



November 16, 2022

The Honorable John Thune
511 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Chuck Grassley
135 Hart Senate Office Building
Washington, D.C. 20510

Dear Senators Thune and Grassley:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write in strong support of the IRS Funding Accountability Act. This legislation would place prudent guardrails on the \$80 billion in taxpayer funds committed to the Internal Revenue Service (IRS) under the Inflation Reduction Act (IRA) of 2022, ensuring that Congress continues to have a say in how the agency will spend its most significant funding influx ever.

The IRA unfortunately included few limitations or restrictions on its \$80 billion appropriation to an agency that has regularly failed at its core mission – taxpayer service – and has been at the center of numerous controversies in recent years over data security, return processing, and taxpayer rights. The IRA did not require the IRS to report regularly to Congress on its funding plans, nor on its progress improving agency programs and procedures. The IRA also did not ensure middle-class Americans and small businesses around the country that they would not be subject to new, more intense audits in the IRS's hunt for tax revenue. Instead, these taxpayers have to rely on vague assurances from public officials that they will not be subject to new IRS scrutiny; a situation in which the taxpayer is almost always guilty until proven innocent.

The IRS Funding Accountability Act corrects some of the shortfalls in the IRA's funding title for the IRS, providing needed accountability that Members on both sides of the aisle should be able to support. Your legislation would:

- Require the IRS to regularly report to Congress on its spending plans with IRA funds;
- Withhold IRA funding until the agency reports to Congress as required under the bill;
- Give Congress the right to disapprove of agency spending plans;
- Require the Secretary of the Treasury and the Commissioner of the IRS to testify on IRS spending plans at least once per year;
- Give non-partisan watchdogs at the National Taxpayer Advocate, the Government Accountability Office, and the Treasury Inspector General for Tax Administration oversight of IRS spending; and
- Penalize the IRS for refusing to report on their spending plans and progress with reductions to appropriations provided under the IRA.

NTU remains concerned about the IRS's ability to prudently and responsibly spend \$80 billion over the next 10 years, and we have made numerous additional reform recommendations that ought to apply to the tax agency regardless of future funding levels. Nonetheless, the IRS Funding Accountability Act would offer Congress and non-partisan government watchdogs significant oversight of the troubled agency and its spending plans for the remainder of the decade.

We appreciate your leadership in introducing the IRS Funding Accountability Act and urge your colleagues to join you in support of this legislation.

Sincerely,

Pete Sepp, President

Andrew Lautz, Director of Federal Policy

CC: The Honorable Ron Wyden, Chair, Senate Committee on Finance
The Honorable Mike Crapo, Ranking Member, Senate Committee on Finance
The Honorable Richard Neal, Chair, House Committee on Ways and Means
The Honorable Kevin Brady, Ranking Member, House Committee on Ways and Means