



## WAYS AND MEANS CHAIRMAN KEVIN BRADY

### 2016 YEAR IN REVIEW

# Unprecedented Action by House GOP to Hold the IRS Accountable to American Taxpayers

**The nation's tax collector is broken.** The Internal Revenue Service (IRS) has become a prime example of blatant misconduct, unprecedented executive overreach, and government waste.

Since the Ways and Means Committee first questioned the IRS in 2011 about the alleged targeting of American taxpayers, House Republicans have led the successful effort to investigate, reveal, restrict, and hold accountable the IRS for violating taxpayers' constitutional rights. Our work includes the Ways and Means Committee uncovering evidence and referring to the U.S. Department of Justice three specific criminal actions taken by former IRS employee Lois Lerner.

After ongoing public outrage, the IRS has gone through a revolving door of commissioners and acting commissioners failing to protect taxpayers—Doug Shulman in 2012, Steve Miller in 2013, and Danny Werfel later that same year. Meanwhile, House Republicans have continued to challenge the agency's fraud, abysmal customer service, privacy hacks, and wrongful seizure of assets from innocent Americans, all while cutting the agency's funding by \$1.2 billion between 2010 and 2015.

## IRS Accountability

Over the last year, the Ways and Means Committee has initiated and House Republicans have approved a series of aggressive, Constitution-restoring legislation to reform the IRS and hold it accountable to the American taxpayer. Our action includes:

- **Banning Political Targeting.** In December 2015, Congress passed and the President signed into law the **Protecting Americans from Tax Hikes (PATH) Act**, which is the first law preventing the IRS from targeting taxpayers or organizations based on their political beliefs. In June 2016, the House passed the **Preventing IRS Abuse and Protecting Free Speech Act**, which protects the identities of those who donate to tax-exempt organizations to prevent the IRS from targeting Americans based on political beliefs.
- **Fighting Fraud and Identity Theft.** As part of *PATH Act*, the President signed into law the first anti-fraud measures in tax credits (Child Tax Credit, Earned Income) since the 1990's. The bill also includes key parts of the **Stolen Identity Refund Fraud Prevention Act**, which established actions the IRS must take to combat the growing problem of identity theft. In April 2016, the House passed more taxpayer protections from that bill.

- **Reining in IRS Employee Misconduct.** In April 2016, the House passed the *Ensuring Integrity in the IRS Workforce Act*, which prohibits the IRS from rehiring employees fired for misconduct, and the *No Hires for the Delinquent IRS Act*, which suspends the hiring of new IRS employees unless the Treasury Secretary certifies that no IRS workers owe federal taxes in a serious delinquency.
- **No Service, No Bonus.** In April 2016, the House passed the *IRS Bonuses Tied to Measurable Metrics Act*, which prohibits the IRS from paying bonuses to employees until the Secretary of the Treasury implements a comprehensive customer service strategy that puts hardworking taxpayers first.
- **Ending Unlawful Seizures & Forcing the IRS to Refund Innocent Taxpayers.** After two years of aggressive oversight by the Ways and Means Committee, in July 2016, the Committee approved the *Clyde-Hirsch-Sowers RESPECT Act*, which puts in place important measures to prevent the IRS from wrongfully seizing the assets of law-abiding taxpayers. Our efforts continue to deliver justice to the victims of IRS abuse. Under bipartisan pressure, the IRS is now actively reviewing these cases and returning taxpayer money to innocent victims.
- **Restoring the Role of Congress.** In April 2016, the House passed the *IRS Oversight While Eliminating Spending (OWES) Act*, which repeals IRS's authority to spend the user fees it collects and restores to Congress full authority over how the IRS spends those resources.

## House Tax Reform Blueprint: Bust up the IRS

**The only way we will truly solve this problem is to enact a simpler, fairer tax code and fundamentally redesign the IRS.** That's why our House Republican Tax Reform Blueprint proposes a tax code so fair and simple 95% of Americans can file on a postcard. The Blueprint also busts up the IRS by:

- **Streamlining the IRS** into three smaller, focused units: a unit to serve families and individuals; a unit to serve job creators of all sizes and types; and an independent "small claims court" to quickly and affordably resolve routine tax disputes.
- **Holding IRS employees accountable** for delivering quality service, protecting taxpayer privacy, and administering a fair system.
- **Ensuring an impartial and effective IRS administrator** who will serve no more than two three-year terms to ensure new management perspectives and prevent entrenched bureaucrats.

**House Republicans and the Ways and Means Committee will continue fighting to hold the IRS accountable and deliver results that protect hardworking American taxpayers.**



**WAYS AND MEANS**  
CHAIRMAN KEVIN BRADY