EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 18, 2016
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1206 – No Hires for the Delinquent IRS Act
(Rep. Rouzer, R-NC, and 25 cosponsors)
H.R. 4890 – IRS Bonuses Tied to Measurable Metrics Act
(Rep. Meehan, R-PA, and Rep. Sessions, R-TX)
H.R. 3724 – Ensuring Integrity in the IRS Workforce Act of 2015
(Rep. Noem, R-SD, and eight cosponsors)

The Administration opposes H.R. 1206, the No Hires for the Delinquent IRS Act; H.R. 4890, the IRS Bonuses Tied to Measurable Metrics Act; and H.R. 3724, the Ensuring Integrity in the IRS Workforce Act of 2015. These bills would impose unnecessary constraints on the Internal Revenue Service's (IRS) operations without improving the agency's ability to administer the tax code and serve taxpayers.

H.R. 1206 would prohibit the IRS from hiring any new employees until the Secretary of the Treasury certifies that no IRS employee has a seriously delinquent debt, or provides a report to the Congress that includes an explanation of why certification is not possible and what would be required to provide such a certification. The bill could result in the IRS being prohibited from hiring any new employees for any purpose – a drastic and counterproductive step that would compromise tax administration and taxpayer services. The bill is also unworkable in operation, as "seriously delinquent" debts could be as low as $1 and tax liens are recorded on a case-by-case basis. This legislation is unnecessary, as strong laws and procedures already exist to ensure that IRS employees comply with their tax obligations. Publicly-available data show that IRS employees are among the most tax compliant groups in the Nation with a delinquency rate of less than 1 percent.

H.R. 4890 would ban performance awards to IRS employees until the Secretary of the Treasury develops and implements a comprehensive customer service strategy. This bill is unnecessary, as the IRS has already developed and has begun to execute a strategy to improve taxpayer services. The real constraint on the IRS's ability to serve taxpayers effectively is severe underfunding, including for taxpayer services. IRS funding is more than $900 million below its 2010 level, before adjusting for inflation. These budget cuts have impeded the IRS's ability to serve taxpayers, including inadequate responses to taxpayer calls and correspondence. Filing season statistics show that taxpayer service has improved this year as a result of a small funding increase provided last year, but more resources are needed to serve all taxpayers effectively and efficiently. Legislation constraining the IRS's ability to retain and recruit highly qualified employees is not needed and could be counterproductive to the Service's mission.

H.R. 3724 would prohibit the IRS from rehiring any employee who was involuntarily separated due to misconduct. The bill as written could force the immediate termination of employees who had been terminated and rehired many years ago, even if their performance since rehiring has been blemish-free. The bill's prohibition is also unnecessary because current IRS processes already ensure the agency does not rehire former employees who had significant conduct or performance problems during prior employment with the agency.

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