

[IRS Five Times More Likely to Audit Low-Income Filers Than All Others, Including Top 1 Percent: Watchdog](#)

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Internal Revenue Service (IRS) officials audit returns of taxpayers making \$25,000 or less at a much higher rate than for all other income earners, including those in the top 1 percent who President Joe Biden claims pay nothing, according to a nonprofit government watchdog.

“So far, it has completed 132,922 audits of these low-income wage earners with less than \$25,000 in total gross receipts. This is up from 105,978 audits IRS had completed a year ago at the end of February 2021,” the Syracuse University-based Transactional Records Access Clearinghouse (TRAC) reports.

“If IRS continues at this same pace for the rest of this fiscal year, audit rates would inch up to 13.5 per 1,000 returns—slightly higher than the phenomenally high rates that occurred last year when IRS audited the poorest families claiming an anti-poverty earned income tax credit at five times the rate for everyone else,” TRAC said.

Using the federal Freedom of Information Act (FOIA) to obtain data directly from the federal tax agency, TRAC regularly publishes the raw data and its statistical analyses of IRS tax administration, collection, and enforcement activities, as well as staff management practices. The nonprofit also obtains, analyzes, and publishes a wide variety of data from other federal departments and agencies.

More than half—51.6 percent—of all IRS agency audit correspondence was targeted to the lowest income earners, TRAC said. But the percentage of such correspondence has already increased to 58.1 percent in just the first five months of 2022, the nonprofit said.

“Field audits, although relatively small in number, are also up for these lowest wage earners. In contrast, thus far during FY 2022, both the number and percentage of correspondence as well as field audits dipped for all other taxpayers,” TRAC said.

Previously, TRAC reported on the paucity of high-income-earner audits, noting that “less than two out of every 100 taxpayers reporting over \$1 million of income were audited last year.

“While the ranks of millionaires have nearly doubled since Fiscal Year 2012, the number of millionaire returns that were audited has actually fallen 72 percent—down from 40,965 millionaire audits in FY 2012 to just 11,331 in FY 2020.”

Data on the IRS's focus on tax compliance by the lowest income earners comes as Biden is proposing to boost taxes on those in the top tax brackets in a manner that's unprecedented in American history.

"How is it possible for millionaires and billionaires that can pay a lower rate of tax than teachers, firefighters, or law enforcement officers?" Biden said last year when he proposed raising the top marginal tax rates.

He also proposed doubling the IRS workforce by adding 87,000 positions, mostly in the enforcement division, increasing the agency's budget by 10 percent, and lowering the threshold at which agents could examine an individual's bank account transactions to everything valued at \$600 or more. Congress didn't adopt those Biden proposals.

This year, the president is asking Congress to enact new levies on the "unrealized gains" of the wealth of the most affluent taxpayers. If Biden's proposed tax increase is adopted, it would mark the first time the government would be requiring payment on income before it's actually earned.

Biden's tax proposals and management of the federal tax enforcement system are drawing criticism from key members of Congress.

Rep. Steve Womack (R-Ark.), the ranking GOP member of the House Appropriations Subcommittee that determines the IRS budget, told The Epoch Times he believes the Biden policies will be particularly harmful for families and small businesses.

"President Biden has said a budget is a testament of values. Well, his proposal shows he's ready to double down on reckless tax-and-spend policies. As families and small businesses see their costs and bills go up—and the worth of their paychecks go down—he's calling for a massive IRS expansion," Womack said.

"This [is] on the tail of the controversial IRS surveillance scheme they tried to sneak by just last year. Agency resources should be focused on core missions, including dealing with the historic tax return backlog, not unfairly targeting people or pushing any political agenda," he continued. Womack is a former chairman of the House Budget Committee and is likely to have a major voice in tax issues on the appropriations panel in 2023, if voters reward Republicans with a majority in November's midterm elections.

The IRS media relations office didn't respond by press time to The Epoch Times' request for comment on the TRAC report. A spokesman for Rep. Mike Quigley (D-Ill.), chairman of the House Appropriations Subcommittee with oversight of the IRS, also didn't respond to a request for comment.