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Hatch Statement at Finance Hearing on 2017 Filing Season and IRS Operations

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing to examine IRS operations for the 2017 filing season and beyond:

Every year, the committee holds a hearing on the tax filing season. It provides us with a great and relevant opportunity to discuss and examine the operations of the Internal Revenue Service, the agency charged with administering our complicated, convoluted tax code and collecting taxes from workers and employers across the country.

With each passing year, taxpayers face new challenges as they file their taxes, including, but not limited to, protecting their private information. Today we will discuss, among other things, the IRS's efforts to address these types of challenges as well as its plans for progress and modernization in the near future.

The Finance Committee has always taken its oversight responsibility with the IRS very seriously, and for good reason.

The IRS is virtually the only federal agency that deals with every American citizen, everyone who does business here, every large employer, every mom-and-pop business, and every community organization.

Over recent decades, as our tax code has grown more complex, we have given the IRS more and more to do, including administering social policy and implementing an ever-growing number of rules, regulations, and notices.

And, quite frankly, I don't think many people are satisfied with the results.

While I know the people at the agency often point to limited funding, there are other matters that have contributed to the current level of dissatisfaction, including outdated collection practices and bureaucratic wrangling as well as a number of poor management

decisions. This committee has conducted oversight on a number of those poor decisions, including the politicization of tax administration, excessive spending on executive travel, and improper contracting practices.

Congress needs to look closely at the IRS and work to modernize and streamline its operations. This should include changes to the bloated and poorly managed technology used by the agency and the elimination of bureaucratic waste.

Hopefully, during the course of today's hearing, we can get a better sense of the agency's plans to address these and other issues as well as its suggestions for congressional action.

Of course, looming over this conversation is the ongoing – and hopefully bipartisan – effort to reform our broken tax system.

Tax reform, if done right, should simplify the tax code and make the IRS's job much easier and allow the agency to focus on collecting revenue in the fairest and most efficient manner possible.

More importantly, tax reform, if done right, should improve the way taxpayers interact with the IRS, reducing the countless hours and billions of dollars spent every year just to comply with the tax code and file accurate returns.

The IRS is probably the most feared of all government agencies. The IRS yields immense power and authority over the lives of our citizens, and, for hardworking taxpayers, direct contact with the IRS is rarely, if ever, desirable.

I think we can take steps to improve this, but it will likely require us to make significant changes to the tax code and to the IRS itself.

Hopefully, the leadership at the IRS will be willing partners in this effort.

Toward that end, I appreciate Commissioner Koskinen's willingness to appear today. I look forward to what I hope will be a meaningful and substantive discussion of these important issues.

With that, I'll turn it over to Senator Wyden for his opening remarks.

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