

Hearing with the National Taxpayer Advocate on Challenges Facing Taxpayers

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT

OF THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEETH CONGRESS

FIRST SESSION

February 8, 2022



HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON OVERSIGHT

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CONTACT: (202) 225-3625

Chair Pascrell Announces Oversight Subcommittee Hearing with the National Taxpayer Advocate on Challenges Facing Taxpayers

House Ways and Means Oversight Subcommittee Chair Bill Pascrell, Jr. announced today that the Subcommittee will hold a hearing entitled “Hearing with the National Taxpayer Advocate on Challenges Facing Taxpayers” on Tuesday, February 8, 2022 beginning at 2:00 PM EST. The hearing will take place in 1100 Longworth House Office Building in addition to being accessible via CISCO Webex.

Pursuant to H. Res. 8, Members are encouraged to participate remotely in this hearing. Members will be provided with instructions on how to participate via the Cisco Webex platform in advance of the hearing. Members of the public may view the hearing via live webcast available at <https://waysandmeans.house.gov/>. The webcast will not be available until the hearing starts.

In view of the limited time available to hear the witness, oral testimony at this hearing will be from the invited witness only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record can do so here: WMdem.submission@mail.house.gov.

Please ATTACH your submission as a PDF in compliance with the formatting requirements listed below, **by the close of business on Tuesday, February 22, 2022.**

For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in PDF format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

ACCOMMODATIONS:

The Committee seeks to make its facilities and events accessible to persons with disabilities. If you require accommodations, please call (202) 225-3625 or request via email to WMDem.Submission@mail.house.gov in advance of the event (four business days' notice is requested). Questions regarding accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <https://waysandmeans.house.gov/>

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COMMITTEE ON WAYS AND MEANS

Subcommittee on Oversight

Hearing with the National Taxpayer Advocate on Challenges Facing Taxpayers

February 9, 2022 – 2:00 PM

Witness List

Erin M. Collins, National Taxpayer Advocate

Diversified Reporting Services, Inc.

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HEARING WITH THE NATIONAL TAXPAYER ADVOCATE

ON CHALLENGES FACING TAXPAYERS

Tuesday, February 8, 2022

House of Representatives,

Subcommittee on Oversight,

Committee on Ways and Means,

Washington, D.C.

The subcommittee met, pursuant to call, at 2:11 p.m., in Room 1100, Longworth House Office Building, Hon. Bill Pascrell [chairman of the subcommittee] presiding.

*Chairman Pascrell. Good afternoon, and welcome. I call to order the Subcommittee on Oversight.

I am not going to talk with my mask, I never do.

Thank you for -- everyone, for joining us today. Many are watching in their offices. Welcome aboard -- you are coming back to vote? And thank you for -- everyone, for joining us.

We are holding this hearing in a hybrid format, in compliance with the regulations for remote --

[Audio malfunction.]

*Chairman Pascrell. -- House Resolution 8.

So before we [inaudible] important guest, I want to remind members of a few procedures to help you navigate this hybrid format.

First, consistent with regulations, the committee will keep microphones muted to limit background noise. Members joining virtually are responsible for muting themselves when they seek recognition, or when recognized for their five minutes. Committee staff will mute members only in the event of an inadvertent background noise.

Second, when members are present in the proceeding via Webex, they must have their cameras on. If you need to slip away to attend another proceeding, please turn your camera and the audio off, rather than logging out of the platform.

Finally, we will dispense with our practice of observing the Gibbons rule, and instead go in order of seniority for questioning, alternating between majority and minority, beginning with members of Oversight.

The subcommittee -- and I guess we got a -- we are going to have a tally before we get started, who were here, who is here?

I thank you for your continued patience, everyone, as we navigate these procedures to continue serving our country together in a great time of need.

And with that, I will now turn to the important topic of today's hearing with the National Taxpayer Advocate on the challenges facing taxpayers.

Good afternoon, and welcome to our first Oversight Subcommittee in a little while, and this hearing.

I want to welcome the gentleman from South Carolina, Mr. Rice, as our new ranking member. I look forward to working together. And thank you for joining us, Tom.

Our hearing today is on the challenges taxpayers face in the 2022 filing season. We are very fortunate to have with us the National Taxpayer Advocate, Erin Collins, as our sole witness. This is Ms. Collins's first appearance before the subcommittee.

And I welcome you warmly.

The National Taxpayer Advocate just released her organization's annual report to Congress. That is correct. In it Ms. Collins expressed serious concern about the current filing season. She indicates there will be challenges for taxpayers, tax professionals, and the IRS.

Indeed, members of the Ways and Means Committee are aware of these many challenges, because the Treasury Department and the IRS recently briefed us. I look forward to Ms. Collins's perspective on these challenges.

The Taxpayer Advocate Service is an independent organization established within the IRS to help taxpayers, individuals, and businesses. This office exists to help address specified unresolved problems for taxpayers. We appreciate what this service does for our constituents.

We in Congress have an obligation to work closely with the National Taxpayer Advocate, the IRS, the Treasury Department to address these problems. It is incumbent upon us to improve our constituents' filing experience.

In our third COVID filing season, it is essential eligible taxpayers receive the recovery rebate credits and the Child Tax Credits to which they were entitled in this lifetime. The IRS was generally successful in getting this aid to taxpayers during the pandemic. But this year taxpayers will seek to reconcile what they receive, what they are owed in their tax returns.

We know there are some inconsistencies in what the IRS says has been paid to some taxpayers and what taxpayers actually received. I look forward to hearing the National Taxpayer Advocate's perspective on steps taxpayers could take to avoid problems, and how we can help.

Any hearing on the filing season is not complete without a general update on fraught IRS operations. We must understand how IRS operations impact the problems taxpayers will encounter during this upcoming filing season.

I was pleased to learn yesterday that the IRS is transitioning away from the use of facial recognition technology -- I can only give you my opinion -- to allow taxpayers access to

the IRS online accounts. There are serious privacy concerns with the use of this technology. I look forward to working with the IRS and the Administration to find solutions that balance the need for identity theft protections against the privacy concerns raised by this technology. Most importantly, taxpayers must have an alternative to this kind of technology for assessing their IRS account.

I also know that taxpayers are confused by the automated notices they are receiving for returns already filed and taxes already paid. The backlog of returns and correspondence is delaying refunds, causing numerous issues for both individuals and businesses.

From funding to staffing, I expect the National Taxpayer Advocate will share her perspective on how they affect the taxpayers' filing experience. And we have talked about some problematic things about this, which show concern. So while this may be a good move, we have to look at the consequences, and where we are going, and -- to stop a lot of other problems.

[The statement of Chairman Pascrell follows:]

*****COMMITTEE INSERT*****

*Chairman Pascrell. So I welcome today's witness, the National Taxpayer Advocate, Erin Collins.

But first I will recognize for five minutes the ranking member, my friend, Mr. Rice, for his opening remarks.

Mr. Rice, welcome aboard.

*Mr. Rice. Thank you so much, Mr. Chairman, and thank you for holding this hearing today. I would like to thank our National Taxpayer Advocate for being here to address the crisis the IRS is facing this filing season.

And before I go on with this opening statement, I want to say that I recognize that we have placed some extraordinary burdens on the IRS within the last couple of years, and they have done a remarkable job at doing things that they are normally not called to do. And so I want to say thank you to the IRS for that.

But we also have the latest data provided by the Treasury Inspector General for Tax Administration that shows the IRS has a backlog of around 16 million unresolved 2021 returns. I think you said 23 million earlier, but wherever that exact number is, that is 16 million individuals, families, and businesses, many of whom have been waiting on a much-needed refund for months with no end in sight. That is millions of families who can't get calls answered by the IRS. And some of them have even received collection notices for failure to file returns that they have, in fact, already filed.

Meanwhile, we understand that the IRS has over \$1 billion in unobligated funds that it received last year from the American

Rescue Plan. You heard that right. The IRS has over \$1 billion in funding that it appears to be saving for a rainy day. Well, that rainy day, my friends, is now.

I expect we will hear some on this dais say that the IRS needs more money, and I suggest that more money is not always the -- excuse me, that money is not always the problem. And if it is, the agency certainly has a huge pile of it sitting around.

In January I sent a letter, along with Representatives Brady, Granger, and Womack to the IRS commissioner, asking why the agency hasn't spent these funds to resolve or mitigate the backlog. We have not received an answer, and just last week we sent a follow-up letter. Mr. Chairman, I ask that both these letters be made a part of the record.

*Chairman Pascrell. So be it.

[The information follows:]

*****COMMITTEE INSERT*****

*Mr. Rice. We need the IRS to take drastic action to address this problem, and I am concerned the agency is not taking this as seriously as it needs to.

Standard operating procedure and basic bureaucratic adjustments won't get the job done. Just last week the former Taxpayer Advocate, Nina Olson, published an op ed in The Washington Post, making several recommendations that align with the drastic action that my colleagues and I have been calling for. Mr. Chairman, I asked Ms. Olson's op ed be made a part of the record.

I am sorry?

*Chairman Pascrell. No objection.

[The information follows:]

*****COMMITTEE INSERT*****

*Mr. Rice. Thank you, sir. Ms. Olson makes the following recommendations: pause audits for four months, and repurpose audit personnel to work the backlog; classify IRS employees -- and this has to be done -- classify IRS employees as essential workers, so that employees will be required to report to work in person at return processing centers -- I am shocked that that hasn't already been done; deploy all -- because IRS employees are absolutely essential workers -- deploy all available enforcement personnel to work on the backlog; bring back retired audit and collection employees to help the agency this filing season; and use technology to reduce tax return manual returns.

These recommendations are all worth consideration, given the scope of the problem and the number of taxpayers impacted by the current backlog.

To be honest, I am a bit hesitant about pausing all audits. I used to be a tax lawyer and a CPA. That would be a serious action that could have a serious impact on the agency. But in the end, I think this type of drastic action that she -- should be considered to mitigate this problem. That is how serious is -- the current crisis is.

On the issue of additional IRS funding, Ms. Olsen wrote the following: "Long-term funding for new hires will not bring immediate relief to the beleaguered individual taxpayers, or taxpayers or get them their tax refunds any quicker.'" The IRS announced last week that it has taken some steps to redeploy certain IRS employees to work the backlog. The agency estimates that this redeployment will involve up to 1,200 employees.

And on the issue of money to hire new people, it is my understanding the IRS has been trying to hire 5,000 people for a year, and they have actually hired only less than 200. This is -
- Tthe redeployment of the 1,200 employees is good news, and a step in the right direction, but I suspect additional actions will be needed to make a real dent in the massive backlog, and more long-term funding is not the answer for today's problems.

Ms. Collins, thank you for being here. I look forward to your testimony and the opportunity to ask questions.

[The statement of Mr. Rice follows:]

*****COMMITTEE INSERT*****

*Mr. Rice. Thank you, Mr. Chairman. I yield back.

*Chairman Pascrell. Thank you. I just want to say, before I get into the next phase -- is that no one on this committee should ever send a letter to the IRS and not get an answer. That is unacceptable. I already started the inquiry.

Without objection -- thank you, Mr. Rice -- all members' opening statements will be made part of the record.

Now we are going to turn to our witness, Erin Collins, who has joined us here in person to discuss this very important issue. Our witness today is Erin Collins, the current National Taxpayer Advocate.

Your statement will be made part of the record in its entirety. I would ask that you summarize your testimony in five minutes or less.

To help you with that time, please keep an eye on the clock. If you go over your time, I will notify you, and stop -- tap my gavel.

Ms. Collins, you are welcome to here, and you are welcome any time. So give us your best.

STATEMENT OF ERIN M. COLLINS, NATIONAL TAXPAYER ADVOCATE

*Ms. Collins. Thank you, Chairman. So Chairman Pascrell, Ranking Member Rice, and members of the subcommittee, thank you for inviting me to testify at today's hearing on challenges facing taxpayers.

As I wrote in my recent annual report to Congress, this past year has been the most challenging for taxpayers and tax practitioners have ever experienced. Millions of taxpayers are still waiting for their refunds from last year. Taxpayers who called the IRS toll-free line were only able to talk with an IRS employee 11 percent of the time. Thousands of businesses are still waiting for the employee retention credit benefits that the CARES Act provided. And although the IRS's Where's My Refund tool received more than 632 million hits last year, it was unable to provide useful information.

A toxic combination of office closures early in the pandemic, inadequate staffing, antiquated IT systems, and the need to divert resources from core work to administering three rounds of stimulus payments, the monthly Child Tax Credit payments, and several financial relief programs created an unprecedented imbalance between the IRS's workload and the resources it was able to do the work.

During the past 18 months the inventory backlog has continued to snowball. We need to put the processing backlog behind us. We need to get the IRS out of the hole it currently finds itself in, and get the IRS to a stable and healthy

condition so it can perform its core mission.

When I released my annual report last month, I said that paper is the IRS's kryptonite, and the agency is buried in it. I want to elaborate on that point, because paper remains at the heart of the agency's challenges in processing tax returns.

For context, the IRS received approximately 170 million individual income tax returns last year. About 90 percent were filed electronically. And if there were no problems, it was quickly processed, and any refund was paid under 21 days. But paper is different. The IRS still transcribes paper returns line by line, number by number. The IRS received around 17 million original paper returns last year, and the processing delays have run as long as 10 months. The IRS still has around three million amended returns that must be scanned, transcribed, and processed. And when the IRS requires additional information, or proposes an adjustment, it sends the IRS -- or it sends the taxpayer a written notice. Taxpayers respond in writing, causing more delays. All of these delays contribute to the taxpayer's frustration and confusion.

The main question I am sure you and millions of taxpayers are asking is what can the IRS do now to get out of this paper backlog? And as we see it, there are two plausible options: one, leverage our own people, and consider also some outside vendors to assist with some of the clerical work; the other option is automation of some of its work.

For background, there are two IRS functions involved in processing of a tax return: submission processing and account

management. Submission processing is the first step in the process. Paper original returns are transcribed and paper original amended returns are transcribed and worked in submission processing or scanned for accounts management. By contrast, accounts management consists of what most people think of the folks who answer the phone, customer service representatives. But they also process amended returns and paper correspondence.

So last week the IRS announced an Inventory Surge Team. The commissioner is currently reassigning 1,200 employees to the account management designed to help process amended returns and correspondence. This is an important first step.

Also, the IRS announced it will be suspending some of the automated notices until the IRS gets current with the correspondence. This additional step should reduce phone calls and eliminate the need for additional correspondence and, more importantly, reduce some taxpayer frustrations.

And third, the IRS is looking into options for additional resources and submission processing function, which would provide a much needed relief.

The second viable option is to automate paper -- the paper process through scanning technologies with the goal of automating the process so that returns can be machine read, and avoid the need for humans, employees, to manually key in each number.

In closing, taxpayer service must improve. And for that to happen, the IRS needs to eliminate the backlog, pay out those delayed refunds, and get current on its work. Americans deserve better. Our citizens deserve a responsive, respectful tax

administration that serves all taxpayers fairly and timely.

And I look forward to working with you and answering any questions.

[[The statement of Ms. Collins follows:](#)]

*****COMMITTEE INSERT*****

*Chairman Pascrell. You have got 35 years of tax law behind you, right? If you add them all up?

*Ms. Collins. Yes, I stop at 35, but yes.

[Laughter.]

*Chairman Pascrell. So we got -- we are talking to the right person. You are the voice of the taxpayers. I mean, they don't call us. If they want to get a real answer, they call you. So that is where we are.

I mean, you have been dropped into this mess. Of course, a lot of changes occurred in the last year, and you said it. If you don't know what you do -- you are doing, you are going to cause more problems. You have 35 years of distinguished service. So you are the person for the job, I presume.

*Ms. Collins. I would like to think so.

*Chairman Pascrell. And I believe. So you are going to be straight with us when we ask you questions?

*Ms. Collins. I try to be, yes.

*Chairman Pascrell. And you -- we don't want the mess -- I know Tom -- enough about Tom that to know that he doesn't like the mess, either. And I know you will be straight on your answers. I believe it, or else I wouldn't ask them. I would find out from somebody else.

So I am counting on you to be straight with us. Because in your few remarks that you have made, probably we know some of that already, but we have confidence that you will give us the straight answer to how to clear up this mess.

We have been talking about these things for 10 years, at

least. So some of the questions are going to be straight at you, and I hope you will be straight back.

You gave excellent and specific testimony, Ms. Collins. You identified the backlog, but we heard that last year, too, and you know that.

The biggest issue for taxpayers this filing season is the backlog. What can IRS do to increase staffing assigned to process returns this filing season?

And how realistic is adding new staff, given the IRS's budget woes?

*Ms. Collins. I think the challenge of having -- hiring new employees, what the IRS has seen is recently they advertised for 5,000 positions in the campuses. Those are the ones that process the tax returns. Unfortunately, we only receive, as Chairman -- sorry, as Congressman Rice said, less than 200 individuals had applied for the positions.

It is a challenge we have in the market. We are facing difficulties bringing in new people, and also the challenge with the campuses. They physically have to be in there to do the paper returns. So we are limited by jurisdiction to the three campuses that actually hire. So that is a challenge. I do not think we are going to be able to hire enough people to get us out of this hole, so we have to leverage the folks that we have, and maybe consider -- go outside for outside vendors to assist us with a lot of the manual work that we need to do with respect to the paper return.

I think those two can be done immediately. We can get our

employees in to help process these returns, and use our current employees, as well as outsource to get some additional clerical assistance.

*Chairman Pascrell. Now, you can't recommend and have it done unless folks are cooperating with you. How many months have you been on the job?

*Ms. Collins. I started on March 30th, 2020, right when COVID was sort of ramping up.

*Chairman Pascrell. Then what happened?

*Ms. Collins. With respect to COVID?

*Chairman Pascrell. No, what happened with -- in terms of your workers?

*Ms. Collins. Well, all of our workers -- you know, we were lucky. A lot of our folks were already equipped with computers and phones, because we did work remotely. So TAS itself was able to, in less than a week, get our people back operational, and we were working full time. In fact, a lot of our employees have been working overtime since COVID began.

*Chairman Pascrell. The IRS sent about 500 million stimulus payments and issued advance Child Tax Credits to 36 million families. I think those numbers are pretty close to what it was.

*Ms. Collins. That is my recollection, yes.

*Chairman Pascrell. How could taxpayers be sure they have the correct amounts for these payments on their returns, so they do not delay their refunds?

*Ms. Collins. Yes, that is a challenge that we faced last year. We had over 11 million tax returns that had an

inconsistency on their stimulus payments than what IRS records reflected.

What the IRS is trying to do this year are twofold: one, they are sending a letter out to the individual taxpayers, indicating what IRS records say the number is for the stimulus payment; they are also sending a separate letter, which indicates the amount of the monthly Child Tax Credit payments that have gone out the door.

If the taxpayer's information is consistent with that, that return should go through processing without any delays, and the refund should be paid. If there is an inconsistency, the IRS could pull that return out of the system, and either make a math error adjustment or contact the taxpayer in order to clear up the discrepancy.

*Chairman Pascrell. The IRS sent -- do you know the difference between last year and the year before, in terms of what we just described?

I mean, is there much difference? We hired a few more people last year, but is there much difference in the percentages of people that got what they had coming?

Well, we know the Child Tax Credit, you know, a lot of things did not go into existence until last year. But do you see any difference in the amount of service that was performed last year, 2020 -- 2021, compared to 2020?

*Ms. Collins. The challenges the IRS employees and IT faced was implementing the third round of the stimulus payment, which was, in essence, towards the end of the filing season.

We also had the legislation that was very beneficial to taxpayers, which reduced the unemployment compensation by 10,200 per individual. But unfortunately, that came out on March 11th. A lot of the taxpayers, a very large percent, had already filed their returns. So what the IRS had to do was pivot changes, IT, so they could go back and redo those returns.

I don't have the numbers in front of me, but I believe they have already corrected about 11 to 12 million of those returns for taxpayers who have filed. But I think there is a little bit less than a million still to go.

So between the third round of the stimulus, the unemployment, and then on top of that we had the Child Tax Credit payments that came out, and those were monthly, that was a heavy lift for the IT, for the IRS, as well as a lot of the employees.

*Chairman Pascrell. We know the workforce is very different than it was just in 2010.

*Ms. Collins. Correct.

*Chairman Pascrell. We had -- that workforce has been shrunk. Whether pay has been shrunk -- and we try to save a lot of money many times -- we are not good at saving money, government. We are not.

So what do you do if you don't hire more people, put them in the right jobs, train them correctly?

How do you address this situation to get results?

And you gave us some recommendations before, in your testimony. You stand by those?

*Ms. Collins. I do. Again, I do think that there is end in

sight. The question is how fast can we get to that end.

I have been recommending and pushing that the IRS move resources and, you know, provide -- we need to. We have no option but to clear up this backlog. It should be the number-one priority. And when we filed our report last year, as you recall, the statute requires us to identify the most serious problems. We identified the processing challenges as the number-one most serious problem impacting taxpayers.

*Chairman Pascrell. In addition to the automated collection notices, what other notices should IRS stop sending until backlogs from 2021 are complete?

Are there any statutory changes, statutory changes that are required to stop any of those notices?

*Ms. Collins. The first notice and demand, which basically says you owe X dollars, is what we refer to as a statutory notice. IRS has taken the position that they are required to issue that notice.

If you are looking for -- with respect to taxpayers, their experience, it might be helpful for them to have that notice, so they know that there is tax owing, because interest will continue to accrue, and potentially penalties, depending on their situation. So we do want to inform taxpayers what their obligation is.

But the challenge we found is, when taxpayers responded to that, IRS didn't address their correspondence timely, and the computer kept automatically generating additional notices for those who responded, as well as those who did not. So what we

were recommending -- and I believe the IRS will be doing -- is stopping those further notices on collection, and stopping levies and liens when appropriate.

*Chairman Pascrell. Thank you so much, Ms. Collins, I appreciate your responses. At this time we are going to continue the questions.

Without objection, each member will be recognized for five minutes to question our witness.

As mentioned earlier, we will not observe the Gibbons rule in this hybrid setting. I will instead go in order of seniority for questioning, alternating between majority and minority, beginning with members of the Oversight Subcommittee.

Members appearing virtually are reminded to unmute yourselves when you are recognized for your five minutes.

And I will now recognize Mr. Rice for five minutes for your questions, sir.

*Mr. Rice. Thank you, Mr. Chairman, and I could spend hours doing this. I am very interested in doing it, and trying to help the agency improve, and to help the taxpayers service improve, because it is obviously extremely broken.

And I appreciate you being here to try to help us work through this process in five minutes. We will do what we can.

When I got here on this committee seven years ago, one of the topics that was quickly brought to mind is the ancient technology the IRS is using. Are they still using 1980s vintage technology, mainframe computers, and green screens, and that type of thing?

You should press your microphone.

*Ms. Collins. Sorry about that. The language that we use is from the 1960s, that is correct.

*Mr. Rice. The COBOL, still using COBOL?

*Ms. Collins. COBOL is one of them, yes.

*Mr. Rice. Yes, and I remember seven years ago I was told by the Taxpayer Advocate at the time that there were over 300 points of failure, which meant that there were 300 different systems that only one guy knew how to program, and that if that guy died or retired, that they were out of luck. Is that still true?

*Ms. Collins. It is, and I think that is one of the things that both IRS and myself, number one, we have to focus on modernizing the IRS systems. We should be a leader in the industry and tax administration globally, not falling behind everyone else.

*Mr. Rice. I have been making this case to the IRS for seven years. And what we see now, this crisis that we are in, is the fruit. It is what has been borne by our failure to proceed with this modernization process. Because if we had modernized, we wouldn't be facing these 23 million -- is it -- the number that is on the paper here, is 16 million, but I think you said 23 million backlog right now?.

*Ms. Collins. Yes, it depends how you define backlog. So I think what the inspector general was referring to was the actual returns. In our calculation, we also include correspondence and other adjustments that need to take place. So it is -- you know,

again, if you are looking at returns, it is 16, 17 million. If you include all the other work that they need to do with respect to the filing season, it goes north of 23 million.

*Mr. Rice. All right. So I think what we need to do, Mr. Chairman, is -- maybe just me and you, or maybe we need to have a hearing -- we need to sit down with the IRS, and with the consultants that you are using -- I hope you are not doing the technology planning in-house, because I don't think you have the capability to do it. I hope you have consultants working on this.

*Ms. Collins. We have both, yes.

*Mr. Rice. I think we probably need to sit down with these people and find out what the heck is going on, because it has been seven years now, and nothing has happened.

I am shocked to hear that you are -- after, I don't know how long, that the IRS agents are still manually transcribing tax returns. Oh, my God. They don't have -- they don't use scanners, even today?

*Ms. Collins. They use scanners for certain activities. But to enter the paper returns, they manually sit there and transcribe them into the record, which -- we have concerns about accuracy problems, transcription problems. It is -- we, as an agency, should not be where we are.

*Mr. Rice. Okay, and so we have put money up to hire new people, and you went out to hire 5,000 people, and it has been a year, right? How many people have you actually hired?

*Ms. Collins. Well, I think the last 5,000 was the winter

time for this filing season. Prior to that, I think they hired 2,000 or 3,000 in the accounts management and 2,000 or 3,000 submission processing.

But we wanted to bring on an additional 5,000 for the filing season.

*Mr. Rice. And how many have you actually hired?

*Ms. Collins. I believe it is short of 200 -- 172, something like that.

*Chairman Pascrell. That is the number.

*Mr. Rice. Mr. Chairman, I don't know that why we need to be paying people to stay home. We need to get people back to work.

*Chairman Pascrell. You and I should --

*Ms. Collins. If I could just address that comment, on the submission processing folks, those individuals came back into the facilities of June -- starting in June of 2020.

*Mr. Rice. No, no, no. I am not talking about IRS agents staying -- people staying home. I am talking about giving people incentives to get back to work.

*Ms. Collins. We would be happy for them to come work with us.

*Mr. Rice. Yes, yes, yes.

*Ms. Collins. We are -- TAS is hiring, as well. So both IRS and TAS, we are hiring.

*Mr. Rice. Well, I agree with a couple of the major points that you pointed out here. One is that you said -- and I am quoting you roughly -- you can't hire enough people to get out of

this hole, because people don't want to come to work. That is not a short-term solution to the problem. And that -- I think the long-term solution is that we have got to force the IRS to automate.

I think the IRS is a bureaucratic dinosaur that is set in its ways, and doesn't want to change, and we are going to have to force that change, Mr. Chairman. We are going to have to force them to bring --

*Ms. Collins. From my observations, I think the IRS would be happy to get farther along in technology.

My understanding -- and again, I have only been here two years in this role -- is -- the biggest challenge they have is, in essence, the continuing resolutions. We have had 97 continuing resolutions since 2001. It is very difficult to do an IT project without multiple-year, sustained funding. So it seems that every time we start and stop, that has been a challenge --

*Mr. Rice. Well, I have got a graph here of funding of every year since 2006, and it has been around \$250 million a year, from 2006 until 2017, for business modernization funding budget of the IRS. Now, it did drop in 2017, 2018, and 2019, but it is back up to \$250 million a year.

And I want to sit down, Mr. Chairman, with the people in the IRS that are in charge of this modernization process, and the consultants, and find out what the hell is going on. Why haven't we come further than this?

The fact that we are still on 1980s technology is absurd, and we have got to do better than this. We are doing a

disservice to our taxpayers. And if we were further modernized, Mr. Chairman, we would not be looking at the backlog that we are looking at right now.

*Chairman Pascrell. Well, we know what the objective was back 11 years or 12 years ago. Now, we didn't get to those objectives. This is what you have. People think you can get along with less, people. Fine. We got to have people that know what they are doing and are well-trained.

I mean, it is a pathetic record. I have heard it many times from a lot of people from this dais.

*Mr. Rice. Let's me and you fix it, Mr. Chairman.

*Chairman Pascrell. I am trying.

*Ms. Collins. I think we would all be happy to, and I believe that our IT folks would love to sit down and have the opportunity to walk you through the budget, walk you through the numbers, and what -- the modernization plan that they envision. So I think they would welcome that.

*Mr. Rice. I got a lot more I could ask, Mr. Chairman, but I will yield back.

*Chairman Pascrell. Thank you. Thank you, Mr. Rice. And now we are going to go to our members also who have questions, five minutes, please try to adhere to the five minutes. Thank you, Mr. Rice.

The chair now recognizes Ms. Chu for five minutes. Ms. Chu?

*Ms. Chu. Mr. Chair, I would like to address the terrible state of the backlog.

I have been pushing the IRS since September to offer fair and reasonable measures of penalty relief to taxpayers who have endured hardships as a result of the COVID-19 pandemic. I introduced H.R. 5155, the Taxpayer Penalty Protection Act, to reduce the number of tax penalties assessed, which in turn reduces the need for the IRS to process the responses to those penalties. And I co-led a letter with my Ways and Means colleague, Congressman Sanchez, that got nearly 200 House signatures 2 weeks ago that included the measure as a key recommendation that the IRS could unilaterally implement.

I am not asking the IRS to give a free pass to bad actors. I believe we should reduce the administrative burden on the IRS to issue these notices, and to reduce the number of touch points that taxpayers have with the overwhelmed agency.

So I would ask unanimous consent to submit that letter here, for the record.

Ms. Collins, your testimony notes that it is not equitable for the IRS to wait 10 months to process the return, and then turn around and subject the taxpayer to a penalty for late filing.

The IRS provided penalty relief following the enactment of the 2017 Tax Cuts and Jobs Act, when taxpayers were hit with unexpected tax bills for not adjusting their withholdings the following tax year. However, the IRS has been unwilling to do that thus far for the 2022 filing season. In your view, what specific penalty relief should the IRS offer taxpayers at this point?

*Ms. Collins. If you are talking to -- with respect to 2022, at this point there haven't been any penalties assessed. But are you referring back to the previous filing season?

*Ms. Chu. Well, I am referring to what they should offer for the previous filing season.

*Ms. Collins. It is difficult for me to answer. At this point I don't know if there is any cause for people to have delay in their filing of their return. As you are aware, taxpayers have the ability to file an extension, and they could file up to October 15th. So at this point I don't see any particular reason for a cause of delay, that there should be penalties even charged.

*Ms. Chu. What if the -- they are supposed to be able to reply to the IRS, but they don't have the return with which they need to file?

*Ms. Collins. So I think you are referring to -- the previous year's returns have not been processed.

*Ms. Chu. Yes.

*Ms. Collins. And you are concerned that there is penalties associated with that.

If the taxpayer filed and the IRS has not processed, then the IRS should not be assessing failure-to-file penalties if it is the IRS's situation, where it is sitting there waiting to be processed. So those penalties should not be assessed.

*Ms. Chu. Yes, that is exactly what I am referring to. So thank you for that.

Mr. Chair, I also think taxpayers should understand that the

budget cuts to the IRS over the last decade, compounded by the COVID-19 pandemic, has brought -- has really hamstrung the agency. And I commend the IRS employees for their dedication to the Service, and I remain committed to ensure that this agency gets the resources it needs.

I would ask unanimous consent to submit a letter for the record that I and 48 representatives sent to the Treasury Secretary yesterday regarding the funding needed to bring the IRS into the 21st century.

*Chairman Pascrell. Without objection.

[The information follows:]

*****COMMITTEE INSERT*****

*Ms. Chu. Thank you.

Ms. Collins, one of the legislative recommendations in your testimony supports multi-year funding for the IRS, something IRS Commissioner Rettig has also advocated for. Luckily, the Build Back Better Act would make significant investments in the IRS to address many of the deficiencies facing the agency.

Would you please provide some insight to how the \$80 billion for the IRS, as included in the Build Back Better Act, would improve the agency and its ability to serve taxpayers, including how the Office of the Taxpayer Advocate works?

*Ms. Collins. Yes, I think infusing capital into the IRS is very important.

Needless to say, I focus on the service side of the house, so to speak, so I would like to see that we make sure that we cover and have adequate funds for taxpayer service. You know, we now use the term "taxpayer experience." We want their experience with the IRS to be a good one. We want people to continue to comply and, more importantly, we want to be responsive to taxpayers.

So I would recommend additional funding, that we make sure that the service part is well funded, as well as the enforcement side, as well as IT. It really needs across all lanes in the IRS to rebuild it, to be a tax administration that we think the country deserves, and, in my opinion, it does deserve.

*Ms. Chu. Thank you. I yield back.

*Chairman Pascrell. Thank you, Ms. Chu. The chair now recognizes Mrs. Walorski for five minutes.

Mrs. Walorski, it is all yours.

*Mrs. Walorski. Thanks, Mr. Chairman, and thanks to you, Ms. Collins, for being with us today. I am grateful for the work that you and your Taxpayer Advocate Service provides to my constituents with complicated tax matters.

I do feel like a broken record, though. Once again, I find myself before this subcommittee, raising the backlog of the millions upon millions of original amended tax returns that the IRS is currently facing.

What is more concerning is that there appears to be no end in sight, even as we move into the 2022 tax season. Almost every day my staff and I hear constituents who are caught in the backlog. It is Hoosiers from all kinds of families, individuals, small business, you name it, many of whom have specific financial struggles, and can hardly afford more delays. These Hoosiers need results, and they need the refunds that the IRS owes them.

The Taxpayer Advocate can't take over the IRS's role in processing returns, but they play a significant role in expediting what has been an infuriating process for many of my constituents. So, Ms. Collins, my question, is the Taxpayer Advocate having conversations with the IRS on how they are categorizing and prioritizing the outstanding amended returns?

Does the relative amount of a refund claim, or the relative delay in processing factor into a returns prioritization?

Are returns with refunds that require joint committee approval lagging meaningfully behind other amended returns in the processing time?

*Ms. Collins. In essence, what we are currently doing with the IRS as part of the surge team, we are working with our counterparts in the service center. As -- we are going to -- TAS cases are going to be assigned to a particular area within the service center, and we are going to have priority for the TAS cases to make sure those are through the system.

So taxpayers who are dealing with hardships and other challenges, we should be prioritizing that work on a go-forward basis.

*Mrs. Walorski. And can you outline your office's position on working with affected individuals?

How do you instruct your advocates to prioritize their casework?

And what is the response time and frequency of communication you are targeting to provide our constituents and congressional staff with the status updates on active cases?

*Ms. Collins. Yes, this has been a tough year for not only taxpayers, but also IRS employees. And TAS employees are no different. We have had a very difficult last two years, as well. Our case inventory has increased. And with respect to congressional referrals, it has increased sixfold.

What we are trying to do is to have our contact at a minimum of once a month -- some of the offices are able to do it more frequently, either weekly or bi-weekly -- to give you updates on particular cases. We do look for hardship. If the hardship of -- a taxpayer has experienced a particular hardship, we try and prioritize that above some of the other work.

So as I said, we are scrambling, but we are doing the best we can, and our employees are working really hard. And I will give them a shout-out right now, because, you know, not only IRS employees are working hard, but our TAS folks are really trying to do the best they can to help all taxpayers, including your constituents.

*Mrs. Walorski. I got it. I just have one more question. Do you have suggestions on how my office and this committee can work with you and the IRS to expedite some of these returns?

*Ms. Collins. I am happy to take it offline and explore suggestions or ideas. I mean, that is the essence of what TAS does is, you know, we work with your offices for hardship and taxpayers and issues and, again, I am happy to open up that door or phone, and let's have a future dialogue.

*Mrs. Walorski. I appreciate it.

Mr. Chairman, I yield back.

*Chairman Pascrell. Thank you very much for your questions. They were very on target. And now I -- the chair would recognize Mr. Schneider for five minutes.

*Mr. Schneider. Thank you, Chairman Pascrell, and I want to thank you for hosting this important hearing.

And Ms. Collins, thank you for joining us. We regularly read stories about the many challenges facing the IRS, and we, of course, are not just talking about the upcoming filing season, but also 2020, even going back further than that. But the pandemic has certainly had an effect.

I just want to confirm some of the things that you have

said, and also we got in the -- preparing for this. My understanding is that the volume for the IRS has gone up 20 percent since 2010. Is that correct?

*Ms. Collins. That is correct.

*Mr. Schneider. And that the funding in that same period, taking into account inflation, has gone down by 20 percent.

*Ms. Collins. I think my recollection was 17, 18 percent, but yes.

*Mr. Schneider. Okay, I am going to stick to 20, just for easy math, but we can reduce it a little bit by the 18. But if I have something where my demands are going up by 20 percent, my capacity is going down by 20 percent in the same period, that means my shortfall, assuming I was at capacity, meeting the requirements of the organization was at full capacity in 2010, the gap now is 50 percent. At 18 percent maybe it is a little bit less than that, but that is a significant gap.

My understanding is also that, as my colleague earlier said, if it is \$250 million for technology, there is 90 -- what I heard is 90 percent of the IT budget goes to maintenance, not to systems development. Is that true?

*Ms. Collins. Yes, a very large portion of the budget for IT is what I would call keeps-the-lights-on, you know, keeping the Band-Aids, keeping the software, keeping it going. IRS's IT folks have been trying very hard to what we call decommission, so that we can shut down certain legacy programs. But until we are able to modernize, it is very difficult to shut down the current legacy. So until those legacy systems are shut off, it does

impact their budget.

*Mr. Schneider. And just to be clear, when I started working with computers, I moved in to -- I finished school at the same time as PCs were coming on board. COBOL was already leaving at that time. Forty years later, COBOL is certainly obsolete.

I would say that modernization is not splicing wires or fixing bugs in COBOL. We need to move forward if we are going to address our challenges.

Having said that, I also want to make a very important point. I hear from my constituents over and over again about the incredible service and the resource that TAS is for our community. The Taxpayer Advocate Service has been, throughout the pandemic, helping address many of the challenges taxpayers are facing as best as they can in very difficult circumstances. So before going on, let me just say thank you to you and to the TAS workforce for your commitment and perseverance through not just difficult, but historically difficult times. You know, clearly, it is a challenge.

As we look forward -- and to my colleague and friend from South Carolina, count me in in working with you to try to help modernize the tax service, improving both service, as well as compliance, making sure that people are paying the taxes that they are required to pay.

But as we look at the current tax filing season, what advice, Ms. Collins, would you give taxpayers and our team, our congressional casework teams, to deal with the backlog, to deal with amending returns, to working around the challenges we have

in this process?

*Ms. Collins. Well, first of all, I want to address your comment about thanking our folks. I do appreciate it. I always like hearing when we do well, and I always welcome hearing when we can have areas of improvement. So thank you for commenting about the folks you are dealing with.

I would say my mantra right now, I think it is similar to the IRS: number one, we need to help and encourage as many people as possible to file electronic, we need to get rid of the paper.

There are a lot of members in our society, it is more difficult, they don't have access, but we need to figure out a way how to get better access to those individuals. Either get them out to VITA, have them use a free file on the IRS website, or other means to get them to file electronically. That is the number-one thing taxpayers can do to help the IRS and help the system, so that all taxpayers get their money timely.

Second is request direct deposit. Again, that reduces a lot of the processing that the IRS has to do. It is automated.

And third, triple check for errors. Again, we saw last year the differences on the Recovery Rebate Credit with the IRS records versus the taxpayer records. That caused a major challenge in the backlog. My concern is we have a third round of the stimulus payment, plus we have, potentially, six or more payments, monthly payments, from the Child Tax Credit, where it could cause discrepancies, which would slow down the processing for all taxpayers.

So if we can get those three things right, it will make a huge difference.

*Mr. Schneider. Thank you. I have more questions, but I am out of time.

I will say we send out a weekly newsletter. We have other communications, as do all my colleagues. We are putting the information you just shared as much as possible in those communications, so that our constituents understand what they have to do. But if there are other things, please share them with us. We will get them out.

And again, thanks to everyone on your team who was working so hard. It is going to be a long process, but we have to work together to make sure we take care of our constituents, and taxpayers get the service they deserve.

With that, Mr. Chairman, I yield back.

*Chairman Pascrell. Thank you, Mr. Schneider, very good questions. And I want to thank our witness so far. Excellent job.

The chair now recognizes Mrs. Miller for five minutes.

*Mrs. Miller. Thank you, Chair Pascrell and Ranking Member Rice. And thank you, Ms. Collins, for your advocacy today.

You know, it is pretty obvious that the IRS has had a difficult year adjusting to working during the COVID-19 pandemic. And Ms. Collins, I really appreciate the work that you and your colleagues do, and how you have been supporting our hardworking taxpayers, as they also attempt to deal with the often times frustrating bureaucracy that they have to deal with.

Americans today, rightly so, have so many concerns with the proposed changes at the IRS, including the use of facial recognition technology, increased scrutiny over the small-dollar transfers from services such as PayPal and Cash App and Venmo, and also the proposed doubling of the IRS workforce to monitor more Americans' taxes. That is why I believe our role on the Oversight Subcommittee is so important, along with how we help our taxpayer advocates provide to everyday Americans.

Ms. Collins, I understand that the IRS is reassigning a reported 1,200 current IRS employees in other areas of the agency to focus on the processing backlog. The number of employees being reassigned is reported to be around 1,200. In your opinion, is that 1,200 number enough, or should the IRS take an even more drastic action to make a larger and more timely impact on the backlog?

*Ms. Collins. Yes, as I mentioned in my opening statement, I believe it is a good first step, but I do think what we need to do is look for other resources.

Again, I know that the IRS is considering outsourcing, in essence, for some of the clerical tasks, where you wouldn't need specific IRS training to help them with the processing.

When you think about processing of the tax returns -- and I recently spent a day at the Kansas City campus, so, by the way, shout-out to all those people for spending the day, and they were very helpful, walking me through it -- but there are piles and -- of just tax returns throughout the campus waiting to be processed. And it is a kind of a human assembly line, or a human

supply chain, where it comes in to the loading docks, through the mail sorting, through where the person does the stamping. They do the remittance, where they pull out the checks, they pull out staples. It goes through the process, all the way to the transcription, to the reviews. It is a manual process. That needs to be updated, that needs to be changed.

So that is a real challenge for the IRS and the IRS employees, and it slows down the payments for our taxpayers.

*Mrs. Miller. I understand that. And I also understand that the IRS is telling taxpayers who have not had last year's tax returns processed to enter zero as their adjusted gross income when they file this year's returns. This will be a real challenge to communicate to taxpayers, and it may prove especially difficult for constituents that don't use electronic software when they file their taxes each year. What will happen --

*Ms. Collins. Yes, the --

*Mrs. Miller. -- to the taxpayers -- I was going to say what will happen to the taxpayers who don't receive the message, and file a return with a positive AGI number on their return?

*Ms. Collins. Yes, what the zero entry is, is when you file electronically, what -- when you talk to the IRS computer system, in essence, it is checking to see who you are. And what it does is it verifies your last year's adjusted gross income so that, when you file electronically, Erin Collins's return will go through.

If my return was not processed last year, the recommendation

is to put zero, because right now the computer does not see my previous return. So my AGI should be zero. That way, you can file electronically. You don't have to file a paper return.

But I agree with you. We need to get that message out there. And again, it only impacts those who are trying to file electronically. We want everyone to do so, so we need to get that message out to taxpayers.

*Mrs. Miller. Okay, thank you so much.

I yield back the rest of my time.

*Chairman Pascrell. -- answers, but Tom and I are just sitting here, thinking about -- this was the same situation 10 years ago and 3 years ago. And we don't seem to be making much progress, and we are talking into the wind most of the time.

The director of the IRS has specific statutory responsibilities. You know them better than I do. He must adhere -- now, if he doesn't have the money, doesn't have the resources, he doesn't have air conditioning, he doesn't have heat, okay, I understand all of those things. But if it is the same when he leaves as when he got there, then he is not doing his job. I don't care who he is. Just like us.

And we have to do these things. I have never been to the Kansas City facility. Have you?

*Ms. Collins. I did. I spent the day a week ago.

*Chairman Pascrell. And what did you -- how did you conclude?

*Ms. Collins. It was most illuminating.

First of all, my heart goes out to all the families that are

waiting for those returns to be processed. As I walked down the hall, I didn't see pounds of -- or mounds of paper. Those are families. Those are individuals. Those are small companies that are waiting for those refunds to be processed.

But I also met the employees. They are working very hard. So the challenge is right now there is a huge hole that the IRS started when we, in essence, shut down the facilities. We haven't gotten out of that hole. And it is slowly building. And I believe the commissioner and others have heard it. They see it is a problem. And in my opinion, we need to do all-hands-on and get this fixed now. We cannot go into another filing season without eliminating the backlog. I think if you ask the commissioner today, he would tell you he wholeheartedly agrees.

*Chairman Pascrell. Thank you.

*Mr. Rice. Mr. Chairman, we should go.

*Chairman Pascrell. I am sorry?

*Ms. Collins. I will be happy to join you.

*Mr. Rice. We should go to Kansas City and see it for ourselves.

*Chairman Pascrell. That is a song. Yes. I think it would be a very excellent idea, and maybe -- first week of April, when things are quiet.

*Ms. Collins. I was going to say first week in April in the Kansas City may be a good time to go, because it will be very busy.

*Chairman Pascrell. Yes. And we will know by then how we are doing, compared to last year.

*Ms. Collins. Yes, we are monitoring the numbers weekly. We started that last year, and working with the IRS. We have encouraged the IRS -- I think we are close to getting there -- where they are going to put what I refer to as a dashboard, so they can inform taxpayers where they are in the processing. We are currently processing returns filed in the week of -- fill in the blank.

*Chairman Pascrell. Isn't it true that you said to me a while back that maybe we could have better communications, even with the Post Office?

*Ms. Collins. My understanding, from working with Ken Corbin, who is the commissioner of wage and income, is that we have a -- I would say a decent relationship with the Post Office. We do inform them of when we do have large volumes, and send them information. So I personally have not had any issues with respect to the Post Office.

*Chairman Pascrell. Okay. The chair now recognizes Ms. Plaskett for five minutes.

Ms. Plaskett, it is all yours.

*Ms. Plaskett. Thank you very much, Mr. Chairman. Your inquiry was very illuminating, along with my other colleagues. Thank you so much, Mrs. Miller and others, for your questions, as well. They are pretty much along the lines of some of the questions that I hope to be asking.

Ms. Collins, thank you for joining us today and sharing your insight and knowledge. Your candor in discussing the issues that are going to occur during the 2022 tax filing season and

assistance to taxpayers to navigate the IRS is critically important.

I am also grateful that you recognize that those piles of papers are people, are families, are businesses, and it is all of our jobs to ensure that they are appropriately taken care of.

When -- we know the commissioner's surge initiative to relocate IRS employees to address backlog will not necessarily add employees to process the millions of returns in the backlog. You talked about needing additional assistance. Do you have a number as to how many people you think are necessary to meet the backlog and the demand that would bring us up to speed, would bring us up to date?

*Ms. Collins. Again, my understanding -- and this is in the process of standing up -- is that the surge team, as we call it, will be working the account management cases. I think we need something similar in the accounts management -- I am sorry, in submission processing section, whether it be technical resources or help with, as I was trying to describe, the manual supply chain.

We can get, possibly, outside vendors. We could probably do that immediately to help in that process, which would free up IRS employees to do other pieces of the submission processing work. But I do believe we are going to need more than the 1,200.

*Ms. Plaskett. Okay. Can you explain the implementation process for implementation of the recommendations made in the 2021 National Taxpayer Advocate's annual report to Congress?

Because I guess, once these recommendations are published

and provided to Congress, they are subject to a vetting process. Are they acted upon, or simply put away until the next report? What happens after that?

*Ms. Collins. So this year I tried to do something a little bit different with the annual report. I am trying to do it a little bit more collaboratively. So throughout the year, we have been working with the IRS on particular issues, rather than just waiting to file it at the end of December. So I would be surprised if anyone in the IRS was not aware of any of the issues we were raising by the time we filed the final report.

By statute, the IRS has -- and I am going to get the number wrong -- I think it is 90 days to provide an official response. We will be posting that response on-line at taxpayeradvocate.irs.gov. We will include that.

But more important for me is I want to continue the dialog. I believe I do have a good relationship with the other heads of the business units, as well as some of the executives. We are all on the same floor and, whether it is good or bad for them, I can walk down the hall, I know where they are, and I know what their phone numbers are. So I try and keep that dialogue as open as possible. And when we have issues, I try and raise them, and not have to wait to raise them in a report.

*Ms. Plaskett. Thank you. And then I guess, finally, I once again want to just let you know how important you are to the people of the Virgin Islands. With our mirror tax code system, getting this correct is everything to us. We only have an IRS that we are dealing with, in terms of filing our taxes, not

state. And sometimes mirror code laws can get a little convoluted for a general layperson.

While we know that citizens can utilize the Taxpayer Advocate program, can you let us know -- can you let me know what non-profit organizations -- what organization or what group can taxpayers reach out to -- assistance if they cannot get in touch? Are there non-profits for them to get in touch with, if they cannot get in touch with the Taxpayer Advocate Service?

*Ms. Collins. It depends on what their issue is, but they may be able to reach out to some of our low-income tax clinics that can assist with IRS challenges, either an examination, appeals, potential litigation, or collection issues, or other problems that a taxpayer may be having.

We are looking to add a low-income tax clinic in your area. But they, because of COVID, were able to use, basically, LITCs -- assuming there is not a state restriction, you can use LITCs in other jurisdictions to help taxpayers. I mean, that has been a real plus of COVID, is that we are more in the virtual environment, it is easier to get a hold of and use resources outside your immediate area.

So I would recommend they look into an LITC for assistance.

*Ms. Plaskett. Thank you.

You know, Mr. Chair, I think -- I do not believe in adding more bureaucracy, or creating more government. I know that may be surprising from my colleagues on the other side to hear me saying that. But one of the things I do have concern with is you see and hear on radio and TV so many organizations that are

advocating that they can help you. And my concern is that many people will be taken advantage of in that process, when the Taxpayer Advocate group does such a good job.

I yield back.

*Chairman Pascrell. -- questions, your time has expired. The chair now recognizes Mr. Murphy for five minutes.

*Mr. Murphy. Thank you --

*Chairman Pascrell. Mr. Murphy?

*Mr. Murphy. -- Mr. Chair, and thank you, Ranking Member Rice, and thank you, Ms. Collins. Gosh, all I can say is what a mess, what a mess. I am appreciative of the work that you and the Taxpayer Advocate Service do, but there are clearly some major, major issues that need to be fixed, and fixed yesterday.

You know, as we enter the season, as you have pointed out very, very well, there are backlogs of millions and millions of returns. And upon listening to your testimony, it is very concerning to me that I guess these -- the checks come in, and they get cashed, and then the average return, I believe for an American, you know, many millions of those, is around \$2,700. And in this inflationary environment, that money is needed terribly, and it is wrong for the American Government to be holding onto that money when it should be rightfully returned to the taxpayers.

And you know, we have gone through the COVID thing now, and we have made our excuses. We have made our excuses. But you know, I don't -- I am not going to buy the government excuses any more for government agencies to not be back working full-time in

full place, when we in American industry are doing the exact same thing. And, you know, to hear some of the issues that are happening with the IRS now, if you ran a private corporation right now, you would be seeking bankruptcy long ago. So, I just don't buy it. I -- Just because we are a government doesn't mean we can't be efficient, can't mean we can't run like a business, and we can't do things the right way.

So I just don't buy that excuse any more. I don't think the IRS needs to be bailed out with money. I think they have, as I understand, \$1 billion in unspent funds. So, it is about running the business correctly.

So I do appreciate what you do. I would love to ask you a few questions. You know, it is my understanding that last year, in 2021, that only 11 percent of the customer service calls were actually answered by a human. Are you aware of that, and do you have any comment on that?

*Ms. Collins. Yes, we have been reporting that out for the last year, as to what -- the percentage of calls that get through to a customer service representative. Unfortunately, last year, during its height of the calls, it was as low as four percent during the filing season. I think that is when the American Rescue Plan Act was enacted. We, IRS, received a lot of phone calls.

On one hand, I guess you can give the IRS kudos that they answered more calls last year than typical. I think it was four or eight million calls. The challenge is they had three times the amount of the calls, which meant fewer people were able to

actually get through to speak to a customer service representative.

*Mr. Murphy. Yes, I mean, I understand the challenges. I am not here, you know, throwing -- casting aspersions and everything on our IRS workers. But I do cast aspersions on why they are not back full-time. This is a -- you know, I am just going to say this is the Biden Administration pay-to-stay-at-home kind of thing, and we don't need to be doing that anymore.

I am interested in, though, in looking at all these backlogs, and hundreds of millions of dollars of taxpayer money that is needed, and these millions of returns that are not back. You talked about the technology issue being an issue, that we don't have the right technology and things are being done by hand. But then, on the other hand, we are saying, no, no, no, we need 80,000 more workers.

Can you kind of expand upon that? Which do you think is really the method that we move forward, not only to get rid of our terrible, terrible backlog now, but actually prevent that in the future?

*Ms. Collins. Yes. Again, I think the challenge is the IRS needs assistance across all lanes.

If you are looking at the filing season, I think we, as an agency, need to automate more. We need to encourage those who want to file electronically to be able to file.

There are barriers. There are a number of companies, as well as individuals, that attach a particular form to the return. And if you do so, you cannot file electronically. So we can fix

those problems. If we could eliminate the barriers, and encourage more people to file electronically, that would be very helpful to the system.

I think the biggest challenge, what I have seen -- and again, I have been here just about two years -- I look at arriving at the time of COVID as a real opportunity. There are a lot of challenges and a lot of things that we can help the IRS try and fix. But there are challenges. The IRS's employees, the numbers have dropped considerably and, as a result, something has to give.

I do not want to see customer service give. I think, if anything, with our chief taxpayer experience officer, Ken Corbin, who started last summer, we really need to improve the service for taxpayers. And what I am seeing, due to COVID, and being the fact that the IRS is stretched a bit thin, we are not doing the job that we should be doing as an agency.

*Mr. Murphy. Well, thank you. And I applaud my colleague for saying she doesn't want any more bureaucracy. We want efficiency. That is the way our government should run. And if it does, it actually helps everybody, costs less money, and actually helps our taxpayers. So thank you for the work that you are doing. We appreciate it.

And thank you, Mr. Chairman. I will yield back my time.

*Chairman Pascrell. Thank you. Now the chair recognizes Mr. Doggett for five minutes.

*Mr. Doggett. Well, thank you --

*Chairman Pascrell. Mr. Doggett?

*Mr. Doggett. -- Mr. Chairman, and thank you, Ms. Collins, for your testimony and your work.

With over 10 million paper returns not yet processed from last year, I can certainly understand why you have described them in your testimony as the IRS's kryptonite. Many of these returns are processed right here, in my hometown of Austin, where, as you know, we have one of three IRS submission processing centers that handle paper returns. I have met with employees there over the years. I know there is a dedicated workforce there that is working hard to try to address this problem.

I have also heard firsthand from them over previous months some of the challenges that they faced in being back in the workplace because of questions about adequate protection, social distancing, testing, and the like.

In addition, as far as recruiting and retaining workers, there has been a real problem about wages. I have long advocated for a \$15 minimum wage. I am pleased that we finally have a Federal minimum about to go into effect of \$15. But I can tell you that here, in Austin, that is certainly not a living wage, even if worked full time at that rate, and many people can make more money in fast food even than working on these IRS jobs.

Ms. Collins, what else do you believe the IRS should be doing now to ensure that it can retain and hire a sufficient workforce to provide the prompt, professional response that taxpayers deserve?

*Ms. Collins. Yes, I think, if we look at the mid-term and long-term for purposes of the IRS, the royal "we," IRS could do

a better job with recruiting. And the commissioner always refers to sort of three lanes: those coming right out of college, those beginning their careers, those mid-term careers, and those senior folks like myself who come back to the government to provide their knowledge and experience to the government.

We, as an organization, need to do a better job attracting these individuals to bring them back. IRS is a great place to work. It has -- provides tremendous opportunities for individuals to build their careers. But the challenge is, I think, part of it, you know, is a branding. I mean, a lot of people are -- when you say, "I am going to work for the IRS," it is like, "Why are you working there?" But it is a great place.

I mean, the IRS, when you think about it, you know, it brings in 95 percent of the revenue that you all use for the purpose of this country. It is a vital organization. It is very important to everyone, and I think the commissioner has said this more than once. It probably touches more individuals than any other agency. And so I think we need to collectively figure out how to get the right people in the positions, and increase where necessary.

I am a big believer of, you know, we just don't bring bodies in just to have bodies in. We need to bring the right folks in for the right purpose, rather than just willy-nilly hiring. So I think it does have to be strategic, and we have to look at where our concerns -- are we focusing on service, are we focusing on enforcement? What are the areas that we need to build the IRS back in?

*Mr. Doggett. I notice that -- thank you. I notice in your annual report that you write that the most serious problems encountered by taxpayers last year resulted, in your words, "from longstanding underfunding of the IRS."

As you are aware, over the past decade staffing is down 20 percent. The number of returns that you have to process is up about 20 percent. I hear many colleagues talking today about what a mess this is. We were pleading for additional resources for the IRS during the Obama Administration -- Treasury officials, IRS officials coming to our committee -- and their pleas were rejected. This lack of resources is not an accident. It was intentional by those who wanted IRS to fail, who targeted the cuts, so that in real dollars the IRS budget is about 22 percent smaller today than it was a decade ago.

Not only does IRS not have enough workers to process the returns on time and to answer the calls, it also lacks the resources to ensure that those who are up at the top -- the audit rates of corporations have fallen by half. Rates for millionaires by 60 percent. It is estimated that a top 1 percent are getting away with not paying \$160 billion in taxes that they owe. When the richest few and the large corporations don't pay their fair share, the ordinary individual taxpayer and the small business have to shoulder the difference.

Last year's tax advocate report said it is economically irrational to underfund the IRS. I certainly agree. I think the IRS budget has been sabotaged. We do need to work together to find a way to overcome it. Ms. Collins, how would the IRS

ability to meet the challenge it faces today be different if it were adequately funded?

*Ms. Collins. Chairman, I notice the time is up. Can I answer that, or -- I can take it offline and meet with the congressman.

*Chairman Pascrell. You got eight -- you don't have any more time left, nor does the person asking the questions.

Mr. Doggett, he will give you -- the young lady will give you something in writing. Is that okay with you?

*Mr. Doggett. Sure.

Thank you, Ms. Collins.

*Chairman Pascrell. Thank you.

Thank you very much, Ms. Collins. Now we will turn to, in person, Mr. Horsford.

*Mr. Horsford. Thank you very much, Mr. Chairman. I want to thank you for holding this critically important hearing with the National Taxpayer Advocate to discuss the challenges so many of our constituents face. After the challenges that taxpayers faced in the 2021 tax season, many of our constituents need to be aware of the challenges that may be carried into this upcoming tax season, any new challenges that may occur, so thank you for being here, Ms. Collins.

I am also glad we have organizations participating in the Volunteer Income Tax Assistance, VITA, program with the IRS to help our constituents prepare their taxes, and the Taxpayer Advocate Service to help resolve tax problems once they have been filed. I also want to say thank you to all of those volunteers

all across the country, and especially in my state of Nevada.

And I also want to commend the IRS and the IRS employees themselves. I don't know that anyone mentioned it in this hearing, but over this last year, under the leadership of President Biden and Democrats in Congress, we were able to implement the increase in the Child Tax Credit, which helped lift 50 percent of children out of poverty. And it was the IRS who processed those payments. So I want to say thank you to everyone who has been involved in that effort.

But I want to highlight the work that the Nevada Free Taxes Coalition provides to thousands of southern Nevadans every year. The Coalition provides free tax assistance to low and moderate-income individuals and families, people with limited English proficiency, veterans, seniors, individuals with disabilities, and people living in rural areas. This work is critical to ensure that all Nevadans receive the tax credits that they deserve.

The Nevada Free Taxes Coalition does great work partnering with local community organizations in my district, like the Doolittle Senior Center, our Pearson Community Center, and the Pahump Community Library in one of my rural areas. Unfortunately, due to COVID-19, many of the VITA sites in Nevada had to close, and others are offering limited services.

I understand that the Tax Advocate Service is an independent organization within the IRS that has communicated and assisted taxpayers over the years with tax problems, especially during the last tax season. With that, I want to focus my question on this

point.

Many taxpayers in my district have mentioned that their tax returns have been delayed for an obstructive amount of time, due to processing issues. Others have stated that there was a severe lack of communication between them and the IRS. When taxpayers are unable to get in contact with customer service representatives at the IRS by phone, and the "Where's My Refund?" online tool is limited to only show what has been processed, many people are left in the dark with questions unanswered, and fearful of future issues occurring.

Now, most people know that they can contact our congressional office, and I welcome them to do so. But unfortunately, we are hearing reports that the Taxpayer Advocate will be -- may have challenges in assisting our congressional caseworkers during the upcoming filing season.

So what specifically can IRS caseworkers do to help support this issue?

And what are some other ways that taxpayers can communicate with the IRS to get their questions answered, and not go months with their problems being unheard?

*Ms. Collins. You know, so with respect to TAS, we recently provided guidance to all your local offices. I believe it went out on Friday. So whether or not you have had an opportunity to see it -- with respect to the upcoming filing season, the cases that we will be able to work taxpayer -- and assist them with. So hopefully, if you haven't had a chance to review that, happy to, you know, walk you through that.

But we are taking a large percentage of the cases within a fairly early period of time in the filing season, if there are particular challenges. So we do have it itemized by different things. So, for example, if they have -- we refer to a pre-wage verification. So if your W-2 doesn't match your tax return, those are cases that TAS can come in and help you. We usually wait for a number of weeks until after they file the return, so that the IRS can try and process it. So we have that guidance coming out.

So we heard it loud and clear. Believe me, I know taxpayers are struggling. We hear it all the time. I hear it from individual taxpayers, practitioners. This was a really tough year for taxpayers.

*Mr. Horsford. Can you share your website information and phone number that our constituents can use to contact TAS?

*Ms. Collins. Sure. Two things. The website is www.taxpayeradvocate.irs.gov, or IRS.gov. And on there, there is a section that is called where -- how can I contact you, where are you, contact. And if you pull it up, there is a map of the United States. It breaks it out by city, by state, and that will give you the local Taxpayer Advocate's phone number, as well as their fax number. And that is the best way to get a hold of the local Taxpayer Advocate in your particular area.

*Mr. Horsford. I appreciate it.

Thank you so much, Mr. Chairman.

*Chairman Pascrell. Mr. Smucker for five minutes, please.

Thank you for joining us.

*Mr. Smucker. Thank you, Mr. Chairman. I appreciate the opportunity to participate in this important hearing today, and thank you for allowing me to do that, and thank you for scheduling this.

And, you know, I must say it has been a little frustrating, and some of the comments that I have today have been shared by others. And I certainly appreciate the Taxpayer Advocate's work, appreciate IRS's work and efforts, as well. I appreciate the communication. But at the end of the day, the job just simply is not getting done for our constituents.

And frankly, I know it has been a very, very difficult year. But we have heard today multiple times that it is also the result of years of inaction, and a lack of upgrade to use current technology, and that is frustrating to me.

So Ms. Collins, what is your best estimate of the current size of the returns backlog, if -- do you know how many?

*Ms. Collins. Yes. You know, again, it depends on how you slice and dice the data. But in essence, the paper returns that are awaiting processing for individuals' returns, as well -- I am sorry, for individuals as well as businesses, is 5.6 million. Those are returns that were filed last year.

*Mr. Smucker. And how long do you think --

*Ms. Collins. We --

*Mr. Smucker. How long do you think it will take the IRS to dig out of that?

*Ms. Collins. IRS is working returns first in, first out, so they will be working any of the returns that were filed in

2021 first, prior to working any paper returns that are filed in this current filing season.

Again, that is one of the reasons it is so important to get current on the backlog, because the current paper returns --

*Mr. Smucker. Do you have any idea of the amount of time before we are caught up?

*Ms. Collins. Last year we had 11 million returns carrying over. It took them until June to get those 11 million returns processed. So if you have 5.6, and they are now putting resources, maybe May, June.

*Mr. Smucker. Okay, again, I am -- we are constantly hearing from constituents in my office who are frustrated that they can't get answers. And, you know, so it has been frustrating even to go to the Taxpayer Advocate Service, your office, and it takes too long -- still takes far too long to get answers.

Now I will say, just this afternoon, my team and I spoke with the local Taxpayer Advocate for Philadelphia, and I appreciated her update and her ideas on how to improve, and I would like to thank her for her important work. She mentioned that 90 percent of inquiries that she receives come from congressional offices like mine.

I am wondering if you could talk about some of the challenges that you face in getting answers to cases that are coming from our office, and what efforts could be made to improve those services, either inside of TAS or in the IRS?

*Ms. Collins. Yes, last year we received six times more

referrals from your offices than we have, historically. We are trying to centralize --

*Mr. Smucker. That is because constituents are so frustrated. They are calling us because they are not --

*Ms. Collins. I'm sorry?

*Mr. Smucker. It is because constituents are so frustrated. They are calling us because they can't get answers from you, or for the -- or from the IRS.

*Ms. Collins. And I understand, and I don't disagree. Unfortunately, I don't have the magic answer.

But what we are trying to do is consolidate some of our resources, so that we can be better in our responses to the congressional offices. And we are internally talking about procedures that we want to change on a go-forward basis, and we will be reaching out to the local offices as those move forward.

*Mr. Smucker. And then the final point I would like to make has -- again, has already been made, and I agree with the ranking member's comments regard to why don't we fix this? And I would love to be part of a possible solution here.

And I agree with, Chairman, your comments earlier, when you said, if someone leaves office as commissioner, or whatever the position might be in the IRS, and things are the same when they left as when they came in, something is wrong.

And frankly, you know, yes, I understand that we are responsible to provide the dollars. But you know, I was a member of the Oversight Committee for the past year now. We have had multiple hearings where the commissioner or others were there

from IRS. I haven't heard a plan, really. I guess there probably is one. But why are -- why is the commissioner not out there? Why is there not a plan being laid out, where we are going to solve these problems?

That is what is frustrating. I feel like we have had these same problems, we knew they are there, and nothing is being done about them, and the case isn't being made to advocate for funds and laying out a plan to improve them. So it is frustrating.

I think it has got to be fixed. It is unbelievable to me that a large agency like the IRS just simply does not have the latest technology.

And so, Ranking Member Rice, you talked about fixing this. Other members have, as well. I would certainly be looking forward to work with you on that.

And isn't it a unique opportunity right now, Ms. Collins? Because I believe -- at least what was said in one of the previous hearings was that the IRS still has about a billion dollars in COVID relief funds that hasn't been spent. So wouldn't this be a time when we perhaps would have a unique opportunity to make some of these upgrades that need to be made?

*Chairman Pascrell. Well, Mr. Smucker, it is like the pandemic. It has exposed other things. And before the pandemic we had problems with the IRS.

But those people are working hard. I have seen examples of that many, many times, as you have, and I think you will agree with me.

The person who takes the position of the commissioner of the

IRS has to show some progress while he or she was there, in order to address the problems of doing whatever they can to lessen the burden on the workers who are there. I haven't seen too much of that, to be very honest with you, and I am only -- that is giving you my perception. And I try to say it like I see it. I like to give people chances and opportunity.

I think that the individual before us today, our witness, in a very short period of time I have learned more from her than I have learned from a lot of other people put together. But it still hasn't fixed the problem. I think she wants to do it, but she is the Advocate. We got to get the commissioners to do it, and be committed to it, and improve the situation. That is why we had the hearing.

Now I would like to turn to Mr. Gomez for five minutes. Thank you.

*Mr. Gomez. Thank you, Mr. Chairman. I think you are right. It is -- the Taxpayer Advocate's office has been crucial for my team and the district, and we have helped a lot of different constituents to get their -- get the refunds that they are owed. We have -- over \$200,000 in just -- you know, just last year, to constituents that need it.

And a lot of this has been exposed because of the pandemic. We passed historic rescue plans not only in 2020, but also in 2021 under the American Rescue Plan. And that has helped a lot of working people in my district.

And my district is a tale of two districts. I have very wealthy areas and then very working-class and low-income areas.

I have million-dollar homes to people who are barely scraping by. And a lot of folks in my district need the IRS to function, so that they can actually survive. Relief that I think in my district helped small businesses, working families, but it is really still difficult to navigate.

We have set up programs for people who never filed tax returns to have to access the IRS website in order to use it. And we also have small businesses. We are trying to determine what is the best way to use the Paycheck Protection Program loan they received or the Economic Injury Disaster Grant. And there were -- a loan, and they were trying to figure that out. But a lot of these folks don't have the team of lawyers, the accountants, the CPAs to really help them navigate that system.

Just this past weekend I was talking to a constituent. I was going door to door, and this constituent mentioned how he still hasn't received his tax return. And I asked -- and he was having difficulty accessing the IRS, getting the information that they needed. And -- but most people didn't -- I asked him to contact my office, and we are now working on that case. But there is thousands of people like that.

And one of the things that I wanted to do in the American Rescue Plan is, if we are going to increase funding for the IRS, we wanted to make sure that there is also a set-aside and a bigger amount for the Taxpayer Advocate, because this is what it is about. It is about making sure not only do we have the revenue to fund our government operations, but that the American people don't feel that they are being ignored. And I believe you

are -- the Taxpayer Advocate does a great job. So thank you so much.

Ms. --

*Ms. Collins. And thank you, and I wholeheartedly endorse increasing the TAS budget, because we do, in my opinion, provide a very valuable service for taxpayers. And unfortunately, there just aren't enough of us. We are small, but we are mighty.

*Mr. Gomez. Yes, agreed, agreed. How have -- a lot of people talk about the decrease in appropriations over the years, and then, I think, by 20 percent, and you have seen a 20 percent increase in filings. How have the cuts to the IRS impacted low-income taxpayers, in particular?

*Ms. Collins. Well, I think, again, it just gets down to the level of service. You know, what is the IRS able to do for taxpayers across the board?

But as you pointed out, you know, lower-income folks don't have accountants, they don't have the lawyers, they don't have people that they could actually pay for. So they are the ones that truly reach out to the IRS through the customer service, they go visit the taxpayer assistance centers, they need the additional service. And when the IRS is not able to perform the level of service that they should, they are the ones who are indirectly harmed.

*Mr. Gomez. And another thing. The enhanced Child Tax Credit has yet to be paid out to about half of the people that are eligible, and the Earned Income Tax Credit that was expanded for 2021. What kind of challenges do you see, the fact that so

many people still haven't claimed that tax credit?

*Ms. Collins. Well, I think part of it is educational, letting people know that that is, as you said, half the credit. They still need to file a tax return to receive the other half of the credit.

So part of that is -- onus on all of us, I think the IRS, as well as all of our tax partners, communities, and I would even challenge your offices. We need to get the word out to individuals to let them understand what the -- the benefits that Congress has provided, and what they need to accomplish that. And some of those folks may not be typically filing tax returns, so we need to get them in the system.

*Mr. Gomez. Yes, and that is something that we work with quite a bit. And we know that there is also some pilot programs that are going on that some community groups have received funding in order to help with some of this. So I think it is a -- something that we have to do, and it helps those working-class individuals.

I know that there is a lot to do in order to be more effective, and reforming the IRS is something that we need to look at, but also just -- how do we make sure that working people who often are left behind and don't have the access, and the attorneys, as we mentioned, or the CPAs to help them, make it a little easier for them to get the returns, because I know that they rely on it, just like my family did when I was growing up.

With that, I yield back, Mr. Chairman.

*Chairman Pascrell. Two things. Mr. Horsford also

mentioned the question of volunteers. I visit them every year, a lot of people who do it for no pay.

*Ms. Collins. Yes.

*Chairman Pascrell. They are helping mostly lower-income people, and they are doing it not trying to push the person out of the place, to answer their questions. Those volunteer programs are very important not just to my constituency.

*Ms. Collins. As you said, those volunteers, you know, they are doing it because they care.

*Chairman Pascrell. They do.

*Ms. Collins. They are volunteering their time. They put in a tremendous amount of hours. So across the country, we have a -- you know, a plethora of individuals who are really trying to give back to the system, and trying to do the right thing.

So again, I appreciate them, and kudos out to them for doing it year after year. It is a difficult position.

*Chairman Pascrell. Without objection, I would like to enter some questions into the record from Congresswoman Sanchez of California, who could not be here.

[The information follows:]

*****COMMITTEE INSERT*****

*Chairman Pascrell. Please, we will take this into consideration. We will get the questions to the IRS, and we will get them answered, and we will get them back to Ms. Sanchez. Correct?

Very good, very good. I would like to thank our witness for joining us today.

You were terrific.

Please be advised that members have two weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record.

With that, the subcommittee stands adjourned, and thank you, everybody, for cooperating.

[Whereupon, at 3:48 p.m., the subcommittee was adjourned.]

Submissions for the Record

Ranking Member Rice: [*Five Ways to Fix the IRS, starting with a Halt to Most Audits*](#), The Washington Post; [Letters to IRS regarding Backlog](#) (January 19, 2022 & February 2, 2022)

Representative Chu: [Letter to Treasury](#) (January 26, 2022); [Letter to Treasury](#) (February 7, 2022)

[Democrats Abroad Submission](#)

[Professional Managers Association](#)

[AICPA Submission](#)

[Center for Fiscal Equity Submission](#)

[Gregory Smith Submission for the Record](#)

[JC Submission for the Record](#)

[Jeff Steiner Submission for the Record](#)

Questions for the Record

[Representative Carol Miller](#)

[Representative Jackie Walorski](#)