

Analysis: IRS's \$80 Billion Spend "Plan"

On April 6, the IRS released limited details of how it will double in size and fail to protect low- and middle-income taxpayers from additional audits.

The IRS to Hire Nearly 30,000 Additional Employees by 2025 – On Track to Grow by More Than 87,000 Over 10 Years

- IRS hiring blitz: While the IRS plan refuses to officially confirm how many more bureaucrats it will hire over the next 10 years, additional reporting and other details reveal that the IRS intends to start by adding roughly 30,000 new employees.
- More than 87,000: That significant hiring rate means that the IRS will have around 105,000 total employees by 2025 and is on track to grow substantially more than the Biden Administration's original plan to add 87,000 over 10 years.

Low- and Middle-Income Americans remain at risk for greater scrutiny under the IRS's plan.

- Rising Audits on All Taxpayers: An analysis by the Congressional Budget Office <u>showed</u> that the \$80 billion given to the IRS means that audit rates will "rise for all taxpayers" and that the policy "would return audit rates to the levels of about 10 years ago."
- **Historic Levels = Increased Audits:** The IRS's plan confirms CBO's analysis and the meaning of "historic levels" by using 2010 audit rates—when audit rates were higher for taxpayers at every income level—as a benchmark throughout the plan.
- Squeezing Earners Under \$200K: JCT, Congress's official tax scorekeeper, <u>says</u> that the vast majority of the revenue expected to be raised from increased enforcement would come from those making less than \$200,000 a year.
- 600,000 New Audits on Earners Under \$75K: Returning to 2010 audit rates means more than 1 million additional audits per year with more than 600,000 new audits for taxpayers making less than \$75,000.

The Biden Administration Wants Even More Funding for the IRS

• Biden Budget Requests Another \$43.2 billion for IRS: Despite the IRS receiving \$80 billion last year, the President's Budget throws another \$43.2 billion to the IRS, including \$39.5 billion solely for enforcement and operations.

Bottom line: Democrats continue supercharging the IRS despite the fact the agency will increase audits for ALL Americans, including those making less than \$200,000, and will more than double in size over 10 years.