

## House OKs FY 2022 budget bump for IRS

The House of Representatives this week approved a fiscal year 2022 spending package that, among other things, calls for a \$13.6 billion allocation for the Internal Revenue Service, an increase of \$1.7 billion over the level enacted for FY 2021.

The IRS funding provisions are part of a Financial Services and General Government spending bill that was included in a larger “minibus” (H.R. 4502) carrying seven discrete appropriations measures that cover a broad swath of federal departments and agencies. H.R. 4502 cleared the chamber on July 29 by a vote of 219-208.

[URL: https://docs.house.gov/billsthisweek/20210726/BILLS-117-RCP117-12.pdf](https://docs.house.gov/billsthisweek/20210726/BILLS-117-RCP117-12.pdf)

The House-approved bill includes a baseline allocation of roughly \$13.2 billion for the Service plus a program integrity allocation adjustment of \$417 million that the Biden administration requested in its FY 2022 budget blueprint as part of a multi-year effort to beef up compliance and enforcement activities to narrow the “tax gap,” the difference between the amount of tax owed to the government and the amount actually collected. (For details on the White House budget blueprint, see *Tax News & Views*, Vol. 22, No. 28, May 29, 2021.)

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210529\\_1.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210529_1.html)

Across the Service’s four program areas, the bill as approved would provide:

- \$2.9 billion for taxpayer services (an increase of \$385 million above the FY 2021 enacted level);
- \$5.8 billion for enforcement (an increase of \$538 million, including funds from the program integrity allocation adjustment, over FY 2021);
- \$4.6 billion for operations support (an increase of \$650 million, including funds from the program integrity allocation adjustment, over FY 2021); and
- \$305 million for business systems modernization (an increase of \$82 million over FY 2021).

### Next steps

The House’s proposed allocations for the IRS and other agencies funded under the Financial Services and General Government umbrella will eventually need to be reconciled with a separate proposal from the Senate.

Senate appropriators have not yet released their version of a Financial Services and General Government funding measure.

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