

Opening Remarks by U.S. Senator Chuck Grassley of Iowa  
Chairman, U.S. Senate Finance Committee  
“The 2019 Tax Filing Season and the 21st Century IRS”  
Wednesday, April 10, 2019  
[VIDEO](#)

Commissioner Rettig, thank you for joining us this morning.

I appreciate your willingness to testify today on the 2019 tax filing season and IRS administration matters generally.

The current tax filing season has been the most scrutinized season I can remember.

In some ways that’s understandable.

It’s the first filing season after our tax code received the largest overhaul in three decades.

The IRS has worked to update forms, publications, and systems on top of all the new guidance the agency has provided in conjunction with the Treasury Department, all to be ready for the filing season.

And if that was not enough, this filing season began shortly after our government experienced the longest shut down in history.

Despite these factors, and some early misleading reporting in the press, this filing season has run rather smoothly.

The filing season opened on time and all IRS systems have been functioning as planned.

Consistent with previous years, the IRS has processed over 97 percent of the returns the agency received, and 80 percent of those returns resulted in a refund.

The average refund size of \$2,873 is also in line with previous years.

However, some lingering effects of the shutdown persist.

The level of phone service is down, and wait times longer.

But both have been trending in the right direction as the filing season has progressed.

Overall, Mr. Commissioner, you and your employees deserve significant credit for how well the filing season has gone given the headwinds you faced.

It is no secret that in recent years there has been a contentious relationship between Congress and the IRS due to several instances of mismanagement.

Most notably, there was the inappropriate targeting of certain conservative groups for extra scrutiny.

We also saw inappropriate spending on conferences and bonuses, as well as the case of IRS employees who had previously been let go for misconduct issues being improperly rehired.

I saw your confirmation last year as an opportunity for a fresh start.

It provides a chance to move beyond past issues and for us to work together to address challenges facing the IRS for the benefit of all taxpayers.

And, there's no doubt that there are challenges to be addressed.

I.T. systems are woefully outdated.

While there has been improvement, 45 percent of the I.T. infrastructure that the IRS is currently using are beyond their original useful life.

Moreover, the IRS has had difficulties retaining and hiring experienced I.T. personnel.

Tax ID theft also remains a top concern.

Great strides have been made in recent years with the number of reported ID theft victims falling nearly 65 percent between 2015 and 2017.

That's very good news for taxpayers and the government, but more needs to be done.

Taxpayers deserve a modernized IRS that offers the same type of online and electronic services they have come to expect from the private sector.

Taxpayers also deserve to know that their rights will be respected and they will receive a fair shake in their interactions with the IRS.

To help address a number of these challenges, I joined Ranking Member Wyden in introducing the *Taxpayer First Act of 2019* last month.

The *Taxpayer First Act* covers a wide range of issues intended to increase taxpayer protections, improve customer service, address identity theft and cybersecurity, update IRS information technology, and modernize the agency.

Some of the more prominent provisions include:

- Codifying the independent appeals process to strengthen its independence so taxpayers are on equal footing with the IRS;

- Requiring the IRS to develop a long-term plan to improve customer service, modernize the IRS, and implement an information technology strategy;
- Providing the IRS with streamlined critical pay authority for I.T. positions to help the IRS compete with the private sector for top-notch I.T. personnel; and
- Codifying the “Security Summit” to ensure the IRS continues to be able to fully participate in a partnership with state tax agencies and private-sector tax industry to combat tax ID theft and cyber-security threats.

There are dozens of additional provisions that are just as important.

Mr. Commissioner, the Committee received feedback from your team at the IRS about this legislation, which was very valuable in putting it together.

So, I want to thank you for your willingness to work with us on this package.

I am pleased that the House passed the bill yesterday after several years of work in both chambers.

We’re working with our Leadership now to try to clear it in the Senate so the President can sign this bill into law.

The *Taxpayer First Act* is an important first step toward reforming the IRS and strengthening taxpayer protections.

But, there’s more that can and must be done.

I hope we can continue to work collaboratively on further efforts to improve and modernize the IRS to the benefit of all taxpayers and successful future filing seasons.