I cannot support Mr. Werfel's nomination today given these significant and unresolved issues, this process has demonstrated that we do share areas of common interest and concern. If confirmed, I look forward to working with Mr. Werfel on improving customer service at the IRS, bringing its technology into the 21st Century, and ensuring that IRS practices, administration, and procedure are as taxpayer-focused as possible.

I implore him to work with our Members to address the fundamental flaws in the IRS and earn the trust that I, and the American people, want to extend him.