

United States Senate

WASHINGTON, DC 20510

March 5, 2025

Heather M. Hill
Acting Inspector General
Treasury Inspector General for Tax Administration (TIGTA)
901 D Street, SW, Suite 600
Washington, DC 20024

Dear Acting Inspector General Hill:

We write to request that the Treasury Inspector General for Tax Administration (TIGTA) conduct an evaluation to determine whether the Trump Administration’s recent decisions to fire nearly 7,000 Internal Revenue Service (IRS) employees and close over 100 Taxpayer Assistance Centers (TACs)¹—and potentially slash 50% of the IRS workforce²—will undermine initiatives that the agency has undertaken to improve collections, crack down on complex tax avoidance and evasion by high-income taxpayers and large businesses, and enhance the quality of taxpayer services for honest Americans seeking to file their taxes.³

For over a decade, the IRS suffered from chronic underfunding and understaffing. Between 2010 and 2021, the agency’s budget was cut \$2.7 billion in real terms⁴ and staffing fell 22%, while the number of tax filers increased by 14%.⁵ Major progress was made to address the longstanding deterioration of IRS resources in 2022 when President Biden signed the *Inflation Reduction Act* (IRA) into law, which provided \$80 billion for transformative investments in the IRS over the following 10 years.⁶ Congressional Republicans unfortunately cut that number to \$60 billion, but the investments made through the IRA still paid off: in only two years, the IRS used this increased funding to recover \$1.3 billion from wealthy taxpayers who were delinquent on their taxes and launch more digital tools for Americans filing their taxes than the previous 20 years combined.⁷ Additionally, the IRA funds dramatically improved taxpayer service accessibility.

¹ New York Times, “I.R.S. Fires 6,700 Employees Amid Tax Filing Season,” Alan Rappeport and Andrew Duehren, February 20, 2025, <https://www.nytimes.com/2025/02/20/business/irs-fires-employees-layoffs-trump.html>; Washington Post, “IRS to close more than 110 offices with taxpayer assistance centers,” Shannon Najmabadi, Jacob Bogage and Jeff Stein, February 26, 2025, <https://www.washingtonpost.com/business/2025/02/26/irs-taxpayer-assistance-centers/>.

² New York Times, “Trump Administration Pushes to Slash I.R.S. Work Force in Half,” Andrew Duehren, March 4, 2025, <https://www.nytimes.com/2025/03/04/us/politics/irs-job-cuts.html>.

³ Washington Post, “IRS starts mass layoffs, with 7,000 expected to lose their jobs,” Jacob Bogage and Shannon Najmabadi, February 20, 2025, <https://www.washingtonpost.com/business/2025/02/20/irs-layoffs-trump-firings-doge/>.

⁴ Letter from IRS Commissioner Charles Rettig to Senator Elizabeth Warren, August 27, 2021, p. 2, <https://www.warren.senate.gov/imo/media/doc/Warren%20et%20al%20response%20to%20Warren%20082721.pdf>.

⁵ *Id.*, p. 5.

⁶ U.S. Department of the Treasury, “The American Families Plan Tax Compliance Agenda,” May 2021, pp. 16-18, <https://home.treasury.gov/system/files/136/The-American-Families-Plan-Tax-Compliance-Agenda.pdf>.

The IRS reduced average phone wait times from 28 minutes in 2022 to just 3 minutes during the 2023 filing season, a level maintained through 2024.⁸

The IRS also initiated or expanded a number of campaigns designed to crack down on highly sophisticated tax evasion structures used by ultra high-wealth taxpayers and large corporations. These include numerous methods of offshore tax evasion, large opaque partnerships that are extremely difficult to audit, and abuse of luxury assets like private jets.⁹ These campaigns are only possible because the IRS was able to use IRA resources to hire new personnel with the training and experience to unpack these complex schemes. Any effort to terminate new IRS enforcement personnel will undermine efforts to identify tax evasion by wealthy taxpayers and allow major abuses to go undetected or unenforced.

These investments made through the IRA will—if not rolled back by President Trump and Republicans in Congress—pay for themselves many times over: the non-partisan Congressional Budget Office has found that every dollar in spending on the IRS’s enforcement activities results in \$5 to \$9 of revenue to fund investments in programs for the American people.¹⁰

The Trump Administration’s latest actions put that progress in jeopardy. On February 20, 2025, the IRS started firing employees in a massive layoff ordered by the Administration, “shaking the foundations of the tax agency during filing season.”¹¹ According to reports, “[m]any of the laid-off employees were part of a recent hiring surge meant to improve service and update technology at the agency.”¹² Indeed, about 5,000 of the targeted employees come from the tax agency’s enforcement and collections section.¹³

Reducing IRS staff will have profound effects, hindering the agency’s ability to process the more than 140 million individual tax returns it expects to receive for tax year 2024, potentially causing delays for taxpayers waiting for refunds, and inhibiting the agency’s ability to conduct audits to catch wealthy tax cheats who avoid paying their fair share¹⁴ and to pursue stricter enforcement of

⁷ U.S. Treasury Department, “U.S. Department of the Treasury, IRS Announce \$1.3 Billion Recovered from High-Income, High-Wealth Individuals Under Biden-Harris Inflation Reduction Act Initiatives,” press release, September 6, 2024, <https://home.treasury.gov/news/press-releases/jy2562>.

⁸ U.S. Treasury Department, “Continuing Improvements to IRS Customer Service in Filing Season 2024,” press release, June 7, 2024, <https://home.treasury.gov/news/featured-stories/continuing-improvements-to-irs-customer-service-in-filing-season-2024>.

⁹ Internal Revenue Service, “IRS begins audits of corporate jet usage; part of larger effort to ensure high-income groups don’t fly under the radar on tax responsibilities,” press release, February 21, 2024, <https://www.irs.gov/newsroom/irs-begins-audits-of-corporate-jet-usage-part-of-larger-effort-to-ensure-high-income-groups-dont-fly-under-the-radar-on-tax-responsibilities>; Internal Revenue Service, “Dirty Dozen: Bogus tax avoidance strategies, schemes with an international element wrap up annual taxpayer awareness campaign,” press release, April 11, 2024, <https://www.irs.gov/newsroom/dirty-dozen-bogus-tax-avoidance-strategies-schemes-with-an-international-element-wrap-up-annual-taxpayer-awareness-campaign>.

¹⁰ Congressional Budget Office, “The Effects of Increased Funding for the IRS,” Phill Swagel, September 2, 2021, <https://www.cbo.gov/publication/57444>.

¹¹ Washington Post, “IRS starts mass layoffs, with 7,000 expected to lose their jobs,” Jacob Bogage and Shannon Najmabadi, February 20, 2025, <https://www.washingtonpost.com/business/2025/02/20/irs-layoffs-trump-firings-doge/>.


¹² *Id.*

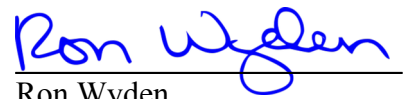
¹³ *Id.*

rules governing businesses.¹⁵ It would also likely reverse recent improvements in taxpayer service, causing phone wait times to increase and limit the availability of in-person assistance.¹⁶ On February 26, 2025, the Administration announced further efforts to engage in large-scale layoffs of federal employees, which—if effectuated—would only exacerbate our concerns.¹⁷ To make matters worse, it appears the IRS is planning to close more than 110 of its Taxpayer Assistance Centers around the country, which would further deteriorate taxpayer services.¹⁸

Given the implications these mass firings and office closures may have on the quality of service provided by the IRS, an evaluation by your office would be consistent with your mission of “conducting audits and investigations that improve IRS operations.”¹⁹ We ask that you conduct an evaluation of the Trump Administration’s decision to fire nearly 7,000 IRS employees and close over 100 IRS offices—and potentially many more—and determine (1) whether it undermines progress the IRS has made in the past three years to enhance its collection and enforcement practices and provide American taxpayers with an improved service experience, and (2) more broadly, its impact on the agency’s mission to “[p]rovide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.”²⁰

Sincerely,


Elizabeth Warren
United States Senator


Ron Wyden
United States Senator
Ranking Member, Committee
on Finance

¹⁴ U.S. News, “This Is How Trump's IRS Layoffs Could Affect Your Taxes,” Erica Sandberg, February 24, 2025, <https://money.usnews.com/money/personal-finance/taxes/articles/this-is-how-trumps-irs-layoffs-could-affect-your-taxes>.

¹⁵ Washington Post, “IRS starts mass layoffs, with 7,000 expected to lose their jobs,” Jacob Bogage and Shannon Najmabadi, February 20, 2025, <https://www.washingtonpost.com/business/2025/02/20/irs-layoffs-trump-firings-doge/>.

¹⁶ U.S. Department of the Treasury, “Continuing Improvements to IRS Customer Service in Filing Season 2024,” press release, June 7, 2024, <https://home.treasury.gov/news/featured-stories/continuing-improvements-to-irs-customer-service-in-filing-season-2024>.

¹⁷ AP News, “The Trump administration sets the stage for large-scale federal worker layoffs in a new memo, Chris Megerian, February 27, 2025, <https://apnews.com/article/trump-elon-musk-federal-workers-layoffs-d295d4bb2cdd5023c27d9cb03754e81b>.

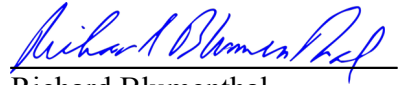
¹⁸ Washington Post, “IRS to close more than 110 offices with taxpayer assistance centers,” Shannon Najmabadi, Jacob Bogage and Jeff Stein, February 26, 2025, <https://www.washingtonpost.com/business/2025/02/26/irs-taxpayer-assistance-centers/>.

¹⁹ U.S. Treasury Inspector General for Tax Administration, “About TIGTA,” <https://www.tigta.gov/about-tigta>.

²⁰ Internal Revenue Service, “The agency, its mission and statutory authority,” <https://www.irs.gov/about-irs/the-agency-its-mission-and-statutory-authority>.



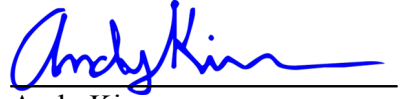
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United States Senator



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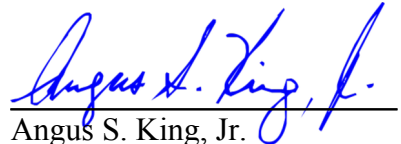
Jeffrey A. Merkley
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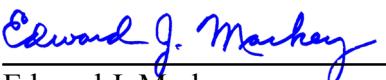
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Charles E. Schumer
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Angus S. King, Jr.
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