



DEPARTMENT OF THE TREASURY

The Department of the Treasury (Treasury) is responsible for maintaining a strong economy, promoting conditions that enable economic growth and stability, protecting the integrity of the financial system, combating global financial crime and corruption, and managing the U.S. Government's finances and resources effectively. The President's 2023 Budget for Treasury invests in: a fair and robust tax system; enforcing the tax code and ensuring compliance by the wealthy and corporations; improving the taxpayer experience and customer service; providing resources to expand job-creating investments and access to credit in disadvantaged communities; and enhancing cybersecurity.

The Budget requests \$16.2 billion in discretionary funding for Treasury, a \$2.7 billion or 20-percent increase from the 2021 enacted level.

The President's 2023 Budget:

- **Improves Taxpayer Experience and Supports a Fair and Equitable Tax System.** Last year, the IRS delivered more than \$600 billion in direct economic relief to American households and businesses through Economic Impact Payments, monthly advance child tax credit payments, and more. Yet the agency's funding and staffing levels have not kept pace with its expanding scope. To ensure that taxpayers receive the highest quality customer service and that all Americans are treated fairly by the U.S. tax system, the Budget provides a total of \$14.1 billion for the Internal Revenue Service (IRS), \$2.2 billion, or 18 percent, above the 2021 enacted level. This includes an increase of \$798 million to improve the taxpayer experience and expand customer service outreach to underserved communities and the tax-paying public at large. The Budget also provides \$310 million for IRS Business Systems Modernization, which is 39 percent above the 2021 enacted level, to accelerate the development of new digital tools to enable better communication between taxpayers and the IRS. Increased funding for the IRS would also facilitate more effective oversight of high-income and corporate tax returns. In addition to these resources, the Administration continues to support multiyear investments in IRS tax enforcement to increase tax compliance and revenues that the President has previously proposed. This investment reflects decades of analysis demonstrating that program integrity investments to enforce existing tax laws increase revenues in a progressive way by closing the tax gap—the difference between taxes owed and taxes paid.
- **Expands Lending in Disadvantaged Communities and Increases Affordable Housing Supply.** The Budget provides \$331 million for the Community Development Financial Institutions (CDFI) Fund, an increase of \$61 million, or 23 percent, above the

2021 enacted level. To address the critical shortage of affordable housing in communities, the Budget also proposes \$5 billion in long-term mandatory funding for CDFI financing of new construction and substantial rehabilitation that creates net new units of affordable rental and for sale housing. CDFIs provide historically underserved and often low-income communities access to credit, capital, and financial support to grow businesses, increase affordable housing, and reinforce healthy neighborhood development.

- **Increases Corporate Transparency and Safeguards the Financial System.** Treasury plays a leading role in monitoring and disrupting corruption, money laundering, terrorist financing, and the use of the financial system by malicious actors domestically and abroad. Investment in Treasury staff and technical capabilities is critical to these efforts, including closing financial reporting loopholes that allow illicit actors to evade scrutiny, mask their dealings, and undermine corporate accountability. The Budget provides \$210 million for the Financial Crimes Enforcement Network, \$83 million above the 2021 enacted level, to increase oversight of the financial sector, strengthen corporate accountability, and provide adequate support to law enforcement and investigative entities. In addition, the Budget provides \$212 million to the Office of Terrorism and Financial Intelligence, \$37 million above the 2021 enacted level, to modernize and update the sanctions process consistent with the findings of the Treasury 2021 Sanctions Review.
- **Strengthens Enterprise Cybersecurity.** The Budget provides \$215 million, an increase of \$197 million above the 2021 enacted level, to protect and defend sensitive agency systems and information, including those designated as high-value assets. The Budget increases centralized funding to strengthen Treasury's overall cybersecurity efforts and establish a Zero Trust Architecture. These investments would protect Treasury systems from future attacks and accelerate Treasury's response to the SolarWinds incident and Log4j vulnerabilities.
- **Restores Critical Agency Capacity.** The Budget provides \$293 million for Treasury's Departmental Offices, a 26-percent increase over the 2021 enacted level, to rebuild institutional capacity and strengthen the role of Treasury policy offices. Additional funding for Treasury's Climate Hub would support a sustainable economic recovery and advance climate goals both domestically and internationally, including domestic coal transition and engagement with international financial institutions. Increased staffing would also support assessments of climate-related financial risk arising from private insurance coverage gaps in regions of the Nation particularly vulnerable to climate change impacts. The Budget also builds institutional capacity to expand engagement with historically underrepresented and underserved groups and develop actionable goals to advance equity across all Treasury programs.