The Numbers in Biden’s Invasive Tax Gap Plan Don’t Add Up

We can collect taxes owed with a better plan.

The Biden Administration’s estimates on closing the tax gap don’t add up

- **The IRS’s numbers are highly disputed.** IRS Commissioner Rettig testified before Congress that the tax gap could be as high as $1 trillion—contradicting the official IRS estimate of $381 billion per year. President Biden’s Tax Compliance Agenda uses an estimate of $630 billion.

- **Worse, these estimates are outdated.** All of these estimates are based on years-old data, including before a tax reform that simplified the tax code and improved compliance.

- **We need a better approach.** We need accurate data to close the tax gap.

Americans will reject Biden’s push for a more invasive, supercharged IRS

- **Your local bank will become an arm of the IRS,** collecting private bank account information. The Administration claims this will bring in $460 billion, but there is little evidence to support that number.

- **A hiring spree bigger than our entire Coast Guard.** The Biden Administration wants to build an army of 87,000 new IRS employees by spending $80 billion to hire more than double the number of people serving in the U.S. Coast Guard today.

- **Not a strong record of delivering results.** The IRS would have to overcome its poor record of effectively and inefficiently using resources. It is unlikely to collect its stated target of an additional $700 billion in revenue.

- **Studies disagree with Biden’s approach.** Research shows that those determined to evade taxes will adjust their behavior based on new IRS efforts within three short years—so the other $260 billion in this “pay-for” is also far too optimistic.

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