





# Stop Corporations and High Earners from Avoiding Taxes and Enforce the Rules Strictly (CHEATERS) Act

*Senators King, Warren, Kaine and Whitehouse are introducing the Stop CHEATERS Act to provide the Internal Revenue Service with the necessary resources to modernize taxpayer services and ensure the wealthy pay what they owe in taxes.*

**Background:** America misses out on billions of dollars owed by high earners who evade paying the taxes they owe. The Inflation Reduction Act (IRA) included nearly \$80 billion in mandatory multi-year funding for the IRS to enhance taxpayer services, improve dated technology systems, and take on high-income tax evaders. Unfortunately, much of this funding was rescinded by Congressional Republicans. Widespread reductions in force and new deep cuts to discretionary funding have further hindered the progress made to modernize the IRS.

## The Stop CHEATERS Act would:

- Restore and revitalize the IRS and ensure it is properly funded by providing **\$83 billion** in mandatory funding through Fiscal Year 2031, reversing both the rescissions to IRA funding and discretionary spending cuts to the IRS budget. This funding would be divided into four spending categories:
  -  **\$45.6 billion for Enforcement** to audit wealthy taxpayers and large corporations, pursue criminal investigations, and prevent financial crimes. The bill establishes a ramp-up period, increasing funding each year, allowing the IRS to gradually rebuild enforcement operations.
  -  **\$25.4 billion for Technology and Operations Support** to overhaul outdated technology and increase the agency's capacity to detect fraud and noncompliance.
  -  **\$3.1 billion for Business Systems Modernization** to improve, operate, and maintain systems.
  -  **\$9.6 billion for Taxpayer Services** to allow for pre-filing assistance and education, taxpayer advocacy services, and other forms of free taxpayer assistance.
- Instruct the IRS Commissioner to issue a report to Congress on the agency's plan to shift auditing and enforcement resources to high-income individuals and large corporations, a directive first launched under Commissioner Werfel in 2024. In addition, the plan must include efforts to recruit and retain skilled auditors for high-income individuals and large corporations that typically have complicated tax situations. The Office of the Treasury Inspector General for Tax Administration would be required to issue a report on the effectiveness of this plan.

Yale Budget Lab scored this bill as raising about **\$998 billion** in net revenue over a ten-year window. In other words, for every dollar invested by this bill, the federal government will receive approximately \$13 dollars in revenue.