

Tax News & Views Capitol Hill briefing. March 14, 2025

# House taxwriters hold contentious markup on DOGE access to Treasury payment systems

In a contentious debate over the markup of a resolution of inquiry (H.Res. 127) at the House Ways and Means Committee, Democratic taxwriters highlighted their concerns regarding the Department of Government Efficiency's (DOGE) access to the Treasury's payment systems, while Republican committee members challenged their arguments and added a few of their own. The resolution, which failed by a vote of 25-18, was introduced on February 12 by Democratic Rep. Lloyd Doggett of Texas and cosponsored by the other 18 Democratic taxwriters.

URL: https://www.congress.gov/bill/119th-congress/house-resolution/127/text

## The specifics

The resolution of inquiry requests that the president provide (and directs the Treasury Department to provide) to the House all communications related to:

- Access to or use of the Treasury payment systems by the DOGE, Elon Musk, or any member of his team;
- Access to or use of confidential tax returns or tax return information (within the meaning of section 6103) by DOGE, Elon Musk, or a member of his team; and
- Any screenshots taken of the data or records in the Treasury payment systems by DOGE, Elon Musk, or a member of his team.

The measure gives President Trump and the Treasury Department no longer than 14 days after it is adopted to provide the requested documents.

Doggett's resolution of inquiry comes after Treasury Secretary Scott Bessent had afforded members of the DOGE access to the Department of the Treasury's payment systems which are used to distribute money for federal government obligations, such as tax refunds, Social Security, Medicare, and other programs. Shortly after reports revealed that members of the DOGE had access to these systems, Democratic taxwriters sent inquiries to the Treasury Department as to the nature of such access, while a number of other parties have brought court challenges to the DOGE's access to federal government systems, including at the Treasury Department. (Just this week, two judges from the US District Court for the District of Columbia ordered DOGE to produce documents related to its operations (text of order on Freedom of Information Act request)) (For prior coverage on access to the Treasury payment systems, see *Tax News & Views*, Vol. 26, No. 6, Feb. 7, 2025.)

**URL:** https://ecf.dcd.uscourts.gov/cgi-bin/show\_public\_doc?2025cv0511-18 **URL:** https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250207\_2.html

### **Democrats' statements**

Democratic tawriters addressed the panel on what they considered to be the lack of transparency and congressional oversight, and a potential violation of confidential taxpayer information under section 6103 due to the DOGE's (including Elon Musk) access to the Treasury Department's payment systems.

**Transparency and Oversight:** Determining who has access to the Treasury payment systems and the information that is being accessed was a matter of discussion at the markup. House Ways and Means Committee Ranking Member Richard Neal of Massachusetts declared that "what we are seeking today is simply transparency from the Trump administration and DOGE as to what they have done behind closed doors at agencies that carry sensitive, personal information of every American taxpayer."

**URL:** https://democrats-waysandmeans.house.gov/media-center/press-releases/neal-opening-statement-roi-markup

Neal further stated that, "if there is waste, fraud, and abuse, weed it out and get rid of it."

Doggett, along with Reps. Suzan DelBene of Washington, and Jimmy Gomez of California, called on Republican lawmakers to exert their oversight authority of Musk and other members of the DOGE team.

"All we are asking for in this resolution is truth, facts," said Doggett. He added that the Democrats are not interested in slowing down the process to reduce waste, fraud, and abuse. That said, Doggett remarked that he was not aware of "a case of fraud for prosecution anywhere" due to actions taken by the DOGE. Obtaining the information that the resolution of inquiry has asked for provides "accountability."

**URL:** https://doggett.house.gov/media/press-releases/rep-doggett-gop-continues-dont-know-dont-care-approach-musk-and-doge

**Taxpayer data (access and privacy):** Doggett, along with other committee members including Reps. Gwen Moore of Wisconsin and Linda Sanchez of California, commented on violations of taxpayer privacy under section 6103, a section of the tax code that generally provides for the confidentiality of taxpayer information and allows for inspection or disclosure of that information *only* when authorized by statute.

To counter what he considered to be Rep. Lloyd Smucker's (R-Pa.) claim that Democrats wanted to hire hundreds and thousands of additional IRS employees who would have access to the IRS tax account systems, Doggett said that "[w]hat we want is to enforce the tax law. We wanted the tax cheats to be brought to justice." Many IRS officials are denied access to the agency's tax account systems, even the IRS commissioner, due to the sensitive nature of the information contained therein. (For prior coverage on the DOGE access to the IRS' tax account systems, see *Tax News & Views*, Vol. 26, No. 8, Feb. 21, 2025.)

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250221\_2.html

**Musk appearance:** A possible appearance by Elon Musk to testify before the Ways and Means Committee and discuss the details surrounding the DOGE's access to the Treasury payment systems was discussed throughout the markup, particularly by Democratic Reps. John Larson of Connecticut and Judy Chu of California, who questioned why Musk has not appeared before the committee to explain the DOGE's recent actions and the types of waste, fraud, and abuse that he has said the efficiency team has found.

Chu also disagreed with a claim made by Republican Beth Van Duyne of Texas that Democrats have never asked Musk to testify before the committee. Chu asserted that Democratic committee members have invited Musk to appear before the panel, but they have not received a response from him.

## Republicans' response

Though few Republican committee members spoke at the markup, those that did challenged the Democrats' assertions and made several arguments of their own.

In Ways and Means Committee Chairman Jason Smith's (R-Mo.) opening statement, he said that DOGE employees are government employees whose efforts are focused on rooting out waste, fraud, and abuse. He also stressed that the request for information from the DOGE as part of this inquiry "[i]s nothing more than manufactured outrage that does nothing to serve the American people."

**URL:** https://waysandmeans.house.gov/2025/03/12/chairman-smith-democrats-throwing-sand-in-the-gears-of-trump-administration-rooting-out-waste-fraud-and-abuse/

Smith added that "[w]hen Americans voted for President Trump, they sent a message that they want Washington to stop spending money on stuff that does nothing to serve the people. Every year, the federal government makes up to \$521 billion in improper payments according to a recent GAO study. No one can argue that we don't need to take serious and swift action to root out that waste."

**Taxpayer data (access and privacy):** Smucker stressed the double standard on the part of Democratic lawmakers concerning DOGE employees' access to certain systems. He claimed that Democrats have advocated hiring tens of thousands of new IRS employees who would also have access to taxpayer information, specifically those who examine taxpayer records. Smucker also reminded the panel that there was "a massive leak" of taxpayer information at the IRS last year and stressed that he did not hear any "outrage" from Democratic lawmakers at that time.

Van Duyne, for her part, said that Democrats have expressed "outrage" when members of the DOGE team were afforded access to the IRS' tax account systems, though she pointed out that there is an agreement in place between the Treasury Department and the Office of Personnel Management (OPM) which prohibits the DOGE from accessing personal taxpayer data. (For prior coverage of the agreement, see *Tax News & Views*, Vol. 26, No. 10, March 7, 2025.)

**URL:** https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250307 2.html

**Musk appearance:** Van Duyne inquired as to why Democrats have not invited Musk to appear as a witness at a Ways and Means Committee hearing, though Chu challenged her assertion and indicated that Democrats have invited Musk, but he has not responded.

As to Musk's possible appearance at a Ways and Means Committee hearing, Smucker said that you can follow Musk in interviews he has given or through DOGE.gov, and that "he is not someone who is doing this in the dark."

**Election mandate:** Several GOP committee members also remarked that, as a result of the presidential and congressional election last November, the American people gave the Republican party a mandate to govern, with control of the House, the Senate, and the White House.

Rep. Jodey Arrington of Texas said that "the taxpayer put this president in office and gave us...unified Republican leadership because they want to us to make sure that their tax dollars are protected and are being spent wisely..."

Smucker said that "it's as if they (Democrats) haven't heard the message of this previous election, like it never occurred...In my district, what the American people wanted was to prioritize America, prioritize the American people over the bureaucracy, over the massive federal government."

**Debt crisis:** Smucker, who also serves as the vice chair of the House Budget Committee, argued that the nation is currently experiencing a severe debt crisis. He stated that "[t]he American people know that we are bankrupt," and added that "[t]his year we are spending \$7 trillion and taking in \$5 [trillion]." He said that "if we don't change our course, we are going to see a sovereign debt crisis."

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