



about the

\$80 Billion in Additional IRS Funding Included in the Inflation Reduction Act

1. DOES NOT MEAN THERE WILL BE 87,000 NEW IRS “AGENTS”

The IRS has indicated that there will be 87,000 new hires over the next decade from the cash infusion from IT personnel to people to answer phones.

2. BUT IT WILL HELP ADDRESS STAFFING SHORTAGES

The agency is understaffed, and their workforce is among the oldest in government. There will be an estimated 50,000 retirements over the next decade. Staff attrition already resulted in a [cut of 50% in audit coverage](#) for large corporations.

3. ALLOWS THE MODERNIZATION OF OLD COMPUTER SYSTEMS

The IRS has a tax processing system that is 60 years old. The fact that the main system the IRS uses to manage the data of individual taxpayers and disburse funds was launched before Apollo 11 represents major security threats to all of us.

4. ENABLES THE AGENCY TO AUDIT HIGHER INCOME AND EXOTIC TAX FILERS

A [report](#) from May 2020 from the Treasury Inspector General for Tax Administration (TIGTA) found the gap between taxes paid vs taxes owed was \$441 billion for tax years 2011-2013. A portion of the IRA funding will enable increased investigation to help dig into whether this is due to the use of abusive tax shelters.

5. FACILITATES INVESTIGATION FOR CREATING A FREE-FILING SYSTEM

After the Government Accountability Office (GAO) recommended the IRS pursue additional free-filing options, the IRS demurred and said they don't have the funds to do this. With the \$15 million the bill gives the agency for this purpose, they can now study providing free-filing software for the roughly 70 percent of taxpayers that were found eligible to file for free, per a GAO [report](#) from April 2022.