



GENERAL LEGAL ACTIVITIES Tax Division

FY 2025 Budget Request At A Glance	
FY 2024 Continuing Resolution:	\$122.1 million (511 positions; 388 attorneys)
Current Services Adjustments:	+\$7.1 million
Program Changes:	+\$0
FY 2025 Budget Request:	\$129.3 million (511 positions; 388 attorneys)
Change From FY 2024 Continuing Resolution:	+\$7.1 million (+5.8%)

Mission:

The mission of the Tax Division (TAX) is to enforce the nation’s tax laws fully, fairly, and consistently, through both criminal and civil litigation, to promote voluntary compliance with the tax laws, maintain public confidence in the integrity of the tax system, and promote the sound development of the tax laws. The Division represents the United States in legal cases related to the internal revenue laws across federal district, bankruptcy, and state courts as well as the Court of Federal Claims and appeals at the United States Tax Court. The Division’s enforcement of civil and criminal laws not only deters violations and ensures compliance, but it also consistently brings in more funds, through its enforcement, than its yearly budget.

Organization:

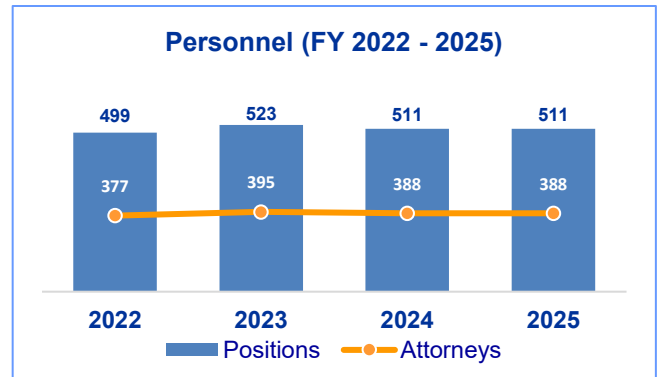
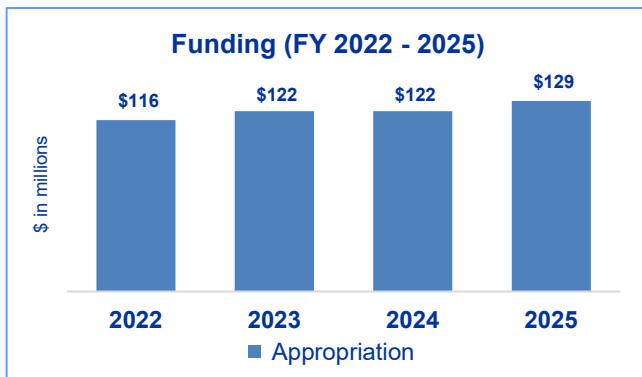
TAX is headed by an Assistant Attorney General, who is appointed by the President and confirmed by the Senate. Four Deputy Assistant Attorneys General help manage the Division. The Division’s offices are located in Washington, DC, except the Southwestern Civil Trial Section, which is located in Dallas, Texas.

Resources:

The FY 2025 budget request for TAX totals \$129.3 million, which is a 5.8 percent increase over the FY 2024 Continuing Resolution.

Personnel:

TAX's direct authorized positions for FY 2025 total 511 positions and are the same as FY 2024 Continuing Resolution.



FY 2025 Strategy:

TAX's primary civil strategy is to file tax enforcement and collection cases in the Federal courts and defend suits claiming tax refunds. By targeting tax enforcement issues that threaten the nationwide administration of the tax system, TAX ensures that tax laws are properly enforced. TAX brings suits to stop unscrupulous preparers and tax scam promoters, to collect unpaid taxes, and to allow the Internal Revenue Service to obtain information needed for tax enforcement. TAX also defends the Federal Treasury against tax refund claims arising from complex and abusive corporate and individual tax shelters that are estimated to cost the Treasury billions of dollars annually.

The U.S. Government engages with Americans through our tax system. Tax collections fund most Federal government services, from national defense to national parks. Because the Government cannot directly assess and audit each individual taxpayer, it relies on those who earn income in this country to report their financial information annually, and to pay their tax liabilities.

TAX continues to play the leading role in the Federal government's efforts to enforce tax laws fully and fairly in both civil and criminal matters to combat abuse of the Nation's internal revenue laws. TAX's litigation furthers the longstanding bipartisan goal of reducing the tax gap. TAX's strategy of publicizing its litigation accomplishments has a deterrent effect on would-be tax offenders, while also strengthening the Nation's voluntary compliance system by assuring law-abiding taxpayers that those who attempt to shirk their lawful responsibilities will be held accountable. TAX's strategy aims to punish or penalize offenders, deter future violations, and reassure honest taxpayers that they will not shoulder an undue share of the Federal tax responsibility.

In FY 2025, TAX's criminal enforcement strategy will continue to focus efforts on several high-priority crimes. This includes targeting employers who fail to collect or pay their employment taxes. The strategy also addresses non-compliance with U.S. tax laws through the use of secret offshore bank accounts, and sophisticated financial instruments and cryptocurrencies. Additionally, it confronts those who deny the tax system's legality and deliberately break the law. The strategy also supports cases in which tax charges are used to prosecute complex fraud such as mortgage securities, and other financial frauds, realizing that adding tax charges often strengthen these cases.

TAX is one of the principal guardians of public funds, ensuring substantial returns on its entrusted resources. Civil trial attorneys protect the fisc through affirmative litigation to recover outstanding tax liabilities, and defensive litigation to defend against tax refund suits filed by taxpayers. TAX's affirmative civil litigation typically brings in three times more each year than TAX's entire budget. While TAX secures sizeable funds through affirmative litigation, the public funds recovered through defensive civil litigation are notably more substantial, typically amounting to 8.5 times its budget. In FY 2023, TAX closed cases having successfully defended against just over \$1.0 billion in refund claims. TAX is currently defending refund suits that collectively involve over \$10.0 billion.

FY 2025 Program Changes:

The budget proposal includes funds for current services for TAX. No program changes are requested.

Tax Division
(Dollars in Thousands)

	Tax Division		
	Pos	FTE	Amount
2023 Appropriation	523	433	122,148
2024 Continuing Resolution	523	465	122,148
FY 2024 Annualized Continuing Resolution	-12	-2	0
2024 Continuing Resolution	511	463	122,148
2025 Request	511	463	129,254
Change 2025 from 2024 Continuing Resolution	0	0	7,106
Technical Adjustments			
Additional Amount for 2024 Pay Raise	0	0	2,072
Total Technical Adjustments	0	0	2,072
Base Adjustments			
Pay & Benefits	0	0	4,977
Domestic Rent & Facilities	0	0	53
Other Adjustments	0	0	4
Total Base Adjustments	0	0	5,034
2025 Current Services	511	463	129,254
Program Changes			
Increases:			
Subtotal, Program Increases	0	0	0
Decreases:			
Subtotal, Program Decreases	0	0	0
Total Program Changes	0	0	0
2025 Request	511	463	129,254

Tax Division
(Dollars in Thousands)

Comparison by activity and program	2024 Continuing Resolution			2025 Current Services		
	Pos.	FTE	Amount	Pos.	FTE	Amount
General Tax Matters	511	463	122,148	511	463	129,254
Total	511	463	122,148	511	463	129,254
<i>Sub-Allotments and Direct Collections (FYI)</i>		29			29	
FTE Grand Total		492			492	

Comparison by activity and program	2025 Total Program Changes			2025 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount
General Tax Matters	0	0	0	511	463	129,254
Total	0	0	0	511	463	129,254
<i>Sub-Allotments and Direct Collections (FYI)</i>		0			29	
FTE Grand Total		0			492	