

**OPENING STATEMENT  
AS PREPARED FOR DELIVERY**



**Opening Statement of Chairman Steve Chabot  
House Committee on Small Business  
“IRS Puts Small Businesses through Audit Wringer”  
AS PREPARED FOR DELIVERY  
September 14, 2016**

Good morning. Thank you all for being here. A special thanks to our witnesses, who have taken time away from their busy schedules to be here with us today. We are here today to follow up on the June hearing held by our Subcommittee on Economic Growth, Tax, and Capital Access. In that hearing, we laid out many systemic problems within the IRS that are harming small businesses, including burdensome regulations, poor communication, and overly aggressive audits. Today, we are focusing specifically on the IRS’ audits and how small businesses are treated – and often mistreated - during that process.

Members of this Committee regularly hear from constituents about the IRS, and these constituents are not calling us to tell us what a great job the IRS is doing. They are calling because they are desperate and frustrated and they have good reason to be. I know Members of this Committee have heard from constituents who were audited so aggressively by the IRS that they had to close their doors. Others are engaged in protracted audits that seem like vague fishing expeditions, with no end in sight. Most are hindered in their ability to actually run their businesses because endless document demands from the IRS require so much of their time and resources. In many cases, small businesses simply cannot afford to hire a professional to deal with the demands of an audit.

The IRS has an obligation to provide small businesses with clarity and to treat all taxpayers with fairness and respect. The agency has failed repeatedly in meeting this obligation to the people it is supposed to be serving. I don’t need to tell you that a business that is forced to close its doors can no longer pay taxes. It also cannot hire employees and create economic growth in its community. Our current system is working **against** these small businesses when it should be working **for** them. The IRS must do better. Today we will be examining some of the issues and problems with the current exam process. We will also be exploring some possible solutions.

I am looking forward to hearing from our witnesses today. I now yield to our Ranking Member, Ms. Adams, for her opening statement.