

TAX TAKE: All Eyes on the IRS

Tax Alert

11.06.2023

As the House of Representatives and Senate focus on year-end legislative priorities, both chambers paid significant attention to the IRS last week. Last Thursday, the House passed, mainly by a party-line vote, a [\\$14.3 billion Israel aid package](#) that also rescinded funds that the Inflation Reduction Act (IRA) allocated to the IRS. While the IRS cut was intended as a "pay for" for the Israel aid, according to the Congressional Budget Office (CBO), the IRS rescission will actually increase the deficit by [\\$12.5 billion over 10 years](#) due to a reduction in federal tax collections. You can find a more-detailed summary of the House package [here](#).

The House aid package is a non-starter in the Senate, due to objections over the IRS cuts and lack of Ukraine aid. That said, House Republicans have prioritized cutting IRS funding since gaining the majority and got a taste of success in the debt-limit negotiations, which sliced about \$20 billion in IRS money, so this policy priority is likely to resurface again and again.

Also last Thursday, [with a bipartisan vote](#), the Senate Finance Committee approved President Biden's nominee for IRS Chief Counsel, Marjorie Rollinson. The vote was 16-11, with Senators Bill Cassidy (R-LA) and Thom Tillis (R-NC) joining Democrats in supporting Rollinson. Notably, Ranking Member Mike Crapo (R-ID) [voted no](#). Rollinson's nomination now heads to the Senate floor, where we expect her to be confirmed soon.

The IRS has been without a Senate-confirmed Chief Counsel for almost three years. If confirmed, Rollinson will play a pivotal role in the development of tax regulations, including items important to the Biden administration, such as IRA implementation guidance. She will also be a key advisor to the IRS Commissioner on its [Strategic Operating Plan](#) and other tax administration priorities.

Stay tuned for additional developments relating to the IRS and the tax policy outlook for the end of the year. #TaxTake

Upcoming Speaking Engagements and Events

Fellow Tax Member Rob Kovacev will interview Loren during the keynote luncheon at the [TEI-SJSU High Tech Tax Institute](#) on November 7.

Loren and Tax Department Chair Layla Asali are speaking at the [ABA 34th Annual Philadelphia Tax Conference](#) on November 14 and 15.

Loren will present a legislative update and outlook at [The Tax Council's Annual Meeting](#) on November 16.

Marc will present at the [2023 Blue Cross Blue Shield National Tax Conference](#) in Austin on November 29.

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