



Written by [Bob Adelman](#) on July 15, 2024

IRS Recovers \$1 Billion From “Tax Cheats” and “Abusers”

The Internal Revenue Service (IRS) on Thursday [announced success](#) in the first round in its war against private property. It has extracted more than \$1 billion from some 1,600 individual taxpayers, each of whom, claims the agency, owed more than \$250,000 in back taxes. The average extraction approached \$1 million per taxpayer.

These, of course, are the “wealthy” who have allegedly been gaming the system for years. The IRS previously didn’t have the staff or the resources to go after them.



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Now, though, thanks to the ill-named [Inflation Reduction Act](#) (IRA, passed by Democrats without a single Republican vote), the IRS has more than \$60 billion in taxpayer monies to go after those who allegedly have “not been paying their fair share.”

IRS “Victory”

The IRS celebrated its victory over these individuals:

As part of larger efforts taking place, the IRS has stepped up activity specifically on 1,600 individuals whose incomes were more than \$1 million per year and who each owed the IRS more than \$250,000 in recognized tax debt.

Since last fall, this IRS compliance effort has generated more than \$1 billion in collections from this group, with work continuing in this area.

Bragged IRS Commissioner Danny Werfel (first appointed by Obama and then reappointed by Biden):

With this collection activity, the IRS passed an important milestone in our effort to improve compliance and ensure fairness in the tax system.

Our increased work in this area means these past-due tax bills from high-end taxpayers are no longer being left on the table, like they were too often in the past.

Marxist Confiscation of Property

Of course, “fairness” is a purely subjective concept. Among Marxists, any privately held property is a sin that must be forgiven through confiscation. Karl Marx wrote in [The Communist Manifesto](#) in 1848:

The theory of the Communists may be summed up in the single sentence: Abolition of private property.

The Marxists running the federal government cannot outright abolish private property — at least not yet. They can, however, confiscate large quantities of it from those who worked for it. They then claim



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that it's only "fair" to do so.

Just to be clear: Payment of taxes is mandatory; the calculation of the liability is voluntary. And there's the rub: The IRS operates under rules set by Congress, building in incentives and disincentives in order to achieve what it calls "public policy."

It's up to the IRS to determine whether or not an individual properly and accurately calculated (voluntarily) his or her own tax liability. As Supreme Court Justice Learned Hand wrote in [Gregory v. Helvering](#) (1935): "The legal right of a taxpayer to decrease the amount of what otherwise would be his taxes, or altogether avoid them ... cannot be doubted."

Just the Beginning

That first billion is from *high-income* taxpayers who failed to file income tax returns. The IRS says that since 2017 it has sent notices to 125,000 taxpayers who owed taxes but didn't file. It assigned 1,500 of its agents to those earning the most — about 1,600 of them — to get \$1 billion.

But even so the IRS is just getting started. With a budget of \$16 billion (not including the \$6 billion coming from Biden's IRA each year over the next 10 years) and almost 100,000 employees (not including those recently hired to go after the "cheats" and "abusers"), the IRS is unleashing its agents (many of whom carry sidearms, just in case) on "complex partnerships, large corporations, and high-income, high-wealth individuals who do not pay [their] overdue tax bills." That includes hedge funds, real estate investment partnerships, publicly traded partnerships, and large law firms, among others. The agency "plans to begin dozens of audits involving personal use of business aircraft [to determine] whether the use of jets is being properly allocated between business and personal use."

These "resources" from the IRA, according to the IRS, will make "a difference, both for taxpayers who play by the rules and those who don't."

The agency promised to "close the gap":

Prior to the Inflation Reduction Act, more than a decade of budget cuts prevented the IRS from keeping pace with the increasingly complicated maneuvers that the wealthiest taxpayers use to hide their income and evade paying their share.

The IRS is continuing to take action to close this gap.

CNN, the anti-capitalist, pro-Marxist mouthpiece for the leftists running the country, [celebrated the move](#) "to crack down on wealthy tax cheats," especially those using the tax code's euphemistically called "basis shifting."

Previously legal for a business partnership, the IRS now [decrees it illegal](#), calling it

the inappropriate use of partnership rules to inflate the basis of the underlying assets without causing any meaningful change to the economics of their business.

Wealthy Pay Most Taxes

What's "inappropriate" is the IRS attack on capital — and on those owning it. These people are already paying far more than their "fair share" of the government's bills. [The Tax Foundation reported:](#)

Internal Revenue Service (IRS) data indicates that the wealthy in America are bearing the



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heaviest share of the income tax burden than in any time in recent memory.

On the other hand, more than 53 million low- and middle-income taxpayers pay no income taxes after benefiting from record amounts of tax credits, and six out of 10 households receive more in direct government benefits than they pay in all federal taxes....

The top 1 percent of taxpayers paid ... 40 percent of all income taxes paid, the highest share since 1980, and a larger share of the tax burden than is borne by the bottom 90 percent of taxpayers combined....

The top 0.1 percent of taxpayers paid ... 20 percent of all income taxes paid, the highest level since 2001.

The IRS expects to retrieve/extract/squeeze \$50 billion from those top one-percenters over the next few years, justifying in some mysterious way the enormous cost of doing so. With annual government expenditures expected to approach and then shortly exceed \$7 billion, even if all of the income earned by the top one percent of earners in the country were confiscated, it would only run the government for a few months.

According to Marx, privately owned capital is the enemy. It must be confiscated from its rightful owners and given to the state, where it properly belongs. The IRS is anxious to get on with the job.



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