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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1402**

November 17, 2017

The Honorable David Kautter  
Acting Commissioner  
Internal Revenue Service  
1111 Constitution Ave., NW  
Washington, DC 20224

Dear Acting Commissioner Kautter,

I am writing today regarding the recent Internal Revenue Service (IRS) decision to add military retirement payments to the Federal Payment Levy Program (FPLP) without also utilizing the Low-Income Filter (LIF). I believe this could unnecessarily hurt low-income military retirees who risked their lives for our country.

As you know, the FPLP is an automated system that allows the IRS to check its records for taxpayers with unpaid tax liabilities who receive certain payments from the federal government and to levy up to 15% of those payments. In order to prevent low-income taxpayers from suddenly being unable to buy food or pay for housing, the IRS generally applies the LIF to screen out taxpayers below 250% of the federal poverty level. The LIF applies to Social Security and Railroad Retirement Board benefit payments, for instance.

In May 2017, the IRS added military retirement payments from the Defense Financing and Accounting Service to the FPLP, while exempting military disability payments or payments to Medal of Honor recipients. However, according to the Taxpayer Advocate, the IRS is not applying the LIF to military retirement payments, despite a report from the Treasury Inspector General for Tax Administration indicating that the IRS would do so.

All Americans, including those who have bravely served in our military, have an obligation to pay their taxes owed, but those with unpaid tax liabilities should be treated fairly and equally by the IRS. While I support the agency's efforts to collect unpaid tax debts, I am very concerned that the IRS' decision not to implement the LIF for these payments will potentially cause unnecessary and significant harm for low-income military retirees.

In an effort to better understand this matter, I ask that you provide a written response by December 1, 2017 explaining the rationale for why the IRS has chosen not to apply the LIF to military retiree payments. If you have any questions, please contact Mike Dankler in my office. Thank you for your attention to this matter.

Sincerely,

  
JACKIE WALORSKI  
Member of Congress