



Transactional Records Access Clearinghouse  
Syracuse University

March 21, 2022

The Honorable Charles P. Rettig  
Commissioner of the Internal Revenue Service  
1111 Constitution Ave NW  
Washington, DC 20224

RE: Thursday, March 17, 2022 testimony

Dear IRS Commissioner Charles P. Rettig:

Last Thursday, March 17, 2022, in testimony before the Ways & Means Oversight Subcommittee of the U.S. House of Representatives, you hurled serious accusations against the accuracy of the statistics published by the Transactional Records Access Clearinghouse (TRAC) in our [recent report](#) covering audits IRS completed during Fiscal Year 2021.

We were astounded by your statements. As you yourself know, these weren't TRAC's figures but were the actual statistics IRS itself had provided to us. Nor is our reporting new. We have been regularly reporting on [federal tax enforcement](#) since TRAC's founding in 1989 at Syracuse University.

According to the online recording of your testimony<sup>1</sup> you stated: "that report by Syracuse University is absolutely 100% false."

We are writing this open letter to ask you to withdraw this outrageous claim, and to supplement your published testimony so that Congress and the public have an accurate and more complete understanding regarding the audit statistics for FY 2021 and those you chose to selectively cite which were actually for Tax Year 2016.

***1. You claimed that the statistics in TRAC's report on IRS's FY 2021 audits of federal income tax returns were "absolutely 100% false." Please release the actual number of correspondence and field examinations IRS completed during FY 2021, by type and size of return.***

You last published these statistics for returns examined in Fiscal Year 2019 [see Table 17b in Internal Revenue Service Data Book, 2019]. Please publish the corresponding updated figures for individual income tax returns examined in Fiscal Year 2021. That way Congress and the public will be able to directly compare your 2021 figures against those contained in TRAC's report covering FY 2021 and can decide for themselves whether the serious accusations you

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<sup>1</sup> <https://waysandmeans.house.gov/legislation/hearings/oversight-subcommittee-hearing-irs-commissioner-rettig-2022-filing-season>. We are referring to your testimony responding to a question from Rep. Judy Chu, starting at about 39:50 of this recording.

hurled were true or false.

**2. To refute our report covering FY 2021, you referred everyone to page 33 of the [2020 Data Book](#) along with its Table 17. Please take steps to make sure that your testimony -- as page 33 (below) of the 2020 Data Book which you cited makes clear -- affirmatively acknowledges that your numbers actually reflected “exam coverage rate[s] for Tax Year 2016.”**

In claiming that TRAC’s report on FY 2021 audits was wrong because these statistics differed from the figures you gave in your testimony, you neglected to mention that you were describing the exam coverage rates for Tax Year 2016! The coverage rates back then in fact would seem to support our report’s findings that currently IRS under your leadership has vastly increased the targeting of these lowest income wage-earners.

- *The exam coverage rate for Tax Year 2016 (the most recent year outside the statute of limitations period) of individual taxpayers reporting total positive income (TPI) of \$10 million or more was 7.0 percent. The rate for taxpayers with TPI of \$5–10 million was 4.2 percent and 2.2 percent for those with TPI between \$1–5 million (Table 17).*

As you are no doubt aware, TRAC has been publishing annual reports on IRS tax audits now for many decades. As you also know, TRAC obtains these figures directly from the IRS under a long-standing court order that requires the IRS to release internal management reports to us every month providing detailed statistics on audits IRS has completed. See *Long et al v. United States Internal Revenue Service, USDCDC WAW, Case Number 2:1974CV00724*. At that time, shortly after the Freedom of Information Act was passed, the IRS refused to release this information. As a result of this 1974 litigation, the IRS began including current audit statistics in its annual reports.


Unfortunately, in FY 2019 – the same FY you were appointed Commissioner -- IRS started substituting historical series for current audit statistics, so that today the published statistics you chose to cite in your testimony from the latest IRS Data Book was for tax year 2016. Also, while [IRS publishes tax return information by zip code](#), it now neglects to make available any geographic breakdown of the audits it conducts – information it formerly provided.

The IRS with inadequate money and staffing may not be able to do everything it needs to do. But taxpayers should not be audited simply because they are easy marks. Nor should businesses in one state or area of the country be audited at much higher rates simply because IRS located many more of its auditors there, leaving other states with fewer suitable revenue agents.

Improved public transparency on IRS audits of individual and business returns, both by income/asset size as well as geographic location, is needed to help restore public faith in the fairness of our tax administration system.

We urge you as IRS Commissioner to restore the regular release of *current* statistics on how IRS targets its audits, by taxpayer characteristics including income level and business size, as well as by a taxpayer's state of residence or business.

Sincerely,

A handwritten signature in black ink that reads "Susan B. Long". The signature is fluid and cursive, with the first name "Susan" being more prominent than the last name "Long".

Susan B. Long  
Co-Director, TRAC and  
Associate Professor  
Martin J. Whitman School of Management  
Syracuse University

A handwritten signature in black ink that reads "David Burnham". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Burnham".

David Burnham  
Co-Director, TRAC and  
Associate Research Professor  
S.I. Newhouse School of Public Communications  
Syracuse University

CC: House Ways and Means Oversight Subcommittee Chair Bill Pascrell, Jr.  
Representative Judy Chu, member House Ways and Means Oversight Subcommittee  
Secretary of the Treasury Janet L. Yellen