

CORPORATE TAX - USA

IRS to hire 700 for civil and criminal tax enforcement

May 20 2016 | Contributed by Caplin & Drysdale, Chartered

On May 3 2016 the Internal Revenue Service (IRS) announced that it will be hiring between 600 and 700 new federal tax enforcement personnel. "This will be our first significant enforcement hiring in more than five years," IRS Commissioner John A Koskinen stated in an email to IRS employees. Additional human resources for IRS enforcement will increase the number of audits, investigations and prosecutions of individuals and businesses.

As the tax gap – the difference between taxes owed and paid – is now estimated to be \$458 billion,(1) the cause of this new initiative is clear: the government needs revenue. "Each enforcement position typically returns almost \$10 to the US Treasury for every dollar spent," Koskinen said, "and in many instances, much more."

Hiring will take place in two waves. First, the IRS will seek entry-level revenue agents, criminal investigation special agents, revenue officers and IRS attorneys, among others. Then the IRS will look to more senior enforcement positions, whose focus will be on refund fraud, identity theft and international tax issues.

Although the effort will not completely reverse the current low levels of federal tax enforcement, it will help to fill "key gaps", Koskinen said, replacing 12% to 14% of the enforcement personnel that the IRS has lost since 2010.

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Endnotes

(1) For more information see "Tax Gap Estimates for Tax Years 2008–2010".

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