



# TaxNewsFlash

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## Treasury Inspector General report on IRS workforce reductions

The Treasury Inspector General for Tax Administration released a [report](#) (dated May 2, 2025) providing an update as of March 2025 on the IRS' efforts to reduce its workforce through the deferred resignation program (DRP) and probationary employee terminations.

The report states that as of March 2025, 11,443 IRS employees (representing 11% of the IRS's workforce) were either approved for the DRP (4,128 employees) or received termination notices during their probationary employment period (7,315 employees) (collectively referred to as separations).

The report also explains that the separations disproportionately affected certain IRS business units and employees in certain job positions:

- Of the top six business units most affected (i.e., Tax Exempt & Government Entities (TE/GE), Large Business & International (LB&I), Small Business/Self Employed (SB/SE), Human Capital Office (HCO), Information Technology (IT), and Taxpayer Services (TS)), TE/GE and LB&I lost 31% and 25% of their workforces, respectively.
- Of the top six job positions most affected (i.e., revenue agents, revenue officers, contact representatives, tax examiners, miscellaneous clerical/assistants, and information technology management), the number of revenue agents declined by approximately 31%.

### Further reductions anticipated

The report also describes that the following further reductions are anticipated:

- The IRS announced in April 2025 that it began implementing a reduction in force (RIF) that will result in staffing cuts across multiple offices and job categories. In particular, the IRS initiated RIFs for the Office of Civil Rights and Compliance (formerly the Office of Equity, Diversity & Inclusion), the Taxpayer Experience Office, and the Office of Equity, Diversity & Inclusion in Taxpayer Services.
- The IRS in April 2025 offered additional voluntary separation programs to its employees, including the Treasury Deferred Resignation Program (TDRP) which mirrors the benefits of the first DRP offering.

According to the IRS, over 23,000 employees applied for the TDRP, and 13,124 were approved as of April 22, 2025.

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