



COVID Is Making It Difficult For The IRS To Audit & Collect Taxes Owed - Fiscal Policy

As the pandemic has taken a toll on income for individual businesses, companies, and families across the country, it has also taken a toll on U.S. government income. The IRS releases a disclosure annually of the sources of income collected from taxes. Part of the revenue generated by the IRS is the enforcement of tax collections primarily via audits. The IRS report revealed that the number of audits in 2019 was among the lowest in decades for individual returns, the single largest source of income for the IRS.

Fewer audits means less revenue for the U.S. government, which has this year already issued over \$3 trillion in debt since March of this year. The IRS collected roughly \$28 billion in 2010 from audits, versus \$11 billion that was collected in 2019.

This year has become that much more challenging, as IRS employees and agents have been removed from the field due to pandemic restrictions. The inability to perform face to face audits has made it that more difficult for the IRS to collect on taxes owed.

Source: IRS Annual Disclosure Report, IRS Data Book 2019 Release

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