

**The Honorable Mike Quigley
Committee on Appropriations
Subcommittee on Financial Services and General Government**

Hearing on the Internal Revenue Service Operations

Opening Statement

10:00AM | February 23, 2021

[Host will complete pre-hearing script, and yield to Chair to countdown from 10 to begin the livestream.]

10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

Today's hearing is called to order—

As this hearing is fully virtual, we must address a few housekeeping matters.

I would like to remind members that for today's meeting the Chair or staff designated by the Chair may mute participants' microphones when they are not under recognition for the purposes of eliminating inadvertent background noise.

Members are responsible for muting and unmuting themselves. If I notice that you have not unmuted yourself, I will ask you if you would like the staff to unmute you. If you indicate approval by nodding, staff will unmute your microphone.

I remind all Members and Witnesses that the five-minute clock still applies. If there is a technology issue, we will move to the next Member until the issue is resolved and you will retain the balance of your time.

You will notice a clock on your screen that will show how much time is remaining. At 1-minute remaining, the clock will turn to yellow. At 30 seconds remaining, I will gently tap the gavel to remind Members that their time is almost expired. When your time has expired, the clock will turn red and I will begin to recognize the next Member.

Finally, House Rules require me to remind you that we have set up an e-mail address to which Members can send anything they wish to submit in writing at any of our hearings or markups. That e-mail address has been provided in advance to your staff.

I'll keep my opening statement brief, so we can get right into questions.

This morning we welcome the Commissioner of the Internal Revenue Service, Charles Rettig, to testify on the state of the IRS.

Commissioner, thank you for being here today.

The past year has tested the strength, patience, and resolve of the American people. The coronavirus pandemic is a public health crisis that has caused an economic crisis.

Many Americans have lost their jobs and are facing food insecurity and struggling to pay their bills.

Congress quickly jumped into action passing multiple relief packages, which in part tasked the IRS with the Herculean effort of implementing these policies in a very short time.

I commend the IRS for what they have been able to accomplish.

The IRS has issued over 300 million Economic Impact Payments totaling more than \$400 billion to help taxpayers during these trying times.

For many, these payments have been a lifeline, enabling families to put food on the table and put gas in their cars, which is why I want to make sure that every American who is entitled to this money, receives it,

And I'm troubled that there are people who have **not** received their checks.

President Biden immediately got to work to provide additional relief for the American people.

His American Rescue Plan includes the remaining \$1,400 checks that people were promised. It also temporarily expands the Child Tax Credit which could help cut child poverty in the United States by as much as 50 percent. And I fully support the \$397 million needed for the IRS to implement this effort.

Right now, we are twelve days in to the 2020 filing season. In a normal year, providing quality customer service and timely refunds is a challenge, but these tasks are now compounded, and the IRS is stretched thin.

With an unprecedented backlog of over 8.7 million unprocessed tax returns, staffing shortages due to safety concerns in IRS processing centers, outdated IRS IT systems, and IRS's new role in administering stimulus payments and child tax credits, I'd like to hear from you Commissioner on the IRS's readiness for this tax season and if any additional resources are needed.

Recently, the IRS published its first Taxpayer First Act report which describes a six-year plan to modernize IRS systems, improve customer service, and reorganize the IRS with servicing the taxpayer as its central focus. I'm eager to hear more about the benefits of this plan and how the IRS can move forward to accomplish these goals.

Lastly, as the IRS is managing these multiple efforts simultaneously, I want to emphasize the importance of ensuring the safety of its workforce.

With close to 80,000 IRS employees, many of which are required to work on-site during the filing season, it is crucial that the IRS adhere to COVID safety protocols and continue communication with the union and staff on all COVID safety matters.

With that in mind, I want to take this time to thank the hardworking staff at the IRS for their continued commitment, expertise, and dedication to IRS's mission.

Mr. Commissioner, I look forward to having a robust conversation today on these important issues.

I will now turn to the ranking member, Mr. Womack, for his opening remarks.

[Womack Statement]

Thank you, Mr. Womack.

Commissioner Rettig, thank you for being here today.

Without objection, your full written testimony will be entered into the record. With that in mind, we would ask for you to please summarize your opening statement in 5 minutes.

[Rettig Statement]

Thank you. We'll now begin with questions.