



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

January 9, 2023
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 23 – To rescind certain balances made available to the Internal Revenue Service

The Administration strongly opposes H.R. 23, to rescind certain balances made available to the Internal Revenue Service (IRS). The bill would rescind funding passed in the Inflation Reduction Act (IRA) that enables the IRS to crack down on large corporations and high-income people who cheat on their taxes and evade the taxes that they owe under the law.

This reckless bill would increase the deficit by nearly \$115 billion over 10 years per an estimate by the Congressional Budget Office by enabling wealthy tax cheats to engage in additional tax fraud and avoidance. To be clear, the Treasury Secretary has already directed that none of the additional IRS resources be used to increase audit rates relative to historical levels for small businesses or households with incomes below \$400,000. Far from protecting middle-class families or small businesses, H.R. 23 protects wealthy tax cheats at the expense of honest, middle-class taxpayers. Each year the top one percent hides about 20 percent of their income from the government so they can get away with not paying any tax on it. That means that working people – who report 99 percent of their income to the IRS – pay a larger share of collected taxes than they should. Not only does it shift the tax burden from the wealthy to the middle-class, it would also make it harder for middle-class families and small businesses to get timely tax refunds and other important services from the IRS, by rescinding billions in funding for IRS information technology and operations.

With their first economic legislation of the new Congress, House Republicans are making clear that their top economic priority is to allow the rich and multi-billion dollar corporations to skip out on their taxes, while making life harder for ordinary, middle-class families that pay the taxes they owe. That's their agenda; not lowering costs or cutting taxes for hard working Americans – as President Biden has consistently advocated.

If the President were presented with H.R. 23 – or any other bill that enables the wealthiest Americans and largest corporations to cheat on their taxes, while honest and hard-working Americans are left to pay the tab – he would veto it.

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