

Statement of Michael J. Desmond
Nominee to Serve as Chief Counsel for the Internal Revenue Service and Assistant
General Counsel in the Department of the Treasury
Senate Finance Committee
July 26, 2018

Good morning Chairman Hatch, Ranking Member Wyden and members of the Committee. It is an honor for me to appear before you as the President's nominee to be Chief Counsel for the Internal Revenue Service. I would like to take a moment to introduce my wife, Kristen Desmond, and my parents, Walter and Ann Desmond, who are with me here today. Kristen has given me her unwavering support through more than 20 years of marriage and without my parents' life-long commitment to public service and education, I would not be appearing before you here today.

I have spent over two decades in positions involving tax enforcement, policy and administration and working in private practice representing a broad range of taxpayers in disputes pending before the Internal Revenue Service and in litigation. In my first job as a tax lawyer at the Tax Division of the U.S. Department of Justice, I saw first-hand the challenges faced by taxpayers and the Internal Revenue Service alike when complexity and uncertainty in the law, combined with breakdowns in the audit and administrative appeals process, lead to time consuming and expensive litigation. That early experience helped shape my view of tax administration, recognizing that while litigation is sometimes inevitable, resolving disputes early in the process and taking steps to avoid those disputes in the first place should be of paramount importance.

As Tax Legislative Counsel at the U.S. Department of the Treasury, I worked with a group of lawyers and accountants responsible for guidance on all aspects of the domestic tax law. I also worked closely with the staff of this and other Congressional committees in formulating and implementing tax legislation, an important experience that, if confirmed, I would bring to bear at the Office of Chief Counsel. Although the Tax Legislative Counsel position focuses on policy, my prior background in tax practice and procedure gave me the unique opportunity in that job to also work with the IRS on matters relating to tax administration. As one example, I served as the point person at the Treasury Department for implementing the disaster relief and recovery provisions that Congress enacted as part of the Gulf Opportunity Zone Act of 2005.

My current work focuses on representing individuals and small and mid-sized businesses in resolving tax disputes. My clients include sole proprietors with discrete tax reporting problems, individuals with complex domestic and cross-border compliance issues and larger businesses that are under regular scrutiny from the IRS. I balance this work with active representation of pro bono clients and leadership roles in the Section of Taxation of the American Bar Association and the American College of Tax Counsel.

My experience working in government and with clients of all sizes has shown me that complexity and uncertainty in the tax law create challenges for even the smallest taxpayers that can be as difficult to resolve as those faced by the largest businesses.

Regardless their size, I firmly believe that for all taxpayers, the issuance of timely and accurate guidance is the best way to address those challenges, avoid disputes and foster compliance with the tax law. The Office of Chief Counsel plays a central role in that effort and, if confirmed, I look forward to doing my part to advance it.

I am grateful for the opportunity to appear before you here this morning and look forward to your questions.