

Statement by

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Secretary

United States Department of the Treasury

before the

Financial Services and General Government Subcommittee

Committee on Appropriations

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Chairman Van Hollen, Ranking Member Hagerty, and Members of the Subcommittee: Thank you for the invitation to testify and for your support of the Treasury Department.

Over the past three years, Treasury has helped drive a historic economic recovery and put our economy on a strong path for the medium- and long-term. GDP growth has been strong, growing 3.0 percent over the past four quarters. Inflation has declined substantially since its peak, even as we have more work to do to address high costs and give families more breathing room. The labor market is remarkably healthy. And companies have announced over \$850 billion in clean energy and manufacturing investments since the start of this Administration, including in places that historically had not received significant investment or where investment had declined. To support this, Treasury has played a leading role in implementing the American Rescue Plan and the Inflation Reduction Act.

We've also been focused on taking action beyond our borders to strengthen America's economic leadership and national security. I am heartened that Congress passed crucial support for Ukraine and for other allies. Treasury continues to impose sanctions to constrict Russia's ability to wage war and we are working with our partners to unlock the economic value of immobilized Russian sovereign assets. Treasury is also using the tools at our disposal to respond to conflict in the Middle East and to responsibly manage the U.S.-China economic relationship, including making sure that American workers and firms can compete on a level playing field and protecting our national security.

Let me now highlight several key requests in the President's FY 2025 Budget that will enable Treasury to continue advancing America's economic interests.

First, the Budget requests \$12.3 billion in discretionary resources for the Internal Revenue Service. Thanks to IRA funding and annual appropriations, we have already seen unprecedented improvements. This filing season, we made it easier for taxpayers to file their taxes and get the credits they're owed, including by providing 11,000 additional hours of in-person assistance. 140,000 taxpayers saved millions in tax preparation fees through the pilot of Direct File, an easy and free way to file taxes online directly with the IRS. We have also increased enforcement to make sure wealthy taxpayers and large corporations pay their fair share, collecting millions in unpaid tax debt from millionaires.

We need resources so that we can continue saving the American people time and money and helping reduce the deficit. The IRS is inviting all states to participate in Direct File as soon as next filing season and intends to expand it to support all of the most common tax situations over the next few years. And we will keep working to close the tax gap driven by wealthier Americans, which costs us over \$600 billion a year.

Second, the Budget requests funds to allow Treasury to address emerging threats, such as \$312 million for Treasury's Departmental Offices, including to support investment security in sensitive

technologies and the stability of the financial system, and \$150 million to enhance cybersecurity and protect our systems against intrusion by malign state actors.

Third, the Budget requests \$231 million for the Office of Terrorism and Financial Intelligence, which provides critical financial intelligence and sanctions-related economic analysis, including to support sanctions related to Hamas, Iran, and Russia. It also requests \$216 million for the Financial Crimes Enforcement Network to protect the financial system and combat illicit finance.

I am happy to now take your questions.