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Ways and Means Holds IRS CEO Hearing

The March 4 House Ways and Means Committee hearing with IRS Chief Executive Officer Frank Bisignano included discussion of the 2026 filing season and implementation of the One Big Beautiful Bill Act (OBBBA), including the no tax on tips and overtime provisions, which Bisignano credited for higher refunds. Democrats inquired about reports of IRS sharing taxpayer information with the Department of Homeland Security and expressed concerns about weaponizing the agency, including against tax-exempt groups.

In an opening statement, Chairman Jason Smith (R-MO) said, "The IRS is where the rubber meets the road for delivering this tax relief. It is vital the IRS must deliver timely refunds. This money, a direct result of the Working Families Tax Cuts, will make a difference for millions of hardworking American waitresses, linemen, seniors, welders, farmers, and small business owners, just to name a few."

Ranking Member Richard Neal (D-MA) said in his opening statement: "Americans need an IRS that serves them reliably, not one that's repurposed as a tool for the President's grifting. But it's become clear that for Republicans, a functional, transparent IRS is not a priority. They won't blink as Trump extorts the IRS to write him a \$10 billion check but will champion slashing resources that help Americans, cutting the Direct File program that had a 94% approval rating and saved taxpayers millions. More than 20% of the IRS workforce has been cut."

In testimony, Bisignano said IRS will focus on delivering measurable results in areas such as achieving the best filing season in timeliness and accuracy, OBBBA implementation, quality outcomes in addressing waste, fraud, and abuse, establishing "a durable talent and development framework," and "advancing a strong compliance agenda while improving collections beyond historical norms."

Q&A

Chairman Smith said taxpayers are expected to see on average a \$1,000 boost in their tax refund this year and asked what efforts are needed to ensure working families get the tax relief that they deserve. "If there was a direct deposit, which is in the high 90% and increasing, it's nine days on average for that refund to get to the taxpayer," Bisignano said. "So, I think what you're finding is bigger refunds, quicker refunds, and an easier IRS to operate through, right at this moment."

Ranking Member Neal asked about numerous allegations that confidential taxpayer information has been leaked and what the agency is doing in response. Bisignano said IRS is engaging a risk management function and that having private information is "the foremost responsibility of this agency."

Rep. Mike Thompson (D-CA) said working families are being chased over the "smallest discrepancies" over their taxes, while wealthier taxpayers are untouched. He expressed concern about a lack of trust, including by IRS transmitting taxpayer data to Immigration and Customs Enforcement (ICE).



Rep. Lloyd Doggett (D-TX) expressed concerns about tax-exempt organizations being scrutinized because of their political views. Bisignano said he would commit to preventing such behavior. Doggett further said the Trump administration has prioritized weaponizing the IRS against its political opponents by way of threatening to revoke groups' tax-exempt status, which Bisignano said he had no knowledge of. Rep. Doggett referred to an October 2025 Wall Street Journal editorial that said, "The Trump administration is preparing sweeping changes at the Internal Revenue Service that would allow the agency to pursue criminal inquiries of left-leaning groups more easily."

Rep. Doggett further asked if the IRS would increase audit rates to prior levels. Bisignano asserted that the Service would increase compliance but declined to provide a "commitment to a number."

Rep. Mike Kelly (R-PA) noted that IRS has published its Schedule 1-A and Form 1040 instructions for that taxpayers utilize to report deduction amounts for tips, overtime, car loans, and enhanced deductions for seniors. Bisignano called the OBBBA "landmark legislation" and highlighted the Trump Accounts and expensing for factories.

Rep. Darin LaHood (R-IL) highlighted higher reported refunds this tax season. Bisignano said the IRS is 40% through the volume of returns for the season, and many of the returns include benefits from no tax on tips and overtime, the senior deduction, and no tax on automobile loan interest.

Rep. Linda Sánchez (D-CA) expressed concern about IRS sharing taxpayers addresses with immigration enforcement. She asked if the IRS was planning to share such data. Bisignano said he would not comment on matters currently being litigated.

Rep. Ron Estes (R-KS) asked about outdated technology at the IRS. Bisignano said the Service has moved from the concept of modernizing to the idea of transition. The most important thing is that stakeholders get the benefits, there is a 10-part plan, and IRS will be running more modernized systems, he said.

Rep. Terri Sewell (D-AL) referenced claims that refunds would increase considerably under the OBBBA, which she said is not proving to be the case with her constituents, who are also burdened by the expiration of enhanced Affordable Care Act (ACA) premium tax credits.

Rep. Lloyd Smucker (R-PA) highlighted the role of the OBBBA in preventing a major tax increase and the fact that no Democrats supported the bill. Bisignano said there were observers who doubted the success of the large OBBBA implementation with less staffing and old technology, but with the agency 40% of the way through the tax season, it is going well. He also said there has been a great deal of gratitude regarding the permanency of provisions.

Rep. Suzan DelBene (D-WA) asserted that taxpayer privacy is being violated, which erodes public confidence in the IRS. She is co-leading a resolution of inquiry with the Representatives Gomez and Sanchez that would require the Executive Office of the President, Treasury, and DHS to provide information to Congress regarding the IRS' improper disclosure of confidential taxpayer data to ICE.



Rep. Kevin Hern (R-OK) asked about the Employee Retention Tax Credit and steps to expedite review and provide refunds to legitimate claimants. Bisignano said there was a backlog of over 1 million items that has been greatly reduced with about 29,000 claims today that are all currently in the compliance arm. Hern further expressed concerns about third-party financing of litigation in the United States, “particularly regarding the tax treatment of the profits derived from it,” and asked if IRS would look into how the agency can work with Congress on the issue.

Rep. Carol Miller (R-WV) said refund amounts are up and asked why. Bisignano said 43% of returns have Schedule 1-A that taxpayers use to realize important tax benefits of the OBBBA, including no tax on tips, no tax on overtime, no tax on car loans, and no tax on seniors.

Rep. David Kustoff (R-TN) expressed concerns about the R&D credit, with the IRS instead treating certain work – “when they do research on the factory floor” – as manufacturing and, then, disallowing the related cost. Bisignano said he would look into the matter.

Under questioning from Rep. Don Beyer (D-VA), Bisignano said he is studying the latest estimates for the tax gap – or the difference between taxes paid and owed – which were in 2022 and put the figure at \$650 billion. “I am deep with the team” to research and understand every element of that, he said.

Rep. Nicole Malliotakis (R-NY) asked about the largest benefits of the OBBBA. Bisignano said there is a \$775 refund increase for those with a Schedule 1-A, and the largest percentage benefit is in the \$100,000-and-under income category.

Rep. Max Miller (R-OH) said new rules on cryptocurrency tax issues are necessary and asked if IRS has evaluated whether processing high volumes of low-dollar digital asset transactions will materially improve compliance relative to the administrative burden. “That analysis is in process right now,” Bisignano said.

Testimony from the hearing is at <https://waysandmeans.house.gov/event/full-committee-hearing-with-internal-revenue-service-chief-executive-officer-frank-j-bisignano/>