

1 OPEN EXECUTIVE SESSION TO CONSIDER THE NOMINATIONS OF
2 HON. DANIEL WERFEL, TO BE COMMISSIONER, INTERNAL REVENUE
3 SERVICE, DEPARTMENT OF THE TREASURY; REBECCA HAFFAJEE,
4 TO BE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION,
5 DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND BRENT
6 NEIMAN, TO BE DEPUTY UNDER SECRETARY FOR INTERNATIONAL
7 FINANCE AND DEVELOPMENT, DEPARTMENT OF THE TREASURY

8
9 THURSDAY, MARCH 2, 2023

10 U.S. Senate,
11 Committee on Finance,
12 Washington, DC.

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14 The hearing was convened, pursuant to notice, at 10
15 a.m., in Room SD-215, Dirksen Senate Building, Hon. Ron
16 Wyden (chairman of the committee) presiding.

17 Present: Senators Cantwell, Warner, Cortez Masto,
18 Cornyn, and Tillis.

19 Also present: Democratic staff: Ian Nicholson,
20 Investigator and Nominations Advisor; Sarah Schaefer,
21 Chief Tax Advisor; Josh Sheinkman, Staff Director; and
22 Tiffany Smith, Deputy Staff Director and Chief Counsel.
23 Republican staff: Michael Gould, Detailee; Kelly
24 McConnell, Health Policy Director; and Gregg Richard,
25 Republican Staff Director.

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1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON, CHAIRMAN, COMMITTEE ON FINANCE

3
4 The Chairman. The Finance Committee will come to
5 order. We meet today to consider three pending
6 nominations before the Committee, Mr. Danny Werfel, Dr.
7 Brent Neiman, and Dr. Rebecca Haffajee. It's going to
8 be a busy morning here in the Senate. We've heard that
9 from our colleagues, a lot of committees conducting
10 business and obviously that affects us. The Majority
11 and the Minority, Senator Cornyn and I, have been
12 talking and we very appreciate Senator Cornyn filling in
13 as Ranking Member today.

14 We made an agreement about how we're going to
15 proceed. We'll use the time now to make statements on
16 nominees. I'm going to make a brief statement, followed
17 by Senator Cornyn. Then should there be any other
18 Finance members who wish to make statements I'm going to
19 stay here for that.

20 At that point, it's my assumption that we will not
21 have a quorum, so we would recess until the next roll
22 call vote on the Senate floor when the Committee will
23 reconvene, and the President is off the floor to have
24 the vote. It's my understanding that it's acceptable to
25 the Majority and the Minority and I'll now make my short

1 statement, then we'll hear from Senator Cornyn and any
2 others that care to speak.

3 A few quick thoughts on the issues that came up
4 during the Werfel hearing and in written questions for
5 Mr. Werfel. One, Democrats have finally given the IRS
6 the resources it needs to begin to crack down on this
7 flagrant tax cheating by too many wealthy individuals
8 and corporations after a decade of budget cuts,
9 Republican budget cuts there is a clear double standard
10 now in tax enforcement.

11 It has gotten a lot easier for the rich scoff laws,
12 to get way with cheating Scott free and the burden has
13 shifted onto people of modest means, people without
14 accountants and lawyers looking out for them. We're
15 determined here on the Democratic side to get at that
16 double standard, and I was pleased to hear Mr. Werfel
17 talk about the need to address this issue.

18 He understands the importance of rebalancing the Tax
19 Code to make it more fair, go after the tax cheating by
20 too many wealthy and big corporations and to reflect our
21 views on economics give everybody in America, everybody
22 in America the opportunity to ahead.

23 Second, the IRS needs to keep working on improving
24 customer service and tech upgrades. There has been
25 progress cutting backlogs and answering of phone calls.

1 These new resources that are aimed at helping the IRS
2 improve service, in my view, are going to make it less
3 likely that a law-abiding family or small business is
4 going to face an audit.

5 Third, it was clear from his testimony that Mr.
6 Werfel will lead the IRS with a focus on maintaining
7 transparency when it comes to tax policy and maintaining
8 confidentiality when it comes to taxpayer data. There's
9 been a discussion of when the strategic operating plan
10 dealing with the new Inflation Reduction Act funding is
11 going to come out.

12 I've been talking to colleagues on both sides here
13 on the Finance Committee and both sides very much want
14 to see it and it's important for the American people to
15 see it. Everybody understands how important it is to get
16 this right. We've talked with Mr. Werfel about it and in
17 his own roles, and I think this was one aspect of what
18 was impressive about him testifying here is Mr. Werfel
19 is a rule follower. He's going to do this job
20 consistent with the law and he made it clear he's going
21 to work with both sides of this Committee.

22 And Senator Cornyn and I and colleagues have been
23 talking about this for years. That has been a kind of
24 trademark of our work here on the Finance Committee and
25 I think that's a big reason why Mr. Werfel is going to

1 have bipartisan support in the Senate. We understand
2 there is a lot of work ahead for the IRS and I ought to
3 note that we are right in the middle of the filing
4 season, so I want it understood we're going to do
5 everything we can to move Mr. Werfel's nomination
6 quickly.

7 Next up will Dr. Brent Neiman, who's been nominated
8 to serve as the Assistant Secretary of the Treasury for
9 International Finance. This Committee last voted on Dr.
10 Neiman's nomination 15 months ago, November 20, 2021.
11 It was approved 20 to 8, strongly bipartisan vote. He's
12 up for a key role at Treasury that will have him working
13 on issues that are very important to this Committee,
14 issues including supply chain problems, currency
15 manipulation, and the ongoing fallout from Putin's
16 illegal and brutal war in Ukraine.

17 My view is he's highly qualified for this job. He's
18 a renowned expert in international macroeconomics,
19 finance, and trade at the University of Chicago's Booth
20 School of Business. He also served on the staff of the
21 White House Council of Economic Advisors and at the
22 Federal Reserve Bank of Chicago and he brings valuable
23 private sector experience. Fifteen months is a heck of a
24 long time to wait, so I hope we can approve this
25 nomination again with bipartisan support.

1 Finally, another nomination back for a second vote
2 here in the Finance Committee is Dr. Rebecca Haffajee.
3 She's been nominated to serve as the Assistant Secretary
4 for Planning and Evaluation at the Department of Health
5 and Human Services. That puts her at the heart of the
6 Department's efforts to tackle big health and family
7 policy challenges and we look forward to moving her as
8 soon as possible as well.

9 She's going to be working on some of the Committee's
10 biggest priorities in healthcare when confirmed, areas
11 where Democrats and Republicans again ought to be able
12 to work together. And Senator Crapo and I were very
13 proud to have lead the entire Committee, the Finance
14 Committee, Democrats and Republicans, working together
15 on the mental health issues, which as my seatmate here,
16 Senator Cornyn remembers the fact that this Committee
17 black letter text to go for you and Senator Murphy and
18 others who were working on the Gun Safety bill really
19 paid off because we were able to get those ideas that
20 came from the Finance Committee on a bipartisan basis
21 enacted into law.

22 So, Dr. Haffajee, when she's confirmed, can be
23 another individual who will work with both sides of this
24 Committee because she's shown that in her past
25 experience. She's an accomplished health policy

1 researcher who served as the Acting Assistant Secretary
2 since 2021. I hope my colleagues will support her
3 nomination and I hope my colleagues will support all
4 three nominees.

5 And with that, I want to turn it over to Senator
6 Cornyn. And he and I have been talking about these
7 matters on the floor, and I very much appreciate him
8 filling in for Ranking Member Crapo.

1 OPENING STATEMENT OF HON. JOHN CORNYN, A U.S. SENATOR
2 FROM TEXAS

3

4 Senator Cornyn. Well, thank you, Mr. Chairman. I'd
5 first ask unanimous consent to enter the following
6 statement of Ranking Member Crapo into the record
7 because, as you know, he's unable to be here.

8 The Chairman. Without objection.

9 [The prepared statement of Senator Crapo appears in
10 at the end of the transcript.]

11 Senator Cornyn. Well, thank you for holding today's
12 markup of Brent Neiman to serve as Deputy Undersecretary
13 of Treasury for International Finance and Development,
14 Rebecca Haffajee for HHS Assistant Secretary for
15 Planning and Evaluation, and Danny Werfel to be the IRS
16 Commissioner.

17 For both Mr. Neiman and Ms. Haffajee, the Committee
18 considered these nominations last Congress. And as you
19 know, both passed out of the Committee without any
20 action by the Senate. I opposed their nomination then
21 and I plan to do so again today.

22 And while I commend Mr. Werfel's willingness to
23 serve as IRS Commissioner, I will also oppose his
24 nomination. The IRS likely interacts with more
25 Americans than any other government agency or private

1 sector business. Its mission is to provide "American
2 taxpayers top quality service by helping them understand
3 and meet their tax responsibilities and by applying the
4 tax law within integrity and fairness to all."

5 Unfortunately, the IRS is not meeting its mission.
6 It has a pattern of mismanaging efforts to modernize its
7 information systems and it also has a long history of
8 failing to provide taxpayers with quality service and
9 not fully safeguarding confidential taxpayer
10 information. As a reward, the Administration pushed
11 through an \$80 billion blank check without producing a
12 single spending plan. That seems to be backwards to
13 me.

14 It seems like we ought to have a plan and then we
15 ought to figure out how much that plan costs instead of
16 just saying here's a blank check for \$80 billion. You
17 go figure it out and whatever you do is okay with us.

18 The message is, though, after \$80 billion blank
19 check, do be afraid taxpayers. We're from the
20 government and we're here to help. The Treasury
21 Department is allegedly working on a plan, though, the
22 recently missed their own deadline to complete it, not
23 inspiring when it comes to regaining the confidence of
24 the American people.

25 Can you imagine a private business spending \$80

1 billion without first having a plan in place? It's a
2 preposterous idea, but unfortunately, it's par for the
3 course here in Washington, D.C. Despite the lack of
4 transparency from Treasury, taxpayers already know what
5 the plan really is. They know from the Congressional
6 Budget Office that the Administration's \$80 billion blank
7 check means more audits for American's middle-income
8 families and small businesses.

9 It means a growing army of IRS agents and auditors
10 without any additional protections for taxpayers and
11 will mean more red tape and more bureaucracy for the
12 American people to wade through. While I cannot support
13 Mr. Werfel's nomination, I will acknowledge his
14 background and willingness to serve as the IRS
15 Commissioner. If confirmed, Mr. Werfel will face a
16 number of challenges in rebuilding the trust American's
17 tax collector has lost with taxpayers over the years and
18 I wish him well. Thank you, Mr. Chairman.

19 The Chairman. I thank my colleague and we're going
20 to recognize Senator Tillis, and just a quick comment
21 and I'm sure we're going to have lots more discussions
22 about this.

23 The IRS has already started spending on customer
24 service because we're in the middle of the tax season.
25 And I just want to note that they've reported to us that

1 the call waiting time is down very substantially.
2 Evidently, is close to 90 percent. Then as a stated in
3 my opening statement, every member of this Committee,
4 Democrats and Republicans, wants to see the full plan as
5 quickly as possible and we're going to insist on that
6 and we will continue those discussions. Senator Tillis.

7 Senator Tillis. Thank you, Mr. Chairman. I intend
8 to support Mr. Werfel and Mr. Neiman's nomination. I
9 will not be supporting Ms. Haffajee's. I think that in
10 my discussion with Mr. Werfel he understands there are a
11 lot of structural changes that we need to make with the
12 IRS to make it more constituent focused. They may be
13 reducing wait times, but they're not reducing my
14 caseload in my office.

15 Constituent work for the IRS is one of the more
16 significant parts of our portfolio. Many times, it
17 doesn't make sense and oftentimes we prevail in the best
18 interest or to the benefit of the constituent. The IRS
19 and the arbitrary revenue number concerns me. In many
20 ways similar to what motivated us to do Senate bill 2155
21 in regulatory tailoring for banks.

22 I know some of my friends on the other side of the
23 aisle do not support it. We had plenty to get it done
24 on a bipartisan basis, but I think we would do well to
25 look at tailoring. I'm not sure if we need 80,000 more

1 employees, some of them agents, some of them in the back
2 office. But I am pretty sure that if you're a small
3 business -- I've got a constituent that I spoke with
4 about this who also happens to be my son-in-law, who
5 built a business for the first couple of years. It was
6 probably around \$250,000. He's been blessed. He's
7 grown that business to over a million a year.

8 It's a very simple business, but all of a sudden,
9 he's one of these potential tax cheats that needs to be
10 need to be audited without any understanding of the
11 simplicity of his business and the activities that the
12 business is engaged in. Me and my wife would fall
13 underneath the \$400,000 mark, so arbitrarily we're not
14 being looked at. I could be playing all kinds of games
15 with tax sheltering and everything else. I could sit at
16 ease, but my son-in-law now has to deal with big IRS
17 coming in and potentially auditing me. I think there's
18 a more tailored approach, but I also believes that
19 that's what happens when we pass things out of this
20 Congress on purely partisan lines. We haven't thought
21 through the most effective way to improve the customer
22 experience to help the taxpayers who earned that money
23 that some of it has to come back to the federal
24 government and I think that the IRS missed the mark.

25 I hope Mr. Werfel is able to sort it out. I hope

1 that he has flexibility to put the resources where he
2 needs them, not where Congress thinks they should be.
3 And if we do that, maybe we can soften the blow that I
4 think is otherwise going to occur to hard-working small
5 businesses across the America. Thank you.

6 The Chairman. I thank my colleague. And as I told
7 him when I heard that he would be on the Committee, I
8 look forward very much to working him and I think he's
9 going to be a very constructive participant in these
10 efforts to build on our bipartisan tradition.

11 I just want to note one thing as this whole debate
12 has been unfolding. Not 80,000 new employees at the
13 IRS. That's not what is going to be going on. There
14 aren't going to be 80,000 new employees piled on. Most
15 of these positions are replacing retirements and those
16 that are leaving the agency over the next 10 years. So,
17 we're going to have plenty of discussions about it, but
18 since this has been referred to on so many occasions, I
19 just wanted to note that we are not talking about 80,000
20 new employees.

21 Senator Cornyn. Mr. Chair, if I may.

22 The Chairman. Yes.

23 Senator Cornyn. Would it be possible for us to
24 figure out what the net number of resources for the IRS
25 after you adjust for attrition, what that number would

1 be so that we can be working from the facts? I accept
2 at face value that it won't be 80,000, but I don't think
3 there's any way that it's just replacing current
4 budgeted positions. So, I think that it would be very
5 helpful for us to have an assessment.

6 And really the other thing that I'm concerned with
7 is, and I don't know this, in the IRS if we were
8 prescriptive. For example, if Mr. Werfel wanted to
9 invest in technology versus people or if he wanted
10 people in customer base, in customer service roles, what
11 sort of vision and intent was projected in the IRS that
12 this Committee could have ahead of us to see when it's
13 fully implemented.

14 The Chairman. Here's what we'll do. I'll respond
15 briefly to my colleague's question and then I want to
16 recognize my friend from Texas. I think that that is a
17 reasonable question to raise. We will look already at
18 what we might be able to assemble on this and certainly
19 that can be something we pursue as we get the full plan.

20 As I noted in my statement, I think it's clear
21 because I've talked to a great many of the members on
22 both sides of the aisle. We all want the information
23 about the plan. We want it as quickly as possible, and
24 I intend to work with every member to make sure that
25 this is implemented. We've had a tremendous amount of

1 back and forth on these issues and I think we all
2 understand the need to improve service. We need to deal
3 with automation. We need to deal with the brain drain,
4 the number of people who are retiring, so I think my
5 colleague's point, essentially, is very valid. We'll
6 pursue it with him and let me recognize our friend from
7 Texas.

8 Senator Cornyn. I'll be brief, Mr. Chairman. I
9 understand your prediction about how the IRS will
10 conduct its business, but I also understand the senator
11 from North Carolina's trepidation about how the IRS
12 might abuse that power, that money that it has, and that
13 really makes the point that I think both Senator Tillis
14 and I've tried to make. That we've got this backwards.
15 We've got to have a plan so we know what we're paying
16 for and unfortunately in a strictly partisan manner our
17 friends across the aisle have written a blank check and
18 said, okay, come up with a plan and we have no means by
19 which to make sure that it is tailored along the lines
20 that either have predicted, Mr. Chairman, or to allay
21 the concerns that Senator Tillis has expressed. So, I
22 think we've discussed this adequately for today.

23 You understand our concerns and we understand your
24 prediction and I guess we'll all have to figure out how
25 this works out later.

1 The Chairman. I appreciate my colleague and
2 especially appreciate his willingness not to pummel this
3 matter any longer. I think we can find common ground on
4 these issues. That's why I thought Senator Tillis's idea
5 was constructive and what Senator Cornyn has essentially
6 said this topic will go into the "be continued"
7 department and so be it.

8 So, I note that there aren't any colleagues who wish
9 to be recognized at this point. So, unless there is an
10 objection, the Committee is going to recess now and
11 reconvene to vote on the nominations during an upcoming
12 vote off the floor. Without objection, it is so
13 ordered. The Senate Finance Committee stands in recess.

14 [Whereupon, at 10:25 a.m., the meeting was
15 recessed.]

1 The open executive session was reconvened, pursuant
2 to notice, on Thursday, March 2, 2023, at 1:45 p.m., in
3 Room S-216, The President's Room, U.S. Capitol, Hon. Ron
4 Wyden (chairman of the committee) presiding.

5 The Chairman. The committee will come to order. I
6 now move that we proceed to vote on the nomination of
7 The Honorable Daniel Werfel to be the Commissioner of
8 the Internal Revenue Service.

9 Senator Grassley. Seconded.

10 The Chairman. The Clerk will call the roll.

11 The Clerk. Ms. Stabenow?

12 Senator Stabenow. Aye.

13 The Clerk. Ms. Cantwell?

14 Senator Cantwell. Aye.

15 The Clerk. Mr. Menendez?

16 Senator Menendez. Aye.

17 The Clerk. Mr. Carper?

18 Senator Carper. Aye.

19 The Clerk. Mr. Cardin?

20 Senator Cardin. Aye.

21 The Clerk. Mr. Brown?

22 Senator Brown. Aye.

23 The Clerk. Mr. Bennet?

24 Senator Bennet. Aye.

25 The Clerk. Mr. Casey?

1 Senator Casey. Aye.

2 The Clerk. Mr. Warner?

3 Senator Warner. Aye.

4 The Clerk. Mr. Whitehouse?

5 The Chairman. Aye by proxy.

6 The Clerk. Ms. Hassan?

7 Senator Hassan. Aye.

8 The Clerk. Ms. Cortez Masto?

9 Senator Cortez Masto. Aye.

10 The Clerk. Ms. Warren?

11 Senator Warren. Aye.

12 The Clerk. Mr. Crapo?

13 Senator Grassley. No by proxy.

14 The Clerk. Mr. Grassley?

15 Senator Grassley. Aye.

16 The Clerk. Mr. Cornyn?

17 Senator Cornyn. No.

18 The Clerk. Mr. Thune?

19 Senator Thune. No.

20 The Clerk. Mr. Scott?

21 Senator Crapo. No by proxy.

22 The Clerk. Mr. Cassidy?

23 Senator Grassley. Aye by proxy.

24 The Clerk. Mr. Lankford?

25 Senator Grassley. No by proxy.

1 The Clerk. Mr. Daines?

2 Senator Daines. No.

3 The Clerk. Mr. Young?

4 Senator Young. Aye.

5 The Clerk. Mr. Barrasso?

6 Senator Grassley. No by proxy.

7 The Clerk. Mr. Johnson?

8 Mr. Johnson. No.

9 The Clerk. Mr. Tillis?

10 The Clerk. Mrs. Blackburn?

11 Senator Grassley. No by proxy.

12 The Clerk. Mr. Chairman?

13 The Chairman. Aye.

14 The clerk will announce the vote.

15 The Clerk. Mr. Chairman, the final tally is 17
16 ayes and 9 nays.

17 The Chairman. The "ayes" have it. The nomination
18 is approved. I now move to consider the nomination of
19 Rebecca Lee Haffajee to be an Assistant Secretary of
20 Health and Human Services.

21 Senator Stabenow. So moved.

22 The Chairman. The clerk will call the roll.

23 The Clerk. Ms. Stabenow?

24 Senator Stabenow. Aye.

25 The Clerk. Ms. Cantwell?

1 Senator Cantwell. Aye.
2 The Clerk. Mr. Menendez?
3 Senator Menendez. Aye.
4 The Clerk. Mr. Carper?
5 Senator Carper. Aye.
6 The Clerk. Mr. Cardin?
7 Senator Cardin. Aye.
8 The Clerk. Mr. Brown?
9 Senator Brown. Aye.
10 The Clerk. Mr. Bennet?
11 Senator Bennet. Aye.
12 The Clerk. Mr. Casey?
13 Senator Casey. Aye.
14 The Clerk. Mr. Warner?
15 Senator Warner. Aye.
16 The Clerk. Mr. Whitehouse?
17 The Chairman. Aye by proxy.
18 The Clerk. Ms. Hassan?
19 Senator Hassan. Aye.
20 The Clerk. Ms. Cortez Masto?
21 Senator Cortez Masto. Aye.
22 The Clerk. Ms. Warren?
23 Senator Warren. Aye.
24 The Clerk. Mr. Crapo?
25 Senator Grassley. No by proxy.

1 The Clerk. Mr. Grassley?
2 Senator Grassley. No.
3 The Clerk. Mr. Cornyn?
4 Senator Cornyn. No.
5 The Clerk. Mr. Thune?
6 Senator Thune. No.
7 The Clerk. Mr. Scott?
8 Senator Crapo. No by proxy.
9 The Clerk. Mr. Cassidy?
10 Senator Grassley. No by proxy.
11 The Clerk. Mr. Lankford?
12 Senator Grassley. No by proxy.
13 The Clerk. Mr. Daines?
14 Senator Daines. No.
15 The Clerk. Mr. Young?
16 Senator Young. No.
17 The Clerk. Mr. Barrasso?
18 Senator Grassley. No by proxy.
19 The Clerk. Mr. Johnson?
20 Mr. Johnson. No.
21 The Clerk. Mr. Tillis?
22 The Clerk. Mrs. Blackburn?
23 Senator Grassley. No by proxy.
24 The Clerk. Mr. Chairman?
25 The Chairman. Aye.

1 The clerk will announce the vote.

2 The Clerk. Mr. Chairman, the tally of the
3 members present is 13 ayes, 12 nays with proxies; the
4 final tally with proxies in the affirmative is 14 ayes
5 and 12 nays.

6 The Chairman. The "ayes" have it. The nomination
7 is approved. I now move to consider the nomination of
8 Brent Neiman to be a Deputy Under Secretary of the
9 Treasury.

10 Senator Grassley. Seconded.

11 The Chairman. The clerk will call the roll.

12 The Clerk. Ms. Stabenow?

13 Senator Stabenow. Aye.

14 The Clerk. Ms. Cantwell?

15 Senator Cantwell. Aye.

16 The Clerk. Mr. Menendez?

17 Senator Menendez. Aye.

18 The Clerk. Mr. Carper?

19 Senator Carper. Aye.

20 The Clerk. Mr. Cardin?

21 Senator Cardin. Aye.

22 The Clerk. Mr. Brown?

23 Senator Brown. Aye.

24 The Clerk. Mr. Bennet?

25 Senator Bennet. Aye.

1 The Clerk. Mr. Casey?
2 Senator Casey. Aye.
3 The Clerk. Mr. Warner?
4 Senator Warner. Aye.
5 The Clerk. Mr. Whitehouse?
6 The Chairman. Aye by proxy.
7 The Clerk. Ms. Hassan?
8 Senator Hassan. Aye.
9 The Clerk. Ms. Cortez Masto?
10 Senator Cortez Masto. Aye.
11 The Clerk. Ms. Warren?
12 Senator Warren. Aye.
13 The Clerk. Mr. Crapo?
14 Senator Grassley. No by proxy.
15 The Clerk. Mr. Grassley?
16 Senator Grassley. Aye.
17 The Clerk. Mr. Cornyn?
18 Senator Cornyn. No.
19 The Clerk. Mr. Thune?
20 Senator Thune. No.
21 The Clerk. Mr. Scott?
22 Senator Grassley. No by proxy.
23 The Clerk. Mr. Cassidy?
24 Senator Grassley. Aye by proxy.
25 The Clerk. Mr. Lankford?

1 Senator Grassley. No by proxy.

2 The Clerk. Mr. Daines?

3 Senator Daines. No.

4 The Clerk. Mr. Young?

5 Senator Young. Aye.

6 The Clerk. Mr. Barrasso?

7 Senator Grassley. No by proxy.

8 The Clerk. Mr. Johnson?

9 Mr. Johnson. No.

10 The Clerk. Mr. Tillis?

11 The Clerk. Mrs. Blackburn?

12 Senator Grassley. No by proxy.

13 The Clerk. Mr. Chairman?

14 The Chairman. Aye.

15 The clerk will announce the vote.

16 The Clerk. Mr. Chairman, the final tally is 17
17 ayes and 9 nays.

18 The Chairman. I thank my colleagues for their
19 time. The committee is adjourned.

20 [Whereupon, at 2:28 p.m., the meeting was
21 concluded.]

1	STATEMENT OF:	PAGE
2	Hon. Ron Wyden,	2
3	a U.S. Senator from Oregon,	
4	chairman, Committee on Finance	
5		
6	Hon. John Cornyn,	8
7	a U.S. Senator from Texas	

**Statement for the Record of Ranking Member Mike Crapo
Open Executive Session
Senate Committee on Finance
March 2, 2023**

Mr. Chairman, we have considered Mr. Neiman and Ms. Haffajee in the prior Congress, and I intend to vote the same way as I did last Congress.

Mr. Werfel has an impressive background, and I appreciate his past service and willingness to serve today.

During his nomination hearing, Mr. Werfel made a number of important public commitments if he is confirmed, including:

- Using unbiased, data-driven performance metrics to publicly benchmark IRS performance;
- Working with this committee and being fully transparent and accountable for the IRS's actions; and
- Fairly administering the IRS in full compliance with the letter and spirit of the tax code.

It will be incumbent on him to follow-through on these public commitments.

Unfortunately, the unprecedented spending bonanza bestowed on the IRS through the misnamed Inflation Reduction Act sets no meaningful conditions or goals for the IRS.

After the legislation was passed, Treasury Secretary Yellen noted that an expeditiously-prepared operational plan for the funds was "critical" given its potentially transformational nature, and directed the IRS to provide her such a plan within six months.

Yet here we are, six months after the self-imposed deadline, and American taxpayers and members of Congress have still not seen this "critical" plan.

Meanwhile, the IRS has been spending its billions without any apparent limit.

This "spend first, plan later" approach is not transparent or responsible, and is a surefire recipe for error, waste and mismanagement.

Despite rhetoric about how the IRA funding will transform the IRS into efficient and modern service organization, only a paltry 6 percent of the IRA funding goes

towards modernization. Over 32 percent is set aside for keeping the lights on, and the remainder – nearly 62 percent – is for headcount.

The fact is that the IRS will be getting **much bigger** than it currently is.

Based simply upon the ratio of the dollars the IRA sets aside for hiring, more than 93 percent of this growth will occur in the IRS's enforcement arm. I am concerned about what these new enforcers will actually be doing, and how efficient, effective and taxpayer-focused they will be.

A longer-term issue that Mr. Werfel will need to address is that at the end of the ten-year funding term the IRS will be much larger than it is today and its inflated headcount should not become a long-term obligation of the American taxpayers through ongoing annual appropriations.

While I cannot support Mr. Werfel's nomination today given these significant and unresolved issues, this process has demonstrated that we do share areas of common interest and concern. If confirmed, I look forward to working with Mr. Werfel on improving customer service at the IRS, bringing its technology into the 21st Century, and ensuring that IRS practices, administration, and procedure are as taxpayer-focused as possible.

I implore him to work with our Members to address the fundamental flaws in the IRS and earn the trust that I, and the American people, want to extend him.