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agency isn't done making the wealthy pay up.

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By Katelyn Washington, Kiplinger Consumer News Service (TNS)

The IRS allocated some of its funding from the Inflation Reduction Act to tax enforcement, and tax-evading millionaires and billionaires are targets. The agency has already closed approximately 175 delinquent tax cases, resulting in a \$38 million payday for the U.S. government. With billions of dollars of potential IRS funding on the line (some of which [Republican lawmakers have clawed back](#)), the agency is

motivated to continue tax collection efforts against the wealthy, and the IRS is

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and billionaires buying Bentleys (as happened in a case cited by the agency) instead of paying their tax bills. And now that the IRS has the funding to better identify wealthy tax evaders, millionaires that “bend the tax rules” should beware.

Millionaire tax “loopholes”

With its new funding, the IRS is digging into some common scenarios some wealthy taxpayers use to evade big tax bills, which include (but are not limited to) the following:

- A taxpayer claiming residence in Puerto Rico (without actually having real residency there).
- A taxpayer claiming exemptions based on treaty rules between the U.S. and Malta.
- A taxpayer failing to file tax returns but making luxury purchases (such as Bentleys and other luxury cars).

The IRS also plans to allocate resources to identify taxpayers who illegally move assets into offshore accounts, including [Malta personal retirement scheme transactions](#), to hide taxable income.

Chances of an IRS audit

IRS audits of wealthy taxpayers dropped in recent years, according to a [2022 report](#) from the U.S. Government Accountability Office (GAO). But the IRS attributed this drop to a lack of resources. That's partly because conducting audits of wealthy taxpayers' tax returns requires more time and agents than auditing “every day” tax returns. (The IRS has recently come under fire for auditing some taxpayers more than others.)

Now that the IRS has more staff and money to dedicate to auditing millionaires,

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