



July 10, 2023

The Honorable Patty Murray
Chair
Committee on Appropriations
154 Russell Senate Office Building
Washington, DC 20510

The Honorable Sheldon Whitehouse
Chair
Committee on the Budget
530 Hart Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
Vice Chair
Committee on Appropriations
413 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Chuck Grassley
Ranking Member
Committee on the Budget
135 Hart Senate Office Building
Washington, DC 20510

Re: Appropriate funding for the IRS

PayrollOrg, formerly American Payroll Association, urges you to maintain promised funding for the Internal Revenue Service (IRS). Providing the IRS with predictable support to modernize, hire, and train new staff, as well as work with stakeholders to improve processes and procedures, is vitally important to payroll professionals directly responsible for withholding approximately 70% of the annual revenue collected by the IRS.

About PayrollOrg

Established in 1982, PayrollOrg is a non-profit organization serving the interests of more than 20,000 payroll professionals nationwide. One of PayrollOrg's core missions is providing representation for payroll professionals at the federal, state, and local levels. This is done primarily through PayrollOrg's Government Relations Task Force in which members educate government and community leaders about the payroll industry and the best practices associated with paying workers.

Electronic Capabilities and Modernization

For the business community, improved electronic communication systems with the IRS provides a clear advantage over manual intervention for filing tax and information returns, as well as responding to taxpayers. A well-designed infrastructure that prevents cyber-attacks requires resources both in technology and human capital. Unfortunately, identity



thieves and tax fraudsters are continuously altering their methods. Business stakeholders, like PayrollOrg and its members, are working closely with the IRS on measures to prevent these attacks, but we see that the IRS lacks the necessary resources to be successful.

In addition, PayrollOrg members need the IRS to modernize its systems to ensure that all forms can be filed and processed electronically. For example, when original forms can be filed and are processed electronically but not corrected forms, employers complete tax records are delayed causing both payment and refund problems that are difficult to resolve. Without electronic filing and processing capabilities, employers' complete transcripts are not readily accessible to IRS agents and employer representatives. These capabilities require sufficient funding.

PayrollOrg appreciates the role that U.S. Senators play regarding the federal budget and the challenges of ensuring adequate agency funding while properly managing tax dollars. For this reason, we urge you to maintain the vital funding for the IRS. The IRS plays a critical role in enforcing federal tax law to secure financing for a myriad of federal programs, including national defense, highway building and maintenance, veterans' benefits, medical research, and disaster relief. Collected revenue also reduces the national deficit.

Sincerely,



Alice P. Jacobsohn, Esq.
Director, Government Relations

For Government Relations Task Force
Federal Issues Subcommittee
Chairs Rebecca Harshberger, CPP, and Jon Schausten, CPP