



# American Payroll Association

Government Relations • Washington, DC

March 7, 2017

The Honorable Thad Cochran  
Chairman  
Senate Committee on Appropriations

The Honorable Rodney Frelinghuysen  
Chairman  
House Committee on Appropriations

The Honorable Patrick J. Leahy  
Vice Chairman  
Senate Committee on Appropriations

The Honorable Nita Lowey  
Ranking Member  
House Committee on Appropriations

The Honorable John Boozman  
Chairman  
Senate Committee on Appropriations  
Subcommittee on Financial Services  
and General Government

The Honorable Tom Graves  
Chairman  
House Committee on Appropriations  
Subcommittee on Financial Services  
and General Government

The Honorable Christopher A. Coons  
Ranking Member  
Senate Committee on Appropriations  
Subcommittee on Financial Services  
and General Government

The Honorable José E. Serrano  
Ranking Member  
House Committee on Appropriations  
Subcommittee on Financial Services  
and General Government

## **Re: Appropriate Funding for the Internal Revenue Service**

Dear Senators and Representatives:

During his nomination hearing as Treasury Secretary, Steven Mnuchin cited as priorities increasing staff and modernizing technology at the Internal Revenue Service. For years, the American Payroll Association (APA) has considered these critical issues. APA is a nonprofit professional association serving the interests of more than 20,000 payroll professionals throughout the United States. One of APA's primary missions is to reduce the administrative burden on our members.

APA appreciates the role the U.S. House of Representatives and U.S. Senate play regarding the federal budget and the challenges of ensuring adequate agency funding while properly managing Americans' tax dollars. For this reason we urge you to consider increasing vital funding for the IRS. The IRS plays a critical role in enforcing federal tax law to secure financing for a myriad of federal programs, including national defense, highway building and maintenance, veterans' benefits, medical research, and disaster relief. Collected revenue also reduces the national deficit. The APA is concerned that further cuts to the IRS's budget will make tax administration even more difficult. Since 2010, the IRS has undergone an 18 percent reduction in funding, and the business community has suffered as a result because agency staff are not always available to

provide support and technology systems are not advanced sufficiently to respond to business tax needs.

### **Protecting Taxpayer Information and Preventing Identity Theft**

For the business community, improved electronic communication systems with the IRS provides a clear advantage over manual intervention for filing tax and information returns, as well as responding to taxpayers. A well-designed infrastructure that prevents cyber-attacks requires resources both in technology and human capital. Unfortunately, identity thieves and tax fraudsters are continuously altering their methods. Business stakeholders, like APA and its members, are working closely with the IRS on measures to prevent these attacks, but we see that the IRS lacks the necessary resources to be successful.

### **Closing the Tax Gap**

During the 2016 campaign, many candidates and sitting lawmakers expressed concern that all taxpayers should pay their fair share, as required by law. Regardless of any tax reform measures, this concern remains the same. Budget cuts are hampering the IRS's capability to enforce our tax laws. This means that tax dollars already owed go uncollected because the IRS lacks the resources to track down tax evaders. This also raises a fairness issue for taxpayers who pay their required taxes on time. For APA members, sufficient IRS funding for enforcement activity levels the playing field by ensuring that competitors not only pay their taxes, but also experience the same administrative costs for completing forms, working with employees, and reporting.

With the need for improved spending policies and tax reform, adequately funding the IRS is even more important. The APA urges the U.S. House of Representatives and U.S. Senate to ensure business taxpayers receive the information they need to file and pay their taxes on time and to obtain timely and quality service from the IRS. Thank you.

Sincerely,

*Rebecca Harshberger*

Rebecca Harshberger, CPP  
American Payroll Association  
Cochair, IRS Issues  
Subcommittee

*Stephanie Salavejus*

Stephanie Salavejus, CPP  
American Payroll Association  
Cochair, IRS Issues  
Subcommittee

*Alice P. Jacobsohn*

Alice P. Jacobsohn, Esq.  
American Payroll Association  
Senior Manager, Government  
Relations

### **About the American Payroll Association (APA)**

Established in 1982, the APA is a nonprofit professional association serving the interests of more than 20,000 payroll professionals in the United States. The APA's primary mission is to educate members and the payroll industry about the best practices associated with paying America's workers while complying with all applicable federal, state, and local laws. The APA's Government Relations Task Force (GRTF) works with legislative and executive branches at the federal and state levels to assist employers with understanding their legal obligations with significant emphasis on minimizing the administrative burden on government, employers, and individual workers.