



## Press Release

# Tracker: The Cost of Tax Paperwork

PAULINA ENCK | APRIL 14, 2022

In a new tracker, Director of Regulatory Policy Dan Bosch records the cost of complying with Internal Revenue Service paperwork using data on Information Collection Reviews from the [RegInfo.gov](https://www.reginfo.gov) website from the Office of Information and Regulatory Affairs. For this first edition of the tracker, data as of April 14, 2022, is compared to the snapshot of costs annually compiled by the American Action Forum on Tax Days going back to 2017.

An excerpt:

Costs grew dramatically from 2021 to 2022, topping \$200 billion for the first time. The \$18.4 billion increase is the biggest year-over-year change since 2018, when costs exceeded 2017 levels by \$24.3 billion. The largest increase came from a major change in the Qualified Business Income Deduction (QBID) estimate. In 2021, the IRS estimated just 10,000 responses and 30,000 hours. That estimate applied only to the simplified QBID, however. Over the past year, the agency added a longer version for more complicated deductions, including four schedules – or forms that must be prepared to calculate certain types of income or deductions. Total estimated responses and hours skyrocketed as a result, to 41.4 million and 336 million, respectively, at a total cost of \$12.2 billion.

[Read the analysis](#)