

Crapo Statement at IRS Hearing

April 13, 2021

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at a hearing entitled, “The 2021 Filing Season and 21st Century IRS.”

The text of Ranking Member Crapo’s remarks, as prepared, is below.

“Thank you Mr. Chairman, and thank you Commissioner Rettig for joining us today.

“The past 12 months have brought unprecedented challenges not only for the American people, but also for the Internal Revenue Service.

“In addition to its role as our nation’s tax collector, Congress has recently given the IRS an expanded mission and central role in delivering our economic recovery.

“So far, this has included distributing three rounds of over 150 million Economic Impact Payments, and implementing a variety of temporary tax incentives to keep employees on payroll; guarantee paid leave for employees who contract COVID-19; and help taxpayers bridge the gap through the pandemic.

“Soon, it will also include the distribution of millions of advance payments of the Child Tax Credit, in a temporary policy that vastly changes the scope and mission of the IRS.

“Commissioner Rettig, I commend you and your staff for your diligent efforts to balance all of these competing priorities.

“At the same time, given how much is at stake for our economy and the American people, it is critical that we get it right.

“Filing season and Economic Impact Payment issues are the most frequent topics I hear about from Idahoans.

“I am extremely concerned about the reports of a backlog of millions of tax returns from last year’s filing season that have not yet been processed.

“This means that millions of taxpayers are having to wait longer to receive their refund in the middle of a pandemic.

“Further, IRS call center wait times remain unacceptably long, and many taxpayers have been sent confusing automated notices indicating that they have not yet filed their return, when in fact it was filed but has not yet been processed by the IRS.

“Confusion has also been generated because of massive fraud in unemployment compensation programs. State workforce agencies have been taxed because the

federal government tells victims of identity theft who have federal tax issues to figure it out with the state agencies.

“Meanwhile, in the midst of a filing season, a brand new waiver of federal taxes on unemployment compensation was passed into law, causing yet more confusion for filers.

“Today, you have the opportunity to explain how the IRS plans to remedy taxpayer confusion and tackle the backlog of prior year returns without falling further behind.

“I also have a number of concerns about the implementation of the Child Tax Credit advance payment program.

“Former Finance Committee Chairman Grassley and I sent you a letter a few months ago requesting reasonable information about the timeline of implementation, the cost of implementation, and how the IRS plans to tackle fraud and other risks associated with administration of this new program.

“What we received from your staff was untimely and unresponsive.

“Today is an opportunity for a real conversation about the timeline that the IRS envisions for getting the online portal up and running, and issuing the first advance CTC payments.

“The IRS must assure us that this implementation will not mean putting filing season on the back burner, nor rushing to get the payments out before we have accurate information from taxpayers regarding eligibility.

“To date, absent any contrary indication from the IRS, I am left with the impression that the aggressive July 1 payment deadline imposed by Congressional Democrats will be challenging to meet by an IRS staff that is already stretched thin, without cutting corners or reassigning staff who should be focused on processing tax returns.

“If Congressional intent was really to get these advance payments out, at all costs, as soon as possible, then the logical approach would have been to simply provide an extra bonus in the Economic Impact Payment of each qualifying low-income child.

“Congress could have put those increased payments in the hands of those parents a month ago, with that approach.

“Instead, the legislation created a complicated new program for these periodic advance payments, with a clearly-stated goal of making this temporary program permanent.

“With that in mind, fully setting up the required online portal, and equivalent secure mechanisms for those without Internet access, in order to ensure that any advance payments issued are both accurate and desired by parents, must be considered at least

as much of a controlling priority as the requirement to begin issuing advance payments this summer.

“Finally, we are now approaching two years since Congress passed the Taxpayer First Act—an important bipartisan measure that will enhance taxpayer protections, modernize the IRS’s organizational structure, and improve its customer service and information technology.

“Commissioner Rettig, I look forward to hearing an update today on the IRS’s efforts to implement these reforms and usher forth a 21st century IRS.

“Thank you again for appearing before us today and for your tireless efforts on behalf of taxpayers.”

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