

We're getting the same old IRS spin

By: Eric Heyl – May 18, 2013

Daniel J. Mitchell, a senior fellow at the Cato Institute, is a former economist for former Sen. Bob Packwood, R-Oregon, and the Senate Finance Committee. Mitchell, an expert on tax reform and tax policy, spoke to the Trib via email regarding the controversy surrounding the Internal Revenue Service targeting tea party groups and various nonprofit organizations that have been critical of the federal government.

Q: How concerned should people be that the IRS seemingly has a politically biased bureaucracy?

A: The IRS has such enormous power that we should be extremely worried about it being corrupted by political bias. When taxpayers get accused by the IRS, the Constitution's presumption of innocence goes out the window and they are guilty until they prove themselves innocent. Which is all the more reason why we should be scared.

Q: Didn't similar activities occur during the Clinton administration?

A: The fact that this happened during the Clinton years suggests that the IRS may have a long-standing culture of political corruption. The IRS wanted us to believe the scandal in the 1990s was random and involved low-level employees. Now we're getting the same spin again. This excuse was implausible the first time the IRS got caught. Now the excuse is preposterously unbelievable.

Q: IRS officials have said the targeting wasn't partisan in nature. How plausible is that assertion?

A: If you roll dice 20 times in a row and always get the same results, you'll be understandably suspicious that something is rigged. Likewise, it's very sketchy that the IRS goes after conservatives when Democrats control the White House.

Q: Was the most egregious element of this fiasco the fact that the IRS violated its own policies in asking tea party and conservative groups for their donor lists?

A: The political bias is outrageous. The fact that the IRS violated its own rules makes clear that the bureaucrats were pursuing an ideological agenda.

Q: Should the IRS be forced to reimburse groups that have been unfairly scrutinized?

A: Reimbursement would be nice, but it won't deter future misbehavior. The real key is whether various bureaucrats and their supervisors get fired.

Q: What are your thoughts on the administration's initial reaction to the scandal?

A: The president has publicly commented about auditing his political opponents. The White House says he was just joking, but one must wonder if this was a who-will-rid-me-of-this-troublesome-priest moment.

Q: Should the IRS be subject to greater congressional oversight as a result of these activities?

A: Yes, though I have little faith that oversight will make much difference. In the short run, firing bureaucrats is the most effective measure. In the long run, we need to rip up the tax code and implement a simple and fair flat tax since that would dramatically reduce the IRS's discretionary power.

Q: What safeguards can be put in place to prevent yet another recurrence of these inappropriate behaviors?

A: At the risk of being repetitive, firing bureaucrats and reforming the tax code are the only practical solutions.

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