



## General Legal Activities Tax Division (TAX)

### FY 2012 Budget Request At A Glance

FY 2011 CR:	\$105.9 million (639 positions; 382 attorneys)
Current Services Adjustments:	+\$7.3 million
Program Changes:	-\$0.1 million
FY 2012 Budget Request:	\$113.0 million (639 positions; 377 attorneys)
Change From FY 2011 CR:	+\$7.2 million (+6.8%)

#### Mission:

The Tax Division's mission is to enforce the nation's tax laws fully, fairly, and consistently, through both criminal and civil litigation, in order to promote voluntary compliance with the tax laws, maintain public confidence in the integrity of the tax system, and promote the sound development of the law.

#### Resources:

The FY 2012 budget request for the Tax Division totals \$113.0 million, which is a 6.8 percent increase from the FY 2011 CR.

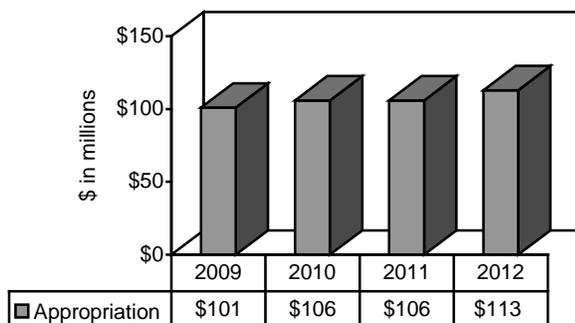
#### Organization:

The Tax Division is headed by an Assistant Attorney General (AAG), who is appointed by the President and confirmed by the Senate. Four Deputy Assistant Attorneys General (DAAG) help manage the Division. All of the Division's offices are located in Washington, D.C., except the Southwestern Civil Trial Section, which is located in Dallas, TX. Attorneys travel domestically and internationally for litigation activities.

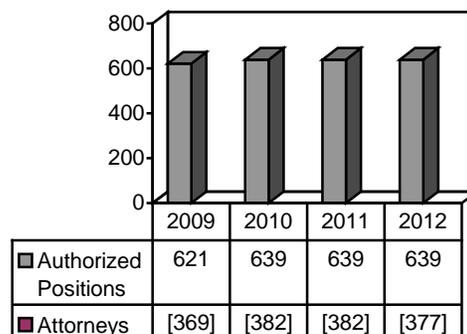
#### Personnel:

The Tax Division's direct authorized positions for FY 2012 total 639, of which 377 are attorneys. The FY 2012 budget request does not include any position increases over the FY 2011 CR.

**Funding (FY 2009 - 2012)**



**Personnel (FY 2009 - 2012)**



\*Includes reimbursable attorneys

## **FY 2012 Strategy:**

Tax Division will continue to play a significant role in the government's efforts to combat abuse of the Nation's internal revenue laws. As a result of the Division's efforts in this regard, there is a significant monetary benefit to the Treasury, which substantially exceeds the dollars appropriated to the Tax Division to perform its work.

In FY 2012, the Tax Division will play a critical role in investigating and prosecuting tax-related fraud cases. Tax charges have long been used to prosecute challenging cases when other criminal conduct has been more difficult to prove. Prosecutions of the countless individuals engaged in mortgage fraud, securities fraud, and other financial fraud will be strengthened with the addition of tax charges and with the expertise and experience of Tax Division attorneys.

The Division's long-standing coordinated approach to tax enforcement is a particularly effective component to the Administration's goal to reduce the Tax Gap. Because the Tax Division's work already encompasses the elements of an effective tax enforcement program, the organization is well suited to expand existing programs with greater benefits in return. The Tax Division's primary civil strategy to achieve its goals is to litigate federal civil tax cases filed by and against taxpayers in the federal courts. Through this litigation, the Division ensures the tax laws are properly enforced, by targeting particularly acute tax enforcement problems that threaten tax administration. The Tax Division defends the Federal Treasury against tax refund claims arising from complex and abusive corporate and individual tax shelters that are estimated to cost the Treasury billions of dollars annually. The Division's criminal enforcement strategy is to vigorously and consistently enforce the criminal tax laws in order to punish offenders, deter future violations, and reassure honest taxpayers that they will not bear an undue share of the federal tax burden.

## **FY 2012 Program Changes:**

**Program Offset - Administrative Efficiencies:** -\$92,000 and 0 Positions

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, the Department is focusing on areas in which savings can be achieved, which includes: printing, publications, travel, conferences, supplies, and general equipment. For Tax Division, these administrative efficiencies will result in an offset of \$92,000.

**Program Offset - Extend Tech Refresh:** -\$34,000 and 0 Positions

As desktops and laptops are used primarily for basic office automation applications (e.g., spreadsheets and word processing), replacing this inventory at a slower rate is expected to have minimal impact on Department operations. In FY 2012, the Department is proposing to extend the refresh rate of all desktops and laptops by one year, resulting in an offset of \$34,000 for the Tax Division.

**Tax Division**  
(Dollars in Thousands)

	Tax Division		
	Pos	FTE	Amount
<b>2010 Enacted</b>	639	582	105,877
<b>2011 Continuing Resolution</b>	639	582	105,877
<b>2012 Request</b>	639	582	113,035
<b>Change 2012 from 2011 Continuing Resolution</b>	0	0	7,158
<b>Technical Adjustments</b>			
Subtotal Technical Adjustments	0	0	0
<b>Total Technical Adjustments</b>	0	0	0
<b>Adjustments to Base</b>			
<b>Increases:</b>			
ATB Transfers	0	0	-181
Pay & Benefits	0	0	1,845
Domestic Rent & Facilities	0	0	5,620
Subtotal Increases:	0	0	7,284
<b>Decreases:</b>			
Subtotal Decreases:	0	0	0
<b>Total Adjustments to Base</b>	0	0	7,284
<b>Total Adjustments to Base and Technical Adjustments</b>	0	0	7,284
<b>2012 Current Services</b>	639	582	113,161
<b>Program Changes</b>			
<b>Decreases:</b>			
Program Offset - Administrative Efficiencies	0	0	-92
Program Offset - Extend Tech Refresh	0	0	-34
Subtotal, Program Decrease	0	0	-126
<b>Total Program Changes</b>	0	0	-126
<b>2012 Request</b>	639	582	113,035
<b>Change 2012 from 2011 Continuing Resolution</b>	0	0	7,158

**Tax Division**  
(Dollars in Thousands)

Comparison by activity and program	2011 Continuing Resolution			2012 Current Services		
	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount
General Tax Matters	639	582	105,877	639	582	113,161
<b>Total</b>	639	582	105,877	639	582	113,161
Reimbursable FTE	0	5	0	0	0	0
<b>Grand Total</b>	639	587	105,877	639	582	113,161

Comparison by activity and program	2012 Total Program Changes			2012 Request		
	Perm Pos.	FTE	Amount	Perm Pos.	FTE	Amount
General Tax Matters	0	0	-126	639	582	113,035
<b>Total</b>	0	0	-126	639	582	113,035
Reimbursable FTE	0	0	0	0	0	0
<b>Grand Total</b>	0	0	-126	639	582	113,035