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APRIL 28, 2015

How to drown the IRS in a bathtub

 April 26, 2015 by [stevenyoder](#)  [Leave a Comment](#)



IRS_building_on_constitution_avenue_in_DC Courtesy
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Every year, April 15 offers a stage on which to parade the failings of the federal government. The IRS presents the most obvious target, and this year was no different. “So many people feel like they are fighting against a machine that doesn’t care...” House Republican Mark Meadows [said](#) in opening a committee hearing about the agency two weeks ago.

But invited expert Nina Olson told the assembled members that IRS budget cuts have brought the U.S. tax collection system to the brink of collapse. She’s the National Taxpayer Advocate, a position

[created](#) by Congress in 1979 to assess how well the agency works. If she’s right and

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taxpayers in large numbers lose confidence in the system, our current debt problems could seem trivial compared to what's coming.

Like the warm-up act for the main event, tax policy is an old stand-by for ginning up the base in a Republican primary campaign. "The IRS is too big, too powerful, and we absolutely should scrap the code," Republican presidential candidate Rand Paul told reporters in a question-and-answer session in February. Most tax policy experts agree with that last part—the tax laws Congress has created over the years have become so cumbersome that they're essentially a full-employment plan for tax accountants and tax preparation software manufacturers.

But is the IRS itself really too big and powerful? Majorities in Congress seem to think so. They've sliced off part of the agency's budget five years in a row—it's down about 17 percent since 2010. The agency has lost more than 12,000 full-time employees in the last five years, mostly auditors and related staff, and several thousand more auditors will be cut this year. Funds to train staff have been cut by 83 percent since 2010.

That's all happening at a time when a rising population and new rules have dumped ever more work on tax collectors. The IRS is processing 11 percent more individual returns, 18 percent more business returns, and 70 percent more phone calls than a decade ago. Handling each return takes longer every year because of the increasing tax code complexity—Congress has made nearly 5000 changes to the code since 2001, an average of more than one a day.

That IRS service to taxpayers is in a death spiral should come as no surprise. Its call center representatives answered only 38 percent of taxpayer calls from January 1 to April 13. Callers waited on hold an average of 23 minutes and much longer in peak periods, according to Olson.

Seven million callers couldn't get through at all because the IRS disconnected them from the automated answering system—those are known as "courtesy disconnects" in

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Commentary: For Hunger Games – Mockingjay, teens are doing the marketing

December 4, 2014

By Joan Oleck – The Hunger Games:

Mockingjay—Part 1

is, for its teen fan base, a powerful lesson in marketing manipulation. For anyone not living in a cave, this third film in the series of four is based on the über-successful book series by Suzanne Collins and weaves a compelling tale of teen survival in [...]



business cutting its accounts receivable staff to save money—doing so eats into incoming funds.

A 2012 IRS report, the latest available, found that people and businesses underpaid their taxes by 17 percent in tax year 2006. Those underpayments cost the Treasury \$450 billion that year. By comparison, the politically bold [Simpson-Bowles plan](#) for deficit reduction, which was never acted on, would have saved only about \$250 billion a year. (And the 2006 number likely has expanded considerably since then as the tax system has only gotten more complicated.)

But in March when IRS commissioner John Koskinen asked the House Appropriations Committee for an [18-percent hike](#) in the agency’s budget this year to make up for the cuts, GOP members dismissed him, [calling](#) the request “massive” and “astronomical.” Inconveniently, Olson, whose testimony House Republicans sought out to document how badly the agency is performing, made clear where she comes down: “I do not see any substitute for sufficient personnel if the IRS is to provide high-quality taxpayer service,” she told the committee that invited her two weeks ago.

Could the U.S. follow the path of Greece, where widespread lack of tax compliance has helped fuel the country’s debt spiral? “The combined impact of lower enforcement and lower taxpayer services isn’t just whether we’ll collect more or less,” Koskinen told the House in March. “At some point, we’re going to put at risk the entire compliance system, and that’s not an on-off switch. Once people get the idea that the system isn’t working very well and they can take their chances, you can’t turn that around overnight.”

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outrage over
Brunei’s strict
Islamic
criminal
code all
but gone**



October 18, 2014

When Brunei became the first Southeast Asian country to nationally adopt a strict Islamic penal code known as Sharia earlier this year, the world was outraged. News and social media told us so in such headlines as “Brunei adopts sharia law amid international outcry” and “Ellen DeGeneres backs boycott of Brunei-owned hotels over ‘stone the [...]

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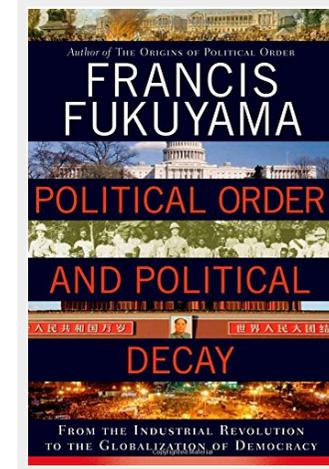
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