

## Sense and Nonsense on the ‘Tax Gap’

Mark Tapscott

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Chris Edwards at the Cato Institute digs into the \$80 billion extra for the IRS in His Fraudulency’s Build Back Better (BBB) spending plan and finds — surprise! — that they aren’t telling us the truth about that “tax gap.”

“The U.S. tax gap is fairly low by international standards. The official net federal tax gap of \$381 billion is 2.3 percent of gross domestic product (GDP). One pro-enforcement group puts the gap at 2.5 percent of GDP. If we add in an estimated state-local tax gap, then the total U.S. gap would be about 3.9 percent of GDP. By comparison, this study estimated that the average tax gap in the European Union (EU) is 5.6 percent of GDP, while this study found that the average EU tax gap is 10.7 percent of GDP,” Edwards writes.

And did you know Biden’s BBB repeals an important requirement that an IRS analyst who wants to assess the agency’s steep under-payment penalty against a taxpayer must first get a sign-off from a superior?

Edwards has much more. No wonder Biden, Yellen, Schumer, Pelosi, et. al. aren’t talking much about this part of the BBB.