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IRS Budget Cuts Mean Delays, Less Help from IRS

ALEXANDRIA, VA, January 27, 2014 – What's worse than Congress passing more than 4,400 changes to the federal tax law over the space of just a few years?

Cutting the Internal Revenue Service (IRS) budget so much that it is exceedingly difficult even to get a person on the phone to help you and possibly delaying tax refunds.

That's the scary scenario the National Society of Accountants (NSA) is warning about now that the U.S. House of Representatives has passed the 2014 Omnibus Appropriations Act, which cut IRS funding from \$11.8 billion in FY 2013 down to \$11.3 billion in FY 2014 – the lowest budget since 2008.

"This continues a troubling drop in IRS funding during the past few years," said NSA Executive Vice President John Ams. "It's no wonder that 39 percent of taxpayer calls to the IRS last year weren't answered last year. Even those who did get through had to wait on hold an average of 17 minutes. It's impossible to solve this problem without adequate IRS funding."

Representative Ander Crenshaw (R-FL), chairman of the House Financial Services and General Government Appropriations Subcommittee, took to the floor of the U.S. House of Representatives on January 15, 2014 to announce why IRS funding was being cut.

"I think we all remember the IRS scandal where the IRS was singling out individuals and groups of individuals based on their political philosophy and

harassing and bullying them,” Crenshaw declared. “They were wasting money on lavish conferences and videos. Well, we said we’re going to reduce your funding, IRS, until you can demonstrate to us that you can spend money in a wise and efficient way. We say, ‘no more can you spend money to harass individuals or groups of individuals based on their political philosophy.’ But we do carve out money to provide taxpayer services to provide for monies to pursue people who cheat on their taxes.”

“These specific instances need to be addressed, but not at the expense of overall service to American taxpayers,” Ams cautioned. “It’s a gross overreaction that will hurt millions of Americans. It’s simply the wrong thing to do.”

In response to this and other public statements by Representative Crenshaw, Ams sent a [letter to Crenshaw](#) asking him to reconsider and to develop a budget for the IRS that would provide the agency with the resources it needs to effectively serve taxpayers and tax professionals.

“Members of NSA are gearing up for the tax filing season and are desperate for the kind of help and guidance that only the IRS can provide but for which the agency has little or no budgeted funds,” Ams wrote. “How is your budget helping taxpayers or tax professionals when individuals calling for help are more likely to receive incorrect information or no information because of the lack of funds for training? How is your budget helping taxpayers if, because of the lack of funds, they face inappropriate adjustments and assessments, inappropriate levies or inappropriate liens because IRS enforcement employees are not well trained?”

He went on to cite recent findings by the IRS Taxpayer Advocate, which include:

- Last year, the IRS could only answer 61 percent of calls from taxpayers seeking to speak with a customer service representative (CSR). That’s down from 87 percent ten years earlier, with half the decline occurring since FY 2010. In FY 2013, 39 percent of calls (some 20 million) simply did not get through.
- Taxpayers who did get through had to wait on hold approximately 17.6 minutes before speaking with a CSR. That’s up from 2.6 minutes ten years earlier, a nearly six-fold increase, with nearly half the increase occurring since FY 2010.

- Millions of taxpayers visit IRS walk-in sites each year for assistance. Ten years ago, the IRS answered some 795,000 tax law questions in the sites during the filing season. Last year, it handled about 110,000 tax law questions during the filing season – a reduction of 86 percent.
- Last year, the IRS received about 8.4 million letters from taxpayers responding to proposed adjustments to their tax liabilities. As of the end of the fiscal year, 53 percent of taxpayer letters in the IRS's "adjustments" inventory were considered "over age" (generally, more than 45 days old). That compares with "over age" percentages of 12 percent ten years earlier and 28 percent in FY 2010.
- The IRS recently announced it will only answer "basic" tax law questions on its telephone lines and in its walk-in sites during the upcoming filing season and it will not answer any tax law questions after the filing season, including questions from the millions of taxpayers who obtain filing extensions and prepare their returns later in the year.

"We sincerely hope that Representative Crenshaw will listen to the voice of reason on this issue and reconsider the IRS budget," Ams concluded. "The cost to American taxpayers vastly exceeds whatever small savings this reduced budget would produce."

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