DESCRIPTION OF H.R. 7972,
THE "TAXPAYER WORKFORCE MODERNIZATION ACT"

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on July 1, 2026

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION

June 29, 2026
JCX-25-26

CONTENTS

Page

INTRODUCTION 1

A. IRS Fellowship Program 2

B. Estimated Revenue Effects of the Proposal 4

INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup for July 1, 2026, of H.R. 7972, the "Taxpayer Workforce Modernization Act." This document,[1] prepared by the staff of the Joint Committee on Taxation, provides a description of this bill.

[1] This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 7972, the "Taxpayer Workforce Modernization Act"* (JCX-25-26), June 29, 2026. This document can also be found on the Joint Committee on Taxation website at www.jct.gov. All section references in the document are to the Internal Revenue Code of 1986, as amended (the "Code"), unless otherwise stated.

A. IRS Fellowship Program

Present Law

There is no fellowship program currently administered by the Internal Revenue Service (the "IRS"), although certain fellowship programs are administered elsewhere within the Department of the Treasury.

The Commissioner of Internal Revenue (the "Commissioner") is required, pursuant to powers and duties prescribed by the Secretary of the Treasury, "to administer, manage, conduct, direct, and supervise the execution and application of the internal revenue laws and related statutes and tax conventions to which the United States is a party."[2] In carrying out these responsibilities, the Commissioner is authorized to employ such personnel as are necessary for administration and enforcement of the internal revenue laws, consistent with generally applicable Federal hiring requirements.[3] With respect to personnel matters, the IRS is generally subject to the same requirements as other executive agencies, with certain flexibilities authorized under the United States Code.[4]

Description of Proposal

The proposal requires the Commissioner, after consultation with the IRS Chief Counsel ("Chief Counsel") and the Chief Data and Analytics Officer ("Chief Data Officer"), to establish a fellowship program within the IRS not later than September 30, 2026. The proposal defines a 'qualified data scientist' as a professional skilled in applying advanced analytics, statistical modeling, or machine learning in complex regulatory, financial or compliance environments while working alongside tax law specialists and other tax subject matter experts. The program is required to be designed to address the most complex cases handled by the IRS, including new and emerging issues, and to assist in recruitment and retention of highly qualified tax experts.

Under the proposal, the Commissioner is required to advertise the program in such a way as to attract qualified data scientists and other tax professionals as the Commissioner determines are appropriately qualified to handle the most complex tax cases. The program is intended to draw from talent both inside and outside the Federal Government, including qualified data scientists working in the private sector. The program is required to be staffed by not fewer than ten fellows based on the needs of the IRS and the availability of qualified candidates. Fellows may be hired for two, three, or four-year terms, with the option for an unlimited number of one-year extensions that may be granted by the Commissioner. In the case of fellowship vacancies, the Commissioner, after consultation with the Chief Counsel and the Chief Data Officer, must fill vacant fellowships as soon as practicable and in such a manner as to ensure that the program is staffed with at least five fellows at a given time. The Commissioner is authorized to permanently hire fellows at the conclusion of their term. Compensation is determined by the

[2] Sec. 7803(a)(2)(A).

[3] Sec. 7804(a).

[4] 5 U.S.C. secs. 9501 through 9510. These provisions do not provide for creation of fixed-term fellowships or other time-limited, renewable, GS-15-and-above specialized appointments.

Secretary of the Treasury (or delegate) and is required to be no less than the minimum GS-15 rate and no greater than the statutory cap on executive compensation (excluding expenses).[5] The Secretary of the Treasury (or delegate) may appoint a lead program officer to administer and advertise the program.

The proposal requires the establishment of an IRS audit task force (no later than when the first fellowship is awarded), within the IRS and the Office of Chief Counsel, staffed by fellows and permanent IRS employees, operating in both national and regional offices. The task force's responsibilities include: 1) developing, testing and refining data-driven methods to support audit case selection, 2) educating IRS employees on the use, interpretation and limitations of data analytics and emerging analytic techniques relevant to tax administration, 3) supporting, in coordination with examiners and tax experts, the audit of selected taxpayers through advanced data analysis, transaction-level testing, and quantitative modeling, 4) supporting efforts to address offshore tax evasion and matters involving the Foreign Account Tax Compliance Act through data integration, anomaly detection, and network analysis, 5) identifying, mentoring and training junior IRS staff with respect to using data analytics and emerging analytic techniques to identify risk and facilitate task administration improvements, 6) reviewing existing uses of artificial intelligence and data analytics to improve on such existing cases and identify new use cases, and 7) provide data-driven recommendations for improving audit effectiveness and efficiency and for improving improper tax payment rates.

The Commissioner is required to submit an annual report to Congress beginning one year after the first fellowship is awarded. The report is required to address 1) program effects, 2) return on investment, including all costs and benefits incurred which may include predicted revenue increases based on task force recommendations, and all tax revenue and penalties recommended, assessed, or collected due to the work of the task force, and operational improvements in taxpayer service, 3) applicant volume, and 4) any recommended modifications to the program, if any. The Commissioner, with approval of the Secretary of the Treasury (or delegate, other than the Commissioner), is required to issue regulations necessary for efficient administration of the program.

Effective Date

The proposal is effective on the date of enactment.

---

[5] 3 U.S.C. Sec. 102.

B. Estimated Revenue Effects of the Proposal

The Congressional Budget Office will estimate any effect on Federal fiscal year budget receipts.