

# Letter to Treasury Inspector General for Tax Administration

## Cross References

- <https://www.blumenthal.senate.gov/newsroom/>

Democratic Senators Blumenthal, Warren, and Wyden sent the following letter to the Acting Treasury Inspector General for Tax Administration (TIGTA) Heather M. Hill urging her to launch an investigation into the Trump Administration's decision to fire nearly 7,000 IRS employees and close over 100 Taxpayer Assistance Centers (TACs).

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)—and potentially slash 50% of the IRS workforce—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.

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 terms and staffing fell 22%, while the number of tax filers increased by 14%. 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. 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. Additionally, the IRA funds dramatically improved taxpayer service accessibility.

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.

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. 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.

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." 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." Indeed, about 5,000 of the targeted employees come from the tax agency's enforcement and collections section.

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 share and to pursue stricter enforcement of rules governing businesses. It would also likely reverse recent improvements in taxpayer service, causing phone wait times to increase and limit the availability of in-person assistance. 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. 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.

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." 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."