

Larry's Tax Law

The IRS Will Benefit from President Obama's 2016 Budget Proposal

By Larry Brant on 2.17.15 | Posted in Legislation, Tax Laws

As reported in my [January 20, 2015 blog post](#), the IRS continues to take strong blows to its body in terms of budget setbacks. President Obama, however, as part of his administration's 2016 budget proposal issued on February 2, 2015, plans to end some of the pain being imposed on the Service. His budget proposal, if enacted, would infuse over \$12.9 billion into the Service's coffers during fiscal year 2016. This represents an increase of approximately \$2 billion over the fiscal year 2015 IRS budget.

The budget enhancement proposed by President Obama is targeted to be used for many worthy efforts, including enhancing taxpayer service, enhancing information technology (e.g., creating and implementing a new online tax filing system and taxpayer payment options), and improving the Service's tax compliance/enforcement capabilities.

These budget expenses are clearly worthy. Consequently, it is difficult to debate enhancing the IRS budget in this manner. The \$2 billion query that follows, however, is where our government will get the additional revenue to fund this cause. Unless other government agency budgets get slashed, the answer to this question most certainly has to be tax increases. This is not an acceptable answer for most taxpayers and lawmakers. It will be interesting to see what lawmakers do with this portion of the President's budget proposal.

Stay tuned for further commentary on the President's 2016 fiscal year budget proposal.

Tags: IRS budget, legislation, President Obama