

Former IRS Whistleblower Says Middle Class Americans Will Be Targeted Under Inflation Reduction Act



A former Internal Revenue Service ([IRS](#)) [whistleblower](#) has said that the Democrats' [Inflation Reduction Act](#) (IRA) will see the government target middle-income Americans with increased scrutiny and audits.

William Henck previously worked as a lawyer for the IRS for 20 years until 2017, when he was terminated for [allegedly](#) revealing sensitive information to the media about how the IRS had reportedly failed to identify a multi-billion-dollar corporate tax credit scheme involving a source of energy known as burning pulp byproducts, or black liquor.

Speaking to [Fox Business](#), Henck disputed claims by the IRS and other officials who have said that increased funding for the agency under the IRA, which is set to be signed into law by President Joe Biden this week, would only lead to more audits for wealthy millionaires and billionaires and large corporations.

"The idea that they're going to open things up and go after these big billionaires and large corporations is quite frankly [expletive]," Henck said in the interview on Aug. 15. "It's not going to happen. They're going to give themselves bonuses and promotions and really nice conferences."

"The big corporations and the billionaires are probably sitting back laughing right now," he said, adding that it was "insane" to double the IRS budget.

Henck also said he believes that the agency will go after businesses that don't have enough money to hire Washington lobbyists.



(L-R) Sen. Ted Cruz (R-Texas) and Sen. Bernie Sanders (I-Vt.) leave the Senate Chamber after final passage of the Inflation Reduction Act at the U.S. Capitol in Washington on Aug. 7, 2022. (Drew Angerer/Getty Images)

'Absolutely Not' Being Used to Target Middle-Income Americans

The Democrat-controlled House passed the IRA in a strictly party-line vote on Aug. 12. It includes nearly \$80 billion in IRS funding, including \$45.6 billion for "enforcement."

A Treasury Department report from May 2021 ([pdf](#)) estimated that such an investment would enable the agency to hire roughly 87,000 employees by 2031.

Amid mounting fears, the IRS has said it will "[absolutely not](#)" be using the extra money to increase audit scrutiny on small businesses or

middle-income Americans.

IRS Commissioner Charles Rettig stated in a letter to members of the Senate on Aug. 4 that the extra resources will instead serve to help the agency in “challenging” areas such as audits of large corporate and global high-net-worth taxpayers.

“These resources are absolutely not about increasing audit scrutiny on small businesses or middle-income Americans,” Rettig wrote in the letter. “As we’ve been planning, our investment of these enforcement resources is designed around the Department of the Treasury’s directive that audit rates will not rise relative to recent years for households making under \$400,000.”

Treasury Secretary Janet Yellen and White House press secretary Karine Jean-Pierre have also [doubled down](#) on their rhetoric regarding reports about the extra funding being utilized to target middle-income Americans, stating that there would be no new audits for individuals earning less than \$400,000 per year.

Henck disagrees.

‘Unlimited Resources And No Accountability’

“There will be considerable incentive to basically to shake down taxpayers, and the advantage the IRS has is they have basically unlimited resources and no accountability, whereas a taxpayer has to weigh the cost of accountants, tax lawyers—fighting something in tax court,” he told Fox Business.

“If you own a roofing company, you better count on getting audited because that’s what they’re going to be doing,” he continued. “They’re

going to be going after your car dealerships, roofing companies."

Henck's comments come after the nonpartisan Congressional Budget Office (CBO) found that working-class Americans will end up paying billions of dollars in new taxes thanks to the IRA.

Republicans on the House Ways and Means Committee said on Aug. 12 that they had received the information from the CBO confirming that under the new legislation, lower- and middle-income Americans will pay an estimated [\\$20 billion more in taxes](#) over the next decade.

This confirms that "at least \$20 billion of the \$124 billion in new revenue expected by a supercharged IRS will be coming from higher audits on low- and middle-income Americans" and that this would be "in addition to existing audits on these income levels," GOP lawmakers said in a statement.

The Epoch Times has not received a response for comment from the CBO.



Katabella Roberts is a news writer for The Epoch Times, focusing primarily on the United States, world, and business news.