

# United States Senate

WASHINGTON, DC 20510

June 16, 2025

The Honorable Scott Bessent  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

The Honorable Billy Long  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue NW  
Washington 20224

Dear Secretary Bessent and Commissioner Long:

We write to you with concern regarding the Trump Administration's hollowing out of the Internal Revenue Service (IRS). For too long, the IRS has been underfunded and operating with outdated technology and inadequate staffing – resulting in unacceptable levels of service to taxpayers and enabling wealthy tax cheats to evade taxes. The *Inflation Reduction Act* (IRA), passed in 2021, finally provided the IRS with the resources the agency needed to modernize and improve efficiency, but Congressional Republicans quietly slashed that funding in recent years.<sup>1</sup> It is critical that we protect and build on the IRA's investments. Otherwise, we risk failing honest, hardworking taxpayers while ballooning the federal deficit.

Trump administration officials have repeatedly claimed a desire to lower the deficit. In June last year, Treasury Secretary Bessent said he was “alarmed by the size of [the government’s] deficit,” and publicly touted a plan to cut the annual deficit from 6.4 percent of GDP to three percent.<sup>2</sup> In an interview in April, Deputy Treasury Secretary Faulkender reiterated that the Administration’s intent is to “bring the deficit down.”<sup>3</sup> When pressed by Senators in written questions, Secretary Bessent affirmed his commitment to lowering the deficit to three percent of GDP by the end of President Trump’s term.<sup>4</sup> Despite these commitments, the Administration’s signature tax

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<sup>1</sup> Washington Post, “Congress stripped IRS of another \$20 billion in government shutdown fight,” Jacob Bogage and Shannon Najmabadi, December 26, 2024, <https://www.washingtonpost.com/business/2024/12/26/irs-funding-cut-20-billion-shutdown/>.

<sup>2</sup> Bloomberg, “Debt Risks That Lured Bessent to US Treasury Now Loom Large,” Liz Cap McCormick and Viktoria Dendrinou, December 16, 2024, <https://www.bloomberg.com/news/features/2024-12-16/trump-treasury-nominee-scott-bessent-focuses-on-us-deficit-debt-spending>; New York Times, “Trump’s Treasury Pick Is Poised to Test ‘Three Arrows’ Economic Strategy,” Alan Rappeport and Rebecca F. Elliot, December 13, 2024, <https://www.nytimes.com/2024/12/13/business/trump-bessent-economic-strategy.html>.

<sup>3</sup> Post on X from Deputy Secretary Michael Faulkender, April 11, 2025, <https://x.com/TreasuryDepSec/status/1910712146419163494>.

<sup>4</sup> U.S. Senate Committee on Finance, “Hearing to Consider the Nomination of The Honorable Michael Faulkender, of Maryland, to be Deputy Secretary of the Treasury, vice Adewale O. Adeyemo, resigned.,” March 6, 2025, <https://www.finance.senate.gov/hearings/hearing-to-consider-the-nomination-of-the-honorable-michael-faulkender-of-maryland-to-be-deputy-secretary-of-the-treasury-vice-adewale-o-adeyemo-resigned>; U.S. Senate Committee on Finance, “Hearing to Consider the Anticipated Nomination of Scott Bessent, of South Carolina, to be Secretary of the Treasury,” January 16, 2025, <https://www.finance.senate.gov/hearings/hearing-to-consider-the-anticipated-nomination-of-scott-bessent-of-south-carolina-to-be-secretary-of-the-treasury>.

priorities—gutting the IRS and passing significant tax cuts for the ultra-wealthy—will massively drive up the deficit and place a greater burden on future generations.

American workers pay their taxes on time and in full, often through automatic withholdings on their paychecks. A small subset of high-income taxpayers, though, find complicated workarounds to shield income from the taxes that they owe. This has resulted in a massive gap between revenue owed and revenue collected – known as the “tax gap.” The latest IRS estimate was that this tax gap was nearly \$700 billion in 2022 – or 17 percent of the total taxes owed.<sup>5</sup> This shifts more of the tax burden on hardworking Americans who abide by the law.

Reducing the tax gap by ensuring that high-income individuals pay the taxes they owe should be an obvious bipartisan approach to making progress on the federal deficit. Further, it is a good investment – one study found that \$1 spent on auditing the highest earners yields \$12 in returns to revenues.<sup>6</sup> And after recent investments in enforcement targeted at high earners, the IRS collected over \$1 billion in back taxes from just 1,600 wealthy taxpayers.<sup>7</sup>

Investments in the IRS also make it easier for law-abiding taxpayers to file their taxes. Decades of underfunding and lack of investment at the agency left customer service in a poor state prior to passage of the IRA. For years, taxpayers struggled to get through on customer service lines or find an in-person assistance center to receive help with their tax return. Recent investments in the IRS have finally allowed the agency to start investing in long-overdue improvements, allowing for significant new and enhanced services for taxpayers. As of June 2024, call wait-times had dropped from 28 minutes to 3 minutes, the agency had opened 54 new taxpayer assistance centers, and online services had started expanding.<sup>8</sup>

But the Trump administration is planning to turn back the clock on this progress. When reductions in force began at the IRS this spring, personnel essential to the filing season operations were required to continue working until mid-May, which limited the impact of staffing losses on tax revenue for the 2025 season.<sup>9</sup> But the continuing layoffs at the IRS will kneecap the agency’s ability to do its basic job. President Trump and the Department of Government Efficiency (DOGE) have executed massive cuts to the IRS workforce—including a

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<sup>5</sup> Internal Revenue Service, “IRS: The tax gap,” <https://www.irs.gov/statistics/irs-the-tax-gap#:~:text=The%20projected%20annual%20gross%20tax,projected%20VCR%20is%2085.0%20percent>.

<sup>6</sup> National Bureau of Economic Research, “A Welfare Analysis of Tax Audits Across the Income Distribution,” William C. Boning, Nathaniel Hendren, Ben Sprung-Keyser, Ellen Stuart, June 2023, p. 2, [https://www.nber.org/system/files/working\\_papers/w31376/w31376.pdf](https://www.nber.org/system/files/working_papers/w31376/w31376.pdf).

<sup>7</sup> Internal Revenue Service, “IRS tops \$1 billion in past-due taxes collected from millionaires; compliance efforts continue involving high-wealth groups, corporations, partnerships,” July 11, 2024, press release, <https://www.irs.gov/newsroom/irs-tops-1-billion-in-past-due-taxes-collected-from-millionaires-compliance-efforts-continue-involving-high-wealth-groups-corporations-partnerships>.

<sup>8</sup> U.S. Department of the Treasury, “Continuing Improvements to IRS Customer Service in Filing Season 2024,” June 7, 2024, press release, <https://home.treasury.gov/news/featured-stories/continuing-improvements-to-irs-customer-service-in-filing-season-2024>.

<sup>9</sup> Reuters, “IRS Confirms Filing Season, Taxpayer Advocate Staff Exempted From Buyout,” Tim Shaw, February 7, 2025, <https://tax.thomsonreuters.com/news/irs-confirms-filing-season-taxpayer-advocate-staff-exempted-from-buyout/>, Washington Post, “IRS tax-filing season defies gloomy projections despite DOGE upheaval,” Jacob Bogage, June 12, 2025, <https://www.washingtonpost.com/business/2025/06/12/irs-tax-filing-season-beats-projections/>.

plan to reduce IRS employee headcount by 40 percent.<sup>10</sup> Tens of thousands of workers have left the agency since President Trump's inauguration.<sup>11</sup> The IRS division that audits billionaires and the ultrawealthy has already lost 38 percent of its employees and had its funding rescinded by President Trump and Congressional Republicans.<sup>12</sup> Even before these massive layoffs, IRS audits were already at a 23-year low.<sup>13</sup> Further cutting IRS staff means less staff to monitor wealthy tax cheats and collect the tax revenue that will help offset our budget deficit. If IRS staffing levels are nearly halved, as the Administration has promised, these cuts could lead to \$2.4 trillion in lost revenue over the next decade.<sup>14</sup> And layoffs of this magnitude will significantly damage the agency's customer service capacity.

All of this is occurring at the same time that the Administration and Congressional Republicans are teeing up another huge deficit-busting reconciliation bill that includes massive tax cuts for the wealthy, which the House of Representatives recently approved.<sup>15</sup> According to the nonpartisan Congressional Budget Office, an extension of the 2017 Republican tax bill, also known as the *Tax Cuts and Jobs Act*, would add \$52 trillion to the national debt over the next 30 years, adding more debt to the nation's balance sheet in three decades than in the previous 249-year history of our country's existence.<sup>16</sup> This extension is *only* one component of this larger bill.

These actions are inconsistent with your public commitments to meaningfully reduce the federal deficit and will undo the improvements made to the IRS's taxpayer services. Accordingly, we ask that you provide responses to the following questions by June 30, 2025:

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<sup>10</sup> Politico, "IRS faces mass exodus of workers," Sophia Cai and Benjamin Guggenheim, April 15, 2025, <https://www.politico.com/news/2025/04/15/irs-faces-mass-exodus-of-workers-00291696>.

<sup>11</sup> New York Times, "More Than 20,000 I.R.S. Employees Offer to Resign," Andrew Duehren and Eileen Sullivan, April 15, 2025, <https://www.nytimes.com/2025/04/15/us/politics/irs-resignations-trump.html>.

<sup>12</sup> International Consortium of Investigative Journalists, "The IRS unit that audits billionaires has lost 38% of its employees since January, new data shows," Spencer Woodman, March 28, 2025, <https://www.icij.org/news/2025/03/the-irs-unit-that-audits-billionaires-has-lost-38-percent-of-its-employees-since-january-new-data-shows/>; YahooNews, "Republicans quietly cut IRS funding by \$20 billion in bill to avert government shutdown," Griffin Eckstein, December 27, 2024, [https://www.yahoo.com/news/republicans-quietly-cut-irs-funding-201436750.html?guccounter=1&guce\\_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce\\_referrer\\_sig=AQAAAECEZQf9p7aZQYeoP4WYllji-Hhl3mRKcmg4FaCVvlmvC8Z13geTyzCJO\\_f9xsu1b8u0FVQXYNAo7oxOAHSeeKtVd1oxjXzgVej0lNQfkH7jd\\_2HDE21fJwOpcm3OcVAq2XS69kTelW\\_4SWODGY1tq40dcNMRmDAc5yJdaGXJiFw](https://www.yahoo.com/news/republicans-quietly-cut-irs-funding-201436750.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce_referrer_sig=AQAAAECEZQf9p7aZQYeoP4WYllji-Hhl3mRKcmg4FaCVvlmvC8Z13geTyzCJO_f9xsu1b8u0FVQXYNAo7oxOAHSeeKtVd1oxjXzgVej0lNQfkH7jd_2HDE21fJwOpcm3OcVAq2XS69kTelW_4SWODGY1tq40dcNMRmDAc5yJdaGXJiFw).

<sup>13</sup> New York Times, "Why I.R.S. Audits, Already at Their Lowest Levels, May Fall Further," Ben Blatt, April 8, 2025, <https://www.nytimes.com/2025/04/08/upshot/irs-tax-audits-cuts.html>.

<sup>14</sup> Yale Budget Lab, "The Revenue and Distributional Effects of IRS Funding," April 24, 2025, <https://budgetlab.yale.edu/research/revenue-and-distributional-effects-irs-funding>.

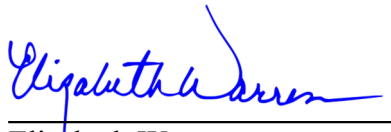
<sup>15</sup> Letter from the Congressional Budget Office to Congressman Boyle and Leader Jeffries, May 20, 2025, <https://www.cbo.gov/system/files/2025-05/61422-Reconciliation-Distributional-Analysis.pdf>.

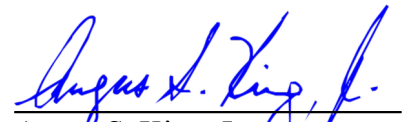
<sup>16</sup> U.S. Senate Committee on the Budget, "New CBO Analysis Shows Republicans' Tax Giveaways Add \$52 Trillion to National Debt Over 30 Years," press release, April 10, 2025, <https://www.budget.senate.gov/ranking-member/newsroom/press/new-cbo-analysis-shows-republicans-tax-giveaways-add-52-trillion-to-national-debt-over-30-years#:~:text=In%20nominal%20dollars%2C%20that%20would,economy%20under%20a%20dynamic%20analysis>

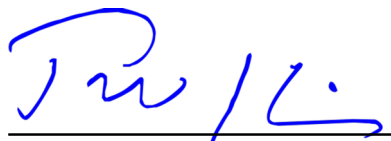
1. Given the proven return on investment from increasing staffing levels at the IRS, how did the Administration determine that a 40 percent across-the-board cut in the IRS workforce was prudent?
2. What analyses did the Administration conduct on the impact of IRS workforce cuts on deficit reduction goals, including nearly halving the division of the IRS that investigates tax evasion?<sup>17</sup> Please share the revenue impact of these workforce cuts.
3. In anticipation of the 2026 tax filing season, what metrics are the IRS using to ensure that revenue collections are maintained at equal or greater levels and do not decrease?
4. The Administration has instituted a prolonged hiring freeze for the IRS. The National Taxpayer Advocate noted that IRS customer service positions have an attrition rate of 19 percent.<sup>18</sup> With additional workforce reductions, how does the IRS intend to sustain adequate levels of customer service? Please share relevant documentation, including performance metrics for casework, phone service, and in-person assistance centers.


Thank you for your attention to this important matter.

Sincerely,

  
Elizabeth Warren  
United States Senator

  
Angus S. King, Jr.  
United States Senator

  
Tim Kaine  
United States Senator

  
Sheldon Whitehouse  
United States Senator

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<sup>17</sup> International Consortium of Investigative Journalists, “The IRS unit that audits billionaires has lost 38% of its employees since January, new data shows,” Spencer Woodman, March 28, 2025, <https://www.icij.org/news/2025/03/the-irs-unit-that-audits-billionaires-has-lost-38-percent-of-its-employees-since-january-new-data-shows/>.

<sup>18</sup> Taxpayer Advocate Service, Annual Report to Congress, 2024, [https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24\\_MSP\\_06\\_Hiring.pdf](https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2024/12/ARC24_MSP_06_Hiring.pdf).