

PRESIDENT BIDEN'S 2025 BUDGET

Ensures Tax Fairness for American Families

[President Biden's 2025 budget](#) makes critical long-standing investments in the Internal Revenue Service (IRS) to bolster enforcement against wealthy tax cheats and modernize taxpayer services. These investments will not only facilitate a more equitable tax system, but ultimately benefit all Americans by enhancing efficiency and transparency in the tax system.

BUILDS ON IRA INVESTMENTS AND PROVIDES \$12.3 BILLION TO THE IRS

The Inflation Reduction Act (IRA) signed into law by President Biden on August 16, 2022, provided \$80 billion in funding to the IRS. In February, the Treasury Department and the IRS released a [report](#) showing the high return on investments made under the IRA in rebuilding and modernizing the IRS to make significant strides in efficiency and enhanced taxpayer services. The President's budget continues the Administration's commitment to ensuring that IRS tax administration is fair and equitable. It also maintains and extends the mandatory funding provided by the IRA. This investment will help the IRS bring in an additional \$341 billion in revenue over the decade.

In addition to the President's historic IRA investments, the budget invests \$12.3 billion for 2025 in the IRS. This important funding will improve the agency's customer service and help taxpayers understand and meet their tax obligations. It will allow the IRS to ramp up enforcement against wealthy tax cheats and collect the taxes owed.

ENSURES THAT THE IRS COLLECTS TAXES OWED BY WEALTHY TAX EVADERS

The budget prioritizes tax fairness by implementing measures to ensure that wealthy individuals and large corporations pay their taxes. Through the IRS' concerted efforts, the Biden Administration has already made significant strides. It has collected over \$500 million in unpaid taxes from fewer than 2,000 delinquent millionaires. In addition, enforcement actions targeting 25,000 millionaires have been initiated, demonstrating a proactive approach to tackling tax evasion among the wealthiest individuals in the country. This crackdown on wealthy tax evaders underscores the President's commitment to closing loopholes and enforcing tax laws equitably.

INVESTS IN MODERNIZATION EFFORTS TO IMPROVE IRS CUSTOMER SERVICE

The IRA investments have resulted in tangible improvements to taxpayer services at the IRS, ensuring smoother customer service interactions and more efficient assistance for taxpayers nationwide. Using IRA resources, through the end of the 2023 filing season, the IRS answered 3 million more calls, cut call wait times from 28 minutes to three minutes, served 140,000 more taxpayers in-person, digitized 80 times more returns than in 2022 through new scanning technology, and cleared the backlog of unprocessed 2022 individual tax returns with no errors. The IRS is expanding Taxpayer Assistance Centers across the country, which provide in-person support to communities, particularly underserved and rural communities, and will collectively offer over 8,000 hours more of in-person assistance than they did last filing season.

The budget continues to modernize customer service efforts aimed at expanding digital, phone, and in-person service options. By investing in these improvements, the IRS will be better equipped to meet the evolving needs of taxpayers, ensuring accessibility and efficiency across various platforms. These investments demonstrate the Administration's commitment to improving the taxpayer experience and promoting a fair and efficient tax system. This modernization effort is crucial to customer service enhancements across the agency allowing the IRS to quickly process returns and enhance its ability to provide timely assistance to taxpayers.

REPUBLICAN CUTS TO IRS HARM HARD WORKING AMERICANS AND INCREASE THE DEFICIT

While the President provides resources and support for the IRS and taxpayers, Republicans have repeatedly attacked the agency and tried to undermine its efforts. [The Republican 2025 budget](#) cuts \$85 billion of funding from general government agencies that support tax enforcement and government oversight activities. These cuts prevent the IRS from keeping pace with the sophisticated tools employed by the wealthiest taxpayers to hide their income and evade their fair share of taxes. Deep cuts also hamper agencies' work to combat improper payments, delivering benefits to the right people, at the right time, for the right amount.

Ultimately, those cuts detrimentally impact hard working Americans while providing a haven for wealthy tax evaders. With diminished resources, the IRS has struggled with enforcement efforts, resulting in fewer audits and less scrutiny on wealthy individuals and corporations. According to the [Treasury](#), due to cuts, audit rates on millionaires fell by more than 70 percent from 2010 to 2019, and the audit rate on large corporations fell by more than 50 percent over the same time period. As a result, the tax gap has grown more than \$600 billion annually. According to recent analysis from the nonpartisan [Congressional Budget Office](#), Republicans' demand for \$35 billion in IRS cuts, to shield wealthy tax evaders, would reduce revenues by \$89 billion and increase the deficit by \$54 billion.

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.



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ON THE BUDGET**

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