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## Senate Finance Holds IRS CEO Hearing

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The April 15 Senate Finance Committee hearing, "The President's Fiscal Year 2027 IRS Budget and the IRS 2026 Filing Season," with Internal Revenue Service Chief Executive Officer Frank Bisignano included discussion of filing practices, customer service, the sharing of taxpayer data and private information, and the R&D credit. Members also debated the merits of the One Big Beautiful Bill Act (OBBBA).

Chairman Mike Crapo (R-ID) highlighted the "Taxpayer Assistance and Service Act" he sponsors with Ranking Member Ron Wyden (D-OR) to digitize more tax returns, upgrade "where's my refund" tools and IRS online accounts, strengthen standards for paid tax preparers, expand IRS call-back options, allow the U.S. Tax Court to hear cases relating to refunds, increase the independence of the National Taxpayer Advocate and IRS Independent Office of Appeals, and protect victims of fraud from indefinite IRS scrutiny.

Senator Wyden blamed the Administration for ending the Direct File program and questioned the IRS CEO role, asserting that the new position may represent an "end-run around the vetting process." He focused his questioning on IRS information sharing with other government agencies.

In testimony, Bisignano said refunds have increased – the average refund this filing season is over \$3,400, an increase of 11% compared to last filing season – and that "the IRS is using artificial intelligence (AI) and advanced analytics to identify high-risk areas of non-compliance and fraud with greater accuracy."

Senator Crapo asked how many Americans have benefited from the no tax on tips, overtime, and auto loan interest, and how many have opened Trump Accounts. Bisignano said:

- 53 million Americans have claimed one of the new tax cuts from the OBBBA
- 30 million claimed the senior deduction
- 25 million benefited from the overtime deduction
- 6 million benefited from the tips deduction
- 1 million benefited from the auto interest deduction
- 5 million opened Trump Accounts for dependents
- 1.2 million opened Trump Accounts for newborns

(See news release: <https://home.treasury.gov/news/press-releases/sb0441>)

Senator Michael Bennet (D-CO) asked why the US cannot allow filing with prepopulated tax forms like those available in other nations. Bisignano highlighted strides made in electronic filing and direct-deposit refunds.

Bisignano additionally said enforcement revenue is up and that the government needs to decide how to address the tax gap, or difference between taxes owed and paid – an issue that has been debated for 20 years or more. Under questioning from Senator Peter Welch (D-VT), Bisignano said the IRS has brought in a "ton of technology" and promised a plan to address the tax gap. "It's about to be" worked on, he said of the tax gap, expressing incredulity that the issue had ever been addressed in earnest.



Senator Sheldon Whitehouse (D-RI) questioned what he said is the Administration's reduction in interest in auditing the very wealthy. Bisignano restated that enforcement revenue is up and pledged, "We will go after every bad actor."

Senator Catherine Cortez Masto (D-NV) expressed concern about the Administration's data-sharing practices.

Under questioning from Senator Ron Johnson (R-WI), Bisignano said technology is a "great enabler" and has allowed IRS to increase online inquiries. The Service will be investing more in tools that increase customer service and collect more revenue, he said.

Senator Marsha Blackburn (R-TN) asked about the administration of the R&D credit for manufacturers. She said some have complained that the IRS has asserted that research on shop floor doesn't qualify for the R&D credit and that supplies used are not qualified expenses. Shop floor research should be included for purposes of the R&D credit, she said.

Senator Todd Young (R-IN) asked if IRS is on track to fully implement compliance and reporting provisions of Trump Accounts by July 4. Bisignano confirmed that is the case. Senator Young asked how the IRS will use digital tools to determine which enforcement cases to pursue. Bisignano said technology is used for data comparison that otherwise would have been done by hand.

Senator Elizabeth Warren (D-MA) raised the issue of what she described as IRS pushing out customer service personnel then trying to hire some back. She also suggested that tax cuts under the OBBBA, including those benefiting wealthy corporations, were paid for by people being pushed off of their healthcare coverage. "If you are a billionaire and you don't want to pay taxes for years on end... you can get away with it," Ranking Member Wyden said during the exchange.

Senator Bill Cassidy (R-LA) said preservation easements are important in his state and asked for guidance to facilitate the preservation of historic architecture. Senator Cassidy also asked about crypto tax reform and findings that only about half of crypto users correctly identify that a taxable event occurs when an asset is sold. Bisignano said the issue, because of its newness, still needs work.

Senator Raphael Warnock (D-GA) asked about what he said are the President's efforts to weaponize the IRS against political opponents. In 2025, President Trump instructed IRS to investigate tax-exempt entities. He asked whether the Administration has requested audits of specific taxpayers. Senator Warnock cited prior comments from Bisignano that audits will not occur based on political views. Warnock further asked about requests to examine groups that oppose immigration enforcement.

Statements and testimony are at <https://www.finance.senate.gov/hearings/the-presidents-fiscal-year-2027-irs-budget-and-the-irs-2026-filing-season>.