

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

January 4, 2019

The Honorable Steven Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C., 20224

Dear Secretary Mnuchin:

I write today concerning the impact of the lapse in government funding on the Department of Treasury ("Treasury"), its workforce, and stakeholders and taxpayers. I understand that Treasury furloughed nearly 72,000 civil servants, including nearly 70,000 civil servants at the Internal Revenue Service ("IRS"), about 400 civil servants at the Alcohol and Tobacco Tax and Trade Bureau ("TTB"), and about 700 civil servants in Treasury Departmental Offices. I also understand that the lapse in funding has led the IRS to cease needed taxpayer services and stop issuing tax refunds. These actions are causing undue hardship to American taxpayers and the Treasury workforce.

Last year, the IRS announced on January 4th that it would begin accepting tax returns on January 29, 2018. Through April 27, 2018, the IRS processed about 130 million individual tax returns and issued nearly 100 million refunds worth \$275 billion. The then-average refund was about \$2,800. This is money families expect to receive in a timely fashion each year in order to pay for basic expenses like rent, food, and child care.

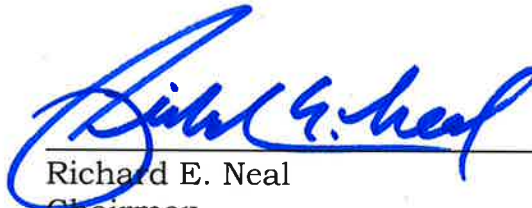
As the lapse in funding continues, I understand that there are additional hardships that stakeholders and taxpayers will experience. For example, IRS-related hardships include the inability of lenders (such as mortgage companies) to obtain tax transcripts to verify incomes for loans, and TTB-related hardships include the inability process permits and certificate of label approvals. In an effort to understand the full effect of the lapse in government funding on Treasury, its workforce, and Americans and their families, please provide me with the following information by January 11, 2019:

1. The date when the IRS will begin accepting and processing individual tax returns. If the tax filing season will open after January 29, 2019, please provide the specific reason for the delay and the portion attributable to the lapse in government funding.

2. Please confirm whether the IRS will issue federal tax refunds at any time during government shutdown. If so, please provide the anticipated date when the IRS will begin issuing refunds.
3. A statement as to whether the IRS will move to implement a filing season contingency plan for fiscal year 2019. If so, please provide the date of the move and when this contingency plan will be made public.
4. A list of all functions that have been stopped or reduced at Treasury during the lapse in funding. For functions that have been reduced, please provide the percentage of the reduction.
5. A description of how the lapse in funding has impacted the ability of the Treasury to implement and prepare guidance related to the overhaul of the tax law.

Given this is the first tax filing season to reflect the overhaul of the tax law, it is particularly important for stakeholders, taxpayers, and the Congress to understand Treasury's current capabilities and anticipated challenges, including those related to the government shutdown. Thank you, in advance, for your prompt attention to this matter.

Sincerely,



Richard E. Neal
Chairman

Committee on Ways and Means