

IRS News Release

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New Steps Taken to Improve Questionable Refund Program

IR-2006-24, Feb. 6, 2006

WASHINGTON — The Internal Revenue Service today announced new steps to improve the Questionable Refund Program (QRP) and reduce the number of taxpayers subject to frozen refunds.

IRS Commissioner Mark W. Everson said the changes include notifying taxpayers when a tax refund has been frozen. Other new procedures will result in a more timely release of frozen tax refunds for those cases that do not warrant further review.

“The actions we’re announcing constitute significant improvements to an important program,” Everson said. “Going forward, we’re going to both improve our screening procedures and notify all taxpayers whose refunds are held. As Senate Finance Chairman Grassley stated when asking us to look at reforms for QRP, the IRS needs to respect the ‘necessary balance between taxpayer rights and enforcement of the law.’ We believe this approach strikes the right balance.”

Highlights of the changes:

- **Improvements to screening procedures.** The IRS will improve and refine the accuracy of filters in the program to reduce the initial number of valid refund claims held.
- **Earlier release of refunds.** The IRS will expedite the review of returns, resulting in an earlier release of refunds.
- **Notification to taxpayers.** The IRS will notify all taxpayers whose refunds are frozen.

Notification procedures will be implemented this filing season. Improvements to the screening and review processes will be implemented as soon as possible in the coming months. The IRS will also continue to identify and implement other areas for improvement.

The IRS announced the review last month after members of Congress and the National Taxpayer Advocate raised questions regarding the length of delay and lack of notification for refund claims. The IRS developed the new procedures in consultation with the National Taxpayer Advocate.

The IRS established the Questionable Refund Program to deal with the serious problem of refund fraud, which has increased significantly in recent years. The IRS estimates that fraudulent refund claims now exceed a half-billion dollars a year. Congress has held a number of hearings urging the IRS to devote additional resources and improve its detection and prevention of fraudulent refunds, particularly those involving prisoners.

