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Contact: Joelle Jordan
202-622-9931/703-998-0148

IRS OVERSIGHT BOARD SURVEY: TAXPAYERS WANT IRS TO FOCUS ON CORPORATIONS, HIGH INCOME WHEN GOING AFTER TAX EVADERS

(Washington, DC) The IRS Oversight Board's 2003 annual survey of taxpayer attitudes show that 95 percent of those surveyed believe it is "somewhat important" or "very important" that the IRS ensures compliance from corporations and high-income taxpayers.

"America's taxpayers recognize where there's a problem and know what the IRS' focus should be," said Chair Nancy Killefer. "The IRS Oversight Board applauds the Senate Finance Committee for shining a light on questionable tax shelters and the promoters that sell them."

The IRS Oversight Board supports the IRS' compliance strategy to focus on high risk/high income taxpayers, but remains concerned that the agency does not have the resources needed to both enforce the law and maintain quality customer service for the vast majority of honest taxpayers.

"The IRS Oversight Board's 2003 annual report¹ argued that the IRS 'must have the resources to identify those who promote and use abusive tax shelters and schemes. It must have the resources to provide greater audit coverage. And it must have the resources to answer the questions posed by taxpayers who want to comply with their tax obligations,'" said Chair Killefer. "It's clear that America's taxpayers don't want the IRS to be a paper tiger when it comes to corporate malfeasance."

The complete survey, which has not yet been released, was conducted by Roper ASW last July.

An excerpt from the IRS Oversight Board's 2003 Taxpayer Attitude Survey Report by Roper ASW² :

Taxpayers continue to want the IRS to focus on America's rich when going after tax evaders, but compliance is increasingly expected of all. Americans single out high-income taxpayers as well as corporations as the groups from whom it is most important the IRS ensure compliance. With recent attitudes toward corporate distrust on the rise, this sentiment does not come as a surprise.

¹ The IRS Oversight Board Annual Report 2003 is available at www.irsoversightboard.treas.gov.

² The IRS Oversight Board's 2003 Taxpayer Attitude Survey was completed by Roper ASW in July 2003 and was based on a nationwide, telephone omnibus survey of 1,017 adults. All completed interviews were weighted to ensure accurate and reliable representation of the total population, 18 years and older. This is the Board's third annual survey to follow trends of taxpayer attitudes.

Specifically, when asked the importance of ensuring compliance from four different groups, 83% of Americans feel that it is very important for the IRS to ensure compliance from corporations, and 79% say the same about high-income taxpayers. The strength of opinions when it comes to small businesses and people at low income levels drops off substantially (70% and 63% respectively), however, there is a sharp increase in favor of going after low-income tax evaders (+7 points from last year). The majority has made it obvious that compliance is expected from all – even increasingly from those at the lowest rungs on the income ladder. Still, the public expects those at the top to face stricter scrutiny.