TIME

Trump Allies Are Attacking Biden For a Plan to Hire 87,000 New IRS Agents That Doesn't Exist



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BY ERIC CORTELLESSA

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S ince news broke on Monday that the FBI searched former President Donald Trump's South Florida home, Republican members of Congress and right-wing media figures have launched a new line of attack against Democrats: that the Internal Revenue Service intends to use nearly \$80 billion in new funding to pursue similar intrusions on average Americans. Those dollars, Trump allies are saying, will go toward the hiring of 87,000 new IRS agents.

"Do you make \$75,000 or less?" tweeted House Minority Leader Kevin McCarthy. "Democrats' new army of 87,000 IRS agents will be coming for you with 710,000 new audits for Americans who earn less than \$75k." Richard Grenell, Trump's former Acting Director of National Intelligence, wrote on the social media platform: "The FBI raids Trump's house and the Democrats vote to add 87,000 new IRS agents to go after Americans. Wake up, America."

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Other high-profile conservatives have insinuated that the Biden administration intends to direct those additional auditors to dig up dirt on the President's political opponents. "After todays raid on Mar A Lago what do you think the left plans to use those 87,000 new IRS agents for?" tweeted Sen. Marco Rubio.

It's a notion that has taken off like wildfire, signaling what is likely to be a prominent broadside from Republicans against Democrats in the midterm elections.

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The Inflation Reduction Act, a landmark climate, health care and tax package that passed the Senate on Sunday and is expected to head to Biden's desk after the House approves it on Friday, includes roughly \$78 billion for the IRS to be phased in over 10 years. A Treasury Department report from May 2021 estimated that such an investment would enable the agency to hire roughly 87,000 employees by 2031. But most of those hires would not be Internal Revenue agents, and wouldn't be new positions.

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According to a Treasury Department official, the funds would cover a wide range of positions including IT technicians and taxpayer services support staff,

as well as experienced auditors who would be largely tasked with cracking down on corporate and high-income tax evaders.

"It is wholly inaccurate to describe any of these resources as being about increasing audit scrutiny of the middle class or small businesses," Natasha Sarin, a counselor for tax policy and implementation at the Treasury Department, tells TIME.

At the same time, more than half of the agency's current employees are eligible for retirement and are expected to leave the agency within the next five years. "There's a big wave of attrition that's coming and a lot of these resources are just about filling those positions," says Sarin, an economist who has studied tax avoidance extensively and who was tapped by the Biden administration to beef up the IRS's auditing power.

In all, the IRS might net roughly 20,000 to 30,000 more employees from the new funding, enough to restore the tax-collecting agency's staff to where it was roughly a decade ago.

The IRS currently has roughly 78,000 employees. According to John Koskinen, who served as IRS commissioner from 2013 to 2017, that's down from around 100,000 when he first started. By the time he resigned four years later, he said, it was clear that the agency was in the grip of a systematic attempt by the GOP to weaken it.

"Nobody loves tax collectors," Koskinen tells TIME.

It's an effort that goes back to 2010, when Republicans took back control of the House of Representatives and immediately instituted a series of crippling cuts on the IRS. Since then, overall funding for the IRS has fallen further, by more than 20 percent, while enforcement funding has dropped by 31 percent. That's made it easier for high-net-worth tax cheats and major corporations to avoid federal taxes to the tune of billions of dollars. "The largest corporations in the United States with over \$20 billion of assets have had their rate of audits go from nearly 100% to 50%," says Janet Holtzblattt, a senior fellow at the Urban-Brookings Tax Policy Center. "Among wealthy individuals who had a positive income of a million dollars or more, the audit rate fell from 8.4% in 2010 to 2.4% in 2019."

Meanwhile, the employee shortage only made it harder for average Americans to reach IRS customer support, which has been inundated with requests far beyond what the staff could handle. "I used to say there's no Democratic or Republican way to run the IRS," Koskinen says. "The people who are significantly disadvantaged are the average taxpayers who have a simple question and can't get through. Those are Republicans as well as independents and Democrats." As of last month, the IRS backlog included 10.2 million unprocessed individual returns.

Funding from the Inflation Reduction Act will also go toward tech modernization. The IRS currently uses technology from the 1960s, called COBOL, to process and intake individual tax returns. According to government officials, the agency has struggled to find workers who are still equipped to code under the antiquated system.

The increased funding for the IRS is a key part of Democrats' plan to pay for the Inflation Reduction Act. By going more forcefully after tax cheats and increasing compliance, the Congressional Budget Office estimates the agency will increase revenue by \$204 billion over the next decade.

Yet while the IRS may be in desperate need of more funding, it's not exactly most Americans' favorite government institution. Nobody likes to fork over a big check to Uncle Sam. Which is a big reason why Republicans are likely to keep hammering this point in the coming months, and potentially pointing to 87,000 new IRS agents who will never materialize. "I think a lot of people are going to be upset by this across the country and across the political spectrum," Hogan Gidley, Trump's former White House deputy press secretary, tells TIME, when asked about IRS funding. He falsely described the Biden administration's plan as hiring "85,000 IRS agents to come after mom-and-pop businesses."

But if Gidley's right, Americans will only be angry because of what Republicans are telling them about the IRS—not what's actually happening there.

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