

## FY 2022 EXECUTIVE SUMMARY

### President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2020 Enacted (post IRS transfer) <sup>3</sup>	FY 2021 Enacted <sup>3</sup>	FY 2021 Enacted (post IRS transfer) <sup>3</sup>	FY 2022 President's Budget
<b>Management &amp; Financial</b>	<b>\$1,538,377</b>	<b>\$1,554,281</b>	<b>\$1,554,281</b>	<b>\$1,841,265</b>
Departmental Offices Salaries and Expenses	\$228,373	\$233,000	\$233,000	\$270,669
Committee on Foreign Investment in the United States (CFIUS) Fund <sup>1</sup>	\$20,000	\$20,000	\$20,000	\$20,000
CFIUS Fees <sup>1</sup>	(\$10,000)	(\$20,000)	(\$20,000)	(\$20,000)
<b>Subtotal CFIUS Fund (non add)<sup>1</sup></b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Office of Terrorism and Financial Intelligence	\$169,712	\$175,000	\$175,000	\$185,192
Cybersecurity Enhancement Account	\$18,000	\$18,000	\$18,000	\$132,027
Department-wide Systems and Capital Investments Program	\$6,118	\$6,118	\$6,118	\$6,118
Office of Inspector General	\$41,044	\$41,044	\$41,044	\$42,362
Treasury Inspector General for Tax Administration	\$170,250	\$170,250	\$170,250	\$175,762
Special Inspector General for TARP	\$22,000	\$19,000	\$19,000	\$17,000
Community Development Financial Institutions Fund	\$262,000	\$270,000	\$270,000	\$330,000
Financial Crimes Enforcement Network	\$126,000	\$126,963	\$126,963	\$190,539
Alcohol and Tobacco Tax and Trade Bureau	\$119,600	\$124,337	\$124,337	\$131,330
Bureau of the Fiscal Service	\$340,280	\$345,569	\$345,569	\$360,266
Digitization of Unredeemed Matured Savings Bonds Records	\$25,000	\$25,000	\$25,000	\$0
<b>Tax Administration<sup>2</sup></b>				
Taxpayer Services	\$2,535,554	\$2,555,606	\$2,587,606	\$2,940,876
Enforcement	\$4,909,500	\$5,212,622	\$5,004,622	\$5,462,823
Operations Support	\$3,885,000	\$3,928,102	\$4,104,102	\$4,448,195
Business Systems Modernization	\$180,000	\$222,724	\$222,724	\$305,032
<b>IRS Total Excluding Program Integrity Allocation Adjustment (PIAA)</b>	<b>\$11,510,054</b>	<b>\$11,919,054</b>	<b>\$11,919,054</b>	<b>\$13,156,926</b>
PIAA	\$0	\$0	\$0	\$416,897
<b>IRS Total, Including PIAA Adjustment</b>	<b>\$11,510,054</b>	<b>\$11,919,054</b>	<b>\$11,919,054</b>	<b>\$13,573,823</b>
<b>Subtotal, Treasury Appropriations excluding PIAA and TEOAF</b>	<b>\$13,048,431</b>	<b>\$13,473,335</b>	<b>\$13,473,335</b>	<b>\$14,998,191</b>
<b>Treasury Forfeiture Fund Total</b>	<b>\$0</b>	<b>(\$75,000)</b>	<b>(\$75,000)</b>	<b>\$0</b>
Temporary Rescission	\$0	\$0	\$0	\$0
Permanent Rescission	\$0	(\$75,000)	(\$75,000)	\$0
<b>Subtotal, Treasury Appropriation including TEOAF and excluding PIAA</b>	<b>\$13,048,431</b>	<b>\$13,398,335</b>	<b>\$13,398,335</b>	<b>\$14,998,191</b>
<b>Treasury International Programs</b>	<b>\$1,736,780</b>	<b>\$1,890,319</b>	<b>\$1,890,319</b>	<b>\$3,278,034</b>
Multilateral Development Banks	\$1,522,205	\$1,481,244	\$1,481,244	\$1,953,746
Food Security	\$30,000	\$32,500	\$32,500	\$43,000
IMF PRGT Load Subsidy Cost	\$0	\$0	\$0	\$2,000
IMF PRGT Grant	\$0	\$0	\$0	\$100,000
Environmental Trust Funds	\$139,575	\$139,575	\$139,575	\$1,074,288
Office of Technical Assistance	\$30,000	\$33,000	\$33,000	\$38,000
Debt Restructuring - Tropical Forest Conservation Act	\$15,000	\$15,000	\$15,000	\$15,000
Debt Service Suspension Initiative and Common Framework	\$0	\$0	\$0	\$52,000
Somalia - Bilateral Debt Relief	\$0	\$78,000	\$78,000	\$0
Sudan - Bilateral and Multilateral Debt Relief <sup>4</sup>	\$0	\$111,000	\$111,000	\$0
<b>Total, Treasury Appropriations excluding PIAA and TEOAF</b>	<b>\$14,785,211</b>	<b>\$15,363,654</b>	<b>\$15,363,654</b>	<b>\$18,276,225</b>
<b>Total, Treasury Appropriations excluding PIAA</b>	<b>\$14,785,211</b>	<b>\$15,288,654</b>	<b>\$15,288,654</b>	<b>\$18,276,225</b>
<b>Total, Treasury</b>	<b>\$14,785,211</b>	<b>\$15,288,654</b>	<b>\$15,288,654</b>	<b>\$18,693,122</b>

1/ The overall request for Treasury's CFIUS costs is \$39.57 million, which includes \$15 million from the CFIUS Fund and \$24.57 million from Departmental Offices Salaries and Expenses. CFIUS fee estimates assume full year actual collections of \$20 million in FY 2021. The Congressional Budget Office estimated \$5 million to be collected in the Consolidated Appropriations Act, PL 116-260 due to the timing of the rulemaking final notice and other implementation factors.

2/ FY 2021 Enacted (est. post IRS Transfer) includes a proposed transfer of \$208 million from Enforcement to Taxpayer Services (\$32 million) and Operations Support (\$176 million).

3/ Excludes funding provided for COVID-19 Pandemic response.

4/ In FY 2021, Congress also appropriated \$120 million to Treasury's debt restructuring account for clearing Sudan's arrears with the IMF on an emergency basis.

## **MISSION STATEMENT**

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad; strengthen national security by combating threats and protecting the integrity of the financial system; and manage the U.S. Government's finances and resources effectively.

## **OVERVIEW OF REQUEST**

The Budget requests \$15.0 billion in base discretionary resources for the Department of the Treasury's domestic programs, a \$1.5 billion or 11.3 percent increase from the FY 2021 enacted level.

- Provides the IRS with \$13.2 billion from base discretionary appropriations to collect more than \$3 trillion in revenue, process more than 245 million tax returns, 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.
  - The request provides \$305 million for multi-year modernization efforts to deliver long-term, systemic transformation of service and compliance for millions of taxpayers, small businesses, and corporations, as well as put IT operations and maintenance costs on a sustainable path. The IRS will continue developing a case management solution to replace legacy systems, new digital service options including electronic notices and live chat assistance, and new web applications to streamline taxpayer filing, payment, and authentication.
  - The request proposes \$176 million for Taxpayer First Act implementation to expand digital services, provide taxpayers with a seamless user experience, and develop and implement strategies for reaching underserved communities.
  - The request includes \$5.5 billion in the enforcement account to continue building compliance staffing and protect billions of dollars in revenue. The IRS is one of the best investments in the federal government with an overall return on investment of \$5 for every \$1 invested, not including significant deterrence effects. Every dollar invested in enforcement requires a funding increase in operations support for technology and administrative costs.
- In addition to the amounts above, the request includes a proposal to invest \$80 billion in the IRS to overhaul tax administration and provide it the information it needs to address tax evasion. This investment is split between a program integrity allocation (\$417 million in FY 2022) and a mandatory provision and is expected to yield approximately \$700 billion in total revenue over ten years including the impact of the enforcement increases and the new information reporting requirements.
- Includes \$132 million for the Department-wide Cybersecurity Enhancement Account to address Department-wide breach mitigation activities due to SolarWinds and other emerging risk areas.
- Requests \$190.5 million for the Financial Crimes Enforcement Network (FinCEN), a \$63.5 million increase over the FY 2021 enacted level. This increase will allow FinCEN to fully

implement the provisions in the Anti-Money Laundering Act of 2020 (AML Act) and the Corporate Transparency Act (CTA). This includes the design and development of an information technology database system to collect and safely secure beneficial ownership information. In addition, the budget includes resources to address the expansion of FinCEN's role in administering the Bank Secrecy Act to include innovation, regulatory reform, and industry engagement.

- Includes \$330 million for the Community Development Financial Institutions (CDFI) Fund, a \$60 million increase over FY 2021 enacted and the highest level in the history of the Fund. The request supports the need for increased capital flow to communities and geographies where access to capital is least efficient and most needed – including rural areas and persistent poverty counties, and in communities that are experiencing long term and structural impacts from historically discriminatory economic and housing policies. In addition, the budget proposes to increase funding for the Capital Magnet Fund by \$12 billion over ten years through an American Jobs Plan initiative.
- Provides \$270.7 million for Treasury Departmental Offices (including \$24.6 million for the Committee on Foreign Investment in the United States) to continue to support pandemic recovery efforts, address climate change, income equality and racial equity, and restore the Treasury Department staffing levels to support key programs and other emerging risks.
- Requests \$25 million for the Special Inspector General for Pandemic Recovery by repurposing unobligated CARES Act balances.
- Proposes legislation establishing a manufacturing financing facility to support increasing the size, competitiveness, and innovation of the U.S. manufacturing sector. The program will provide capital support including direct lending, loan guarantees, and potentially public-private risk-sharing models. Investments under the facility will attract private capital where risk otherwise precludes sufficient private market participation and will target building of long-term sustainable, globally competitive manufacturing production.

## Fiscal Year Comparison of Full-Time Equivalent (FTE) Staffing (Direct and Reimbursable)

Appropriation	2020 Actual			2021 Operating Plan <sup>1</sup>			2022 President's Budget		
	Direct	Reimb.	Total	Direct	Reimb.	Total	Direct	Reimb.	Total
Departmental Offices Salaries and Expenses <sup>2</sup>	638	39	677	721	39	760	836	39	875
Terrorism and Financial Intelligence	477	39	516	551	35	586	575	41	616
Cybersecurity Enhancement	4		4	6		6	10		10
Office of Inspector General	150		150	180		180	190		190
Treasury Inspector General for Tax Administration	731	2	733	760	2	762	760	2	762
Special Inspector General for TARP	80		80	74		74	68		68
Community Development Financial Institutions Fund	70		70	82		82	89		89
Financial Crimes Enforcement Network	264	1	265	300	3	303	380	3	383
Alcohol and Tobacco Tax and Trade Bureau	484	11	495	508	12	520	508	12	520
Bureau of the Fiscal Service	1,499	358	1,857	1,577	412	1,989	1,617	412	2,029
Internal Revenue Service funded from regular appropriations <sup>3</sup>	73,240	1,179	74,419	73,409	2,359	75,768	79,348	935	80,283
<b>Subtotal, Treasury Appropriated Level</b>	<b>77,637</b>	<b>1,629</b>	<b>79,266</b>	<b>78,168</b>	<b>2,862</b>	<b>81,030</b>	<b>84,381</b>	<b>1,444</b>	<b>85,825</b>
Office of Financial Stability (Administrative Account)	14		14	11		11	10		10
Small Business Lending Fund Program	3		3	3		3	3		3
Capital Magnet Fund	5		5	5		5	6		6
Office of Financial Research	102		102	128		128	145		145
Financial Stability Oversight Council	15		15	18		18	21		21
Treasury Franchise Fund		1,945	1,945		2,154	2,154		2,219	2,219
Bureau of Engraving and Printing		1,740	1,740		1,863	1,863		1,863	1,863
United States Mint		1,539	1,539		1,671	1,671		1,671	1,671
Office of the Comptroller of the Currency		3,589	3,589		3,523	3,523		3,523	3,523
Terrorism Insurance Program	5		5	7		7	8		8
IRS Private Collection Agent Program	274		274	434		434	434		434
Special Inspector General for Pandemic Recovery	2		2	66		66	76		76
<b>Subtotal, Treasury Non-Appropriated Level</b>	<b>420</b>	<b>8,813</b>	<b>9,233</b>	<b>672</b>	<b>9,211</b>	<b>9,883</b>	<b>703</b>	<b>9,276</b>	<b>9,979</b>
<b>Total, Treasury</b>	<b>78,057</b>	<b>10,442</b>	<b>88,499</b>	<b>78,840</b>	<b>12,073</b>	<b>90,913</b>	<b>85,084</b>	<b>10,720</b>	<b>95,804</b>

<sup>1/</sup> Excludes funding provided for COVID-19 Pandemic response.

<sup>2/</sup> FY 2022 Direct FTE includes 18 positions funded by transfer from CFIOUS Fund.

<sup>3/</sup> Amounts for the IRS include 86 FTE funded from user fees in FY 2022 and exclude the proposed \$417 million program integrity allocation adjustment that, if enacted, would increase IRS levels by an estimated 2,554 FTE in FY 2022.

## Summary of FY 2022 Increases and Decreases

(Dollars in Thousands)

	DO	CFIUS <sup>2</sup>	TFI	Cyber	DSCIP	OIG	TIGTA	SIGTARP	CDF	FinCEN	TTB	FS	IRS	Total
<b>FY 2021 Operating Plan<sup>1</sup></b>	<b>\$233,000</b>	<b>\$20,000</b>	<b>\$175,000</b>	<b>\$18,000</b>	<b>\$6,118</b>	<b>\$41,044</b>	<b>\$170,250</b>	<b>\$19,000</b>	<b>\$270,000</b>	<b>\$126,963</b>	<b>\$124,337</b>	<b>\$370,569</b>	<b>\$11,919,054</b>	<b>\$13,493,335</b>
Maintaining Current Levels (MCLs)	\$6,540	\$0	\$4,817	\$0	\$0	\$1,258	\$5,300	\$544	\$0	\$3,210	\$3,885	\$10,234	\$327,995	\$363,783
Pay Annualization	\$349		\$234			\$75	\$349	\$39		\$137	\$196	\$557	\$22,442	\$24,378
Pay Raise	\$3,160		\$2,119			\$677	\$3,165	\$313		\$1,109	\$1,774	\$5,049	\$182,239	\$199,605
FERS Contribution Increase	\$1,163		\$836			\$284	\$1,177	\$120		\$517	\$995	\$1,676	\$67,673	\$74,441
Non-Pay	\$1,868		\$1,628			\$222	\$609	\$72		\$1,447	\$920	\$2,952	\$55,641	\$65,359
Non-Recurring Costs	(1,390)			(\$18,000)	(\$6,118)							(\$25,000)		(\$50,508)
Efficiency Savings/Reinvestment													(\$5,428)	(\$5,585)
Other Adjustment/Initiative Annualization												\$5,428		\$5,428
<b>Adjustments to Base</b>	<b>\$5,150</b>	<b>\$0</b>	<b>\$4,817</b>	<b>(\$18,000)</b>	<b>(\$6,118)</b>	<b>\$1,258</b>	<b>\$5,300</b>	<b>\$544</b>	<b>\$0</b>	<b>\$3,210</b>	<b>\$3,885</b>	<b>(\$14,766)</b>	<b>\$322,410</b>	<b>\$307,690</b>
<b>FY 2022 Base</b>	<b>\$238,150</b>	<b>\$20,000</b>	<b>\$179,817</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,302</b>	<b>\$175,550</b>	<b>\$19,544</b>	<b>\$270,000</b>	<b>\$130,173</b>	<b>\$128,222</b>	<b>\$355,803</b>	<b>\$12,241,464</b>	<b>\$13,801,025</b>
Program Decreases						(\$1,709)		(\$2,544)						(\$4,253)
CFIUS User Fees		(\$20,000)												(\$20,000)
Program Increases/Reinvestments	\$32,519		\$5,375	\$132,027	\$6,118	1,769	212		60,000	\$60,366	\$3,108	\$4,463	\$915,462	\$1,221,419
<b>Subtotal, Program Changes</b>	<b>\$32,519</b>	<b>(\$20,000)</b>	<b>\$5,375</b>	<b>\$132,027</b>	<b>\$6,118</b>	<b>\$60</b>	<b>\$212</b>	<b>(\$2,544)</b>	<b>\$60,000</b>	<b>\$60,366</b>	<b>\$3,108</b>	<b>\$4,463</b>	<b>\$915,462</b>	<b>\$1,197,166</b>
<b>FY 2022 President's Budget funded from discretionary resources</b>	<b>\$270,669</b>	<b>\$0</b>	<b>\$185,192</b>	<b>\$132,027</b>	<b>\$6,118</b>	<b>\$42,362</b>	<b>\$175,762</b>	<b>\$17,000</b>	<b>\$330,000</b>	<b>\$190,539</b>	<b>\$131,330</b>	<b>\$360,266</b>	<b>\$13,156,926</b>	<b>\$14,998,191</b>
Program Integrity Allocation Adjustment													\$416,897	\$416,897
<b>FY 2022 President's Budget including program integrity allocation adjustment</b>	<b>\$270,669</b>	<b>\$0</b>	<b>\$185,192</b>	<b>\$132,027</b>	<b>\$6,118</b>	<b>\$42,362</b>	<b>\$175,762</b>	<b>\$17,000</b>	<b>\$330,000</b>	<b>\$190,539</b>	<b>\$131,330</b>	<b>\$360,266</b>	<b>\$13,573,823</b>	<b>\$15,415,088</b>

1/ Excludes funding provided for COVID-19 Pandemic response.

2/ CFIUS Fund enacted levels are net appropriations including user fees.