



Chairman Ander Crenshaw

*Subcommittee on Financial Services and General
Government, House Committee on Appropriations*

FY 2015 Budget Hearing – Internal Revenue Service

April 7, 2014

Opening Statement As Prepared

Good afternoon. The hearing will come to order.

Thank you, everyone, for being here today for our second IRS hearing of the year. Our hearing in February focused on IRS operations, whereas our hearing today will focus on the IRS' 2015 budget request. So welcome back, Commissioner Koskinen. We appreciate your willingness to come see us again.

Similar to the IRS' 2012, 2013, and 2014 budget requests, the Administration is seeking discretionary spending for the IRS well above the spending caps by relying on a discretionary cap adjustment that is not in current law. Absent a change to either the Budget Control Act or the Ryan-Murray agreement, \$480 million of the IRS' request is both pointless and meaningless. If the \$480 million is of importance to the Administration, then the President would have found a way to pay for it from the \$1.014 trillion allowable under Ryan-Murray rather than use a gimmick that the Budget Committees have rejected for four consecutive years.

But perhaps even more troubling, the Service is asking this Committee for language to pay IRS employees bigger salaries and bonuses than allowed under the civil service system; but to eliminate language enacted in the Omnibus:

- to prohibit the IRS from targeting groups for additional scrutiny based on their ideological beliefs;
- to prohibit the IRS from targeting citizens of the United States for exercising any right guaranteed under the First Amendment; and
- to prohibit the IRS from producing videos without being reviewed for cost, topic, tone, and purpose.

On its face, Mr. Commissioner, your request appears to ask for a billion dollar increase in order for the IRS to silence the Administration's critics and to make silly videos. While I am sure that is not your intent, I would like to hear why you propose to eliminate these good government provisions, which were intended to help restore credibility to and confidence in the IRS.

As you can tell from the roughly 150,000 comments on the draft 501(c)(4) regulation, Americans are still angry about the extra scrutiny that the IRS gave to certain organizations. Explaining how the inappropriate criteria came into use, how they were allowed to be used for years, and who is responsible for them is what is needed to assure the public that the IRS can administer the

tax code in an impartial and non-partisan manner. Requesting a billion dollar increase, eliminating prohibitions against targeting that were negotiated by this Committee, and proposing a new rule for 501(c)(4)s before investigations by Congress and the Department of Justice have been completed will not build trust in the IRS, the Department of the Treasury, or the Federal government, in general.

Commissioner Koskinen, thank you again for being here today. I look forward to your testimony. Let me turn now to Ranking Member Serrano for his comments.

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