



DEPARTMENT OF THE TREASURY

Funding Highlights:

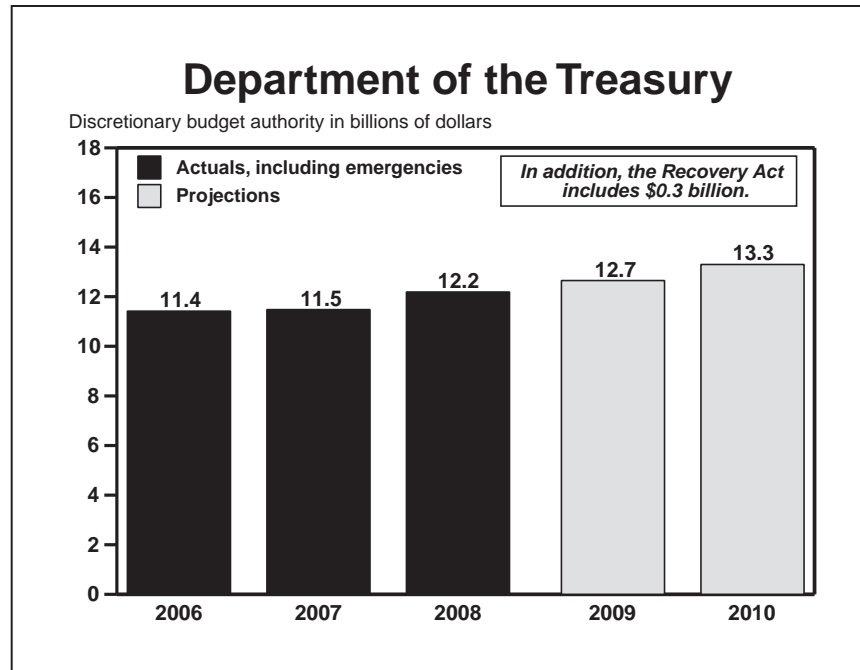
- Supports the Administration's new Financial Stability Plan, as well as financial regulatory reform efforts and the effective, transparent governance of the Troubled Assets Relief Program and its successors.
- Expands funding for effective Internal Revenue Service (IRS) enforcement and invests in high return-on-investment activities that generate improved compliance and fairness in the application of tax laws.
- Improves the responsiveness and efficiency of taxpayer services to improve the accuracy of taxpayer filing and the quality of taxpayers' experience when they interact with the IRS.
- Expands job-creating investments and access to credit in disadvantaged communities by doubling funding for the Community Development Financial Institutions Fund.

The Department of the Treasury promotes the economic prosperity and financial security of the United States. Treasury operates 13 bureaus with a vast array of activities that are critical to the core functions of government, including collecting revenue and disbursing payments, managing Federal finances, and protecting the financial system from threats. Treasury also plays a key role in modernizing the American financial regulatory system and ensuring effective, transparent administration of programs designed to revive and strengthen the economy.

Supports the New Financial Stability Plan and the Administration of the Troubled Assets Relief Program (TARP). The Budget supports the Administration's new Financial Stability Plan as well as the management of the TARP, emphasizing effective, transparent, and accountable program management.

In addition, as discussed in the main text of this document, the President's Budget includes a \$250 billion contingent reserve for further efforts to stabilize the financial system. (The reserve, which reflects a net cost to the Government, would support \$750 billion in asset purchases.) The existence of this reserve in the Budget does not represent a specific request. Rather as events warrant, the Administration will work with the Congress to determine the appropriate size and shape of such efforts, and as more information becomes available the Administration will define an estimate of potential costs.

Collects Taxes Owed Here and Abroad. The scope, complexity, and sheer magnitude of the international financial system pose significant enforcement challenges for the IRS in carrying out its tax administration responsibilities. The 2010 Budget includes funding for a robust portfolio of IRS international tax



compliance initiatives, and sustains and improves IRS efforts to narrow the annual tax gap of over \$300 billion.

Enhances IRS Services to Taxpayers. The Administration will pursue plans to improve the quality of taxpayers' experience when they interact with the IRS. This strategy includes improving relationships with critical third-party stakeholders, such as tax preparers, volunteers and practitioners, as well as enhancing electronic filing capabilities. The end goal envisions an IRS that correctly answers a tax-

payer's question the first time asked, through the most efficient and taxpayer-friendly means.

Expands Lending in Disadvantaged Communities. The Budget expands lending in underserved neighborhoods by doubling funding for the Community Development Financial Institutions (CDFI) Fund. Through merit-based grant programs, the CDFI Fund helps locally based financial institutions offer small business, consumer and home loans in communities and populations that lack access to affordable credit.