

Chairman Hal Rogers
House Committee on Appropriations
Subcommittee on Financial Services and General Government
IRS Oversight Hearing
February 26, 2014
Opening Statement As Prepared

Thank you, Chairman Crenshaw, for yielding. And thank you, Commissioner Koskinen, for being with the Committee for its first hearing of the year.

Before getting to the important business at hand today, I would first like to echo the Chairman's sentiments regarding the Appropriations process in general terms. The omnibus bill for Fiscal Year 2014 that we all worked to pass last month is a true product of compromise. I value my partnership with Ranking Member Lowey, her counterpart on the Senate side, Chairwoman Mikulski, as well as Ranking Member Shelby. Together, we made responsible choices to realign our nation's funding priorities and target precious tax dollars where they are needed the most, all while continuing the four-year trend of reducing federal discretionary spending.

While the FY 2014 Omnibus is certainly a testament to this Committee's long-standing tradition of bipartisan workmanship, now is not the time to rest on our laurels. As Chairman Crenshaw has mentioned, I expect the Committee to move forward under regular order to draft legislation for federal spending in FY 2015 that continues to right-size our federal government, that prioritizes spending on programs that are demonstrating results, and that is a product of thoughtful, rigorous oversight. We have much difficult work ahead of us, but I am hopeful that the process will move swiftly and smoothly given the Ryan-Murray budget agreement.

I think it is fitting that this commitment to regular order and transparency in the Appropriations process is reaffirmed at today's hearing with the IRS. Just as the Congress has a supreme responsibility in stewardship of the taxpayer dollar, so too does the IRS have a special duty to apply our country's tax laws fairly and uniformly. Commissioner Koskinen, you have taken the helm of this agency during a tumultuous time, as I fear that in recent years, there have been grave violations of the public's trust that should give all Americans cause for concern. I hope that you are the person to right the ship.

In particular, as I wrote to you earlier this month, I have serious concerns about the proposed regulation published by your predecessor in November. This rule would continue to target the First Amendment rights of the same conservative, grassroots organizations that were unfairly scrutinized in applying for tax-exempt status in the run-up to the 2010 and 2012 elections. Given the agency's recent track record of improper politicization and intimidation, I strongly believe this rule is a step in the wrong direction for an agency struggling to regain the American public's faith and confidence. I look forward to hearing from you about your intentions in this respect, in particular your plans to cooperate with the Congress to ensure these dark days in the IRS history books are truly behind us.

Acting Commissioner Werfel last came before the Committee on the heels of a report detailing the IRS' wasteful spending on frivolous conferences and the revelation that the senior executives who oversaw the 501(c)(4) debacle in Cincinnati had received significant performance bonuses. Listening to Chairman Crenshaw's remarks feels like déjà vu all over again. As the IRS is charged with the massive undertaking of enforcing the individual mandate (the greatest intrusion of this agency into personal healthcare decisions in history), combating identity theft and refund fraud, and addressing international compliance issues, among many other competing priorities, you can understand why the Committee views your proposal for additional performance awards and more training conferences with heightened scrutiny. We hope to ascertain how the IRS will go about planning its training conferences to ensure they are goal-oriented and effective, as well as compliant with the IRS' procurement processes. I also hope you can explain to the satisfaction of this Committee how and why \$63 million in performance bonuses are appropriate or beneficial to the taxpayer.

As we are all painfully aware, we are in the middle of some grim budget times, and every federal agency –especially the IRS – is duty bound to root out excess and waste. When we provide you with more than \$11 billion annually to fulfill these duties, we expect you to spend it wisely and effectively. Mr. Commissioner, I hope that we have your commitment to work with the Appropriations Committee to achieve our shared mission of protecting the taxpayers and their hard-earned dollars.

I look forward to your testimony today, as well as your answers to Members' questions. Thank you, and I yield back.

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