November 10, 2026

Re: Support for the Taxpayer Assistance and Service Act (H.R. 5349)

Dear Members of Congress:

On behalf of Taxpayers for Common Sense Action (TCS Action), a nonpartisan budget watchdog, we write in support of the Senate-passed Taxpayer Assistance and Service (TAS) Act (H.R. 5349) and urge the House of Representatives to approve this bipartisan package before the end of the 119th Congress.

An effective tax system must do two things well. It must make it easier for taxpayers to file accurate returns and resolve problems, and it must collect the taxes legally owed. The TAS Act would advance both goals by expanding electronic services, tightening oversight of paid tax preparers, and giving Congress better information about fraud and IRS performance.

Taxpayers still wait months for amended returns, struggle to reach IRS employees, and depend on paper correspondence to resolve many problems. In a March analysis, TCS highlighted warnings from the National Taxpayer Advocate about stalled modernization projects and persistent operational problems.[1] The Advocate's 2025 Annual Report to Congress found that the IRS took an average of five months to process individual amended returns and more than 13 months to process business amended returns in FY2025. The agency received approximately 104 million telephone calls, but IRS employees answered fewer than 30 million. Taxpayers and their representatives also had difficulty accessing records and resolving disputes without relying on slow, paper-based processes.[2]

The TAS Act addresses these problems directly. Sections 101–105 would expand electronic processing of returns and correspondence, give taxpayers more information about the status of their refunds, and allow taxpayers and their authorized representatives to access notices and respond electronically. The bill would also require the IRS to publish more information about telephone wait times and customer service performance. Section 603 would require clearer explanations when refund claims are denied and give taxpayers an opportunity for independent review. These changes would allow more taxpayers to handle routine matters online, reduce avoidable calls and correspondence, and help the IRS resolve cases with less manual processing.

The bill would also strengthen oversight of paid tax preparers, an area where TIGTA has identified serious failures. An October 2026 TIGTA report found that more than 38,000 preparers using invalid

---

[1] Taxpayers for Common Sense, "Congress Wants a Modern IRS—But Keeps Cutting Its Funding" (March 10, 2026), https://www.taxpayer.net/budget-appropriations-tax/congress-wants-a-modern-irs-but-keeps-cutting-its-funding/.

[2] National Taxpayer Advocate, 2025 Annual Report to Congress (January 26, 2026), iv, xii–xiii, 6–7, 33–34, 55–59, https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2026/01/ARC_Publication-2104_2025_Web.pdf.

or inactive identification numbers filed over 2.2 million tax returns in 2025. Although the IRS already had authority to impose penalties, TIGTA estimated that the agency had not assessed approximately $92 million in potential penalties for these violations. The report also identified more than 2,000 preparers potentially involved in a scheme associated with approximately $740 million in questionable refunds for tax years 2023 and 2024. The vast majority were uncredentialed.[3]

Sections 502–504 of the TAS Act would increase penalties for preparer misconduct, establish procedures for verifying preparer identification numbers, and allow the IRS to suspend or revoke those numbers for repeated errors, fraud, and other violations. Section 115 would require the IRS to report how much it paid in fraudulent refunds, how many questionable claims it stopped before payment, and how it identified the fraud. These provisions would help the IRS stop improper refunds before money leaves the Treasury and allow Congress and independent watchdogs to judge whether the agency is using its authority effectively.

Passing these reforms will not be enough if the IRS lacks the personnel, technology, and funding to carry them out. A June 2026 TIGTA report found that the IRS workforce shrank by 28 percent between January 2025 and January 2026, including the departure of roughly one-third of its revenue agents and tax examiners.[4] Those are the employees responsible for examining returns, investigating noncompliance, collecting unpaid taxes, and resolving taxpayer cases. As TCS President Steve Ellis argued in an April 2026 Bloomberg Tax op-ed, modernizing the IRS and deploying new technology can improve efficiency, but neither can substitute for the experienced workforce needed to enforce tax laws and serve taxpayers.[5]

The effects are particularly clear in the IRS's oversight of large partnerships. A March 2026 TIGTA report found that the number of partnerships with at least $10 million in assets more than doubled between 2011 and 2023, while their examination rate fell from 2.7 percent to less than 0.1 percent. The IRS identified 345 large partnerships that either failed to respond or provided inadequate explanations for discrepancies in their returns. It did not examine any of them because it lacked sufficient time and resources.[6]

Section 1002 of the TAS Act would require large partnerships to file electronically, making their financial information easier for the IRS to process and analyze. That is a useful step, but electronic

---

[3] Treasury Inspector General for Tax Administration, The IRS Must Do More to Address Noncompliance and Potential Misconduct With Return Preparers, Report No. 2027-IE-R001 (October 21, 2026), 5–11, https://www.tigta.gov/sites/default/files/100/2027ier001fr.pdf.

[4] Treasury Inspector General for Tax Administration, Snapshot Report: Status of the IRS's Workforce as of January 2026, Report No. 2026-IE-R009 (June 9, 2026), https://www.tigta.gov/sites/default/files/reports/2026-06/2026ier009fr.pdf.

[5] Steve Ellis, "More IRS Budget Slashing Is Short-Sighted and Doomed to Fail," Bloomberg Tax (April 21, 2026), https://news.bloombergtax.com/tax-insights-and-commentary/more-irs-budget-slashing-is-short-sighted-and-doomed-to-fail.

[6] Treasury Inspector General for Tax Administration, The IRS Has Yet to Develop a Successful Strategy for Examining Large Partnership Returns, Report No. 2026-308-011 (March 18, 2026), 1–3, 7–10, https://www.tigta.gov/sites/default/files/2026-03/2026308011fr.pdf.

records do not examine themselves. The IRS still needs experienced employees who can evaluate discrepancies, determine whether additional taxes are owed, and pursue cases when partnerships do not provide adequate answers.

Overall, cuts to IRS enforcement cost the government more than they save. In its January 2026 cost estimate, the Congressional Budget Office found that rescinding $11.7 billion in IRS funding would reduce federal revenue by $25.6 billion over five years and $38.6 billion over a decade because the agency would conduct fewer enforcement actions.[7] That amounts to more than three dollars in lost revenue for every dollar cut. Enforcement cuts also do not affect all taxpayers equally. These gaps in oversight can benefit taxpayers with complex finances and the resources to exploit them, while wage earners and other taxpayers whose income is routinely reported to the IRS face more consistent scrutiny and enforcement. The result is a less fair tax system and larger deficits that everyone must bear.

Congress is asking the IRS to process returns more quickly, improve online services, prevent fraudulent refunds, oversee complex partnerships, and collect unpaid taxes. It cannot reasonably expect the agency to perform all of those functions while repeatedly reducing the staff and funding available to do the work. Taxpayer service and enforcement are connected. Accurate records, functioning technology, and enough trained employees help taxpayers resolve legitimate problems while allowing the IRS to focus its enforcement efforts on serious noncompliance.

We urge the House to approve the Senate-passed TAS Act and provide the IRS with the resources needed to implement it.

Sincerely,



Steve Ellis
President

[7] Congressional Budget Office, H.R. 7148, Consolidated Appropriations Act, 2026, Cost Estimate (January 21, 2026), 2, https://www.cbo.gov/publication/62029.