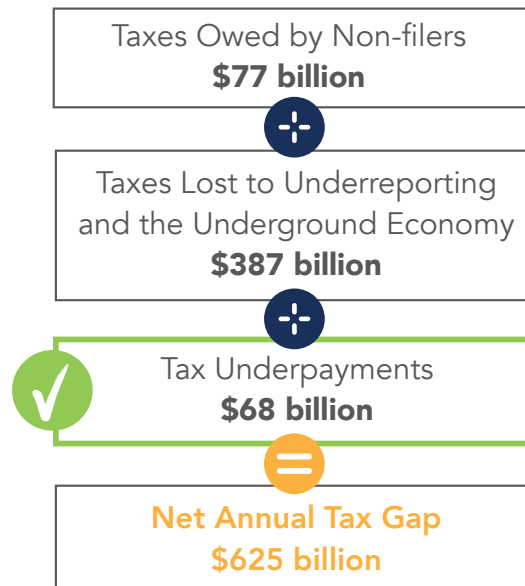


How the IRS Private Debt Collection Program Helps Address the Tax Gap

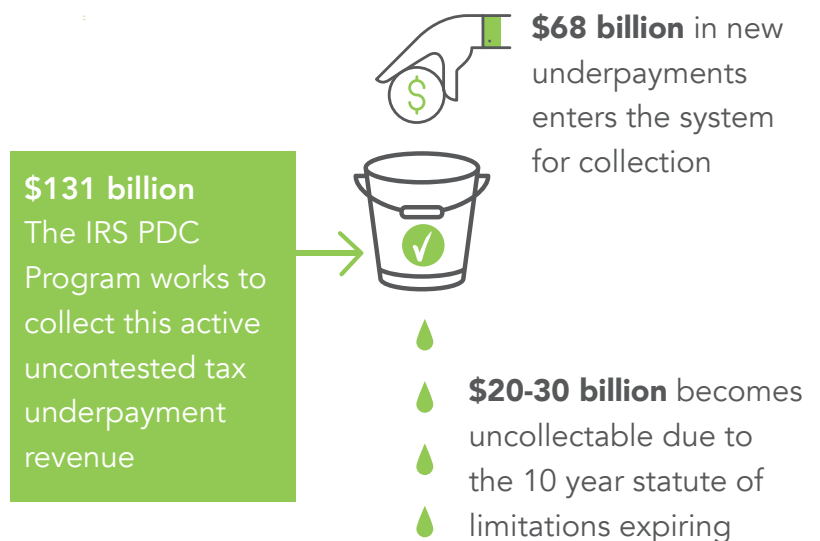
Each year, the IRS estimates the Tax Gap, the difference between the total amount of taxes owed and taxes paid, which **exceeds \$625 billion**. That large amount is generated by three general circumstances – those who failed to file their taxes, taxes not collected due to the underground economy and tax underpayments.

The IRS Private Debt Collection (PDC) Program exclusively works to collect tax underpayments – the specific subset of taxes owed by those who have filed their taxes, agree that they owe, but have not yet paid in full. Without this important program, IRS manpower shortages cause the U.S. Treasury to lose \$20 to 30 billion in legitimate tax revenue each year due to expiration under the collection statute of limitations.

Tax revenue collected by the IRS Private Debt Collection Program allows the agency to finally hire the needed permanent internal staff, helps to bolster the U.S. Treasury and allows the federal government to continue to fund much-needed government programs.



EVERY YEAR:



The **IRS Private Debt Collection (PDC) Program** is a successful public-private partnership that returns vital funding to the U.S. Treasury, ensures fairness in the tax system and offers collaborative solutions that help Americans achieve a zero tax balance.