

Real World Graduation: Question 20

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Question 20

20. Why is the agency that collects federal income taxes called the "Internal Revenue Service" (IRS)?
- a) It is responsible for answering taxpayer questions.
 - b) It is responsible for printing all the forms and making them available online.
 - c) It generates the revenue necessary to run the government.
 - d) It advises Congress on the advantages and disadvantages of various tax policies.
 - e) A combination of a), b), and d).

Answer to Question 20

This is a trick question. None of the answers are correct.

The IRS performs the functions cited in answers a), b), and d) along with several others, but they are not why it is called the Internal Revenue Service. It is called a "Service" to distract you, the taxpayer, from the fact that the IRS is actually an income tax enforcement bureau that has nearly arbitrary powers. It does not answer to Congress, or the President, or the courts, or the voters regardless of how much it abuses its powers. You are guilty before the IRS unless you can prove you are not; and you have to prove your innocence in the U. S. Tax Court if you disagree with the IRS's determination.

The IRS routinely gives incorrect answers to taxpayer questions. Too bad, you still have to pay taxes, penalties, and interest, even if you acted in good faith on IRS advice. Answer c) is wrong because the IRS does not "generate" revenue, it collects it from taxpayers.

There was a scandal in 2010 through 2012 in which IRS employees knowingly and willfully stalled approval of tax-exempt status for conservative political groups. No matter: no one was fired for this activity, no one was prosecuted, and no one was fined or went to jail (pretty good service). Lois Lerner was fired, but only because she had become a public relations liability, not because anyone at the IRS thought she did anything wrong. Her accomplices were unaffected, receiving the usual raises and promotions on schedule. IRS employees are at liberty to do anything they want to a taxpayer (with respect to the tax laws) all in the name of "service".

Don't be fooled by the names given to government agencies. The word "service" in the name of a government agency refers to the fact that you, the citizen, serve them. Likewise, the name of a government agency does not necessarily indicate their function. For example, the Department of Education does not actually educate anyone; the Department of Agriculture does not actually grow anything; and the Food and Drug administration neither raises food nor produces drugs. The Security and Exchange Commission neither provides securities nor performs exchanges. All of these, and the ones called "services", spend all their time regulating you, the citizen, and attempting to increase their power over you by "interpreting" the law to justify additional regulations.