

## Message from the Secretary of the Treasury

Dear Member:

On behalf of President Biden, it is my pleasure to submit the Department of Treasury's budget request for Fiscal Year 2022. This request comes during a time of four converging crises: ending the COVID-19 pandemic, providing economic relief, tackling climate change, and advancing racial equity. The budget proposes investments that address each of these areas. Additionally, the Fiscal Year (FY) 2022 President's Budget invests in the core foundations of our country's strength and advances key Treasury Department priorities that will be reflected in the upcoming Treasury Strategic Plan for FYs 2022-2026, including ensuring that all Americans are treated fairly by our tax system, expanding programs that offer loans to start-ups and small businesses to promote affordable housing and community revitalization projects, and closing loopholes that allow illicit actors to evade scrutiny, mask their dealings, and shield illegal activity.

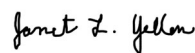
Treasury's request includes \$13.2 billion for the IRS to ensure increased oversight of high-income and corporate tax returns to ensure compliance; provide new and improved online tools for taxpayers to communicate with the IRS easily and quickly; and improve telephone and in-person taxpayer customer service, including outreach and assistance to underserved communities. In addition, the American Families Plan includes proposals to overhaul tax administration and provide the IRS the resources and information it needs to address tax evasion. All told, these reforms will generate an additional \$700 billion in tax revenue over the course of a decade, net of the investments made.

The budget provides \$330 million, an increase of 22.2 percent above the 2021 enacted level, to support expanding the role of Community Development Financial Institutions (CDFI) with the goal of empowering the nation's most vulnerable communities, including many rural and Tribal communities. This investment builds on an unprecedented level of support for the CDFI industry in 2021, including more than \$3 billion in direct funding, \$9 billion for investments in CDFIs and Minority Depository Institutions (MDI), and provisions in the American Rescue Plan encouraging CDFI participation in the \$10 billion State Small Business Credit Initiative.

The budget includes \$191 million for the Financial Crimes Enforcement Network, \$64 million above the 2021 enacted level, to create a database as required by statute, that tracks the ownership and control of certain companies and organizations and helps combat the use of complex corporate structures to shield illegal activity.

The FY 2022 Budget includes the information required for the Annual Performance Report. I have validated the accuracy, completeness, and reliability of the performance data in this report.

Sincerely,



Janet L. Yellen