

April 17, 2018

## Coalition to Congress: Support Bipartisan Reforms to the Internal Revenue Service

To Member of Congress:

On behalf of the undersigned organizations representing millions of taxpayers across America, we offer our support for the tax administration and IRS modernization bills that recently passed the Committee on Ways and Means on a bipartisan vote and will come to a vote on the House floor this week. This common-sense package, informed by two decades of experience since passage of the IRS Restructuring and Reform Act, considerably improves safeguards for taxpayers when dealing with the Internal Revenue Service (IRS), upgrades management and customer service at the tax agency, and creates a pathway for modernizing administration of tax laws. We believe these positive changes, if enacted, will better serve and protect America's taxpayers and we call for its swift passage.

The IRS is a prime example of an agency that has grown increasingly powerful, too often considers itself to be above the law, and is unable to correct a number of institutional shortcomings. The immense bureaucratic power delegated to this agency often intimidates taxpayers who are trying to appeal an audit determination or recover assets that may have been seized without justification or due cause. As a result, there is a pressing need to reform this institution to better assist the people they are meant to help. Meanwhile, far too many maladies persist, such as inadequate attention to identity theft and longstanding shortfalls in Information Technology to improve responsiveness to taxpayer inquiries.

Several years of hearings, along with numerous separate bills, have provided the raw materials for the truly constructive remedies that are before you now. The legislative package to be voted on tomorrow will make important changes to the current system of tax administration. We strongly support provisions such as:

- Addressing in statute the IRS's harsh collection tactics that accused innocent small businesses of engaging in "structured transactions" and seized their assets.
- Strengthening a number of services and protections for moderate-income taxpayers, including more access to Offers in Compromise, fairer hearings for divorced spouses hit for the other spouse's tax liability, and permanently authorizing the Volunteer Income Tax Assistance Program.
- Creating a new Independent Office of Appeals, along with clarifying taxpayers' rights to an administrative review of their case when being examined by the IRS and limiting the IRS's ability to deny appeals. These sections could be strengthened, but it is encouraging to see Congress recognize the need for additional safeguards.
- Providing new guidance and managerial authority to fix some of the tax agency's worst customer service problems, centered primarily



around antiquated Information Technology and uncoordinated identity theft resolution procedures.

- Making permanent the Free File Alliance program, a highly successful public-private partnership that offers electronic return-filing services to millions of eligible taxpayers.
- Requiring the IRS to develop for Congress's consideration a comprehensive restructuring plan.

Protecting taxpayer rights and ensuring that tax laws are administered fairly is an ongoing concern and improvements should be regularly enacted. We hope that the Senate will provide additional input and work with the House to make sure the best possible legislation reaches the President's desk this year. In the meantime, this bipartisan package has significant potential for providing a greater measure of balance between taxpayers and the IRS. House Members on both sides of the aisle should confidently vote to approve these bills

Sincerely,

Pete Sepp, President  
National Taxpayers Union

Adam Brandon, President  
FreedomWorks

Grover Norquist, President  
Americans for Tax Reform

Tom Giovanetti, President  
Institute for Policy Innovation

James L. Martin, Founder/Chairman  
60 Plus Association

Saulius "Saul" Anuzis, President  
60 Plus Association

Andrew Langer, President  
Institute for Liberty

Tom Schatz, President  
Council for Citizens Against Government Waste

David Williams, President  
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Small Business & Entrepreneurship Council

