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CONGRESSIONAL DADS CAUCUS
Founder & Chair

CONGRESSIONAL RENTERS CAUCUS
Founder & Chair

October 24, 2023

The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Werfel:

As Chair of the Congressional Dads Caucus, I write to ask your assistance in ensuring fairness and equity in our tax system and expanding access to the Child Tax Credit and the Earned Income Tax Credit for working families. I appreciate your public commitment to this issue, as well as the steps the IRS [has already taken](#) under your leadership to focus compliance efforts on ensuring the wealthiest individuals and corporations are held accountable to pay the full taxes they owe.

My colleagues and I founded the Congressional Dads Caucus to bring fathers' voices to the fight for policies that uplift all families. Permanently expanding the Child Tax Credit (CTC) is a key pillar of the Congressional Dads Caucus because our members—fathers and mothers who represent districts from across the country—know the CTC, as expanded by the American Rescue Plan Act, was transformative for working families: it lifted nearly 4 million children out of poverty in 2021 alone. **The CTC is a critical tool for fighting child poverty and ensuring parents and caregivers have the resources they need to raise happy and healthy children.**

In my work as Chair of the Dads Caucus, I am deeply invested in ensuring that the CTC reaches the families who need it most. This requires addressing racial disparities in the tax system so that the CTC does as much as possible to advance economic and racial justice. Addressing racial inequities is central to ensuring fairness in our tax system, and I welcomed your [recent announcement](#) that the IRS is taking meaningful steps to address the racial disparities revealed by the [Stanford University study](#) conducted in partnership with the Department of Treasury earlier this year.

I am particularly concerned about how racial disparities in auditing are impacting Black fathers, and potentially other fathers and their families. According to the Stanford study, the highest audit

rates as well as the largest racial disparities in auditing affect Black unmarried fathers who claim the EITC. Black unmarried fathers claiming the EITC face audit rates that are more than four percentage points higher than their non-Black counterparts (7.73 percent compared to 3.46 percent). According to the researchers, these audit rates “both are an order of magnitude larger than the audit rate for the overall U.S. population.” This finding is alarming and raises questions about whether other fathers of color are disproportionately targeted by the IRS audit selection process. Because the Stanford study only compared Black to non-Black fathers, we do not know the answer to this important question.

I welcome your announcement of an overhaul of the IRS’ compliance efforts that will include more up-front support for tax filers with lower incomes who claim refundable credits, including the CTC and the Earned Income Tax Credit (EITC), as well as fewer administratively burdensome correspondence audits, ensuring tax filers claiming these credits are not disproportionately audited in the first place. I also applaud the IRS for taking steps to address racial disparities in auditing among people who claim the EITC, which was a major finding of the Stanford study.

Moving forward, I urge the IRS to build on this much needed progress by reporting regularly, and with greater specificity, on racial disparities in auditing, and the steps the agency is taking to address these disparities. To that end, I request that moving forward, the IRS:

- Report on at least an annual basis about any racial disparities in auditing, including disparities for tax filers who claim refundable credits such as the Child Tax Credit and Earned Income Tax Credit.
- Further disaggregate and report on data by race and gender, to understand how Hispanic/Latino, Asian American and Pacific Islander, American Indian and Alaska Native, or other communities of color are impacted by racial disparities in auditing.
- If and when racial disparities are discovered, share information about the case selection practices driving these disparities, and the steps being taken to address them.

Thank you for your commitment to ensure the fair administration of the tax system, and I look forward to working with you and the members of the Dads Caucus to ensure that dads, and all caregivers, can access the critical and transformational tax benefits of the Child Tax Credit and the Earned Income Tax Credit that are essential to families’ ability to thrive.

Sincerely,



Jimmy Gomez
Member of Congress