



The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Werfel:

We, the undersigned 64 national, state, and local organizations are deeply concerned about racial disparities in the auditing process revealed by a Stanford University [study](#) earlier this year, and which you have since confirmed. A just and fair tax system is critical to a functioning democracy, and to ensuring that individuals can meet their tax filing obligations and [claim the tax benefits they are owed](#)—including the Child Tax Credit and Earned Income Tax Credit, two of the United States’ most effective policies for fighting poverty and promoting economic well-being for children and families.

We appreciate the steps you have already taken to [restore equity and fairness to the tax system](#), and urge you to commit the IRS to take additional steps to repair the harm caused by the IRS’s actions and effectively track and redress racial disparities in auditing moving forward.

Racial disparities in auditing harm the individuals, small businesses, and families directly affected, and undermine trust in the tax system across all our communities. The Stanford study’s finding that Black taxpayers are audited at 2.9 to 4.7 times the rate of non-Black taxpayers is shocking and unacceptable. We are concerned that other racial and ethnic groups might also be disproportionately audited, but currently lack data on how other groups might be affected. The IRS should prioritize studying and addressing racial disparities in auditing, now and into the future, so that it can effectively carry out its mission and administer critical tax benefits— and we can all trust the system.

In addition to the steps you are [already taking to address racial disparities in auditing](#), we ask that the IRS:

- Report on any racial disparities in auditing at least annually moving forward. To the extent possible, this annual reporting should further disaggregate the data by race and ethnicity to include audit rates for each of the primary [OMB race and ethnicity classifications](#): which are currently White, Hispanic or Latino, Asian, Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and Black or African American. To the extent feasible, it should also report audit rate disparities by county and zip code so we can understand how each of our communities is affected. The annual reporting should also share information about the case selection practices driving any racial disparities that are uncovered, and the steps being taken to address them.
- Take measures to repair the harm caused by racial disparities in auditing. This should include proactively contacting individuals who the IRS believes may be eligible for the Earned Income Tax Credit and Child Tax Credit and who have not claimed the credits, and providing free, accessible, and easy-to-use services to help them claim the credits they were owed in both the

current and previous tax years. It should also include a fair and expeditious dispute resolution process in cases where there are competing claims to a credit.

Thank you for your commitment to ensure the fair administration of the tax system, and to addressing the harms caused by racial disparities in auditing.

Sincerely,

National, state, and local organizations

Activist San Diego(ASD)

Americans for Tax Fairness

Care Income Now

CASA

Center for Economic and Policy Research

Center for Law and Social Policy (CLASP)

Center for the Study of Social Policy

Children's Defense Fund

Children's HealthWatch

Church World Service

Citizens' Committee for Children of New York

Coalition on Human Needs

Community Change Action

Community Legal Services of Philadelphia

Community Now

Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces

County of San Diego

COVID Survivors for Change

Economic security project

First Focus on Children

Food Research & Action Center (FRAC)

Futures Without Violence

Georgetown Center on Poverty and Inequality

Global Women's Strike-US
Golden State Opportunity
GRACE/End Child Poverty California
Greater Boston Legal Services
Hispanic Federation
Indivisible
Instituto del Desarrollo de la Juventud
Jewish Women International
Just Harvest
Louisiana Partnership for Children and Families
Maryland Center on Economic Policy
Meals4Families
Metropolitan Family Service
MomsRising
National Advocacy Center of the Sisters of the Good Shepherd
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
New Jersey Institute for Social Justice
North San Diego County Promise
Oregon Center for Public Policy
Our Children Oregon
ParentsTogether Action
Partners for Rural Transformation
Payday men's network
Prosperity Now
Public Advocacy for Kids (PAK)
Public Citizen
RESULTS
RESULTS DC/MD
San Diego for Every Child

Share Our Strength

Shriver Center on Poverty Law

Sisters of Mercy of the Americas Justice Team

Social Work Grand Challenge for Reducing Extreme Economic Inequality

Take On Wall Street

The Arc of the United States

The Children's Agenda

The Expectation's Project

The Newark Community Street Team

United Ways of the Pacific Northwest

Women of Color/Global Women's Strike

Individual researchers and academics signing in their personal capacity, institutional affiliation for identification purposes only

Prof. Francine Lipman

Prof. Nicholas Mirkay, University of Hawai'i, William S. Richardson School of Law

CC: Janis Bowdler, Counselor for Racial Equity, U.S. Department of Treasury