



COMMISSIONER'S CORNER

A message from IRS Commissioner John A. Koskinen



As we continue to operate with a constrained budget, an area of concern for all of us remains the significant decline in the number of employees across the IRS. With our budget down more than \$900 million since 2010, there are unmet needs across the IRS and there have been few opportunities to hire new employees during the last six years.

With that in mind, I'd like to share with you some important news. Now that we're more than halfway through this fiscal year, we've determined that we have enough resources to hire between 600 and 700 new employees in our enforcement areas. Our first priority for hiring this year was to address taxpayer service. We were able to add more than 1,000 W&I employees to our taxpayer phone lines after Congress provided \$290 million specifically for taxpayer service, identity theft and cybersecurity.

The decision to hire more enforcement personnel is based on several factors. A key element is the large number of retirements and attrition among enforcement employees. In previous years, job losses across the agency have helped us absorb the funding cuts we have received, but left us with large gaps in various areas across the agency. This year, we've determined that we have the resources available to hire these employees as a result of the rate of attrition in enforcement and your continuing dedication to find efficiencies to help us with the budget.

To put this in perspective, this will be our first significant enforcement hiring in more than five years. This is a good development for our tax system. When you look at the IRS overall, every dollar invested in us returns at least \$4 to the Treasury. The numbers are even higher when it involves enforcement. Each enforcement position typically returns almost \$10 to the U.S. Treasury for every dollar spent — and in many instances, much more.

This is also a good development for our employees, with two waves of job announcements. The first will be in the next few weeks, with announcements being posted internally and externally for many entry-level positions, primarily in SB/SE. These revenue agents, revenue officers and other enforcement positions will be posted in locations around the country. CI special agents and some positions in W&I and Chief Counsel will also be part of this initial wave of hiring. As we bring in more personnel, we anticipate a second wave of hiring coming later this year, providing employees with promotional opportunities for higher-level enforcement positions, including in LB&I, SB/SE, TE/GE as well as positions in Appeals. Employees in the second wave of hiring will assist with high-profile enforcement areas, including international tax issues, refund fraud and identity theft.

Some of you may wonder why this hiring is in just specific enforcement areas and not elsewhere across the IRS. That's because our budget is allocated to specific areas, such as tax enforcement, taxpayer service, operations support and business systems modernization. Unlike a household budget, we cannot easily move money from one area to another. When funding is available in one area, we are required to spend it in that area. Clearly, we have unmet needs in other areas that we continue to work on and I continue to discuss that with Congress and in my public speeches. The Administration's budget proposal for 2017, if adopted by Congress, would

add more than 5,000 positions across the IRS, provide you with new tools to help you do your jobs and support our ongoing Future State initiatives.

Our upcoming enforcement hiring, combined with our phone assistor hires, is an essential part of our Future State efforts. To serve taxpayers and the nation's tax system, we clearly need more people to improve the taxpayer experience as well as our employees' experience. At the end of the year, we believe we will be down more than 2,000 employees for the year, bringing our loss of employees to over 17,000 since 2010. More than 5,000 of those employees have been in our enforcement area. While adding 600 to 700 new enforcement hires will not replace those who have left, it will help fill key gaps in our enforcement workforce created by years of attrition and will provide existing employees promotion and developmental opportunities, including serving as mentors and instructors for the new staff.

Today's announcement is an important step in the right direction. Adding employees — combined with your continued hard work and dedication — is a sound investment for the nation. Thank you all for your efforts, and I wish you a very happy Public Service Recognition Week.

— *John A. Koskinen*