

CHARLES E. GRASSLEY, IOWA, CHAIRMAN

ORRIN G. HATCH, UTAH
TRENT LOTT, MISSISSIPPI
OLYMPIA J. SNOWE, MAINE
JON KYL, ARIZONA
CRAIG THOMAS, WYOMING
RICK SANTORUM, PENNSYLVANIA
BILL FRIST, TENNESSEE
GORDON SMITH, OREGON
JIM BUNNING, KENTUCKY
MIKE CRAPO, IDAHO

MAX BAUCUS, MONTANA
JOHN D. ROCKEFELLER IV, WEST VIRGINIA
KENT CONRAD, NORTH DAKOTA
JAMES M. JEFFORDS (I), VERMONT
JEFF BINGAMAN, NEW MEXICO
JOHN F. KERRY, MASSACHUSETTS
BLANCHE L. LINCOLN, ARKANSAS
RON WYDEN, OREGON
CHARLES E. SCHUMER, NEW YORK

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
RUSSELL SULLIVAN, DEMOCRATIC STAFF DIRECTOR

February 14, 2006

The Honorable Mark W. Everson
Commissioner
Internal Revenue Service
1111 Constitution Avenue
Washington, DC 20224

Dear Commissioner Everson:

I am writing to learn the anticipated impact on the Internal Revenue Service (IRS) of the Department of Defense Appropriations Act of 2006 (P.L. 109-148). Section 5021 contains a provision to impose a one-percent across the board cut in Federal spending. The impact of this proposal on the IRS's \$10.7 billion 2006 budget is approximately \$100 million.

Please identify all of the programs or processes that will be affected by this cut and provide specific and detailed explanations of how these programs will be impacted, including the number of taxpayers involved. In addition, I want to know the criteria used to determine which programs or processes will be affected and how the 2006 Treasury Appropriations language is influencing your decisions.

I request that you respond to this inquiry by February 28, 2006, and thank you in advance for your prompt attention to this matter.

Sincerely yours,


Max Baucus
Ranking Member