

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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Opening Statement

Rep. Stacey Plaskett Lynch (VI)

Hearing of the House Oversight Subcommittee on Government Operations: "Taxpayer Advocate's Annual Report to Congress"

April 15, 2016

I first want to thank Ms. Olson and Mr. Buttonow for the work they do and for being here today. I sincerely believe that the work you both of you do on behalf of taxpayers and Congress is vitally important, especially around this time of year when millions of Americans are filing their taxes.

I hear from my constituents, and I know Ms. Olson, you hear from people all over the country who find themselves this time of year frustrated and stressed. Ms. Olson, I appreciate the forums you have been holding around the country, listening to stakeholders and taxpayers alike so that we can learn what their concerns are and we can look for solutions.

Many of these frustrations stem from having a difficult time getting through to a person at the IRS, whether it is long wait times for calls or not having a call answered at all.

Unfortunately, this shoddy service is not unexpected. When Congress slashes the inflation adjusted budget of the IRS by \$1.2 billion dollars, I do not know what we expected to happen to taxpayer services.

Ms. Olson, you address this in your report, stating, and I quote,

"The National Taxpayer Advocate has been recommending against significant reductions in the IRS's budget because reductions of this magnitude harm taxpayers."

Because of the budget cuts Congress has imposed, IRS has cut staffing and now has 13,000 fewer full-time, permanent employees.

Because of the budget cuts, IRS's IT systems are totally obsolete. Some of the systems date back to the Kennedy Administration. These systems are so old that young IT professionals and recent college graduates do not want and do not know how to work on them. The IRS cannot find people who can code in the old languages that run on these systems.

This is unsustainable.

IRS has outlined its plan to modernize IT systems, create efficiencies through online taxpayer accounts in its "future state initiative."

Congress needs to fund this initiative so that we can reverse this trend of degrading taxpayer services because of cuts we have made. Congress approved \$290 million in additional funding for fiscal year 2016, which was a step in the right direction, but we need to make strides, not just mere steps.

But online customer service is not a "one size-fits-all" solution for the country. There are millions of taxpayers that do not have access to or do not feel comfortable doing financial transactions online. The IRS needs to take this into account.

Ms. Olson, I understand you have some concerns about this plan. I look forward to hearing today, and IRS needs to take these concerns into account when moving forward. IRS needs to be transparent and engage with taxpayers and Congress as they develop the future state initiative.

You also raise an excellent point, Ms. Olson, when you say, and I quote,

"In this environment of more work and inadequate funding, it is easy to bash the IRS. This bashing, in turn, can produce a bunker mentality in the IRS that makes it wary of sharing things with the public until they are absolutely finalized. But that means the IRS will almost certainly miss things and get things wrong, precisely because it hasn't engaged the public and floated proposals publicly before they become set in stone."

You also recommend Congress assert our oversight authority and insist the IRS come sooner rather than later to explain the specifics of the future state initiative. You also state, and I quote, "It is important that these hearings be kept separate from the hearings Congress has conducted in recent years over actual or perceived IRS shortcomings."

I feel like you were speaking directly to this Committee, Ms. Olson. I call on my Republican colleagues to heed this advice and to bury the hatchet so that we can work together to improve taxpayer services for all of our constituents.

Thank you, Mr. Chairman.

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