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MEMORANDUM

To: Reporters and Editors  
Fr: Jill Gerber for Sen. Grassley, 202/224-6522  
Re: GAO on 2008 tax filing season  
Da: Monday, Jan. 12, 2008

Sen. Chuck Grassley, ranking member of the Committee on Finance, with Senate jurisdiction over taxes, today made the following comment on a report from the Government Accountability Office, GAO-09-146, “Tax Administration: IRS’s 2008 Filing Season Generally Successful Despite Challenges, Although IRS Could Expand Enforcement During Returns Processing.” The report is available at <http://www.gao.gov/new.items/d09146.pdf>.

“The IRS did a lot things right in the filing season, even with the added challenge of getting out stimulus payments. However, there are some lessons to be learned and applied to the next filing season. The agency didn’t collect \$655 million because it pulled personnel from collections to staff phones to answer stimulus calls. That shift still wasn’t enough, and some taxpayers didn’t get their calls answered. Because of the quick timing of stimulus, the IRS couldn’t hire and train phone people quickly enough. However, the IRS could have made more use of the private contractors that exist just to make calls to taxpayers who owe money. This would have reduced the cost of using IRS collections staff to take stimulus calls.

“The IRS immediately should implement both recommendations to increase its use of Math Error Authority. By using this authority, the IRS could do more to identify and inform taxpayers who are not claiming credits for which they’re eligible, such as the child and dependent care credits. Also, the IRS could use this authority to disallow earned income tax credit claims by noncustodial parents, which appears to be a very big problem. Taxpayers should pay exactly what they owe, not a penny more or penny less. The IRS needs to help taxpayers get it right. If the IRS needs legislation to use additional Math Error Authority as recommended by the GAO or to improve its guidance to taxpayers and tax return accuracy, the agency should make the case for that. I’ll listen and if legislation is needed, will work to make it happen.”