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MEMORANDUM FOR TAXPAYER ADVOCATE SERVICE EMPLOYEES

FROM: /s/ Erin M. Collins
National Taxpayer Advocate

SUBJECT: Interim Guidance - Economic Impact Payments

This memorandum supersedes [Interim Guidance Memorandum \(IGM\) IGM TAS-13- 0820-0016](#), Economic Impact Payments and TAS Case Acceptance, implemented on August 7, 2020.

Section 2201 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, 134 Stat. 281 (2020), signed into law on March 27, 2020, added new section [IRC 6428](#) to the Internal Revenue Code (IRC) entitled “2020 Recovery Rebates for Individuals.” The recovery rebates are facilitated through a tax credit. IRC section 6428(f) provides for an advance refund of the tax credit to an eligible individual in calendar year 2020. These advanced payments are referred to as “Economic Impact Payments” (EIPs). IRC section 6428(f)(3) provides that EIPs cannot be made or allowed after December 31, 2020. The IRS deadline to register for an EIP is November 21, 2020.

Shortcomings in vital IRS technology and processes impede the IRS’s capability to complete EIP adjustments in real-time. Instead, adjustments may take several days or weeks to post and generate an EIP. Due to these technological factors, the last day the IRS can process a return which will then cause the issuance of an EIP (if eligible) is **December 3, 2020**, and the last day the IRS can adjust a taxpayer’s account to release an EIP is **December 7, 2020**. Although TAS has continued to work with the IRS Wage and Investment (W&I) Division, staffing constraints caused by COVID-19 have slowed the response time of IRS personnel and large IRS backlogs of tax returns and correspondence coupled with limited resources has made it difficult for TAS to work successfully with the IRS to resolve the problem(s) preventing some taxpayers from receiving their EIP. Because of these factors TAS’s ability to effectively advocate in cases involving stand-alone EIPs is limited and requires changes to TAS case procedures as follows.

- I. TAS will not accept new cases involving stand-alone EIP issues as of November 23, 2020 from all sources, except Congressional Offices. For Congressional Offices, TAS will not accept new cases involving stand-alone EIP issues as of November 24, 2020.**

Although TAS will stop accepting new cases involving stand-alone EIP issues, it is expected that TAS may continue to receive taxpayer inquiries and assistance requests. TAS's response needs to be consistent across the country and our response to these inquiries and requests are important. Many taxpayers have waited several months for their EIP issues to be resolved. However, because of the IRS's deadlines of December 3, 2020 to process a return which will then cause the issuance of an EIP (if eligible), December 7, 2020 to input adjustments to issue or increase EIPs, and the statutory deadline for EIPs to be made or allowed not later than December 31, 2020, some taxpayers may receive less EIP than entitled to in calendar year 2020, and thus may be able to claim the recovery rebate credit (RRC) on their tax year 2020 tax returns beginning in calendar year 2021.

TAS employees should be empathetic and understand the financial hardship this may cause for some taxpayers and the frustration they may feel. Although TAS will not accept new cases for stand-alone EIP issues, TAS employees should seize the opportunity to explain the circumstances surrounding EIPs and educate taxpayers about the RRC, see [Section V](#), Taxpayer Education and Outreach, for additional information.

Reminder: TAS will continue to accept cases, per [IRM 13.1.7](#), Taxpayer Advocate Service (TAS) Case Acceptance Criteria, and advocate for resolution of the underlying or root problem(s) stemming from a filed tax year 2019 (or 2018) tax return. However, resolution of these issues after the deadlines discussed above will not trigger the issuance of the EIP during calendar year 2020. See [IRM 21.6.3.4.2.13.1](#), Economic Impact Payments – Account Information, and [IRM 21.6.3.4.2.13.3](#), Economic Impact Payments – Manual Adjustments.

II. TAS will advocate, via the Operations Assistance Request (OAR) process (or exercise delegated authority when appropriate), for currently open TAS cases involving EIP-related issues until November 30, 2020.

TAS employees should use critical thinking skills to immediately triage EIP cases and when necessary advocate via the OAR process (or by exercising delegated authority, when appropriate) by November 30, 2020.

TAS will not issue OARs (or exercise delegated authority) for stand-alone EIP issues after November 30, 2020, because the Operating Division (OD)/Function and IRS systems will not have sufficient time to post adjustments by the deadlines discussed above to generate an EIP by cycle 202050.

Reminder: TAS will continue to advocate for resolution of the underlying or root problem(s) stemming from a filed tax year 2019 (or 2018) tax return, per [IRM 13.1.19](#), TAS Operations Assistance Request (OAR) Process or by exercising delegated authority, when appropriate. However, resolution of these issues after the deadlines discussed above will not trigger the issuance of the EIP during calendar year 2020. See [IRM 21.6.3.4.2.13.1](#), Economic Impact Payments – Account Information, and [IRM 21.6.3.4.2.13.3](#), Economic Impact Payments – Manual Adjustments.

III. TAS will close outstanding OARs for stand-alone EIP issues beginning December 10, 2020.

TAS employees should review the Integrated Data Retrieval System (IDRS) beginning December 10, 2020, for cases where an OAR is outstanding for a stand-alone EIP issue. When reviewing IDRS, TAS employees should identify if the corrective adjustment(s) is present on IDRS. This includes EIP adjustments that are AP, PN, or posted. For OARs where no corrective EIP adjustment is present, or if an adjustment is present but is showing as an unresolved unpostable, TAS will notify the OD/Function that the OAR has been withdrawn and close the OAR as follows:

1. On Page 2 of the Taxpayer Advocate Management Information System (TAMIS) OAR Screen take the following actions:
 - In Section VI, Box 2a, OD/Function Action Taken, select “**OD/Function disagree with TAS recommended action**”; and
 - In the OAR closure date field, enter “**12/10/2020**”.
2. In the TAMIS history, enter the literal ****1210EIP****.

See [IRM 13.1.19.5.4](#), Case Advocate OAR Responsibilities, for additional OAR closure information.

Reminder: [Section III](#) above does not apply to outstanding OARs where TAS will continue to advocate for resolution of the underlying or root problem(s) stemming from a filed tax year 2019 (or 2018) tax return.

IV. TAS will close unresolved stand-alone EIP ONLY cases beginning December 10, 2020.

TAS employees will begin closing cases on December 10, 2020, for stand-alone EIP issues where the EIP issue remains unresolved and there are no other secondary or incidental matters for which TAS can advocate. TAS employees will take the following actions on TAMIS to close these cases:

1. Enter the literal ****1210EIP**** in TAMIS history;
2. Enter **No Relief Code 50**, Relief appropriate, but law prevents, on Page 2 of the TAMIS Closing Screen;
3. Ensure **30/202012** is included in the MFT/Tax Period fields on TAMIS Taxpayer Screen 5;
4. Ensure “**CARES**” is input in the **National Office (N.O.) Use code** field on TAMIS Taxpayer Screen 5.

For Criteria 1-4 cases, Local Taxpayer Advocates (LTAs) will issue the **EIP No Relief Closing Letter for Criteria 1-4**, in accordance with [IRM 13.1.18.4](#) (6) and (7), Assisting Taxpayers with Economic Burdens (**Criteria 1-4 Cases**), and [IRM 13.1.21.1.2](#) (7), Closing Actions.

For Criteria 5-9 cases, Case Advocates will issue the EIP No Relief Closing Letter for Criteria 5-9 OR use the following closing language for verbal closures:

“I’m contacting you to provide an update on your inquiry and to regretfully inform you I have to close your case with the Taxpayer Advocate Service (TAS). Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 27, 2020 and added new section IRC 6428 to the Internal Revenue Code (IRC) entitled “2020 Recovery Rebates for Individuals.” The recovery rebate credit (RRC) is facilitated through advance payments and are referred to as “Economic Impact Payments” (EIPs). The law provides that EIPs be made in calendar year 2020 but not later than December 31, 2020.

Although, I diligently advocated on your behalf and recommended the IRS act timely and expeditiously to issue the correct EIP amount to you, the IRS was not able to process my request. In order to issue the EIP by December 31, 2020 the IRS needed to process my request by [December 3, 2020 if processing a return to cause issuance of the EIP or December 7, 2020 if adjustment to release the EIP]. The IRS has not processed my request for your EIP. This year was particularly difficult because staffing constraints caused by COVID-19 slowed the response time of IRS personnel and large IRS backlogs of tax returns and correspondence coupled with limited resources made it difficult for the IRS to resolve the problem(s) preventing some taxpayers from receiving their EIP. As such, the IRS was unable to resolve all requests, including yours; and unfortunately, TAS is unable to take further action.

However, there is still time to claim your Recovery Rebate Credit (RRC). You will need to file a tax year 2020 [Form 1040](#), U.S. Individual Income Tax Return, or a tax year 2020 [Form 1040-SR](#), U.S. Tax Return for Seniors, beginning in calendar year 2021. Report the RRC on your tax year 2020 tax return and reduce any RRC by any EIP amount(s) you received in calendar year 2020 (if applicable). If you are due any remaining credit, it will be allowed on your tax year 2020 tax return. Generally, if you file your 2020 tax return electronically and provide bank routing information the IRS should process your tax return and issue any refund within 21 days. Please note, certain tax year 2020 tax credits and account conditions may extend this timeframe.

I know this situation may have caused you considerable frustration and inconvenience. I sincerely apologize that the IRS was unable to issue your EIP before December 31, 2020, and that there is no further action TAS can take. I appreciate your patience while I advocated on your behalf and hope you will still contact TAS in the future, if you have other tax issues you are unable to resolve with the IRS.”

Reminder: [Section IV](#) above does not apply to cases where TAS will continue to advocate for resolution of the underlying or root problem(s) stemming from a filed tax year 2019 (or 2018) tax return or any other non-EIP issue, secondary issue or incidental matter.

V. Taxpayer Education and Outreach

For EIP issues where TAS is not able to directly assist taxpayers or accept a case, TAS will continue to:

- Educate taxpayers about the RRC and explain:
 - He or she should file a tax year 2020 [Form 1040](#), U.S. Individual Income Tax Return, or [Form 1040-SR](#), U.S. Income Tax Return for Seniors, beginning in calendar year 2021.
 - The RRC should be reported on his or her tax year 2020 tax return reducing the credit by any EIP they received in calendar year 2020, (if applicable):
 - If the taxpayer is due the RRC, it will be allowed on his or her tax year 2020 tax return;
 - Filing a tax year 2020 tax return electronically and providing bank routing information may enable the IRS to process the tax return and generate his or her RRC quicker; and
 - On average the direct deposit should be made within 21 days from receipt of the tax return. However, certain tax year 2020 tax credits and account conditions may extend this timeframe past 21 days (e.g., Advance Child Tax Credit (ACTC) or Earned Income Tax Credit (EITC) which are not payable until after February 15th).
- Direct taxpayers to IRS resources or the IRS EIP toll-free help line at 1-800-919-9835;
- Use outreach and other forums to gather feedback and improve the IRS's educational resources;
- Identify systemic problems using the Systemic Advocacy Management System (SAMS) and work with the IRS to correct them; and
- Monitor IRS developments in EIP and RRC processing and re-evaluate this interim guidance as the situation changes.

Effect on Other Documents: This IGM supersedes [IGM TAS-13-0820-0016](#) (August 7, 2020). TAS may incorporate this guidance into the next revision of IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria.

Please contact Michael Kenyon, Deputy Executive Director of Case Advocacy, Technical Support, at (701) 237-8299, if you have questions.

cc: www.irs.gov