



IRS Could Shut Down For Two Days

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Budget cuts at the IRS could force the agency to shut down for two days, IRS chief John Koskinen reiterated Tuesday.

“This year we are looking at a situation where realistically we have no choice but to do less with less,” he said in a letter to staffers, [obtained by The Hill](#). “While we will continue to do the best we can to avoid this action, the cuts in the budget are so deep that we may have no other choice.”

Congress cut the IRS budget by \$346 million in the 2015 spending bill, forcing the agency to institute a hiring freeze and get rid of thousands of staffers. It’s one of the only agencies whose budget was cut this year.

Some conservative congressmen relished cutting its budget, after IRS staffers were caught in 2013 targeting Tea Party groups. Since 2010, the agency has absorbed \$1 billion in cuts and has between 16,000 and 17,000 fewer staffers.

“Shutting down the IRS will be a last resort, but I want to be upfront with you about the problem,” Koskinen said in the letter. Employees would not be paid for the two days off, and he promised not to decide before discussing the decision with the workers’ union.

The IRS will spend \$160 million less on enforcing the tax code this season, and \$160 million less on overtime and temporary staff. Koskinen estimated the agency will lose \$2 billion in uncollected revenue because of the cuts to enforcement, and said the staff cuts could result in delayed refunds and a lot of unanswered phone calls.

A suspension of \$200 million in IT improvements will also contribute to the delays, since the agencies systems are outdated, Koskinen said. Paper refunds could be delayed by a week or more, and more than half of taxpayers phone calls will likely go unanswered. Plans to implement new protections against identity theft have also been suspended.

“It’s an old Washington trick,” Ryan Ellis, tax policy director at Americans for Tax Reform, told The Daily Caller News Foundation. “Most people derive absolutely no benefits from the IRS — quite the opposite — and one of the only things they want out of the IRS is a fast refund and somebody to pick up the phone when they call.”

“And so what’s the exact thing that the IRS is saying is going to be threatened, because their bloated budget is a little less bloated now? The only two things that people actually derive any benefit from from the IRS,” Ellis continued. “That’s not a mistake.”

The cuts come as the IRS prepares to take on new responsibilities implementing Obamacare, and in the face of a mandatory government-wide pay raise Koskinen said will cost \$250 million, reported The Hill. According to his estimate the actual budget cut amounts to \$600 million, not not \$346 million.

The agency’s budget for fiscal 2015 is \$10.9 billion, which is its lowest level since 2008 and closer to 1998 funding levels when adjusted for inflation.

Chris Edwards, director of tax policy studies at the Cato Institute, told TheDCNF he sympathizes with the IRS, because Congress continues to impose more tax burdens on the agency, such as Obamacare, while simultaneously cutting its funding. But he said Koskinen should use the cuts to make the IRS more efficient, rather than complain.

“There is no reason why the IRS budget for administration has to get bigger every year,” he said. “Why shouldn’t the IRS get more efficient every year? They should become increasingly more efficient just like every business in America.”