Dear Speaker Pelosi, Majority Leader McConnell, Chairman Quigley, Chairman Kennedy, Ranking Member Womack, and Ranking Member Coons:

As you work to finalize the Fiscal Year (FY) 2021 Financial Services and General Government (FSGG) appropriations bill, we urge you to retain the House-passed funding level of $12.1 billion for the Internal Revenue Service (IRS), including $5.2 billion for enforcement activities that are critical to ensuring compliance with our voluntary tax system and protecting taxpayer dollars from fraud.

The strength of IRS enforcement activities must be a priority for Congress, especially considering the additional measures Congress enacted under the CARES Act to lessen the financial burden of the COVID-19 pandemic. For example, the IRS’s Criminal Investigation division identified $2.3 billion in tax fraud in FY 2020, up $500 million or almost 28 percent from 2019. According to the recent FY 2020 report, much of the group’s work in recent months has focused on fraud connected to economic relief lawmakers passed this year in response to the coronavirus pandemic, including cases of fraudulent claims for economic impact payments, Paycheck Protection Program loans and refundable payroll tax credits.
Recent estimates by the Congressional Budget Office underscore the importance of IRS enforcement activities, noting that increasing the IRS’s budget to investigate high-income individuals would more than pay for itself by allowing the IRS to effectively collect unpaid taxes owed by the wealthiest individuals. Specifically, increasing the examinations and collections budget by $20 billion over 10 years increases revenues by $61 billion, and if it is increased by $40 billion over 10 years it would increase revenues by $103 billion. This is a matter of tax fairness as well. The IRS should not continue an enforcement program focused on low-income taxpayers, singling out Earned Income Tax Credit (EITC) recipients, just because it is cheaper and easier. We urge you to preserve the $5.2 billion level of funding from the House-passed FSGG appropriations bill in order to ensure IRS can effectively collect taxes, including those owed by the top 1% of taxpayers.

Again, we strongly support $12.1 billion for IRS in the final FY 2021 appropriations bill, especially for enforcement. Thank you for your attention to this important matter.

Sincerely,

Judy Chu
Member of Congress

Bill Pascrell, Jr.
Member of Congress

Don Beyer
Member of Congress

Daniel T. Kildee
Member of Congress

Earl Blumenauer
Member of Congress

John B. Larson
Member of Congress

Suzanne Bonamici
Member of Congress

Gwen Moore
Member of Congress

Steve Cohen
Member of Congress

Jerrold Nadler
Member of Congress

Joe Courtney
Member of Congress

Eleanor Holmes Norton
Member of Congress

Danny K. Davis
Member of Congress

Jimmy Panetta
Member of Congress

Peter A. DeFazio
Member of Congress

Linda T. Sánchez
Member of Congress

Rosa L. DeLauro
Member of Congress

Terri A. Sewell
Member of Congress
Suzan K. DelBene  
Member of Congress

Jackie Speier  
Member of Congress

Lloyd Doggett  
Member of Congress

Thomas R. Suozzi  
Member of Congress

Dwight Evans  
Member of Congress

Mark Takano  
Member of Congress

Brian Higgins  
Member of Congress