



# NEWS RELEASE

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## **Resources Must be Increased for IRS To Meet Tax Gap Benchmarks, NTEU Says**

**Washington, D.C.**— Providing the Internal Revenue Service (IRS) with additional resources is key to closing the nation's \$345 billion tax gap, the leader of the union representing IRS employees said today in the wake of a meeting of the IRS Commissioner and two senators on bridging the gap between taxes owed and taxes collected.

Following a meeting with IRS Commissioner Mark Everson, Senate Finance Committee Chair Max Baucus (D-Mont.) and Ranking Member Charles Grassley (R-Iowa), announced that they will establish benchmarks for the IRS to narrow the tax gap by a significant percentage.

However, warned President Colleen M. Kelley of the National Treasury Employees Union (NTEU), "the IRS will face serious challenges in the ongoing efforts to collect these billions in unpaid taxes until and unless funds are made available to rebuild its workforce."

The continuing resolution, introduced today in the House to provide funding for the remainder of FY 2007, does not include a significant increase in funding for IRS personnel, which NTEU believes is necessary. Kelley called on the IRS and the administration to acknowledge the need for increased personnel as the best way to make significant headway in closing the \$345 billion tax gap. The White House is scheduled to release its FY 2008 budget proposal next week.

NTEU's position on closing the burgeoning tax gap was supported by tax experts from both the Government Accountability Office and Citizens for Tax Justice, who last week told the Senate Budget Committee that adequate staffing and resources is "the most essential step that needs to be taken" to boost taxpayer compliance.

**(MORE)**

## **Additional Resources Necessary at IRS—Add One**

The IRS's own annual reports and other data show that while the number of tax returns has continued to climb, IRS staffing has continued to decline—from some 114,000 in 1995 to only 94,000 today. NTEU is supporting a two percent annual net increase in staffing (roughly 1,885 positions per year) over a five-year period to gradually rebuild the depleted IRS workforce to pre-1998 levels.

However, instead of working to rebuild the workforce, the IRS in September moved forward with a costly and highly controversial plan to hire private debt collectors and pay them a bounty of up to 25 percent of the money they collect. NTEU's continuing and strong opposition to the IRS initiative was echoed in legislation introduced earlier this month in the House and Senate that would halt the IRS's program to contract out the sensitive tax collection work.

The legislation came days after National Taxpayer Advocate Nina Olson called private debt collection one of the 21 “most serious problems” facing taxpayers. She estimated in her annual report to Congress that IRS employees could yield a 13:1 return on investment—a return far higher than private debt collectors—while protecting taxpayer privacy.

NTEU is the largest independent federal union, representing some 150,000 employees in 30 agencies and departments, including 94,000 in the IRS.

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