

Congress of the United States

Washington, DC 20515

April 30, 2024

The Honorable David Joyce
Chairman
House Appropriations Committee
Subcommittee on Financial Services
and General Government
2000 Rayburn House Office Building
Washington, DC 20515

The Honorable Steny Hoyer
Ranking Member
House Appropriations Committee
Subcommittee on Financial Services
and General Government
2334 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Joyce and Ranking Member Hoyer:

Thank you for your ongoing efforts to conduct oversight of agencies within the jurisdiction of the Subcommittee on Financial Services and General Government, including the Department of Treasury and the Internal Revenue Service (IRS). We write today seeking your assistance in addressing an issue of concern – continued IRS efforts to implement and operate a direct electronic tax filing system without statutory authority to do so.

While the Internal Revenue Service has authority to allow third party services to provide direct electronic filing of tax returns, including a free-filing option for taxpayers earning \$79,000 or less, it has no statutory authority to operate a direct e-filing system. Likewise, although Public Law 117-169 provided IRS with funding and authority to study the cost and feasibility of a direct filing system, the legislation provided that authority for just nine months after enactment and included no authority to build or operate such a system. At a February 15, 2024, hearing before the Ways and Means Committee, IRS Commissioner Daniel Werfel could not cite explicit authority for IRS to operate a direct file system.

Despite lacking statutory authority, the IRS just completed the first year of its Direct File pilot program at an estimated cost of \$24.6 million. Based on this pilot, the IRS has indicated it is considering further expansion of Direct File for tax year 2024, at an estimated cost of \$64 million to \$249 million. Despite members' divergent views on the merits of direct file, we should all be troubled when a federal agency ignores the will of Congress to enact substantial, unauthorized programs without explicit authority.

In order to reinforce this lack of statutory authority and restore spending authority to Congress, we request you include explicit language in the Fiscal Year 2025 Financial Services and General Government appropriations bill prohibiting the Department of Treasury and IRS from utilizing appropriated funds to operate the Direct File program. Such a prohibition would prevent the agency from diverting funds from authorized accounts for the purposes of expanding this unauthorized pilot.

Thank you for your consideration of this request. We look forward to working with you as the FY2025 appropriations process moves forward.

Sincerely,



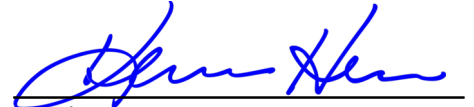
Adrian Smith
Member of Congress



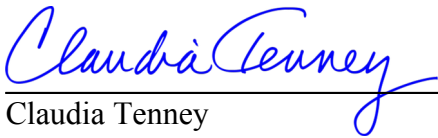
Mike Kelly
Member of Congress



Darin LaHood
Member of Congress



Kevin Hern
Member of Congress



Claudia Tenney
Member of Congress