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CONTACT: [Katie Niederee](#), [Julia Lawless](#)

202-224-4515

Hatch Opening Statement at Finance Hearing on IRS Challenges and 2018 Filing Season

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at the Senate Finance Committee hearing entitled *The 2018 Tax Filing Season and Future IRS Challenges*:

This is an exciting time, and I am grateful Acting Commissioner Kautter could be here today to talk with us about the 2018 tax filing season, tax reform, and the challenges and opportunities before the IRS.

As we all know, the IRS is the one agency in our federal government upon which virtually all other federal activities depend.

The reason for that is simple: the IRS collects the federal revenue required to keep the government functioning. This is an important function in our government, and a function where process really matters.

Therefore, it is critical that the IRS collect the revenue under our new tax laws in a fair, efficient, and effective manner. When we drain the IRS of resources and handicap its ability to collect revenue, that isn't merely a loss in revenue for the federal government, it also means that the Treasury must borrow more money, causing our country to go further into debt.

That's because the federal government doesn't shrink when the IRS fails to collect taxes owed.

Therefore, handicapping the IRS is also saddling future generations with billions of dollars of debt they will have to repay, one way or another.

But having said that, let me be clear, the IRS stands at a crossroads.

On the one hand, the IRS has made marked improvements in recent years. Including catching more identity fraud, preventing more fraudulent returns, and moving forward to

implement the multitude of tax law changes that have occurred, including the most comprehensive tax reform in a generation.

But, on the other hand, it is an agency stuck in the past. It relies on software and core processing systems designed during the Kennedy Administration. IRS employees routinely have to manually input return information into agency computers, and often require taxpayers to send information via fax machine.

Now, with that said, the IRS is staffed by many of the government's most dedicated, hardest working civilians. Many of whom work in my home state, back in Ogden, Utah.

Yet, there are some bad apples who have hurt the service's standing back here in Congress.

Mismanagement, taxpayer abuse, and discrimination against certain taxpayers are all too recent memories for those of us who oversee the agency.

Nonetheless, it's high time that we work together, as Republicans and Democrats, to help the IRS modernize itself and meet the challenges of the Twenty First Century.

We need to do this to promote bipartisanship, but also to keep the IRS accountable and moving on the right track to best serve hard-working American taxpayers.

That is why, this week, I am watching the House Ways and Means Committee as they markup legislation to reform several aspects of the IRS. I appreciate their efforts on that front. And I look forward to working with my good friend and colleague, Senator Wyden, as we explore legislative options here in the Senate.

I am confident that we can find meaningful, bipartisan solutions that will help the IRS perform its duties while still remaining clearly under Congressional supervision.

Acting Commissioner Kautter has been doing an admirable job leading the agency.

On his watch, taxpayer and fraud prevention services have made noticeable gains and are truly great success stories. But it's time we get Mr. Kautter back to his other full-time day job as the Assistant Secretary for Tax Policy.

As such, I am looking forward to the Finance Committee processing the nomination of Mr. Chuck Rettig, who has been nominated by the President to lead the IRS, as well as the nomination of Michael Desmond to be Chief Counsel of the IRS. As soon as the Committee receives their paperwork, we will begin processing the nominations.

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