CPA Practice **Advisor**

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various false claims about militarization of the agency ...

Aug. 30, 2022



In the wake of the announcement that the Internal Revenue Service (IRS) will use funding from the Inflation Reduction Act (IRA) to employ 87,000 new agents to strengthen taxpayer enforcement efforts, the American Institute of CPAs (AICPA) is releasing comments regarding that funding. In a statement, AICPA president and CEO, Barry Melancon, CPA, CGMA, addressed various false claims about militarization of the agency, and reinforced the need for a greater emphasis on service improvement: "There are several concerns, as well as confusion and misinformation, regarding the new

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appropriately armed.

"Funding levels for the IRS has also generated some controversy and vocal opposition. The AICPA has always publicly advocated for funding that supports an effective and efficient tax administrative system, and we are pleased to see that Congress has made a significant investment in critical IRS divisions. However, we believe there is a gross imbalance between the Inflation Reduction Act funding allocated to enforcement and the funding allocated to service in light of the ongoing processing delays, outstanding backlog of returns, and basic customer service issues plaguing the IRS.

"These pandemic-related problems may worsen as we enter the 2022 fall tax filing season, which is why we have been urging the IRS to take reasonable measures now – such as extending the suspension of automated collections, continuing the pause on automated notices, and keeping surge teams in place – until the problems are adequately addressed. The AICPA recognizes and appreciates the most recent efforts by the IRS to provide penalty relief to taxpayers, however there is still much work to be done to reduce backlogs and improve service.

"While we understand why a revenue-maximizing amount for IRS enforcement funding was included in the Inflation Reduction Act, we must and will continue to push for appropriate funding for taxpayer services. It is important to note that there is nothing in the Inflation Reduction Act that expressly prohibits the IRS from shifting funds from one function to another.

"At the AICPA, we are known for our unwavering commitment to good tax policy and effective tax administration. The heated rhetoric about a militarized IRS is irresponsible, potentially dangerous for IRS employees, and has the potential to distract from the fact that the Inflation Reduction Act got the funding balance wrong when it allocated \$45 billion to enforcement and only \$3 billion to service. This is a critical time for the IRS to be more Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

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