



GENERAL LEGAL ACTIVITIES Tax Division

FY 2022 Budget Request At A Glance	
FY 2021 Enacted:	\$111.0 million (499 positions; 377 attorneys)
Current Services Adjustments:	+\$5.2 million
Program Changes:	+\$0
FY 2022 Budget Request:	\$116.2 million (499 positions; 377 attorneys)
Change From FY 2021 Enacted:	+\$5.2 million (+4.7%)

Mission:

The mission of the Tax Division (TAX) is to enforce the Nation’s tax laws fully, fairly, and consistently, through both criminal and civil litigation, to promote voluntary compliance with the tax laws, maintain public confidence in the integrity of the tax system, and promote the sound development of the tax laws.

Organization:

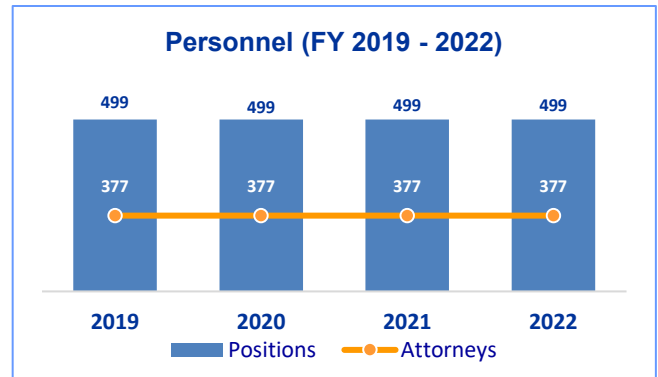
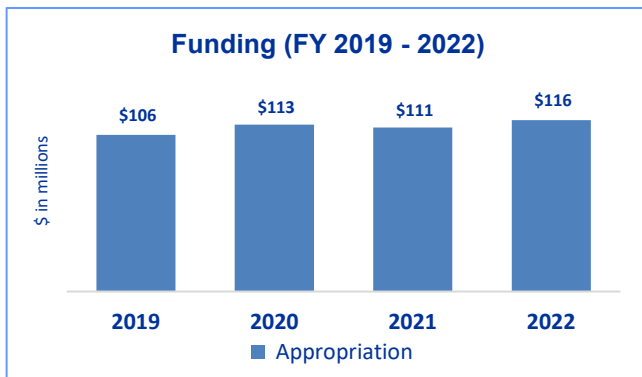
TAX is headed by an Assistant Attorney General, who is appointed by the President and confirmed by the Senate. Four Deputy Assistant Attorneys General help manage the Division. All of the Division’s offices are located in Washington, DC, except for the Southwestern Civil Trial Section, which is located in Dallas, Texas.

Resources:

The FY 2022 budget request for TAX totals \$116.2 million, which is a 4.7 percent increase over the FY 2021 Enacted.

Personnel:

TAX’s direct authorized positions for FY 2022 total 499 positions and are the same as FY 2021 Enacted.



FY 2022 Strategy:

TAX will continue to play the leading role in the Federal Government's efforts to enforce tax laws fully and fairly in both civil and criminal matters to combat abuse of the Nation's internal revenue laws. TAX's litigation furthers the longstanding bi-partisan goal of reducing the tax gap. TAX also represents a significant return on investment, as the sums collected and refunds saved by the Division consistently exceed its annual appropriation. In addition, TAX's strategy of publicizing its litigation accomplishments has a deterrent effect on would-be tax offenders, while also strengthening the Nation's voluntary compliance system by assuring law-abiding taxpayers that those who attempt to shirk their lawful responsibilities will be held accountable.

TAX's strategy is to use all of the tools available to ensure strong, consistent and uniform enforcement of the internal revenue laws to punish or penalize offenders, deter future violations, and reassure honest taxpayers that they will not bear an undue share of the Federal tax burden. Syndicated conservation easements, for example, are used by some promoters as fraudulent tax shelters to claim billions of dollars in improper tax benefits. TAX commenced criminal investigations that have already resulted in two tax professionals pleading guilty to promoting a syndicated conservation easement tax scheme involving more than \$1.2 billion in fraudulent charitable deductions. At the same time, TAX has successfully litigated civil cases to gather records for the IRS's ongoing examinations, to establish that claimed deductions were not proper, and to enjoin promoters from continuing to claim hundreds of millions of dollars in improper tax benefits. TAX's approach of using all available tools in defeating syndicated conservation easements is the strategy underlying its enforcement work.

TAX's criminal enforcement strategy for FY 2022 will continue to focus efforts on several high-priority criminal enforcement areas, including: employers who fail to collect or pay the employment taxes they owe; non-compliance with U.S. tax laws through the use of secret offshore bank accounts, technically sophisticated financial instruments, and cryptocurrencies; those who reject the legal foundation of the tax system (despite decades of legal precedent upholding the system's constitutional and statutory validity) and who take specific and concrete action to violate the law; and cases in which tax charges have long been used to prosecute complex fraud such as mortgage fraud, securities fraud, and other financial frauds that are often strengthened by the addition of tax charges.

TAX's primary civil strategy is to file tax enforcement and collection cases in the Federal courts and defend suits claiming tax refunds. By targeting acute tax enforcement problems that threaten the nationwide administration of the tax system, TAX ensures that tax laws are properly enforced. TAX brings suits to stop tax scam promoters and unscrupulous preparers, to collect unpaid taxes, and to allow the Internal Revenue Service to obtain information needed for tax enforcement. TAX also defends the Federal Treasury against tax refund claims arising from complex and abusive corporate and individual tax shelters that are estimated to cost the Treasury billions of dollars annually.

FY 2022 Program Changes:

The budget proposal includes current services funding for TAX. No program changes are requested.

Tax Division
(Dollars in Thousands)

	Tax Division		
	Pos	FTE	Amount
2020 Appropriation	499	417	112,831
2021 Enacted	499	451	111,002
2022 Request	499	451	116,169
Change 2022 from 2021 Enacted	0	0	5,167
Technical Adjustments			
Total Technical Adjustments	0	0	0
Base Adjustments			
Pay & Benefits	0	0	2,460
Domestic Rent & Facilities	0	0	2,707
Total Base Adjustments	0	0	5,167
2022 Current Services	499	451	116,169
Program Changes			
Increases:			
Subtotal, Program Increases	0	0	0
Decreases:			
Subtotal, Program Decreases	0	0	0
Total Program Changes	0	0	0
2022 Request	499	451	116,169

Tax Division
(Dollars in Thousands)

Comparison by activity and program	2021 Enacted			2022 Current Services		
	Pos.	FTE	Amount	Pos.	FTE	Amount
General Tax Matters	499	451	111,002	499	451	116,169
Total	499	451	111,002	499	451	116,169
<i>Sub-Allotments and Direct Collections (FYI)</i>		31			31	
FTE Grand Total		482			482	

Comparison by activity and program	2022 Total Program Changes			2022 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount
General Tax Matters	0	0	0	499	451	116,169
Total	0	0	0	499	451	116,169
<i>Sub-Allotments and Direct Collections (FYI)</i>		0			31	
FTE Grand Total		0			482	