

**Crapo Statement at Hearing on IRS Budget, 2023 Tax Filing Season**  
*April 19, 2023*

**Washington, D.C.**--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 President's Fiscal Year 2024 IRS Budget and the IRS's 2023 Filing Season."

*As prepared for delivery:*

"Commissioner Werfel, thank you for testifying this morning, as well as for your conduct in these first few weeks of your tenure.

"I hope you will continue to be transparent, accessible and willing to work with me and my colleagues – particularly regarding support for taxpayer services and modernizing outdated IT, which the House-passed IRS funding bill shows Republicans support.

"While not the focus of today's hearing, the IRS's recent 150-page response to Secretary Yellen's directive to deliver to her a 10-year operational plan for spending its Inflation Reduction Act funding requires comment.

"Secretary Yellen promised a plan that would allow the public and Congress to hold the IRS accountable for the project.

"While dense, what has been delivered is noticeably light on many essential attributes of a 'plan' and it would be extremely challenging to use the document to hold the IRS, Treasury Department or anyone else accountable for any missteps.

"A few things it almost entirely lacks include: quantitative targets to measure against; backup data to analyze; and various key operational details – including, for example, who at the IRS or Treasury Department is ultimately responsible for making decisions on any particular issue.

"It does not give any detail on how the IRS will implement Secretary Yellen's \$400,000 pledge – and details really matter here.

"It also does not estimate what any of the 42 'initiatives' or 190-odd 'key projects' are expected to cost or clearly answer the basic question of which initiatives or key projects can be fully implemented with the \$80 billion in funding.

"What the document quietly admits is astonishing. Despite contrary rhetoric, the IRA did not give the IRS enough funding to fully realize the 'plan's' vision – this despite having given the agency a slug of funding more than six times its typical annual budget.

"The IRS's annual budget justification goes further, asking for 15 percent increases in the IRS's discretionary appropriations to make up in the short term for areas where the IRA funding falls far short, particularly in taxpayer services and IT modernization.

“The IRS’s annual budget justification also warns that if Congress fails to increase future IRS discretionary budgets, on top of the \$80 billion and in particular spend even more for taxpayer services and IT modernization, the IRS’s future service delivery will actually suffer.

“Finally, the President’s budget requests still more IRS funding for future enforcement efforts - \$29.1 billion more. That is on top of the \$80 billion. Americans rightly have a hard time understanding how an agency provided more than six times its annual funding can still claim poverty. And given that the plan the IRS delivered is not transparent and does not allow for any meaningful accountability, this plea is essentially for another blank check.

“I have heard some argue that future uncertainty prevents the IRS from making firm estimates beyond a fiscal year or two. Indeed, that sounds like a tacit admission that circumventing the annual appropriations process for the \$80 billion was a huge ‘spend first, plan later’ mistake. But this ‘uncertainty’ excuse falls completely flat when one observes the countless other examples of long-term budget-, revenue-, and cost-estimating – both in the public and private sectors.

“When you last testified before us, you promised to regularly update the IRS’s spending plan and solicit this Committee’s feedback. Based upon what has just been delivered, I strongly suggest you accelerate your timeline and return to this Committee in short order with an actual plan.

“Returning to the subject of this hearing, my colleagues and I eagerly await discussing the IRS’s annual discretionary budget request and current performance measures.

“I have learned more in the last few weeks about the sometimes-puzzling ways the IRS measures its own effectiveness, such as on answering phones.

“What I have learned would be more troubling if not for the hope that you will adhere to your promise to enhance the rigor and meaningfulness of the IRS’s data collection and analysis.

“I recognize that you are only a few weeks into your tenure and are already facing momentous decisions that will likely have lasting consequences.

“I was encouraged by your prior commitments, which include: full and prompt transparency; utilizing best management practices; making decisions based on sound and unbiased data; ensuring the IRS is strictly non-partisan; not making any policy decisions that are Congress’s responsibility; and turning to Congress at every possible opportunity for guidance and authorization.

“How well you adhere to these promises will determine the legacy you leave the IRS and American taxpayers, as well as your relationship with Congress.

“I urge you to walk the straight course, set a positive trajectory and above all, keep the IRS out of partisan gamesmanship.”