IRS Congressional Update

News for members of Congress and their staffs .....April 2020

Filing season extended: Returns and payments due July 15

The federal income tax filing due date is automatically extended from April 15, 2020, to July 15, 2020.

Taxpayers can also defer federal income tax payments due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. This deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers as well as those who pay self-employment tax.

Taxpayers do not need to file any additional forms or call the IRS to qualify for this automatic federal tax filing and payment relief. Individual taxpayers who need additional time to file beyond the July 15 deadline, can request a filing extension by filing Form 4868 through their tax professional, tax software or using the Free File link on IRS.gov. Businesses who need additional time must file Form 7004.

For details, see:

- **IRS news release IR-2020-58**
- **Filing and Payment Deadlines Questions and Answers**

Note: State filing and payment deadlines may not be affected by this change to the Federal deadline. The IRS urges taxpayers to check with their state tax agencies for details about due dates. More information is available at **TaxAdmin.org**.

Stimulus payment checks

The IRS does not have any information yet on the pending legislation involving stimulus checks. For the latest news, we urge people to check **https://www.irs.gov/coronavirus**. Taxpayers should not call the IRS; all information will be posted on IRS.gov as soon as it's available. And contrary to some media reports, there's no special "sign up" page on IRS.gov to receive the stimulus checks. For taxpayers who haven't submitted 2019 tax returns yet, the IRS encourages those people to include direct deposit information when they file.

IRS District Liaisons will share details with congressional staff as soon as any become available.

New payroll tax credit for small and midsize businesses

Small and midsize employers can begin taking advantage of two new refundable payroll tax credits, designed to promptly and fully reimburse them, dollar-for-dollar, for the cost of providing Coronavirus-related leave to their employees.

Key takeaways:

Paid Sick Leave for Workers. For COVID-19 related reasons, employees receive up to 80 hours of paid sick leave and expanded paid child care leave for employees when their children's schools are closed or child care providers are unavailable.

Complete Coverage. Employers receive 100% reimbursement for paid leave pursuant to the Act.

- Health insurance costs are also included in the credit.
- Employers face no payroll tax liability.
- Self-employed individuals receive an equivalent credit.

Fast Funds. Reimbursement will be quick and easy to obtain.

- An immediate dollar-for-dollar tax offset against payroll taxes will be provided
- Where a refund is owed, the IRS will send the refund as quickly as possible.

Small Business Protection. Employers with fewer than 50 employees are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed, or child care is unavailable in cases where the viability of the business is threatened.

Easing Compliance. Requirements subject to 30-day non-enforcement period for good faith compliance efforts.

To take immediate advantage of the paid leave credits, businesses can retain and access funds that they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form that will be released next week.

See **IRS news release IR-2020-57** for more details.

Suspension of face-to-face service interactions

For public and employee safety, the IRS has temporarily closed all Taxpayer Assistance Centers and discontinued face-to-face service throughout the country until further notice. The IRS is continuing to process tax returns, issue refunds and help taxpayers to the greatest extent possible.

Walk-in services with the Taxpayer Advocate Service have also ended, though phone operations continue.

CONSTITUENT CASEWORK - SPECIAL NOTE: *TAS will be accepting materials from congressional offices by email, including privacy releases taxpayers execute that allow TAS to discuss cases with you and your staff. Please be aware that the rules barring TAS from sending outbound emails with taxpayer information continue to apply, so TAS will not be able to engage in a dialogue by email.*

People First Initiative; COVID-19 effort temporarily adjusts, suspends key compliance program

To help people facing the challenges of COVID-19 issues, the IRS announced a sweeping series of steps, providing relief on a variety of issues ranging from easing payment guidelines to postponing compliance actions.

More specifics about the implementation of these provisions will be shared soon. Highlights of the key actions in the IRS People First Initiative include:

Existing Installment Agreements – For taxpayers under an existing Installment Agreement, payments due between April 1 and July 15, 2020 are suspended.

Offers in Compromise (OIC) – The IRS is taking several steps to assist taxpayers in various stages of the OIC process:

- **Pending OIC applications** – The IRS will allow taxpayers until July 15 to provide requested additional information to support a pending OIC. In addition, the IRS will not close any pending OIC request before July 15, 2020, without the taxpayer's consent.
- **OIC Payments** – Taxpayers have the option of suspending all payments on accepted OICs until July 15, 2020.
- **Delinquent Return Filings** – The IRS will not default an OIC for those taxpayers who are delinquent in filing their tax return for tax year 2018. However, taxpayers should file any delinquent 2018 return (and their 2019 return) on or before July 15, 2020.

Field Collection activities - Liens and levies (including any seizures of a personal residence) initiated by field revenue officers will be suspended during this period.

Automated Liens and Levies – New automatic, systemic liens and levies will be suspended during this period.

Private Debt Collection – New delinquent accounts will not be forwarded by the IRS to private collection agencies to work during this period.

Field, Office and Correspondence Audits – During this period, the IRS will generally not start new field, office and correspondence examinations. We will continue to work refund claims where possible, without in-person contact.

Earned Income Tax Credit and wage verification reviews – Taxpayers have until July 15, 2020, to respond to the IRS to verify that they qualify for the Earned Income Tax Credit or to verify their income.

Independent Office of Appeals – Appeals employees will continue to work their cases. Although Appeals is not currently holding in-person conferences with taxpayers, conferences may be held over the telephone or by videoconference.

More details are available in IRS **news release IR-2020-59**.

IRS operations during COVID-19: Mission-critical functions continue

To protect employees and taxpayers, the IRS has scaled back operations to focus on mission-critical activities. Many IRS offices in areas hardest hit by COVID-19 are closed or have reduced operations. Telework-eligible employees across the IRS continue to work during this period.

The following is an **overview of various operations** of interest to taxpayers and tax professionals:

In-person assistance – As noted in the article above, the IRS has temporarily suspended almost all face-to-face contacts with taxpayers. All Taxpayer Assistance Centers (TACs) are closed and face-to-face service discontinued throughout the country until further notice. For taxpayers with TAC appointments, every effort to resolve the taxpayer's assistance needs by phone will be made.

Automated applications – IRS.gov and many automated applications remain available, including such things as Where's My Refund, the IRS2Go phone app and online payments and online payment agreements.

Telephones –Limited live telephone customer service assistance is currently available, but local office closings, limited call site staff and high demand means that there is extremely high call volume. Wait times will be lengthy. The IRS strongly urges people to use IRS.gov for information.

Practitioner Priority Service (PPS) –Practitioners are reminded that, depending on staffing levels going forward, there may be more significant wait times for the PPS. The IRS will continue to monitor this as situations develop.

Taxpayer appointments –During this period, all face-to-face appointments at an IRS Taxpayer Assistance Center are cancelled. Taxpayers do not need to call to cancel their appointments.

Taxpayer correspondence –While able to receive mail, the IRS will be responding to paper correspondence only to a very limited degree during this period. Taxpayers who mail correspondence to the IRS during this period should expect to wait longer than usual for a response. Even after normal operations resume as it will take the IRS time to work through any correspondence backlog.

Compliance activity –See the article above, on the People First Initiative. Details are available in IRS **news release IR-2020-59**.

Statute of limitations issues –The IRS will continue working cases where a statute of limitation is pending. In some of these situations, the IRS will work with the taxpayer or their representative to obtain an extension of the statute.

Office of Chief Counsel –The Office of Chief Counsel continues to work to resolve cases in litigation, including those on calendars in various cities through July 3, 2020, that were recently cancelled by the U.S. Tax Court. Counsel continues to work on cases in litigation generally and to support and advise the IRS operating divisions on their enforcement and examination activities. Although Counsel is not meeting with taxpayers or their representatives in face-to-face meetings, or taking depositions, taxpayers should know that our attorneys are available to discuss their cases by telephone.

Independent Office of Appeals –At this time, Appeals employees will continue to work their cases. Although Appeals is not currently holding in-person conferences with taxpayers, conferences may be held over the telephone or by videoconference. To the extent they can, taxpayers are encouraged to promptly respond to any outstanding requests for information for all cases in the Independent Office of Appeals.

Taxpayer Advocate Service –Currently, TAS remains open to receive phone calls at the local phone numbers but has suspended walk-in services in their offices and their toll-free centralized number is unavailable until further notice. Please visit **taxpayeradvocate.irs.gov** to locate your local office phone number.

Tax-exempt Sector Determinations, Rulings and Closing Agreements –The IRS continues to process applications for recognition of tax exemption for exempt organizations, rulings and determinations for employees plans and closing agreements for municipal issuers.

Unemployment compensation

The tax treatment of unemployment benefits taxpayers receive depends on the type of program paying the benefits. Unemployment compensation **includes** amounts received under the laws of the United States or of a state, such as:

- State unemployment insurance benefits
- Benefits paid to you by a state or the District of Columbia from the Federal Unemployment Trust Fund
- Railroad unemployment compensation benefits
- Disability benefits paid as a substitute for unemployment compensation

- Trade readjustment allowances under the Trade Act of 1974
- Unemployment assistance under the Disaster Relief and Emergency Assistance Act of 1974, and
- Unemployment assistance under the Airline Deregulation Act of 1978 Program

Taxpayers who receive unemployment compensation must include it in gross income. To determine if their unemployment is *taxable*, taxpayers can visit **Are Payments I Receive for Being Unemployed Taxable?**

In some cases, taxpayers may be required to make quarterly **estimated tax payments**. However, they can choose to have federal income tax withheld. For more information, refer to **Form W-4V, Voluntary Withholding Request (PDF)**.

Taxpayers should receive a **Form 1099-G, Certain Government Payments (PDF)** showing the amount of unemployment compensation received and any federal income tax withheld.

For more information on unemployment, see *Unemployment Benefits* in **Publication 525.**

Payment Options

Individual taxpayers can explore all their payment options at **IRS.gov/payments** or by calling the IRS at 800-829-1040.

The most commonly used payment options are:

- **Electronic Funds Withdrawal** (during e-filing)
- **IRS Direct Pay With Bank Account** (free, secure and payment confirmation is provided)
- **By Debit or Credit Card** (payment processors charge a fee for this service)
- **By Check or Money Order** (through the mail)
- **Cash** (at a retail partner)

Those who can't pay in full can find out if they qualify for **offer in compromise**, a way to settle their tax debt for less than the full amount owed.

Those who can't pay in the short term can request that IRS **temporarily delay collection** until their financial situation improves.

Getting Tax Transcripts

Taxpayers often need tax and financial records the IRS can provide. Such records include a:

- **Return Transcript**, which includes most of the line items of a tax return as filed with the IRS.
- **Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by the taxpayer or the IRS after the return was filed.

- **Record of Account,** which provides the most detailed information as it is a combination of the Return Transcript and the Account Transcript.
- **Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript**, the IRS *may* be able to provide this transcript information for up to ten years.
- **Verification of Non-filing**, which is proof from the IRS that a taxpayer did not file a return for the year – current year requests are only available after June 15th, or a
- **Photocopy of an original return.**

Using **Get Transcript**, taxpayers can view, print or download transcripts online or have them delivered by mail. In addition to the online tool, taxpayers can get transcripts by mail using **Form 4506-T**.

To protect against ID theft, mail deliveries of transcripts will be sent to the taxpayer's current address of record with IRS. Taxpayers who have moved since filing their last tax return need to submit IRS **Form 8822, Change of Address**, to receive a transcript by mail.

Taxpayers who request that tax transcripts be delivered to third parties, or who authorize third parties to request tax transcripts on their behalf, should know that a new transcript format is in place to better protect their information from identity theft. This new transcript partially masks the personally identifiable information of everyone listed on the tax return. All financial entries will remain fully visible to assist with tax preparation, tax representation and income verification.

Tax Tips

Daily during the tax filing season and periodically throughout the rest of the year the IRS delivers concise, plain language tips to help America's taxpayers meet their tax responsibilities and avoid pitfalls like frauds and scams.

You can expect to see tips on topics like:

- **Here's how taxpayers can file an extension for more time to file their federal taxes**
- **ID theft: Here's what to look for and what to do when it happens**
- **Taxpayers who can't pay their taxes should still file on time**
- **Free tax help available in-person and online**
- **Here's what people should know about taking early withdrawals from retirement plans**
- **Things taxpayers should know about claiming dependents**
- **With the filing deadline close, here's why taxpayers should e-file**
- **Online tool lets taxpayers check the status of their refund**

Local IRS District Liaisons will share many of these tips with their contacts in your district offices. You can subscribe to IRS Tax Tips and easily share them with constituents via social media. To subscribe:

1. **Click here**
2. Enter and submit your email address
3. Check the box for Tax Tips

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- Website
- e-Newsletter
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We add more items to this page every month. **Subscribe** now to get email alerts.

Low Income Taxpayer Clinic Program Report and 2020 Clinic Listings

The **Low Income Taxpayer Clinic (LITC)** Program Office has issued its annual program report. The **report** describes how LITCs provide representation, education, and advocacy for taxpayers who are low income or speak English as a second language (ESL).

In addition, **Publication 4134** has been updated for 2020. It lists the names and contact information of LITC grant recipients so taxpayers can get in touch with them. It also identifies the languages each LITC serves in addition to English.

An IRS **press release** was recently issued announcing the LITC grant recipients for 2020 and the amount of funding awarded to each LITC entity.

Two foreign nationals indicted in cryptocurrency laundering scheme linked to North Korea

On March 2, 2020 Tian Yinyin and Li Jiadong were charged with laundering more than $100 million in stolen cryptocurrency from a 2018 cyberattack linked to North Korea's illicit nuclear missile and weapons development program. The charges are linked to an estimated $250 million in stolen funds.

"North Korea continues to attack the growing worldwide ecosystem of virtual currency as a means to bypass the sanctions imposed on it by the United States and the United Nations Security Council. IRS-CI is committed to combatting the means and methods used by foreign and domestic adversaries to finance operations and activities that pose a threat to U.S. national security," said IRS-CI Chief Don Fort.

"We will continue to push our agency to the forefront of complex cyber investigations and work collaboratively with our law enforcement partners to ensure these nefarious criminals are stopped and that the integrity of the United States financial system is preserved."

More information is available **here**.

Reminders

- **Coronavirus Tax Relief**
- **The "What Ifs" for Struggling Taxpayers**
- **Tax Time Guide: Guard personal, financial and tax information year-round**
- **IRS warns of scams related to natural disasters**
- **Where's My Refund?**

Help on IRS.gov

Filing – **Payments** – **Refunds** – **Credits & Deductions** – **Forms & Instructions** – **Tax Questions**

IRS in other languages

Spanish - **Chinese** - **Korean** - **Russian** - **Vietnamese** - **ASL** (YouTube)

IRS on social media

YouTube – Twitter – Instagram - Facebook

IRS2Go **is the official mobile app of the IRS, available in both English and Spanish.**

The *IRS Congressional Update* is a monthly newsletter, prepared by IRS Legislative Affairs. For information on resolving taxpayer account issues, visit Taxpayer Advocate Service.