

For Immediate Release

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88 Organizations Call for Stronger Tax Enforcement for Wealthy Individuals and Corporations

(Washington, DC) Over the past decade, because of steep budget cuts, the Internal Revenue Service (IRS) has reduced its audits of wealthy individuals and corporations so dramatically that now, low-income individuals receiving Earned Income Tax Credits are now audited at the same rate as the top one percent.

As a result the U.S. loses hundreds of billions of dollars in revenue from unpaid taxes and many high-income individuals and multinational corporations are increasingly able to avoid or evade the taxes they owe.

Now 88 groups dedicated to social, racial, gender, and economic justice, have published [an open letter](#) to President Biden and the new Congress to urge them to make fair and robust Internal Revenue Service (IRS) tax enforcement a top priority this year, writing, that “fair and adequate tax enforcement is critical for ensuring a tax system and an economy that works for ordinary Americans, not just the wealthy and powerful.” The letter was organized by the Center for American Progress, Public Citizen, and Americans for Tax Fairness.

The letter comes as Rep. Ro Khanna (D-CA) and Rep. Peter DeFazio (D-OR) are each today introducing bills that would substantially boost IRS resources and strengthen tax enforcement for wealthy individuals and corporations.

“In recent years, IRS budget cuts have severely weakened the enforcement of our tax laws, especially when it comes to ensuring that high-income individuals and large corporations are paying what they owe,” said [Seth Hanlon](#), senior fellow at the Center for American Progress. “The breadth of organizations urging stronger and more equitable tax enforcement highlight how important the issue is for economic and racial justice. The new Administration and Congress have a prime opportunity to make a substantial, multi-year investment in IRS enforcement and technology – an investment that will benefit all honest Americans, help reduce economic and racial disparities, and pay for itself many times over.”

“The Federal Government is losing at least \$600 billion a year due to tax evasion, mostly by the wealthy and corporations. That’s because the IRS lacks the resources and staff to go after the biggest tax cheats,” said [Frank Clemente](#), executive director of Americans for Tax Fairness. “Congress needs to pass comprehensive legislation this year that significantly increases IRS funding and orients its auditing program to the biggest and wealthiest tax scofflaws. This will help fund vital public services and restore faith in a system that lets too many rich Americans and profitable corporations get away without paying their taxes.”

“Americans of every political stripe are outraged that tax cheats are getting away scot-free,” said [Susan Harley](#), managing director of Public Citizen’s Congress Watch division. “Having been starved for resources for years, the IRS is in desperate need of an influx of funding and orders to take on increased auditing of the very wealthy and large corporations. And, increased investment in the IRS will also allow it to work better for the people of the United States. It’s far past time for Congress to make this a top priority.”

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[Americans for Tax Fairness \(ATF\)](#) is a diverse campaign of more than 420 national, state and local endorsing organizations united in support of a fair tax system that works for all Americans. It has come together based on the belief that the country needs comprehensive, progressive tax reform that results in greater revenue to meet our growing needs. This requires big corporations and the wealthy to pay their fair share in taxes, not to live by their own set of rules.