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The Inflation Reduction Act Unleashes A Tougher IRS

The Schumer-Manchin tax bill known as the [Inflation Reduction Act](#), which passed the Senate on Sunday, raises taxes and will give [the IRS billions to go into what the Wall Street Journal called “beast mode.”](#)

In all, the meant-to-be-inflation buster bill will dole out about \$80 billion to the IRS for increase enforcement, operational improvements, customer service, and systems modernization. Think big, *really* big. That \$80 billion is more than six times the current annual IRS budget of \$12.6 billion.

How can the IRS spend all of that? You guessed it, the bill says a whopping \$45.6 billion will be for enforcement, and make no mistake, enforcement is the main directive from Democrats to the IRS. Get bigger, tougher and faster at collecting, and make them pay. Meanwhile, the IRS could be ramping up its police power too. The IRS is a key part of the government, but not one you usually associate with law enforcement and guns.

Only the Criminal Investigation Division of the IRS can carry guns, but the IRS has been buying more guns and ammunition in recent years, snapping

up [nearly \\$700,000 in ammo in early 2022](#). The bullet buy prompted Representatives Matt Gaetz (R-FL) and Jeff Duncan (R-SC) to [introduce](#) the “[Disarm the IRS Act](#),” to prohibit the IRS from buying ammunition.

Representative Marjorie Taylor Greene (R-GA) [tweeted](#), "87,000 IRS agents will be hired with \$80 billion taxpayer dollars when the [Senate](#) Reconciliation bill passes this weekend. And they're buying more guns & ammo too. Lower to middle income Americans & small businesses will be the primary targets of Democrat's new IRS force."

The IRS has a hard job to do, but worry about the IRS inventory of weapons is not new. An official [report published by the Government Accountability Office](#) said that at the end of 2017, the IRS had 4,487 guns and 5,062,006 rounds of ammunition in its weapons inventory.



Many federal agencies were reviewed and assessed in the GAO study, [Purchases and Inventory Controls of Firearms, Ammunition, and Tactical Equipment](#) (GAO-19-175) (Dec 13, 2018). Some of the guns the IRS has are fully automatic machine guns. Compared to seeing gun-toting IRS Agents at your door, a correspondence audit doesn't sound too bad. An audit report from the Treasury Inspector General for Tax Administration covering 2009 to 2011 said that [IRS Agents accidentally discharged their guns 11 times](#) during that time. The report says that IRS agents fired their guns accidentally more times than they did *intentionally*. Some of the misfires caused property damage or personal injury. A few defendants in criminal tax cases have tried to suppress evidence based on the IRS carrying guns.

In [United States v. Adams](#), the First Circuit Court of Appeals affirmed Charles Adams' conviction for conspiracy to defraud the United States by obstructing payroll tax collections and tax evasion. Mr. Adams was convicted despite his argument that the IRS agents carrying guns was not allowed by law. Mr. Adams was essentially treated as a tax protester, which is clearly a pejorative term. Even so, he isn't the first taxpayer to be unhappy about the IRS having weapons. In fact, an IRS [business card](#) can cause more heart palpitations than the CIA, FBI, or Department of Justice. You don't need to see a firearm to get weak in the knees.

There is a separate part of the IRS that is [criminal](#), not civil. Like the FBI, the IRS Criminal Investigation Division uses the Special Agent terminology. If you are visited by an IRS Criminal Investigation Division Special Agent, you should consult with an attorney. You are not legally required to talk to them. In fact, the [Fifth Amendment to the U.S. Constitution](#) guarantees your right against self-incrimination. That means you can't be compelled to be a witness against yourself in a criminal case. You may believe that by answering a few simple questions you will not hurt yourself or your position—especially if you

are just a witness. Yet speaking up might actually help the IRS build a criminal case against *you*. The IRS may (quite honestly) tell you that you are not the target of the investigation, but merely a witness. Even so, you are entitled to retain counsel. Besides, the IRS view of you may change.

In the early stages of IRS criminal investigations, a person may be told he or she is a witness. You may therefore think there is no harm in being forthcoming, and that your cooperation will actually make it more likely that the IRS will appreciate you and leave you alone. However, as the investigation continues, a witness can become a target. Even if you are convinced you are merely a witness and will remain so, the U.S. Supreme Court has ruled that you have the right to assert your constitutional privilege against self-incrimination. See [*Bellis v. United States*](#).

If you are approached and questioned by a Special Agent, ask for his or her business card. Firmly but politely state that you do not want to answer any questions and that you will have your attorney contact the Special Agent. You can fully cooperate through your attorney. This may sound paranoid, but given the fluid nature of who is a witness and who is a target, even statements you think sound innocent may not be. Suppose you are asked whether you do business with Joe or know Sally. If you answer falsely, you may face felony charges. See [18 U.S.C. Sec. 1001](#). Plus, making a false statement can be considered evidence of an attempt to conceal other criminal conduct.

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