



Chairman Hal Rogers

House Committee on Appropriations

FY 2017 Budget Hearing - Internal Revenue Service February 11, 2016 Opening Statement As Prepared

Mr. Chairman, thank you for yielding. Commissioner Koskinen, we are pleased to have you with us this morning to discuss the President's Fiscal Year 2017 budget request for the Internal Revenue Service. It is always good to see someone with strong Kentucky roots in the hearing room.

Mr. Commissioner, while I hold much respect for you personally, I unfortunately find many aspects of your budget request troublesome to say the least.

Since Fiscal Year 2011, this Committee has pared back IRS' astronomically high budget requests on a bipartisan basis. This is largely a result of this Committee's concerted effort to reduce discretionary spending government-wide; justifiable concern over the implementation of ObamaCare and the Foreign Account Tax Compliance Act; and multiple objectionable management decisions at the agency – for example, targeting certain groups based on their ideological beliefs and destroying documents. It is therefore surprising to see that the Fiscal Year 2017 Budget Request for the IRS is \$12.3 billion - a significant 9.3% increase over the FY 2016 enacted level. There are a number of issues with this request, but three in particular stand out.

First, the Bipartisan Budget Agreement (BBA) does not allow for a discretionary cap adjustment for the IRS. As you know, this would require a statutory change outside the jurisdiction of this Committee – a legislative change that has been rejected by both the House and Senate Budget Committees for the previous five years. If the activities funded by the discretionary cap adjustment are important to this Administration, then you ought to operate within the amount allowed under the Bipartisan Budget Agreement. The IRS needs to prioritize its spending like every other federal agency.

Second, this Congress has repeatedly rejected additional funding for the implementation of ObamaCare. I am concerned, as are my colleagues, that the IRS, through CMS, made billions in payments to insurance companies without the approval of Congress. The courts will be the ultimate arbiter of this issue, but I can say without a doubt that this Committee has never appropriated a single penny to permit the Administration to make any Section 1402 Offset Program payments.

Finally, I am disappointed that the IRS requests to eliminate the three administrative provisions that have been enacted on a bipartisan basis for several years. Since the IRS' targeting and spending scandals, Appropriations bills have included prohibitions against: targeting U.S. citizens for exercising their First Amendment rights, targeting groups for regulatory scrutiny based on their ideological beliefs, and making videos without advance approval. We are dealing with taxpayers' money and these provisions lay out what most people would consider common-sense policies.

Mr. Commissioner, I thank you for being with us today. This Committee takes seriously our role in overseeing the budget and policies of the IRS, and I appreciate your continued engagement with us. I yield back.

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