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Hearing Statement of Senator Max Baucus (D-Mont.)
In Support of John Koskinen's Nomination for IRS Commissioner
As prepared for delivery

The famed journalist Grantland Rice once wrote, "You can develop good judgment as you do the muscles of your body - by judicious, daily exercise."

That is a valuable lesson for anyone, especially one who serves in government, and in the wake of the charges of political targeting that erupted last spring, it is vital for those who serve at the IRS.

With us today is John Koskinen, the President's nominee to be the commissioner of internal revenue. If confirmed, Mr. Koskinen will face many challenges.

The IRS plays an important role in tax reform. It is key to the Affordable Care Act's implementation. And perhaps most importantly, it must win back the American people's trust. That means undoing the damage done by the inspector general's report on the IRS' handling of 501(c)(4) applications.

The American people are willing to pay their taxes. They understand that it's their civic duty. But when there are charges of political bias at the IRS, it makes everyone feel like the deck is stacked.

This committee is in the midst of a bipartisan investigation of those charges. In the meantime, the IRS needs to do its job in a fair and evenhanded manner. The acting commissioner, Danny Werfel, deserves credit for his steady management since arriving at the IRS in May.

And last month, the administration proposed clear, new standards for the treatment of tax-exempt social welfare organizations. That was a positive step, but there's more work to be done. We need to install new safeguards to ensure the mistakes identified in the inspector general's report don't happen again.

Winning back the public's trust will not happen overnight. It will take time, and in Grantland Rice's words, judicious, daily exercise of good judgment. I believe Mr. Koskinen will exercise that judgment and is the right person for the job. But that won't be his only task.

The IRS must be an active partner in tax reform. This committee is hard at work fixing the nation's broken tax code, and as we develop ideas, we need the IRS' input. No reform proposal is worth the paper it's printed on unless the IRS can implement and manage it as intended. That's why productive communication between the IRS and this committee is so critical.

Last month, my office released three staff discussion drafts of tax reform proposals. The first focused on modernizing our international tax system. The second focused on improving tax administration, fighting fraud and making filing safer, easier and simpler. And the third focused on making the tax code more neutral for American businesses.

Now we are gathering feedback on those proposals from stakeholders, the public and businesses, and the work will continue. More drafts are coming, and we will need the IRS' input on those as well.

The IRS must also continue to play its part implementing the Affordable Care Act. Helping individuals, families and businesses pay for health insurance is a cornerstone of the health reform law. According to the independent Kaiser Family Foundation, seventeen million people will qualify for assistance. The IRS must be ready to handle that task, and by all accounts, preparations are on track. It needs to keep up the good work.

Mr. Koskinen has a history of succeeding in demanding roles: At Freddie Mac in the heat of the financial crisis, at the helm of the District of Columbia's financial turnaround in the early 2000s, as a turnaround artist in the private sector, even as the leader of the team that addressed Y2k concerns.

He is the right person to take on this challenge, and with filing season approaching, the IRS needs its leader in place.

The IRS has been without a confirmed commissioner for more than a year. Before this year, the longest any nominee for IRS commissioner had waited before confirmation was 100 days. Mr. Koskinen was nominated 132 days ago.

Mr. Koskinen, with your knowledge, experience and expertise, I suspect you would be highly sought after by many employers in the private sector. Instead, you have chosen to continue your career in public service. Thank you. Thank you for accepting the nomination to this position. The IRS commissioner may not be the most glamorous job in an administration, but it certainly one of great importance.

Again, the current acting commissioner, Danny Werfel, deserves credit for taking on a tough job in the wake of the inspector general's report, and he has performed very well. But Mr. Werfel will be leaving the IRS at the end of this year.

So now is the time for us to act. The IRS needs its commissioner. John Koskinen is the right man for the job, and he deserves broad support from Democrats and Republicans.

I hope we can approve his nomination quickly and take it to the full Senate for a vote. It's time we get this done.

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