

FINANCE COMMITTEE QUESTIONS FOR THE RECORD

**United States Senate
Committee on Finance**

Hearing on the nomination of Marjorie Rollinson

Responses by Marjorie Rollinson

October 11, 2023

**Senator Michael Bennet’s QFRs – Senate Finance Committee Hearing -- Rollinson,
Neuman, and Kouzoukas Nominations – October 3, 2023**

For Ms. Rollinson:

TABOR.

In Colorado, a Taxpayer’s Bill of Rights amendment, known as TABOR, passed in 1992, which ensures that the state refunds excess tax revenue to taxpayers. For over 30 years, Coloradans have received these tax refunds and the IRS has not opined on whether they are subject to federal income taxes. On August 30, 2023, the IRS issued proposed guidance on state tax payments (Notice 2023-56), which would result in some TABOR refunds being subject to Federal tax. As I have mentioned to you before, this overturns decades of precedent of how TABOR refunds are treated.

The Office of the Chief Counsel (the Office), which you would lead, met with my office and the rest of Colorado’s congressional delegation offices, including Senator John Hickenlooper, and Representatives Joe Neguse, Diana DeGette, Lauren Boebert, Ken Buck, Doug Lamborn, Jason Crow, Brittany Pettersen, and Yadira Caraveo about Notice 2023-56, following our outreach.

The Office pointed to *26 U.S. Code § 111 - Recovery of tax benefit items* and *Maines v. Commissioner* as the basis for changing how the IRS treats TABOR refunds. Based on our conversation with the Office, we believe that Colorado’s TABOR Refunds, required under the state’s constitution, should be considered differently than other types of state payments.

Can you explain what your perspectives are on *Maines v. Commissioner* and whether you believe that refunds mandated by a state constitution should be treated exactly the same as refunds not mandated by a state constitution?

Answer: It is critical that the IRS Office of Chief Counsel carefully analyze all applicable case law, statutes, regulations, and guidance when determining whether payments – like those provided to Coloradans by TABOR – should be considered taxable for federal income tax purposes. The Office of Chief Counsel must also ensure it conducts a thorough process to gather the facts of each particular case, such as by meeting with stakeholders and state experts to understand the details of how TABOR works. As I mentioned during my hearing, if I am confirmed, I will make it a priority to understand this issue in more detail, including analyzing the applicability of *Maines v. Commissioner* to this situation.

If you are confirmed, what will your process be to review the guidance released prior to The Office having a Senate-confirmed leader to ensure it aligns with your jurisprudence?

Answer: If I am confirmed, one of my first tasks will be to meet with each office in the Office of Chief Counsel to understand the current state of key guidance projects, including on this issue, and ensure I am up to speed on and agree with the legal underpinnings of the guidance.

If Notice 2023-56 is finalized, how will you ensure that states, like Colorado and its Department of Revenue, have enough time to implement the changes? Would you be willing to delay the Notice’s effective date until after Colorado’s next legislative session so that changes apply to the 2024 tax filing season?

Answer: Clear, timely guidance to taxpayers is essential for effective tax administration. As I discussed in the hearing, it will be a priority for me to understand the Office of Chief Counsel's thinking on the substance and timing of this guidance.

United States Senate Committee on Finance

Nominations Hearing

October 2, 2023

Questions for the Record for Ms. Marjorie Rollinson

Senator Casey

Question 1 & 2

At the request of Chairman Wyden, the Government Accountability Office recently released a report on how the IRS audits large partnership businesses, which have over \$100 million in assets and over 100 different partners. The GAO found that the IRS audited only 54 out of over 20,000 of these huge partnerships in 2019, an audit rate of 0.2 percent.

That's the same rate that the IRS audited average Americans with only \$25,000 to \$50,000 in income.¹ But we know that wealthy businesses are the ones avoiding taxes on their income, not regular Americans. One study found that partnerships funneled over \$100 billion to tax havens like the Cayman Islands in that same year, 2019.² Much of that money later came back to the US, untaxed.

Question: Ms. Rollinson, do you think it is fair or fiscally responsible to audit \$100 million businesses at the same rate as average Americans?

Answer: It is essential that our tax system operate fairly and, right now, there is evidence that a significant number of high earners, large corporations, and complex partnerships are not paying the taxes they legally owe. This outcome erodes public trust in our tax system because honest taxpayers should know that when they file their taxes, everyone else – regardless of their income – is doing the same.

Some of these disparities do arise because it is easier for the IRS to audit lower income, than sprawling businesses.

Question: Can you commit to working with my staff to make sure Congress gives the Chief Counsel's office the tools it needs to better go after wealthy tax cheats?

Answer: If I am confirmed, it will be very important to me to make sure the Office of Chief Counsel has the right staffing and resources so it can provide expert legal advice to IRS offices looking at the returns of these filers and pursue litigation if necessary to hold evaders accountable. I would also look forward to working with your office to make sure the Office of Chief Counsel is equipped with the right tools to ensure a fair, effective tax administration system.

¹ <https://www.irs.gov/pub/irs-utl/statement-for-updated-audit-rates-ty-19.pdf>

² https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3985535

United States Senate Committee on Finance

Hearing to “Hearing to Consider the Nominations of Marjorie A. Rollinson, of Virginia, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury, Patricia Hart Neuman, of the District of Columbia, to be a Member of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund; to be a Member of the Board of Trustees of the Federal Hospital Insurance Trust Fund; to be a Member of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, and Demetrios L. Kouzoukas, of Virginia, to be a Member of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund; to be a Member of the Board of Trustees of the Federal Hospital Insurance Trust Fund; to be a Member of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund”

September 28, 2023

Questions for the Record for Marjorie A. Rollinson

Senator Whitehouse

Question 1

It has been over a decade since Congress passed the Foreign Account Tax Compliance Act (FATCA), with bipartisan support, to provide the IRS the information it needs to find hidden income in offshore accounts. However, according to a Treasury Inspector General for Tax Administration report “the IRS has taken virtually no compliance actions to meaningfully enforce” it.³ According to the IRS Chief Research and Analytics officer in 2021 testimony before the Tax and IRS Oversight Subcommittee, research found that U.S. households hold as much as \$2 trillion in offshore tax havens – double what prior research had found.⁴

Before the passage of the Inflation Reduction Act (IRA), Secretary Yellen explained that human resource and information technology limitations caused by resource constraints had hampered the IRS’s ability to make effective use of the information collected under FATCA.

With the help of additional funding under the IRA, will you ensure that FATCA fulfills its promise to crack down on offshore tax evasion? How? What will be the initial steps taken that show this activity has begun?

Answer: Effective enforcement of FATCA is critical for cracking down on offshore evasion and supporting a fair tax system. The IRA provides funding to transform the IRS by improving customer service, updating technology, and making sure high-income individuals, large corporations, and complex partnerships pay the taxes they legally owe. I am not privy to IRS’s current activities on FATCA enforcement, but,

³ TIGTA, Report No. 2018-30-040, Despite Spending \$380 Million, the IRS is Still not Prepared to Enforce Compliance with the Foreign Account Tax Compliance Act (July 2018).

⁴ *Closing the Tax Gap: Lost Revenue from Noncompliance and the Role of Offshore Tax Evasion*, Before the Senate Finance Subcommittee on Taxation and IRS Oversight, 117th Cong. (2021) (Testimony of Barry Johnson), <https://www.finance.senate.gov/hearings/closing-the-tax-gap-lost-revenue-from-noncompliance-and-the-role-of-offshore-tax-evasion>.

if confirmed, I look forward to understanding and evaluating the work that is underway, and working with partners across the IRS to implement any needed improvements.

United States Senate Committee on Finance

Hearing on the Nomination of Marjorie A. Rollinson, of Virginia, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury

October 3, 2023

Questions for the Record for Ms. Rollinson

Senator Barrasso

Question 1

Ms. Rollinson, my office has been inundated with letters from concerned Wyoming taxpayers regarding the new 1099-K threshold set to go into effect in 2024. I share their concerns. The lower threshold will be \$600, much lower than the current \$20,000 threshold. This means millions more taxpayers will be impacted by the new burdensome 1099-K reporting rules. American families will be sent tax forms associated with income that would not qualify as taxable income, like selling an old piece of furniture online at a loss. To quantify the impact, more than 44 million 1099-K forms are expected to be mailed to taxpayers in time for the 2024 tax filing season. It is a massive increase from the roughly 14 million forms in 2023. As you know, last year the IRS unilaterally delayed the reporting requirements.

Do you believe the IRS has the authority to delay the 1099-K reporting requirements once again?

If the IRS is unable to delay the reporting requirements and Congress does not increase the threshold, is the IRS currently able to successfully administer a \$600 threshold and the 44 million estimated 1099-K forms that would be associated with that threshold?

What steps would you take to ensure that American families are not subjected to unnecessary scrutiny, confusion, and tax burdens associated with their 1099-K forms?

Answer: I agree with you that it is essential for the IRS to help taxpayers understand and meet their tax obligations through clear guidance. I am not familiar with the specifics surrounding the IRS's decision last year to delay implementation of the 1099-K legislative changes made by the American Rescue Plan. As a result, I cannot speak to the legal authorities that served as the basis for this or any future delay. If confirmed, my focus will be two-fold: ensuring the laws passed by Congress are administered fairly and effectively, and that the IRS issues clear, timely guidance to help taxpayers understand their tax obligations. I would also look forward to engaging with you and your staff on this issue once I am up to speed on IRS's plans.

Question 2

Ms. Rollinson, there has been much controversy surrounding the idea of the IRS standing up its own direct e-filing alternative. The so-called Inflation Reduction Act provided \$15 million to the IRS to study the feasibility of a free e-file tax return system. Upon completion of its study, the IRS immediately launched a "free" tax preparation software option before Congress or the public had the chance to provide feedback following the report. This Direct File program is a massive

expansion of the IRS. It turns the IRS into a one-stop shop as tax preparer, tax collector, and tax auditor.

Do you believe the IRS has the statutory authority to create and maintain a Direct File Program? If so, please explain your rationale.

Do you believe concerns of the IRS simultaneously acting as the tax preparer, collector, and enforcer are merited?

What safeguards should be put in place under a Direct File program?

Answer: If I am confirmed as Chief Counsel, my role will be to ensure the law is applied fairly, impartially, and appropriately to all issues that come before me, including the Direct File pilot program. If confirmed, I commit to learning from the team about how they determined the IRS has the legal authority to pursue this program and engaging with you and your team on what I learn.

Question 3

Ms. Rollinson, as the chief legal advisor to the IRS Commissioner, the role of the IRS Chief Counsel is to provide legal guidance and interpretive advice to the IRS, Treasury, and to taxpayers. This role would also handle international tax matters.

One international tax matter currently being discussed by Treasury and the IRS deals with concerns over the extraterritorial assertion of retroactive taxes on a number of US companies by Germany under a 100-year-old dormant law known as Section 49.

Under the Convention between the United States and Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion of Taxes, there is a dispute resolution mechanism. Article 25 generally provides for a Mutual Agreement Procedure to eliminate double taxation when the actions of one or both of the Contracting Parties (US or Germany) results in taxation that is not in accordance with the convention. Paragraph 3 of Article 25 also allows the Contracting Parties to “consult together for the elimination of double taxation in cases not provided for in this Convention.”

Does the dispute resolution provision of the U.S. – Germany tax treaty apply to the cases involving Section 49?

Has the US utilized the treaty provisions, mentioned above, to “consult” with Germany over the elimination of double taxation of US companies?

What would be your strategy to resolve this issue with Germany?

Answer: I understand and appreciate the importance and significance of the United States’s network of tax treaties. Over my career, I have seen real benefits in eliminating double taxation, which supports U.S. businesses both domestically and abroad. While I have only read public reporting of this specific issue with Germany, if confirmed, I would commit to consulting with IRS Chief Counsel staff and Treasury to review or provide legal analysis and assist interagency partners in any conversations that may be ongoing on this issue, including ensuring that we are in fact using the appropriate dispute resolution provisions. Ensuring the promises that tax treaties provide is paramount in supporting this growing network.

Question 4

Ms. Rollinson, on September 14, 2023, the IRS ordered an immediate moratorium on processing new Employee Retention Credit (ERC) claims. This policy will run through at least December 31, 2023. This is a pandemic-era tax credit that provided much-needed funds to small businesses that were either partially or fully shut down due to lockdowns or suffered specified revenue declines during certain time periods. The agency did this over concern of fraudulent claims. While the IRS must aggressively pursue bad actors, it is also important for legitimate claims of eligible businesses to be handled in a timely manner. I am concerned the actions of the IRS could present financial difficulties for small businesses that appropriately filed for relief through the ERC.

If you are confirmed to the position of the IRS Chief Counsel, what is your plan to timely process ERC claims for taxpayers who appropriately followed the law in claiming the ERC?

How will you go after bad actors and fraudulent behavior, while holding harmless taxpayers that correctly claimed this form of relief?

Answer: I have followed the public reporting on the ERC claims, including how scammers and bad actors are targeting honest taxpayers to file improper claims, as well as the actions the IRS recently announced to help protect these taxpayers. If I am confirmed, my role as Chief Counsel will be to ensure fair and impartial administration of the tax laws passed by Congress, and that would include advising the IRS on the tools it has to pursue the aggressive promoters, marketers, and scammers fueling fraud concerns in this program. I would look forward to working with Commissioner Werfel and other business units within the IRS to pursue these bad actors, while ensuring eligible taxpayers can claim the tax benefits they are entitled to.

**Senator Marsha Blackburn
Questions for the Record
Senate Finance Committee**

Hearing to Consider the Nominations of Marjorie A. Rollinson, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury, Patricia Hart Neuman, to be a Member of the Board of Trustees for the Medicare, Social Security and Disability Insurance Trust Funds, and Demetrios L. Kouzoukas, to be a Member of the Board of Trustees for the Medicare, Social Security and Disability Insurance Trust Funds.

September 28, 2023

Questions for Marjorie Rollinson

Question 1-2

One of the main issues I hear about from Tennessee small business owners is navigating the tax code. As you know, many small businesses do not have full-time legal counsel and can become burdened by compliance costs of the tax code, which can result in audits and penalties.

- 1) *Do you see opportunities where the Office of the Chief Counsel can make it easier for small businesses to navigate compliance issues, and should you be confirmed, how can Congress work with you to resolve these issues?*
- 2) *How do you plan to ensure that regulations and guidance from the IRS are clear and consistent to ensure no confusion between the IRS and taxpayers?*

Answer: The Office of Chief Counsel plays a critical role in helping all taxpayers, including small businesses, understand their tax obligations. In my view, the Office should do everything in its purview to help small businesses on the front-end, through clear, timely public guidance for taxpayers. These efforts can help taxpayers meet their tax obligations up front, preventing the need for further compliance activities, and ensure small businesses are claiming the tax benefits they are entitled to. If I am confirmed, I will make sure my team focuses on getting out guidance that is timely and clear to taxpayers and engaging with stakeholders to understand where guidance may need to be further clarified.

Questions 3-6

We've seen multiple breaches of privacy at the IRS over the last several years and just last week, an IRS contractor was charged for leaking the sensitive tax information of high-profile individuals to media outlets, including ProPublica. Instances like this undermine the public's trust in the IRS and law-abiding stakeholders are rightfully concerned that our tax authorities are acting in a political manner, threatening taxpayers with serious privacy breaches and punishing them for complying with the law.

- 3) *Do you commit to working with your IRS colleagues to investigate and prosecute anyone who has illegally leaked taxpayer information?*

Answer: The safety and security of taxpayer data is critically important to me and to the IRS. From my time in the Office of Chief Counsel, I know that the agency takes this very seriously.

If confirmed, it would be my responsibility to help ensure that the IRS complies with all of its obligations under the law to safeguard taxpayer data and to use data only for appropriate purposes. I commit to ensuring that any alleged leak of taxpayer information is referred to the appropriate authorities for investigation and, if warranted, prosecution.

- 4) *Do you commit to keeping the Senate Committee on Finance updated on any illegal IRS leaks of taxpayer information and informing us of the steps being taken by the IRS to prevent such leaks in the future?*

Answer: I commit to being a close partner to the Senate Committee on Finance and to helping ensure you are kept informed about the kinds of critical issues like those in your question.

- 5) *Do you commit to ensuring that any regulations coming out of the IRS prioritize protecting taxpayer privacy?*

Answer: Americans entrust the IRS with their sensitive information, and they should have the confidence that it will be protected and used only for lawful purposes. If confirmed, I would help ensure that the IRS complies with all of its obligations under the law to safeguard taxpayer data and to use data only for appropriate purposes.

- 6) *Will you commit to working with Congress to ensure that the IRS proactively works to ensure that these types of leaks do not happen in the future?*

Answer: If confirmed, I would be a close partner to Congress on these important issues. I look forward to working with you and your staff to ensure Americans have confidence that their confidential information is being appropriately safeguarded.

Question 7

During your testimony, I asked that you review the Government Accountability Office's May 2022 report "IRS Security of Taxpayer Information: Characteristics of Employee Unauthorized Access and Disclosure Cases" ([GAO-22-105872](#))

- 7) *Will you commit to reviewing this report and provide a written response detailing the actions that you would take, if confirmed as IRS Chief Counsel, to address the agency's past failures to safeguard taxpayer information?*

Answer: I deeply respect the important oversight role of the Government Accountability Office and believe our government functions best when oversight bodies, like GAO, conduct robust and rigorous oversight of agency programs and operations. I also share your deep commitment to ensuring that taxpayer data is only accessed and used for authorized purposes. If I am confirmed, I will work with other offices throughout the IRS that are responsible for ensuring the security of taxpayer data. I also commit that, if confirmed, I will be a close partner to Congress

and will make myself available to speak with you and answer your questions on this and other matters as appropriate.

Question 8

Similarly, I request that you review September 2023 report “Security of Taxpayer Information: IRS Needs to Address Critical Safeguard Weaknesses” ([GAO-23-105395](#)).

- 8) *Will you commit to reviewing this report and provide a written response addressing the GAO’s recommendations to the IRS, and what steps you would take, if confirmed, to implement GAO’s outstanding recommendations?*

Answer: I appreciate and share your commitment to ensuring that taxpayer data is kept safe and secure at all times, and I appreciate GAO’s work in this important area. As Chief Counsel, I would work with other offices throughout the IRS that are responsible for ensuring the security of taxpayer data. If confirmed, I will be a close partner to Congress and will make myself available to speak with you and answer your questions on this and other matters as appropriate.

Questions 9-13

I would like you to address the Biden Administration’s pledge not to increase audits on individuals and small businesses making \$400,000 or less. Several of my colleagues and I asked Commissioner Werfel while he was in front of this Committee this April for specific details, but serious questions remain on how this pledge will function in practice.

For example, the IRS has yet to provide definitive answers on whether this pledge applies equally to single and married filers. Without differentiating, the IRS is penalizing families with two working parents. Additionally, we have not received clarity from the agency on how this will be applied to owners of pass-through entities, including sole proprietorships, partnerships, limited liability companies, and S corporations.

- 9) *If you are confirmed to the position of IRS chief counsel, will you commit to working with Commissioner Werfel to provide expedient, detailed information about how the IRS will implement the Administration’s pledge to Congress?*

Answer: If confirmed, I would want my legacy at the Office of Chief Counsel to be increasing the public’s trust in the IRS. A key element of this work is ensuring taxpayers understand how the IRS is focusing its resources on high-income individuals, large corporations, and complex partnerships who are not paying the taxes they legally owe, and is not focused on middle-income families and small businesses. If confirmed, I look forward to working with Commissioner Werfel and others at the IRS to ensure that the IRS communicates clearly about the current state of implementation of this commitment.

It is my understanding that the administration plans to use “total positive income”, defined by the IRS as “the sum of all positive amounts shown for the various sources of income reported on an

individual income tax return and, thus, excludes losses”⁵, as the benchmark income calculation for the administration’s pledge.

10) How do you think the IRS should calculate “income” with respect to the administration’s pledge not to increase audits among those with incomes less than \$400,000?

11) In your opinion, do you believe that the IRS using TPI would capture more taxpayers than if it used “taxable income,” the term used in the Inflation Reduction Act limiting IRA-funded audits to those with taxable incomes above \$400,000?

Answer: The Office of Chief Counsel is responsible for ensuring fair and impartial administration of tax laws through guidance, litigation, and expert legal advice to IRS offices and IRS leadership. It would be outside the purview of my office to set audit policy. I am not currently privy to IRS discussions about the implementation of this pledge. If I am confirmed, I would want to learn more from the Commissioner about how the IRS is implementing the pledge so I can provide advice on any relevant legal issues.

Lastly, the ambiguity from the IRS on its auditing criteria casts significant doubt that this pledge can be practically implemented. However, there has been no indication or information from the agency on measures that will hold it accountable to the administration’s pledge.

12) Do you believe that the IRS should subject itself to accountability mechanisms to ensure the Biden Administration is held to its own pledge?

13) What would these accountability mechanisms look like if you were confirmed to the Chief Counsel position?

Answer: Transparency and accountability are critical to ensuring that the IRS has the public’s trust. The trust of the American taxpayer is fundamental to the functioning of our voluntary tax system, and, if confirmed, I will always lead the Office of Chief Counsel with this value in mind and advise the Commissioner accordingly. I commit to working closely with you and the Committee on Finance to answer your questions and to providing Congress the information it needs for its legislative and oversight work. If confirmed, I look forward to working with Commissioner Werfel and others at the IRS to ensure that IRS is clear about implementation of this pledge.

⁵ [https://www.irs.gov/statistics/soi-tax-stats-irs-data-book-glossary-of-terms#:~:text=Total%20positive%20income%20\(Tables%209a,and%2C%20thus%2C%20excludes%20losses](https://www.irs.gov/statistics/soi-tax-stats-irs-data-book-glossary-of-terms#:~:text=Total%20positive%20income%20(Tables%209a,and%2C%20thus%2C%20excludes%20losses)

Senator Bill Cassidy, M.D.

United States Senate Committee on Finance

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September 28, 2023

Questions for the Record for Marjorie A. Rollinson

Senator Cassidy

Question 1

Superfund excise taxes were reinstated in January 2023 and are collected on taxable chemicals and taxable substances. The excise taxes were last imposed and collected in 1995, and there appears to be a lack of historical knowledge within the Treasury and the IRS as to the refund and credit process.

Two types of superfund claims exist: 1) tax credit claims and 2) tax refund claims. The IRS is not processing either category of claims. For tax credit claims, the IRS is (1) denying the credit; (2) requiring payment for the full superfund tax amount with no credit offset; and (3) assessing penalties and interest for failure to pay even though an offset or credit is claimed per the law. For refund claims, the IRS is not processing and paying claims for refund, while commencing audits of the refund claims.

There is a substantial adverse economic impact by the Treasury and IRS not following the law by providing credits and refunds. The impact on smaller- and medium-sized exporters is the worst. For example, the US exporter is charged the superfund tax by their supplier of chemicals and substances, so the exporter pays the superfund tax to the supplier at the time of purchase. The exporter then exports the chemical or substance and claims a credit/refund of the superfund tax from the IRS. Because the IRS is not paying the credit/refund claims, the exporter is left with a cash shortage and required to use lines of credit and pay interest to keep operating and exporting.

If confirmed, do you pledge to get to the bottom of why the IRS is not applying current law as written at the time of the expiration of the superfund excise tax in 1995 to credit claims and refund claims made since the reinstatement of the tax? If yes, will keep me updated on your findings?

Answer: If I am confirmed, my focus across all of the Office of Chief Counsel’s work will be ensuring that the IRS is administering the tax laws passed by Congress fairly, impartially, and in line with statutory text and congressional intent. As I am not privy to information about how the IRS is applying this provision of the Tax Code right now, I look forward to learning about these issues, if confirmed, and engaging with you and your staff on your concerns.

Question 2

The CHIPS Act provides powerful incentives to spur investment in America’s semiconductor industry; the new tax credit found at Section 48D is one important component of the Act. Recently, the U.S. Department of Treasury and the IRS issued proposed regulations under Section 48D. These proposed regulations limit the tax credit to exclude certain key players in the semiconductor supply chain.

The semiconductor manufacturing process does not consist solely of semiconductor fabrication facilities but involves a highly integrated supply chain of companies that occupy key roles throughout the chip-making process. This includes a wide range of chemistries that enable the manufacture of silicon wafers, doping to impart innovative characteristics (e.g., conductivity), polishing and cleaning of the wafers, and further preparation of the wafers.

While these supply chain companies have been included as eligible to apply for grants through the Commerce Department, they are not under the proposal for the tax credit.

What explains this disconnect between the implementation of the grants and the tax credit? Will you investigate what can be done to ensure a unified approach to implementation of the CHIPS Act?

Answer: I applaud the work Congress put into passing the CHIPS Act. This is a critical national priority. It is my understanding that Treasury issued an NPRM in March and has not yet published a final rule. While I’m not familiar with all of the differences between the pieces of guidance you highlight, if confirmed I look forward to learning more about any regulations in progress and ensuring the Chief Counsel’s office provides any assistance and resources in supporting this key program.

Question 3

One or more companies have developed robocall systems that flood IRS phone lines with simultaneous automated phone calls. When an IRS representative answers one of the lines, a company subscriber is patched into the representative. Painfully long holds and dropped calls are largely bypassed and avoided, at the cost of flooded phone lines that crowd out other taxpayers and tax representatives. Sophisticated tax practitioners are able to cut in line.

Among other requirements, IRS Circular 230 requires that tax practitioners “act fairly and with integrity in practice before the Internal Revenue Service.” Piratical use of public phone lines in order to crowd out taxpayers and professionals unwilling to pay a private company an entrance fee is unfair and unscrupulous. This practice undermines our shared goals to propel IRS customer service into modernity.

As Chief Counsel, will you investigate and potentially seek to prevent this practice?

Answer: Ensuring taxpayers have a good experience interacting with the IRS is very important to me, and I know the IRS is laser-focused on using its resources to improve customer service. I am concerned by the practice you mention, as it undercuts the fairness of our tax system. If confirmed, I commit to learning more from the IRS team about what they are already doing to address this issue and to engaging with attorneys in the Office of Chief Counsel about legal avenues to prevent this practice.

Question 4

In recent years, the term “syndicated conservation easement” has become somewhat synonymous with “bad” transactions. This is problematic, in part because virtually all commercial real estate transactions are syndicated.

If confirmed, what will you do to ensure that, consistent with Congressional intent, legitimate donations to protect historic structures are given a fair review?

Answer: While I am not familiar with IRS’s current work in this area, I know that having certainty and clarity is essential for investments in these historic preservation programs. If I am confirmed, I will work to ensure the IRS is meeting statutory requirements associated with historic preservation easements. I would sit down with the Office of Chief Counsel team to learn more about how they are handling this issue and identify any needed improvements. I would also work with Commissioner Werfel and other relevant IRS offices to address any issues I see, implement any improvements I identify, and make sure we are keeping you and your staff updated on progress.

Question 5

Recent developments in the Tax Court case of *LakePoint Land II LLC et al. v. Commissioner*, 2023 Tax Ct. Memo LEXIS 114, suggest that there are some significant problems you will need to address with Chief Counsel personnel if you are confirmed. In that case, the court sanctioned the IRS for actions of its counsel in presenting to the court a backdated penalty approval document and a false affidavit, and for failing to timely inform the Court that these documents were erroneous.

In its opinion, the Tax Court wrote: “we find the actions taken by respondent ... fall short of respondent’s obligation to this Court. It is undisputed that this Court was not made aware of the backdated July Lead Sheet and erroneous RA Brooks Declaration until April 10, 2023, which was some seven months after the Motion for Partial Summary Judgment was filed, and some five months after respondent’s counsel knew (or should have known) of the backdated signature.... We find the actions of respondent’s counsel to be in bad faith and to have multiplied the proceedings in this case unreasonably and vexatiously.” *Id.* at 15-17.

In an August 22, 2023 order in that case, the Tax Court directed the IRS to provide a forthright and comprehensive response to the taxpayer’s request for information as to the name and title of all IRS personnel, including members of the Office of Chief Counsel, who became aware the various misstatements and the dates on which they became aware.

The IRS personnel involved in backdating penalty approval documents and falsely swearing as to their validity appear to have engaged in unethical behavior.

Will you investigate the conduct of IRS employees in LakePoint Land II and deal with any unethical acts accordingly? Could you please report your findings and decisions to the Committee? In light of what happened in LakePoint Land II, how will you seek to restore the credibility of the Office of Chief Counsel?

Answer: I share your commitment to accountability, as the trust of the American taxpayer is a cornerstone of our voluntary tax system. The American people must have confidence that all taxpayers are being treated fairly and with integrity. If confirmed, I will be committed to ensuring that the IRS and the Office of Chief Counsel act ethically and honestly in all of our work, and I commit to holding employees accountable who do not comport with these values.

Since I am not at the IRS, I do not know the particular facts of what occurred but, if confirmed, I will certainly learn more about this matter. Throughout my career, I have had a deep commitment to serving with integrity, and I expect my employees to do the same. This is critical to instilling public trust in the agency and its work.

If I am confirmed, I will be a close partner to Congress and will make myself available to speak with you and answer your questions on this and other matters.

Question 6

There are also penalty approval backdating allegations in several other pending Tax Court cases: (*Arden Row Assets*, *Basswood Aggregates*, and *Delwood Resources*). See, Bloomberg, “IRS Asked to Admit to More Easement Penalty Approval Backdating” (August 21, 2023).

Will you investigate what happened in these cases and report your findings to the Finance Committee?

Answer: As noted above, since I am not in the building, I do not know the particular facts concerning these cases, but I will certainly make it a priority to learn more if confirmed. As Chief Counsel, I would be a close partner to the Senate Finance Committee and would make myself available to answer the Committee’s questions and provide the Committee the information that it needs for its legislative purposes. I commit further that, as Chief Counsel, I would ensure that the Office of Chief Counsel treats all taxpayers fairly, ethically, honestly, and with the utmost integrity.

Question 7

IRS Notice IR-2023-144 entitled “IRS cautions plan sponsors to be alert to compliance issues associated with ESOPs” came out of the blue on August 9th and surprised and confused many companies that are organized as ESOPs. Commissioner Werfel broadly stated his goals to include “alerting higher-income taxpayers and businesses to compliance issues and aggressive schemes involving complex or questionable transactions, including those involving ESOPs.” The IRS Notice identified the issues in a broad and non-specific manner, listing: 1) valuation issues, 2) prohibited allocation of shares, and 3) failure to follow tax law requirements for ESOP loans. One specific example included in the Notice involves an ESOP management S corporation

characterizing business income as loans, but it is unclear how common this practice is or why it is unique to ESOPs.

Can you provide your perspective on IRS Notice IR-2023-144 and the issues with ESOPs it describes? If you are not currently able to provide much clarity, will you do so, if confirmed?

Answer: I am not familiar with the details of the IRS's recent notice related to ESOPs. If confirmed, I will make sure to learn more about this notice and understand the issues at play with ESOPs.

Question 8

It is rumored that the IRS counsel's office has a directive to never settle and instead litigate 100% of conservation easement cases. If this is true, conservation easement cases have the potential to completely overwhelm the Tax Court for the next decade, with a reported volume of cases upwards of 1,000. In the past, the IRS has engaged in settlement initiatives with taxpayers, even over issues where there are high levels of controversy or disagreement.

If confirmed, will you reconsider this 100% litigation strategy on conservation easements, if it is, in fact, true? If confirmed, will you report back to the Committee regarding updates on the situation?

Answer: I am not privy to information about the IRS's current litigation strategy on this issue. If confirmed, one of my first tasks will be to learn about the status of current and planned guidance, major projects and issues facing the Office of Chief Counsel, and the Office's litigation strategies. I would also look forward to engaging with you and your staff on your concerns.

Senator Mike Crapo

Questions for the Record for Marjorie Rollinson:

1. Since ProPublica first reported it had received ‘troves’ of stolen taxpayer information in June 2021, my Republican colleagues and I have been pushing for answers as to how private taxpayer information was so massively compromised.

On Friday, September 29, 2023 – more than two years after ProPublica’s initial reports – the Department of Justice charged an IRS contractor with stealing private taxpayer information and leaking the confidential data to news organizations.

While many questions remain, at the very least, it is clear that IRS guardrails failed to prevent this brazen breach of taxpayer rights.

If confirmed, will you commit to working with this Committee in a timely and thorough manner on all aspects related to this significant security breach, and on actions the IRS can take to better protect tax and financial information of all U.S. taxpayers?

Answer: I share your deep commitment to the protection of taxpayer data. From my time in the Office of Chief Counsel, I know that the safety and security of confidential tax information is of paramount importance to the agency and its employees. If confirmed as Chief Counsel, I would take very seriously my responsibility to ensure that the IRS complies with all its obligations under the law to safeguard taxpayer data and to use data only for appropriate purposes.

I can commit to you that, as Chief Counsel, I would help ensure the IRS takes appropriate action in response to incidents of this nature. My understanding is that this matter was immediately referred to the appropriate authorities, and, if confirmed, I would work with other IRS offices to ensure the IRS takes seriously any and all recommendations made by those authorities and takes appropriate action. Further, I commit to being a close partner to you and the Committee on Finance on this and other important issues, and I commit to working closely with you and the Committee to help ensure that taxpayers have confidence in the IRS and in the security of their confidential tax information.

2. The IRA provided a massive \$80 billion funding boost to the IRS, and earmarked most of these funds for enforcement initiatives. The American people have heard many troubling reports of late about the IRS overstepping its bounds, intimidating taxpayers through unannounced visits, providing knowingly false records to courts, and undertaking enforcement campaigns that ignore the facts of a case and try to force taxpayers into unfavorable settlements.

The IRS often says it is outgunned in enforcing the laws. While in a few cases that assertion may be valid, it just is not true for the vast majority of Americans trying in good faith to comply with our tax laws, without the capacity or resources available to the IRS.

If confirmed, how will you undertake your role as the IRS’s chief legal officer in a way that does not trample taxpayer rights or intimidate taxpayers into unjustified settlements?

Answer: There is nothing more fundamental to our voluntary tax system than the notion that all taxpayers must be treated fairly. The American people must have confidence that all taxpayers are being treated impartially, regardless of who they are, where they live, or what they believe. I share your view that it is critically important for the public to have confidence in the IRS, and I would work tirelessly as Chief Counsel to help the agency earn and maintain the public’s trust. Throughout my career, I have had a deep commitment to serving with integrity, and I would expect the same from the employees in the Office of Chief Counsel.

If confirmed, I would be uniquely situated to advise the Commissioner and the agency on issues of taxpayer fairness. The Tax Code mandates that taxpayers be treated fairly and, as the chief legal advisor for the IRS, it would be my responsibility to ensure that we follow the Tax Code in all respects. I know these issues are of paramount importance to you and the Committee on Finance, and I commit to working closely with you and your staff to ensure that taxpayers are always treated honestly, impartially, and with integrity.

3. As the Chief Counsel you would, if confirmed, ensure that all activities of the Office of Chief Counsel adhere to the highest ethical standards. As recently as September 2023, the IRS agreed to settle and drop a penalty in the Lakepoint Land II LLC v. Commissioner case (T.C. Memo 2023-111). This was because a court found an IRS supervisor backdated her signature on a penalty approval form. When faced with the backdating, the IRS was “less than forthcoming” with the truth to such a level that it amounted to “bad faith” and “multiplied the proceeding in this case unreasonably and vexatiously.” This case was so egregious the Tax Court ordered the IRS to pay the defendant’s fees and expenses. Since the Lakepoint case, many other taxpayers have come forward with similar complaints.

Can you explain how you would prevent such a clear ethical lapse by the attorneys you would be supervising?

What actions would you take if you found an attorney under your supervision did something unethical, like backdate a document or operated in bad faith with the Tax Court?

Answer: Since I am not at the IRS, I do not know the particular facts of what occurred in this case but, if confirmed, I will certainly learn more about this matter.

Throughout my career, I have had a deep commitment to serving with integrity. From my time in the Office of Chief Counsel, I know integrity is at the heart of everything the Office does, and this is critical to instilling public trust in the agency and its work. If I am confirmed to lead the Office of Chief Counsel, I will be committed to ensuring that the Office of Chief Counsel always treats taxpayers fairly, ethically, honestly, and with the utmost integrity in all of our work. This would be the cornerstone of my leadership, and I commit to holding employees accountable who do not comport with those values.

4. There have been several controversial implementation and political decisions involving implementation of IRA tax provisions – particularly redefining the term “free trade agreement” with respect to eligibility for electric vehicle tax credits and postponing statutory deadlines for

those credits. When Congress passed the IRA, the Administration, as reflected on the U.S. Trade Representative’s website, identified only congressionally approved trade agreements that lifted tariffs as “free trade agreements.” In contrast, Treasury’s NPRM provides that a free trade agreement does not actually need to free any trade, and can include executive agreements that simply note labor and environmental commitments.

If confirmed, will you commit to providing me a timely and complete explanation of Treasury’s authority to redefine the term “free trade agreement”—from its traditional plain language understanding—and to postpone the statutory deadline for providing guidance on EV tax credits?

Answer: If confirmed, I commit to devoting time to understand this issue, reviewing the legislation and intent, and understanding any opinions that have been offered in this regard. As I said in the hearing, often tax law is not that clear, but I would be happy to meet with you to better understand your views and be a resource to you and your staff.

5. As the Chief Counsel you would, if confirmed, be the principal legal advisor to the IRS Commissioner on all matters pertaining to the interpretation, administration, and enforcement of the Internal Revenue Code (IRC). Codified in section 7701(o) of the IRC is the economic substance doctrine, which has historically been a tool to prevent abusive tax shelters and transactions that lack a genuine business purpose.

Given the evolving nature of our economy and the increasing complexity of financial transactions, can you please explain how you would intend to apply the economic substance doctrine as the Chief Counsel?

Specifically, how do you plan to strike a balance between ensuring taxpayers are not engaging in artificial transactions solely for tax benefits, while also not chilling legitimate business activities?

Do you believe the IRS’s current use of the economic substance doctrine is too much, too little or about right?

Answer: If confirmed, one of my top priorities will be figuring out how the Chief Counsel’s office can best support the agency’s goals of promoting a fair tax system and helping taxpayers understand their tax obligations while working to address tax evasion and other abuses. I look forward to learning more about the IRS’s approach to these issues, including the specific issues you have raised. As Chief Counsel, I would work to ensure fair and impartial interpretation and administration of the Tax Code, in line with statutory text and congressional intent.

6. As you know from my questions to you in your confirmation hearing, I’m very concerned about instances where the IRS unilaterally acts without statutory authority. I recall you testifying that it would be important for you to better understand some of the issues where this has arisen and be an independent voice at the IRS for interpreting the law.

To this end, if confirmed, will you commit to providing me a timely and complete explanation of the IRS’s authority (or lack thereof) with respect to preparing tax

returns and requiring information reporting on flows in all bank accounts over a certain threshold, as was proposed in the Build Back Better proposal and legislation?

Answer: If I am confirmed as Chief Counsel, my role will be to ensure the law is applied fairly, impartially, and appropriately to all issues that come before me, including the Direct File pilot program. If confirmed, I commit to learning from the team about how they determined the IRS has the legal authority to pursue this program and engaging with you and your team on what I learn. My understanding is that the legislative proposal with respect to bank accounts was not enacted and it was not included in the FY24 Greenbook.

7. Another concerning area of recent IRS activity relates to how it is conducting its enforcement campaigns. For instance, I understand that the IRS has many hundreds of section 831(b) insurance company cases in various stages of litigation, but has taken only a small handful all the way through the process of obtaining a judgment. Meanwhile, I understand that IRS blanket settlement policy for these microcaptive cases requires the plaintiff to fully concede the case and at least some (if not all) penalties in order to avoid litigation. I further understand that there are at least dozens of instances where the IRS has pushed a microcaptive into litigation only to settle the matter for no deficiency (or some trivial amount) shortly before the matter went to trial.

Do you believe it is an efficient use of IRS and taxpayer resources to require a case that could be resolved for no deficiency (or some trivial amount) to be pushed into active litigation before it is resolved?

If confirmed, will you commit to providing me a timely and complete explanation of the IRS's settlement standards with respect to its current enforcement campaigns, as well as an analysis of any cases related to these campaigns where actual litigation commenced and which were thereafter settled for less than the applicable pre-trial settlement standard the IRS uses?

Answer: I am deeply committed to effective stewardship of public funds, including making sure that the Office of Chief Counsel's resources are deployed in ways that best support a fair system and avoid unnecessary litigation. I am not familiar with the specifics of the cases you mention, but, if confirmed, I will look into how IRS handles these cases and whether the current practice is an effective use of the Office of Chief Counsel's resources. I would also work to report back to you and this Committee on my findings, within the bounds of all applicable laws, rules, and regulations.

United States Senate Committee on Finance

Hearing to Consider the Nomination of Marjorie A. Rollinson, of Virginia, to be Chief Counsel for the Internal Revenue Service and an Assistant General Counsel in the Department of the Treasury

September 28, 2023

Questions for the Record for Marjorie A. Rollinson

Senator Daines

Question 1

In June of 2022, an IRS spokesperson told Fox News Digital that Code for America has not been involved in developing the Direct File pilot program. However, documents indicate they were. Congress did not authorize funds for the IRS to look into creating the Direct File pilot until August of 2022. Commissioner Werfel expressed to Congress that the IRS would wait to create a pilot until consulting with Congress, but the Direct File prototype was created prior to any serious consultation, authorization of funds, or a final report discussing benefits and drawbacks of a Direct File pilot.

Please provide an answer on Code for America's involvement in the development of an IRS free file program, and a timeline of when such program was built out.

Answer: Other than what the IRS has publicly shared, I am not privy to information about how the IRS developed the congressionally mandated Direct File study or their current work on the Direct File pilot for filing season 2024. If I am confirmed, my role at the Office of Chief Counsel will be to ensure that the IRS's decisions and projects are legally sound.

Question 2

You are being considered for the role of IRS Chief Counsel and Assistant General Counsel at the Department of the Treasury. Throughout the course of Treasury's negotiations with the OECD, Secretary Yellen has made commitments in negotiations that lack proper authority to fulfill.

If you are confirmed to serve in this dual role, how will you ensure that Treasury does not overstep its authority and advise the Secretary on these matters?

Answer: As discussed during my testimony, negotiations with the OECD are led by the Treasury Department and the Chief Counsel's role in the process is generally focused on advising on the current state of U.S. tax law. In all my work, I strive to provide my best advice and promote adherence to the law.

Senator Chuck Grassley
United States Senate Committee on Finance
Nomination of Marjorie A. Rollinson to be
Chief Counsel for the Internal Revenue Service and
an Assistant General Counsel in the Department of the Treasury
Questions for the Record

Question 1:

Every nominee that is confirmed by the Finance Committee is asked if they will commit to promptly respond to any questions asked by a member of this Committee. You answered in the affirmative to this question as has every IRS and Treasury nominee before you. Yet, questions for the record submitted by myself and other members of this committee to Commissioner Werfel and to Secretary Yellen have been outstanding for approximately 160 days and 190 days respectively.

- In your opinion, does this delay in responding to questions comport with a commitment to promptly respond to members of this Committee?
- What would you consider a reasonable time period for responding to member questions?
- If you are confirmed, will you urge your colleagues at the Internal Revenue Service and Department of Treasury to adhere to their commitment to respond promptly to member questions?

Answer: I deeply respect the important oversight role of Congress and believe our government functions best when Congress conducts rigorous oversight to identify waste, fraud, and abuse and to ensure that federal agencies serve the American people effectively and with integrity. I share your commitment to transparency and accountability, both of which are critical to instilling public trust in the IRS and its work.

As Chief Counsel, I would advise the IRS on its obligations regarding the sharing of information with oversight bodies, including Congress. I commit that, if confirmed, I will be a close partner to the Congress and will make myself available to speak with you and your staff to promptly answer questions and provide the information necessary for your legislative and oversight work.

Question 2:

I, along with ranking member Crapo and every Republican member of the Finance Committee, have repeatedly requested the Department of Treasury to provide this Committee with data and analysis relevant to the revenue effects of the OECD Pillar 1 agreement on U.S companies and the public. However, Treasury has so far refused to provide the requested information.

- If confirmed, will you commit to working with Treasury to immediately provide the data and analysis as requested?

Answer: Transparency and good governance are key priorities in ensuring trust in the IRS. While I am not aware of Treasury's data analysis process, if confirmed, I

would be willing to learn about the Office of Chief Counsel’s work in this area, but this question might be best answered by Treasury.

Question 3:

At a March 16, 2023 Finance Committee hearing, I asked Secretary Yellen whether any aspects of the OECD Pillar Two agreement violated our bilateral tax treaty obligations. She succinctly responded, “No, there is no violation in anything we proposed.” While Treasury has asserted that Pillar Two is compliant with tax treaties, it has yet to provide any legal analysis to justify that assertion. Treasury is not the sole arbiter of whether or not Pillar Two is consistent with our international commitments approved by Congress through treaty.

- Would you agree that Congress deserves substantive response to legitimate concerns that have been raised by a growing number of tax professionals that the Undertaxed Profits Rule violates our bilateral tax treaty obligations?
- If confirmed, will you commit to working with Treasury to provide such a response?

Answer: I commit to working with you and Treasury to understand any implications of Pillar Two that the Office of Chief Counsel is involved in and working with you and your staff to make sure you are informed, if I am confirmed.

Question 4:

For more than two years, I have asked the IRS and Treasury for information regarding the apparent leak or hack of confidential taxpayer information that was subsequently published by news outlets, including ProPublica.

In that time very little information was provided regarding the disclosures and recently we learned from public reporting that a government contractor has been arrested for stealing and sharing taxpayer information with news outlets.

Commissioner Werfel has been quoted as saying “The IRS has put in place new protocols and protections that tightened security, and our aggressive work in this critical area continues in order to protect the tax and financial information of taxpayers.”⁶

- If confirmed, will you commit to working with colleagues to provide information to the members of the Finance Committee regarding how the security of IRS systems was compromised, and what new protocols and protections have been implemented, as cited by Commissioner Werfel?
- Will you also commit to working with your colleagues to provide regular briefings and updates regarding the security of IRS IT systems and efforts to safeguard taxpayer information?
- Will you further commit to undertaking a review of how IRS employees, including contractors, are trained on the legal protections afforded taxpayer information under Section 6103 of the Internal Revenue Code?

⁶ <https://www.politico.com/news/2023/09/29/irs-leak-charge-00119190>

- Moreover, will ensure all employees and contractors are effectively educated on the criminal penalties provided under Section 7213 and 7213A of the Internal Revenue Code concerning the unauthorized disclosure or inspection of protected taxpayer information?
- Finally, will you commit to providing members of the Finance Committee an update on your actions as IRS Chief Counsel to ensure IRS employees and contractors are well versed in, and are in compliance with, taxpayer privacy protection laws within 60 days of your confirmation?

Answer: I share and appreciate your commitment to safeguarding confidential taxpayer data. From my time in the Office of Chief Counsel, I know that the agency takes the strict confidentiality requirements of Section 6103 very seriously. Since I was not at the IRS at the time of this incident, I am not familiar with the particulars of this matter, but it is my understanding is that it was immediately referred to the appropriate authorities. If confirmed as Chief Counsel, I would work with other IRS offices to ensure the IRS takes seriously any and all recommendations made by those authorities and takes appropriate action. I would also work with other IRS offices to help ensure that Congress is kept appropriately apprised of new protocols and protections regarding the security of IRS IT systems.

If confirmed, I look forward to learning more about the IRS's current approach to training and education on Section 6103, Section 7213, and Section 7213A and to seeing where improvements can be made. I can commit to you that, as Chief Counsel, I would take very seriously my responsibility to ensure that the IRS complies with all of its obligations under the law to safeguard taxpayer data and to use data only for appropriate purposes.

I know this is a priority for you and the Senate Finance Committee, and I commit to being a close partner to you and your staff on this important issue.

Question 5:

The IRS is subject to the Federal Information Security Modernization Act (FISMA) of 2014 (P.L. 113-283) in terms of how it handles information and the reporting of breaches after they occur. FISMA also requires that security incidents are reported to certain congressional committees within seven days after it has been determined that a breach has occurred.

Since it has been publicly announced that a contractor has been criminally charged for stealing taxpayer information and providing it to news organizations, it sounds like the IRS has known for some time that a breach of IRS systems had in fact occurred.

If you are confirmed, as Chief Counsel you would be legal advisor to the Commissioner and would need to advise the IRS on compliance with any applicable federal laws.

- When did the IRS become aware that a contractor had stolen sensitive taxpayer information?
- Have Treasury and the IRS fulfilled all responsibilities for notification of a breach, including the Secretary of Homeland Security, the Cybersecurity and Infrastructure Security Agency, and relevant congressional committees?

- Have taxpayers who had their information stolen and distributed been notified?

Answer: My understanding from public reporting is that this matter was immediately referred to the appropriate authorities. However, I was not at the IRS when this incident occurred and cannot speculate as to what the IRS knows, what reporting obligations apply (including under the Federal Information Security Modernization Act of 2014), and whether affected taxpayers have been notified. As Chief Counsel, I would work with other offices at the IRS to ensure the IRS takes seriously any and all recommendations made by investigative authorities under my tenure and takes appropriate action. I also would help ensure that the IRS complies with all of its obligations under the law to report incidents of this nature.

Question 6:

As I discussed at your hearing, I have heard concerns from stakeholders that the Office of Chief Counsel has acted as a roadblock to processing whistleblower claims quickly and fairly.

- If confirmed, do you pledge to support the role and decisions made by the Whistleblower Office, and not to undermine or place additional burdens on that office when it is trying to fulfil its mission?
- Additionally, do you pledge to quickly act on cases in remand and discovery in the Tax Court so that whistleblowers stop seeing delays caused by Chief Counsel that can go on for more than a year?

Answer: Whistleblowers are essential for a fair, functioning tax system, and I deeply respect the role they play in ensuring that everyone plays by the rules. If confirmed, I look forward to learning more about this program from my team and gaining a better understanding of where improvements may be needed.

Question 7:

The Strategic Operating Plan which detailed how the IRS would spend the \$80 billion in mandatory funding provided by the Inflation Reduction Act. The plan includes a single paragraph stating the intention to “Develop and implement a plan to improve the IRS Whistleblower Program.” The report doesn’t include substantive details on implementing this goal and additional information has not been produced by the IRS.

- If confirmed, will you commit to provide details on how the IRS intends to accomplish this goal and also provide regular updates as work progresses?

Answer: I thank you and Senator Wyden for your bipartisan work over the years on this important issue. Whistleblowers are essential for a fair, functioning tax system, and I deeply respect the role the IRS Whistleblower Program plays in bolstering public trust in the IRS. If confirmed, I look forward to learning about how the IRS plans to improve the IRS Whistleblower Program, including any improvements the Office of Chief Counsel can make that would better support that program, and to working with Commissioner Werfel to make sure we keep you and your staff updated on these improvements.

Question 8:

Often many years can pass between the filing of a whistleblower claim and the payment of an award. I understand that these delays in part stem from the practice of the IRS waiting until all tax years covered by a claim are fully adjudicated. In the cases where a claim covers multiple years of activity, there may be tax years that have completely closed out and an award is payable except additional tax years are still open. Processing awards in this way needlessly adds years to the time between the filing of a claim and the payment of an award, and is a further disincentive for whistleblowers to take the risks in coming forward.

- If confirmed, will you commit to examining how the IRS can pay awards to eligible whistleblowers that stem from tax years that have been completely closed out, even if additional years on the same claim, that would have no impact on proceeds already collected, remain open?

Answer: I greatly value the role that whistleblowers play in ensuring that everybody pays their fair share, and I share your commitment to ensuring that this program encourages whistleblowers to come forward. If I am privileged to serve as Chief Counsel, I look forward to learning more about this program and how it can be improved.

Question 9:

As I noted at your hearing, I am concerned with how the IRS has treated employees who have stepped forward with concerns related to the Hunter Biden investigation. To demonstrate his commitment to protecting whistleblowers and their rights to blow the whistle on waste, fraud, abuse, and misconduct, I have urged Commissioner Werfel to meet with the whistleblowers in question. It is my understanding that he has yet to do so.

- If confirmed, as the chief legal advisor to the IRS Commissioner, would you recommend Commissioner Werfel meet with the whistleblowers? If not, why not?

Answer: Like you, I deeply respect the role that whistleblowers play in ensuring that the IRS remains accountable to the American people. This role is critical to bolstering public trust in our government institutions, and it is necessary that whistleblowers always be heard and respected. Since I am not at the IRS, I do not know the particulars of this case. However, if I am confirmed, the Office of Chief Counsel will be a place where employees know they will be listened to and that people will be held accountable for any inappropriate action. I would make it a priority to foster an environment in which employees feel like they can be open and report suspected misconduct wherever they see it, without fear of retaliation or reprisal.

Question 10:

The Inflation Reduction Act required the IRS to study the feasibility of creating an option to file taxes directly with the IRS for free. Having delivered this report, it appears that the IRS is moving ahead with creating this option without any further authorization or input from Congress. Aside from questions as to whether the IRS has the authority to do this, there are concerns about

non-governmental partners possibly involved and longstanding questions about the ability of the IRS to protect taxpayer information.

- If confirmed, do you pledge to keep both sides of this committee fully briefed regarding any efforts to develop a “direct file” option, as well as ensuring the IRS doesn’t exceed its statutory authority?

Answer: If I am confirmed as Chief Counsel, my role will be to ensure the law is applied fairly, impartially, and appropriately to all issues that come before me, including the Direct File pilot program. If confirmed, I commit to learning from the team about this program and the IRS’s relevant legal authorities and to engaging with you and your staff.

Question 11:

In May, the IRS released its “Strategic Operating Plan”, which was supposed to provide detail on its plans for the nearly \$80 billion in mandatory funding provided last July. While that plan is full of lofty aspirations, it is short on specifics. Moreover, no additional updates or details on that plan have been provided to Congress. This is part the result of the fact that the underlying law has no reporting or oversight measures whatsoever.

To address this, Senator Thune and I introduced the IRS Funding Accountability Act. Amongst other things, our bill would require the IRS to submit to Congress an updated detailed spending plan annually and provide us with quarterly reports as to actual expenditure of these funds.

- Do you agree that timely and reliable information from the IRS is vital for Congress to exercise its Constitutional role of conducting oversight?
- Should you be confirmed, would you advise the IRS Commissioner and Treasury Secretary to provide regular updates to Congress on the progress of their plan and as to the actual expenditure of funds?

Answer: I share your commitment to transparency and accountability, both of which are critical to ensuring that the IRS has the public’s trust. The trust of the American taxpayer is the cornerstone of our voluntary tax system. I deeply respect the important oversight role of Congress and believe that congressional oversight helps our government function more efficiently and effectively.

As Chief Counsel, I would advise the IRS on its obligations regarding the sharing of information with Congress and other oversight bodies, including reporting obligations enacted by Congress, and I would ensure that the IRS complies with the law. If confirmed, I also commit to working closely with you and other Members of the Senate Finance Committee to ensure you have the information necessary for your legislative and oversight work.

Question 12:

For decades tax regulations generally skipped the review process other agencies had to follow in submitting significant regulations to the Office of Information and Regulatory Affairs (OIRA) for a cost-benefit analysis. During the Trump Administration, this changed with the release of a Memorandum of Agreement between Treasury and OMB that put in place an OIRA review

process for tax regulations. However, in June the Biden Administration ended this OIRA review for tax regulations. Kristin Hickman, a law Professor at the University of Minnesota and former Special Adviser to the Administrator of the Office of Information and Regulatory, criticized this Biden Administration decision calling it “a big step backward for transparency and accountability in the exercise of discretion over tax policy”.

- Do you agree with Professor Hickman, why or why not?

Answer: It is important to ensure that tax regulations are implemented thoughtfully and in accordance with the law. If confirmed, I look forward to learning more about the Memorandum of Agreement between the Department of the Treasury and the Office of Information and Regulatory Affairs at the Office of Management and Budget. As Chief Counsel, I would work to ensure that the IRS abides by all laws, rules, and regulations related to the development of tax regulations. I would be happy to follow up with you as I learn more.

Question 13:

The IRS has experienced several legal defeats involving taxpayers challenging IRS guidance for failing to adhere to the Administrative Procedures Act (APA). For instance, in *Mann Construction*, the Sixth Circuit invalidated a 2007 IRS notice establishing “a listed transaction” for failing to follow the APA. This and other decisions potentially have broad implications as to the validity of other guidance issued by the IRS and raise a number of other questions pertinent to tax administration.

- Should you be confirmed, what steps will you take to ensure IRS rules and regulations are in full compliance with the APA?

Answer: One of the most important roles of the Office of Chief Counsel is to help ensure that promulgated regulations are consistent with the law and adhere to the governing procedural requirements. That includes following all applicable requirements of the Administrative Procedure Act.

Question 14:

In September the IRS announced it was temporarily suspending processing of new Employee Retention Credit claims due to massive fraud and has warned business owners of scams perpetrated by promoters.

IRC Section 6532(b) says the IRS has a two-year statute of limitations to bring suits to recover erroneous refunds and in the case of fraud that time limit is extended to five years.

However, the Federal Circuit in *BSR Partnership v. United States*, 795 F.3d 1338 (Fed. Cir. 2015) held that only the taxpayer’s fraud holds the assessment period open indefinitely pursuant to section 6501I(1), as opposed to fraud by the promoter.

- In order to ensure that fraudulent Employee Retention Credits claims are appropriately adjudicated, do you think Congress needs to statutorily extend that statute of limitations, or does current law give the IRS enough flexibility to pursue these claims?

Answer: If I am confirmed, my role at the Office of Chief Counsel will be to make sure the IRS fairly, impartially, and effectively administers tax laws passed by Congress. It would be outside my authority to opine on policy changes to the Tax Code, though I am aware that Treasury included a related legislative proposal to increase the statute of limitations on assessment of ERCs in the FY 2024 Greenbook. I would be happy to work with you and this Committee to ensure any legislative changes you are considering would be administrable by the IRS. In addition, I am not familiar with the details of the IRS's legal authorities around the ERC but would want to learn more and engage with the Office of Chief Counsel team on this question, if I am confirmed.

Question 15:

As IRS Chief Counsel and Assistant General Counsel of the Department of Treasury it is your duty to provide the IRS Commissioner and Treasury Secretary your expert legal opinion as to the meaning of laws and statutes as written by Congress.

- If confirmed do you pledge to exercise your duties as specified in the IRC based on your own interpretation and not to be subject to directives from the Commissioner or from Treasury that conflict with applicable laws or statutes?
- If you are directed to make any decision that for political or other reasons conflicts with applicable laws or statutes, how would you respond?

Answer: If confirmed as Chief Counsel, it would be my responsibility to help ensure that the IRS implements the Tax Code consistent with the statutes written by Congress. This is a responsibility that I would take very seriously, and, if confirmed, I commit that I would follow all applicable laws and regulations without regard to politics. I would look forward to working closely with you and other Members of Congress.

United States Senate Committee on Finance

Hearing to Consider the Nomination of Marjorie A. Rollinson, of Virginia, to be Chief Counsel for the Internal Revenue Service

September 28, 2023

Questions for the Record for Marjorie R. Rollinson

Senator Lankford

Question 1

In 2016, the Government Accountability Office reviewed IRS rulemaking procedures and noted “Over the past three decades, the tax code has increasingly been used by policymakers as a tool for accomplishing social and economic objectives by creating special tax credits, deductions, and exemptions to achieve certain policy goals. These credits, deductions, and exemptions are known as “tax expenditures” because they represent revenue losses... Because Treasury and IRS are responsible for issuing regulations necessary to implement this growing number of tax expenditures, many tax regulations today are related to social and economic objectives rather than traditional tax collection or administration issues. However, tax regulations, including an increasing number implementing tax expenditures, are routinely exempt from E.O. 12866 and CRA analysis and oversight requirements due to Treasury’s and IRS’s views on applicability of these requirements and the exemptions in OMB’s longstanding agreement with Treasury.”

Because many IRS regulations are not simply transfer payments, they influence social and economic behavior, do you believe it could benefit IRS regulations to go through centralized review? If confirmed, would you support revoking the recently issued Treasury-OMB Memorandum of Agreement and allow OIRA to review tax regulations?

Answer: As Chief Counsel, I would work to ensure that the IRS abides by all laws, rules, and regulations related to the development of tax regulations, and it is important to ensure tax regulations are implemented thoughtfully and in accordance with the law. If confirmed, I would be happy to follow up with you on this issue after I learn more about the Memorandum of Agreement between the Department of the Treasury and the Office of Information and Regulatory Affairs at the Office of Management and Budget.

Question 2:

What is your understanding of the IRS’ inter-agency review process for tax regulations? Will you commit to making public which agencies are consulted when the IRS promulgates a rule?

Answer: I cannot speak to the specifics of how the tax regulatory review process works now at the IRS. If I am confirmed, I would look forward to learning more about the inter-agency review process as it currently stands and abiding by all laws, rules, and regulations related to the development of tax regulations. I would be happy to engage with you and your staff as I learn more.

Question 3:

Do you agree that it is not the role of the IRS or any other government agency to deny an otherwise available public benefit, including tax status or tax credits, to an organization on account of its religious status?

Answer: There is nothing more fundamental to our voluntary tax system than the notion that all taxpayers must be treated fairly. I agree that the American people must have confidence that all taxpayers are being treated impartially, regardless of who they are, where they live, or what they believe.

Question 4:

Nonprofits that engage in communications about moral or social issues never know for sure whether the IRS will deem their communications to constitute political campaign participation or intervention. This is a result of the vagueness in the law and non-enforcement by the IRS. If confirmed, you will have the responsibility to ensure that all IRS actions and tax status decisions operate in accordance with the Constitution, including protections for free speech, freedom of association and religious freedom.

If confirmed, will you ensure that the IRS does not take any adverse action against any individual or organization, including nonprofits and houses of worship, on the basis that it speaks about moral or political issues in accordance with their ideological beliefs? Further, will you commit that no decisions will be based on bias for or against an ideological, political or religious viewpoint?

Answer: If confirmed, I will work tirelessly to ensure that the IRS is administering the Tax Code fairly, impartially, and without bias for or against an ideological, political, or religious viewpoint.

Question 5:

There have been reports of bias in the IRS' evaluation of religious organization's charitable status. An organization's particular religious character, affiliation, or exercise should have no bearing on the IRS's determination of such organization's qualification for tax-exempt status and should not be the basis for targeting. As previously mentioned in question 4, it is not the role of the IRS or any other government agency to deny an otherwise available public benefit to an organization on account of its religious status.

How will you ensure that employees at the IRS have neutral and respectful consideration of individuals and groups, particularly for those organizations with a religious or faith-based mission?

Answer: The American people must have confidence that the IRS is treating all taxpayers fairly and impartially, regardless of who they are, where they live, or what they believe. As the chief legal advisor for the IRS, I would take seriously my responsibility to help ensure that the agency follows this principle throughout its work.

Question 6:

Will you commit to transparency with Congress on the on the process, procedures, reviews, communication, and training regarding determination of tax-exempt status for applicant organizations?

Answer: I share and appreciate your commitment to accountability and transparency. If confirmed, I look forward to learning more about the IRS's current approach to these issues and can commit that, as Chief Counsel, I would take very seriously my responsibility to ensure that the IRS treats all taxpayers fairly and impartially.

Senator Thune QFRs

September 28, 2023, Finance Committee Nominations Hearing

1) For Ms. Rollinson

Back in 2021, private taxpayer information was illegally obtained by the left-leaning media outlet ProPublica. Myself and several members of the Finance Committee have asked for information from the Biden administration about this unauthorized disclosure of confidential taxpayer information, but to no avail.

If confirmed, do you commit to being transparent with members of the Finance Committee about any unauthorized disclosures of private taxpayer information and forthcoming about the 2021 leak of information to ProPublica?

In your experience, what role do you believe that the IRS Chief Counsel should play in the protection of confidential taxpayer information and what do you believe should be implemented that would improve the IRS's protection of this private information?

Answer: From my time in the Office of Chief Counsel, I know that safeguarding taxpayer data is critically important to the IRS. Taxpayers should have confidence that their confidential information will be protected and used only for lawful purposes.

As Chief Counsel, it would be my responsibility to help ensure that the IRS complies with all of its obligations under the law to safeguard taxpayer data and to use data only for appropriate purposes. I commit to you that I would take this responsibility very seriously and would be a close partner to you and the Senate Finance Committee on these important issues.

2) For Ms. Rollinson

The Inflation Reduction Act provided funding for a task force to study the overall feasibility of and the IRS's capacity to develop and administer a direct e-file tax return system. I have a number of concerns with the IRS establishing a direct-file option for Americans to file their taxes. But foundationally, I disagree with the notion that the IRS has the legal authority to establish such a system without explicit authorization from Congress.

Do you believe that the IRS has the statutory authority to implement a direct e-file tax return system? If so, please explain.

Answer: If I am confirmed as Chief Counsel, my role will be to ensure the law is applied fairly, impartially, and appropriately to all issues that come before me, including the Direct File pilot program. If confirmed, I commit to learning from the team about this program and the IRS's relevant legal authorities and to engaging with you and your staff.

United States Senate Committee on Finance

Hearing to Consider the Nomination of the Marjorie A. Rollinson, Patricia Hart Neuman,
and Demetrios L. Kouzoukas

September 28, 2023

Questions for Marjorie A. Rollinson, of Virginia, to be Chief Counsel for the Internal
Revenue Service and an Assistant General Counsel in the Department of Treasury, vice
Michael J. Desmond

Senator Young

Question 1: Ms. Rollinson, during your nominations hearing, I asked you to discuss the impact the OECD Pillar Two rules would have on the United States, and you declined to provide direct commentary, instead stating that you “have not followed carefully” the OECD Pillar 2 Undertaxed Profits Rule (UTPR) and “would need to get much more information about” it. I find this to be concerning, given you have touted your qualification for this role based on your extensive international tax experience. Now that you have had additional time to more thoroughly review these rules, I would again ask you to answer the following questions, based on your experience as an international tax professional:

a) *Can you please share your views on the current Pillar Two framework?*

Answer: I thank you for your commitment to and deep appreciation of international tax and also for allowing me the opportunity to discuss this issue more. As I said in the hearing, I am not familiar with the full details of Pillar 2, though I have followed the OECD project known as BEPS since 2012. Since the hearing, I have studied more to try to better understand this framework. I was able to learn that the Joint Committee on Taxation published an estimate concluding that, under various scenarios, the Pillar 2 agreement could raise revenues as much as \$236 billion or reduce revenues as much as \$122 billion.

b) *How do you anticipate Pillar Two will impact U.S. companies specifically?*

Answer: According to news reports, there appear to be more open issues to be considered before the full impact on U.S. companies will be known.

c) *Do you anticipate that the current rules will act as a disincentive for companies looking to make investments in R&D activities in the U.S., particularly given the Administration has failed to remedy the unfavorable treatment of important nonrefundable tax credits, such as the R&D credit, under the proposed Pillar Two regime? Yes or no?*

Answer: From what I understand, R&D credits seem to be generally treated as non-refundable at this time. I assure you, to the extent I am able if confirmed, I will learn more about the Office of Chief Counsel’s role in this work, review any Office of Chief Counsel analysis, and would be pleased to meet with you further on this issue.

Question 2: Ms. Rollinson, you testified about how, in your international tax experience, “transfer pricing issues” caused “so many disputes in the US & abroad”. In the OECD’s latest round of [Pillar 2 Administrative Guidance](#) (pg. 89) issued in July, which provided for only a

temporary UTPR safe harbor, the OECD acknowledged that, among the UTPR’s permanent problems, it would cause increased disputes. I specifically want to highlight the following quote from this guidance:

“First, The Top-Up Tax allocated to jurisdictions under the UTPR will often be disproportionate to the profits arising in those jurisdictions. Many MNE Groups will have a significant portion of their operations and profits in the UPE Jurisdiction and smaller operations in other jurisdictions. Second, there are more possibilities for disputes to arise under the UTPR because it relies on more information and a higher degree of co-ordination than the IIR.”

- a) *Given these permanent problems both with respect to inappropriate allocation of profits as well as increased disputes—in addition to disadvantaging U.S. companies—does that cause you any concern with respect to interpreting and administering US tax law?*

Answer: I agree it is a shared priority to ensure vigorous defense of U.S. law and specific attention to administering laws to the fullest extent in a way that does not disadvantage U.S. taxpayers. As I also noted during the hearing, I have not closely followed the Pillar Two developments for the last couple of years, but I am hopeful that the framework might mitigate disputes among taxpayers and different taxing authorities. If confirmed, I would ensure that the Office of Chief Counsel remains focused on fairly interpreting and administering US tax law.

- b) *Given this admission by the OECD, do you view any benefit to Treasury pushing to make the UTPR safe harbor permanent?*

Answer: As I said earlier, if confirmed, I am going to dedicate time and resources to learning everything about the Office of Chief Counsel’s role in this work and would be happy to meet with you to understand the implications of various policy scenarios.

Question 3: The [Priority Guidance Plan](#) (PGP) released last week indicates that regulations to address the Pillar Two tax return and foreign tax credits (FTC) are being considered. It is crucial that taxpayers have adequate time to review and comment on regulations prior to the implementation of Pillar Two by some foreign countries. While Notice 23-55 helpfully suspended some provisions of the 2022 final regulations, it does not appear that the Notice addresses the treatment of foreign tax credits for purposes of the global anti-base erosion (GloBE) return.

- a) *Can you point to specific portions of the Notice 23-55 that you believe provide FTC guidance for GloBE purposes?*

Answer: I appreciate the need for regulations to be fair, transparent, and not burdensome. As you know from my resume, I have not been in private practice since these regulations were proposed so I cannot speak to any specific encounters that I have had; that said, I understand Treasury issued a notice in July 2023 that provides temporary relief from the regulations you reference, and that more work will be done.

- b) *The final foreign tax credit regulations issued by Treasury in 2022 are extremely burdensome, can you please detail some of the challenges and questions you have encountered with these new regulations?*

Answer: I have not been in private practice since these regulations were proposed, so I cannot speak to any specific challenges.

- c) *As Chief Counsel, will you commit to working with Congress to ensure that the 2022 regulations are revisited to address the concerns of industry and Congress, such as cost recovery, the source-based attribution rules for withholding taxes on services, and the single-country license rule?*

Answer: If confirmed, I commit to ensuring I will use my position as Chief Counsel to provide thorough legal advice that prioritizes taxpayer experience and legislative intent.

Question 4: It is no secret that in recent years the IRS has had a variety of service and performance issues, many of which my colleagues have highlighted today. From the ProPublica leak of taxpayer information to the significant and persistent delay of taxpayer returns, and, most recently, the revelation that the IRS's decision to destroy 30 million unprocessed returns has likely caused significant harm to countless taxpayers. All of these actions have undermined public trust in the agency and created challenges for taxpayers across the nation.

If confirmed, what do you see as your role in helping to restore public trust in the agency?

Answer: I share your view that it is critically important for the public to have confidence in the IRS, and I would work tirelessly as Chief Counsel to help the agency earn and maintain the public's trust. If confirmed as the chief legal advisor for the agency, I would be uniquely situated to advise the Commissioner and the agency on these issues. Taxpayers must be treated fairly, impartially, and with the utmost integrity. As Chief Counsel, it would be my responsibility to help ensure that the agency adheres to those principles throughout its work.

Question 5: Recent developments in the Tax Court case of *LakePoint Land II, LLC v. Commissioner of Internal Revenue* (T.C. Memo 2023-111) highlight significant problems within the Chief Counsel's Office. In *LakePoint Land II*, the court sanctioned the IRS for actions of its counsel in presenting to the court a backdated penalty approval document and a false affidavit, and for failing to timely inform the court that these documents were erroneous. In its opinion, the Tax Court wrote:

“...we find the actions taken by respondent ... fall short of respondent's obligation to this Court. It is undisputed that this Court was not made aware of the backdated July Lead Sheet and erroneous RA Brooks Declaration until April 10, 2023, which was some seven months after the Motion for Partial Summary Judgment was filed, and some five months after respondent's counsel knew (or should have known) of the backdated signature....We find the actions of respondent's counsel to be in bad faith and to have multiplied the proceedings in this case unreasonably and vexatiously.”

- a) *The IRS personnel involved in backdating penalty approval documents and falsely swearing as to their validity appear to have engaged in illegal and unethical behavior. If*

confirmed, will you investigate the conduct of IRS employees in LakePoint Land II and refer appropriate cases for criminal prosecution?

Answer: If confirmed, I will ensure that employees in the Office of Chief Counsel are held accountable for any unethical behavior. I share your commitment to accountability, as the trust of the American taxpayer is a cornerstone of our voluntary tax system. The American people must have confidence that all taxpayers are being treated fairly and with integrity. Since I am not at the IRS, I do not know the particulars of this case.

b) In light of what happened in LakePoint Land II, how will you seek to restore the credibility of the Office of Chief Counsel?

Answer: If I am confirmed, the Office of Chief Counsel will be a place where employees know they will be held accountable if they do not serve with integrity. This is the only way for the IRS to earn and keep the trust of the American taxpayer.

c) There are also penalty approval backdating allegations in several other pending Tax Court cases: (Arden Row Assets, Basswood Aggregates, and Delwood Resources). If confirmed, will you investigate what happened in these cases and report to the Committee?

Answer: As noted above, if confirmed, I will ensure that employees in the Office of Chief Counsel are held accountable for any unethical behavior. I will be committed to ensuring that the Office of Chief Counsel always treats taxpayers fairly, ethically, honestly, and with the utmost integrity in all of our work.

Since I am not at the IRS, I do not know the particular facts of what occurred in these instances but, if confirmed, I will certainly learn more about these cases and will make myself available to speak with you and answer your questions.