

Congress of the United States
Washington, D.C. 20515

November 25, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington DC, 20515

The Honorable Mitch McConnell
Majority Leader
United State Senate
Washington DC, 20510

The Honorable Michael Quigley
Chair, Subcommittee on Financial Services
and General Government
Committee on Appropriations
United States House of Representatives
Washington DC, 20515

The Honorable John Kennedy
Chair, Subcommittee on Financial Services
and General Government
Committee on Appropriations
United State Senate
Washington DC, 20510

The Honorable Steve Womack
Ranking Member, Subcommittee on
Financial Services and General Government
Committee on Appropriations
U.S. House of Representatives
Washington DC, 20515

The Honorable Chris Coons
Ranking Member, Subcommittee on
Financial Services and General Government
Committee on Appropriations
United State Senate
Washington DC, 20510

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
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Jimmy Panetta
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Peter A. DeFazio
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Rosa L. DeLauro
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Brian Higgins
Member of Congress

Jackie Speier
Member of Congress

Thomas R. Suozzi
Member of Congress

Mark Takano
Member of Congress