



FACTCOALITION

Financial Accountability & Corporate Transparency

March 19, 2018

The Honorable Thad Cochran  
Chair, Committee on Appropriations  
United States Senate  
S-128, The Capitol  
Washington, DC 20510

The Honorable Patrick Leahy  
Ranking Member, Committee on Appropriations  
United States Senate  
S-146A, The Capitol  
Washington, DC 20510

The Honorable Rodney P. Frelinghuysen  
Chair, Committee on Appropriations  
United States House of Representatives  
H-305, The Capitol  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member, Committee on Appropriations  
United States House of Representatives  
1016 Longworth House Office Building  
Washington, DC 20515

**RE: Providing the IRS with an Additional \$495 Million to Implement TCJA**

Dear Chairman Cochran, Chairman Frelinghuysen, Ranking Member Leahy, and Ranking Member Lowey,

On behalf of the Financial Accountability and Corporate Transparency (FACT) Coalition, we write to urge Congress to provide the Internal Revenue Service (IRS) with at least \$495 million in additional funding over fiscal years 2018 and 2019, the amount the Taxpayer Advocate estimated would be needed to implement the Tax Cuts and Job Act (TCJA).<sup>1</sup> The need for additional funding is immediate and should be allocated as part of the appropriations process resulting from the Bipartisan Budget Act of 2018. Looking forward, Congress should also avoid digging the hole any deeper and therefore should reject the administration's budget proposal to cut the IRS base funding from \$12 billion to \$11.1 billion in fiscal year 2019.<sup>2</sup>

The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations working toward a fair tax system that addresses the challenges of a global economy and promoting policies to combat the harmful impacts of corrupt financial practices.<sup>3</sup>

For multiple years in a row, Congress has cut the IRS' budget, which is now 20 percent below its 2010 total and which has led, in turn, to the IRS losing the equivalent of 18,000 full-time workers. The IRS lost these resources at the same time as the number of tax returns were increasing, and tax abuses by certain wealthy individuals and profitable corporations were deepening. The drain in resources puts an additional burden on the rest of us in the form of increased deficits and higher taxes in the future.

In December 2017, Congress compounded the tax administration problem by enacting a complex new tax law that significantly alters past practice in numerous areas. Today, as reported by the National

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<sup>1</sup> See: [https://taxpayeradvocate.irs.gov/Media/Default/Documents/2017-ARC/ARC\\_2017\\_News\\_Release.pdf](https://taxpayeradvocate.irs.gov/Media/Default/Documents/2017-ARC/ARC_2017_News_Release.pdf)

<sup>2</sup> See: <https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>

<sup>3</sup> For a full list of FACT Coalition members, visit <https://thefactcoalition.org/about/coalition-members-and-supporters/>

Taxpayer Advocate Nina Olson, the IRS simply does not have the staff or funds needed to draft new TCJA regulations or advise taxpayers on how to comply with the new requirements.

The TCJA is now the law of the land. If the IRS is unable to produce the forms, regulations, and guidance needed to implement its provisions, honest taxpayers will inevitably make mistakes and incur penalties, while tax dodgers will justify their wrongdoing by claiming the IRS never prohibited their actions.

This sentiment has been echoed by the leadership of the Senate Committee on Finance. Just last month, Senate Finance Chairman Orrin Hatch noted that the “administration, in its budget, has proposed additional cuts to funding for the IRS. I think that is a mistake.” He elaborates: “Because IRS will bear the brunt of the burden in implementing and administering the tax code and the new tax provisions, it needs sufficient personnel and resources to carry out its important mission at this critical juncture.”<sup>4</sup> We agree.

To protect the integrity of the federal tax system, provide a reasonable transition to the new tax system, and build public confidence in the new system, it is critical for Congress to provide the IRS with the resources it needs to do its job. We are writing to urge Congress to provide the IRS with an additional \$495 million to take the steps needed to implement the TCJA.

For questions or additional information, please contact Clark Gascoigne at [cgascoigne@thefactcoalition.org](mailto:cgascoigne@thefactcoalition.org).

Sincerely,

**Gary Kalman**  
Executive Director  
The FACT Coalition

**Clark Gascoigne**  
Deputy Director  
The FACT Coalition

cc     The Honorable Shelley Moore Capito, Chair, Senate Appropriations Subcommittee on Financial Services and General Government  
       The Honorable Chris Coons, Ranking Member, Senate Appropriations Subcommittee on Financial Services and General Government  
       The Honorable Tom Graves, Chair, House Appropriations Subcommittee on Financial Services and General Government  
       The Honorable Mike Quigley, Ranking Member, House Appropriations Subcommittee on Financial Services and General Government

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<sup>4</sup> See: <https://www.finance.senate.gov/chairmans-news/hatch-opening-statement-at-finance-hearing-on-administrations-irs-budget-request>

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