Communication & Liaison
LEGISLATIVE AFFAIRS

IRS Congressional Update

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

Can't pay a tax bill?

Everyone should have filed their 2019 tax return by the July 15 tax filing deadline regardless of whether they were able to pay in full. Taxpayers who owe and can't pay all taxes due have options including:

- **Online Payment Agreement** — Most individual taxpayers and many business taxpayers may qualify to use Online Payment Agreement to set up a payment plan. Taxpayers can setup a **payment plan** in a matter of minutes. Setup fees may apply for some types of plans.

- **Delaying Collection** — If the IRS determines a taxpayer is unable to pay, it may delay collection until the taxpayer's financial condition improves. In light of COVID-19, the IRS postponed many compliance efforts until July 15 or later under the **People First Initiative**.

- **Offer in Compromise** — Taxpayers who qualify enter into an agreement with the IRS that settles their tax liability for less than the full amount owed.

For more information about all payment options, go to IRS.gov/payments.

Telephone Options: Automated phone lines, which handle most taxpayer calls, also remain available. All IRS toll-free phone lines supported by customer service representatives for both taxpayers and tax professionals are also available. However, callers should continue to expect long waits due to limited staffing.

For Economic Impact Payment questions, call 800-919-9835. For other issues, please visit **Let Us Help You** to find the phone number for the office best equipped to address your specific concerns.

Taxpayer Assistance Centers: On Monday, June 29, 2020, the IRS began opening its Taxpayer Assistance Centers to the public in phases. To ensure the safety of the public and employees, people seeking in-person assistance at a TAC will need an appointment to receive services. They can get one by calling 844-545-5640. Walk-in help is not available. Appointments will be available for people in the Taxpayer Protection Program who've received Letter 5747C, and need in-person document review for Individual Taxpayer Identification Numbers applications; Sailing Clearances required for foreign travel by resident and nonresident aliens leaving the United States; help with Economic Impact Payment issues; and cash payments.

The IRS continues to help people with low income, or no income get an Economic Impact Payment

Millions of low-income people, the homeless and others who aren't required to file a tax return may be eligible for an Economic Impact Payment of $1,200 or more.

The IRS needs your help getting this critical information to as many people as possible before the October 15, 2020 deadline to use a special **Non-Filers tool** on IRS.gov. To help you do this, the IRS has created a variety of special materials.

- **Outreach Materials & Resources**
- **Partner Toolkit**
- **Multilingual Resources**

Major changes to retirement plan due to COVID-19

Qualified individuals affected by COVID-19 may be able to withdraw up to $100,000 from their eligible retirement plans, including IRAs, between January 1 and December 31, 2020.

These coronavirus-related distributions aren't subject to the 10% additional tax that generally applies to distributions made before reaching age 59½, but they are still subject to regular tax. Taxpayers can include coronavirus-related distributions as income on tax returns over a three-year period. They must repay the distribution to a plan or IRA within three years. Some plans may have relaxed rules on plan loan amounts and repayment terms. The limit on loans made between March 27 and September 22, 2020, is raised to $100,000. Plans may suspend loan repayments due between March 27 and December 31, 2020.

Qualifications for relief

The law defines a qualifying person as someone who:

- Has tested positive and been diagnosed with COVID-19
- Has a dependent or spouse who has tested positive and been diagnosed with COVID-19
- Experiences financial hardship due to them, their spouse or a member of their household:
    - Being quarantined, furloughed or laid off or having reduced work hours
    - Being unable to work due to lack of childcare
    - Closing or reducing hours of a business that they own or operate
    - Having pay or self-employment income reduced
    - Having a job offer rescinded or start date for a job delayed

Employers can choose whether to implement these coronavirus-related distribution and loan rules. Qualified individuals can claim the tax benefits of coronavirus-related distribution rules even if plan provisions aren't changed. Administrators can rely on an individual's certification that they're a qualified person. Details are posted online at IRS.gov.

Required minimum distributions

People who already took a required minimum distribution from certain retirement accounts in 2020 can now roll those funds back into a retirement account. The 60-day rollover period has been extended to August 31, 2020. Under the relief, taxpayers with required minimum distributions from certain retirement plans can skip them this year. Distributions that can be skipped were due in 2020 from a defined-contribution retirement plan. These include a 401(k) or 403(b) plan, as well as an IRA. Among the people who can skip them are those who would have had to take the first distribution by April 1, 2020. This waiver does not apply to defined-benefit plans.

The IRS offers a free 10-course workshop to help Section 501(c)(3) tax-exempt charities and those who would like to apply for federal tax-exempt status.

Online training for Section 501(c)(3) tax-exempt organizations is free at **www.stayexempt.irs.gov**. The site provides interactive instruction for charity leadership and those who wish to apply for tax-exempt status. Participants will understand the benefits, limitations and expectations for exempt organizations.

This virtual workshop includes 10 topics of interest to tax-exempt organizations:

Applying for Section 501(c)(3) Status
Ensure your organization is eligible for tax exemption before applying. This course discusses eligibility, the benefits of exemption, applying and what you should do while waiting for a determination letter.

Maintaining 501(c)(3) Tax-Exempt Status
Now that your organization has Section 501(c)(3) tax-exempt status, organizations should review the activities that can jeopardize their exemption.

Employment Issues
If your organization has employees or volunteers, it may have tax responsibilities. This course explains how to report employee wages and the rules about volunteer gifts.

Required Disclosures
This course discusses which documents must be provided upon request and the penalties for noncompliance.

Form 990 Overview Course
Most tax-exempt organizations must file an annual Form 990-series return or risk automatic revocation. This course offers tips on which form to file and how to prepare during the year.

Unrelated Business Income
This course discusses how to determine if your tax-exempt organization has taxable income and how to report it.

Political Campaigns and Charities: The Ban on Political Campaign Intervention
Political campaign activity can jeopardize a Section 501(c)(3) organization's exempt status. This course provides examples of prohibited activities and explains steps an organization should take to avoid an inadvertent violation.

Charitable Gaming for Exempt Organizations
Exempt organizations often generate income through gaming. This course discusses gaming rules, documentation and possible tax implications.

Can I Deduct My Charitable Contributions?
This course explains what is deductible, which records to keep and how to report contributions.

Protect Your Social Security Numbers
Learn why you should NOT include Social Security numbers on publicly disclosed IRS documents such as Form 990.

IRS releases new Data Book with redesigned, expanded format to provide more detailed view of service, compliance activities in fiscal year 2019

IRS released the **2019 IRS Data Book** in June featuring a redesigned format that provides a different and expanded look at IRS accomplishments during the past year.

Available now on IRS.gov, the redesigned Fiscal Year 2019 edition of the IRS Data Book provides the annual set of statistical tables summarizing tax filings, revenue collections, taxpayer services, enforcement activities and agency operations. The new data book features an updated format with additional tables designed to more accurately reflect the way the IRS does business today.

"The IRS is changing from many perspectives, and the IRS Data Book reflects that change as well," IRS Commissioner Chuck Rettig wrote in the data book's introduction. "Along those lines, we've redesigned the data book for Fiscal Year (FY) 2019 by reorganizing key material and adding new information. This is part of an effort to help the data book provide a more complete view of our extensive service and compliance operations in a clear format that is easier to use for taxpayers and the tax community."

The data book complements the new IRS **Progress Update**, a new annual report that premiered in January.

"In presenting this information, our goal is to help everyone understand the scope of our work for the nation," Rettig said. "The IRS touches more Americans than any other entity, public or private. Our employees take pride in providing top-quality service to taxpayers — helping them meet their tax obligations through clear guidance while ensuring their rights are protected. When citizens can perform their civic duty each year by preparing and filing their taxes and paying only what they should, they help fund critical aspects of the United States, ranging from schools and roads to Social Security payments and the nation's military."

Rettig also notes the IRS response to COVID-19 in the new data book. The coronavirus delayed publication of this year's data book.

National Taxpayer Advocate Erin M. Collins issues the June Report to Congress

National Taxpayer Advocate Erin M. Collins has released her first **report to Congress**, identifying taxpayer challenges arising from the COVID-19 pandemic, the IRS's administration of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the IRS's implementation of the Taxpayer First Act as priority issues the Taxpayer Advocate Service (TAS) plans to focus on in the coming year.

The report also assesses the 2020 filing season thus far, identifies ten additional TAS areas of focus, and includes the IRS's responses to administrative recommendations proposed in the National Taxpayer Advocate's 2019 Report to Congress.

Among the additional issues TAS plans to pursue are working with the IRS to provide taxpayers with limited English proficiency meaningful access to tax products and services; improving the clarity and content of IRS notices and correspondence; improving service to and communication with taxpayers in rural and other communities that lack high-speed internet access; and working with the IRS to refine its screening filters so fewer legitimate returns are flagged as potentially fraudulent and cause refund delays for affected taxpayers.

Read about these issues and more in the complete **June Report to Congress**.

Reminders

- **Coronavirus Tax Relief and Economic Impact Payments**
- **Economic Impact Payments: Partner and Promotional Materials**
- **Low-income people and others who aren't required to file tax returns can quickly register for payment with IRS Non-Filers tool by October 15**
- **Joint Chiefs of Global Tax Enforcement reflect on two-years pursuing global tax cheats**
- **Tax Court strikes down four more abusive syndicated conservation easement transactions; IRS calls on taxpayers to accept settlement offers in syndicated conservation easement cases**
- **IRS says a Paycheck Checkup helps avoid tax surprises**
- **IRS extends July 15, other upcoming deadlines for tornado victims in parts of the South; provides other relief**
- **Tax Relief in Disaster Situations**
- **Taxpayer First Act**
- **IRS Operations During COVID-19: Mission-critical functions continue**
- **IRS Statement on Economic Impact Payments by state**

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.

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