IRS Congressional Update

News for members of Congress and their staffs – December 2020

Security Summit partners announce National Tax Security Awareness Week dates; urge increased security measures as fraudsters exploit COVID-19 concerns

The Internal Revenue Service, state tax agencies and the nation's tax industry announced that the 5th Annual National Tax Security Awareness Week will take place between Nov. 30 and Dec. 4.

This year, there's a heightened need for security as fraudsters seek to use the COVID-19 to scam taxpayers and tax preparers. New protections being offered by Security Summit partners in January can help protect people against tax-related identity theft.

"As the holiday season and tax season approach, everyone should remember to take basic steps to protect themselves," said IRS Commissioner Chuck Rettig. "With more taxpayers and tax preparers working remotely, identity thieves are trying to use COVID-19 to scare and scam people out of their identities or money. All of us must be on guard and use the strongest security measures we can. The goal of National Tax Security Awareness Week is to remind people about important steps they can take to protect themselves and their tax information."

The IRS warned taxpayers to remain vigilant due to constantly evolving threats and scams from fraudsters. There are thousands of variations of COVID-related scams, including many related to the economic stimulus payment by the IRS.

National Tax Security Awareness Week will feature a week-long series of educational materials to help protect individuals, businesses and tax pros from identity theft. The effort will include special informational graphics and a social media effort on Twitter and Instagram with @IRSnews and #TaxSecurity.

As part of the effort, the IRS and Security Summit partners are sharing YouTube videos on security steps for taxpayers. The videos can be viewed or downloaded at Easy Steps to Protect Your Computer and Phone and Avoid Phishing Emails.

Employers also can share Publication 4524, Security Awareness for Taxpayers, with their employees and customers while tax professionals can share with clients.

The National Tax Security Awareness Week features basic security guidance for those most at-risk: individual taxpayers, business taxpayers and tax professionals.

Steps taxpayers can take now to get a jump on taxes

The IRS launched its annual Get Ready campaign featuring communication and outreach messages that encourage taxpayers to take steps now to get ready to file 2020 federal tax returns including special steps related to Economic Impact Payments (EIP).

This year, the Get Ready campaign focuses on three main themes:

1. gathering tax records,
2. knowing what's new for the 2020 tax year, and
3. staying home and staying safe with IRS online tools.

Get Ready covers several key areas that affect different taxpayers, such as:

- Individual Taxpayer Identification Number (ITIN): Some taxpayers need to renew an expiring ITIN.
- Earned Income Tax Credit or the Additional Child Tax Credit: Just like last year, refunds for tax returns claiming these credits cannot be issued before mid-February. This applies to the entire refund, even the portion not associated with these credits.
- Estimated tax payments: Some taxpayers may need to consider estimated tax payments due to nonwage income from unemployment, self-employment, annuity income or even virtual currency. The Tax Withholding Estimator on IRS.gov can help determine if taxpayers need to adjust their withholding, consider additional tax payments, or submit a new Form W-4 to their employer. For more information about estimated tax payments or additional tax payments, visit payment options at IRS.gov/payments.

New in 2021: Those who didn't receive an EIP may be able to claim the Recovery Rebate Credit

Taxpayers may be able to claim the Recovery Rebate Credit if they met the eligibility criteria in 2020 and:

- They didn't receive an Economic Impact Payment this year, or
- Their Economic Impact Payment was less than $1,200 ($2,400 if married filing jointly for 2019 or 2018) plus $500 for each qualifying child.
- For additional information about the Economic Impact Payment, taxpayers can visit the Economic Impact Payment Information Center.

IRS.gov connects taxpayers with online tools to safely get needed information 24 hours a day. Millions of people can use the online tools to find key information about their accounts or to file and pay taxes.

The IRS.gov/getready webpage helps taxpayers easily find helpful resources like Publication 5348, Get Ready to File (.pdf), news releases and more. These resources raise taxpayer awareness about practices like compiling documents, including Notice 1444, Your Economic Tax Payment, for those who received an Economic Impact Payment. Additional information includes determining eligibility for the Recovery Rebate Credit or the need to report refund interest payments as income.

Please share the Get Ready page and Publication 5348 (.pdf) with your constituents to help them Get Ready to file their taxes.

IRS 15th annual EITC Awareness Day set for January 29

The Internal Revenue Service and its partners across the country will launch the 15th annual Earned Income Tax Credit (EITC) Awareness Day on January 29, 2021.

Each year, the IRS invites community organizations, elected officials, state and local governments, schools, employers, and other interested parties to raise awareness regarding the EITC and other refundable credits.

The event encourages external stakeholders to promote EITC to taxpayers and tax professionals by hosting local events, contacting local media and highlighting EITC in social media communications. This coverage helps the IRS reach the broadest possible range of eligible taxpayers, including underserved populations and newly eligible taxpayers.

Please encourage your constituents to use the newly redesigned EITC Assistant on IRS.gov to find out if they're eligible.

Visit EITC Central for additional outreach resources.

How the CARES Act changes deducting charitable contributions: Non-itemizers can deduct up to $300 in cash donations

Whether taxpayers are supporting natural disaster recovery, COVID-19 pandemic aid or another cause that's personally meaningful to them, their charitable donations may be tax deductible. These deductions basically reduce the amount of their taxable income.

Previously, charitable contributions could only be deducted if taxpayers itemized their deductions.

However, taxpayers who don't itemize deductions may take a charitable deduction of up to $300 for cash contributions made in 2020 to qualifying organizations. For the purposes of this deduction, qualifying organizations are those that are religious, charitable, educational, scientific or literary in purpose. The law changed in this area due to the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The CARES Act also suspends limits on charitable contributions and temporarily increases limits on contributions of food inventory. More information about these changes is available on IRS.gov.

Ordering tax forms, instructions and publications

The fastest and easiest way to get the latest tax forms, instructions and publications is to download them from IRS.gov. The website is available 24/7, the products are free, and they are usually online six to eight weeks before paper versions are available. Taxpayers can download and view popular tax publications and forms, including Form 1040 instructions, on mobile devices such as a tablet at no charge. eBook, PDF and HTML versions are also available. Taxpayers can visit IRS.gov for a listing of all eBook publications.

Taxpayers can still order a paper copy of any current-year form, instructions or publication (except Publication 17) on www.irs.gov/orderforms or by calling 800-TAX-FORM (829-3676). Taxpayers should receive their orders within 10 business days. If a product is not available when they place their order, the IRS will send it as soon as it becomes available.

Tax Forms Outlet Program (TFOP) for forms and publications

All of the IRS's TFOP partners receive Form 8635, Order Form for Tax Forms Outlet Program. The IRS will ship the ordered products and quantities requested as soon as they are available. Any Congressional office can order forms and publications by emailing the TFOP administrator and can reorder as needed.

TFOP partners can order the following products:

- Form 1040, U.S. Individual Income Tax Return and schedules
- Instructions for Form 1040 and schedules
- Publication 17, Your Federal Income Tax (one reference copy per TFOP partner)
    - Publication 17 is comprehensive and generally arrives later than other products
- TFOP Poster Package - contains four posters
- Publication 4604 (EN/SP), Use the Web for IRS Tax Products and Information (.pdf)
    - Publication 4604 is a handout that helps educate customers about web-based IRS help and provides information about how to get forms

Online ordering of information returns and employer returns

Businesses and employers needing blank Forms W-2 and 1099 are encouraged to order now. January 31 is the filing deadline for Forms W-2 and 1099-NEC (Nonemployee Compensation). The forms can be ordered online at IRS.gov/forms-instructions.

Reminder: Beginning with tax year 2020, taxpayers must use Form 1099-NEC to report payments of nonemployee compensation (NEC) previously reported in box 7 on Form 1099-MISC. Taxpayers should not order Form 1099-MISC for reporting NEC. The separate instructions for filers and issuers for Form 1099-NEC are available in the 2020 Instructions for Forms 1099-MISC and 1099-NEC (.pdf).

Quantity limits:

- 1,000 each for forms (one copy of the corresponding instructions is automatically included)
- 25 each for instructions and publications

Some forms are printed two or three to a sheet; order the number of forms needed, not the number of sheets.

Note: Employers who want to file Forms W-2, W-2c, W-3 and W-3c electronically can do so by visiting the Social Security Administration's Employer W-2 Filing Instructions and Information website.

Online help during the upcoming filing season

At IRS.gov/help, constituents can find information and help in eight languages. Help includes the Interactive Tax Assistant, a tool that provides answers to a number of tax law questions.

Other tools include:

- Get Transcript for requesting tax transcripts online or by mail
- Free File for preparing and filing federal income taxes online for free
- Free tax help for the elderly, the disabled, people who speak limited English and taxpayers who generally earn less than $57,000 using the Volunteer Income Tax Assistance Locator
- A Directory of Federal Tax Return Preparers searchable by ZIP code
- Where's My Refund? for checking the status of a refund 24 hours after e-filing
- IRS Direct Pay for paying a tax bill by direct debit from a checking or savings account

- Other payment options at IRS.gov/payments including the Online Payment Agreement for those who can't pay all at once
- And the Tax Withholding Estimator for determining the amount of withholding needed to avoid a year-end tax bill

Throughout the filing season, to get and share timely, concise tips in plain language, Subscribe to Tax Tips and follow the IRS on social media using the IRS2Go Mobile App.

SB/SE sets priorities and organizational goals for audit and collection activities

The IRS Small Business and Self-Employed business unit released its Fiscal Year 2021 Focus Guide -- It's Still the Time -- laying out the compliance and service strategies for the coming year. This document provides an overview for both internal and external audiences to understand the agency operational priorities for SB/SE's audit and collection activities, which continues to focus on the health and safety of employees and taxpayers.

This is a newly revised operational update and is the first year of public distribution. In addition to the SB/SE Annual Report, its purpose is to provide transparency to the public and employees on the operational direction and assessment of SB/SE responsibilities.

Delivering the CARES Act and Filing Season 2020; IRS offers electronic signature options

The CARES Act and Filing Season 2020

Deputy Commissioner for Operations Support Jeff Tribiano gives a behind-the-scenes look into how the IRS was able to deliver Economic Impact Payments and other tax relief to help Americans during the COVID-19 outbreak while simultaneously executing a highly successful filing season.

Electronic signature options will simplify third-party authorizations

Submitting Form 2848, Power of Attorney and Form 8821, Tax Information Authorization, are currently done on paper. By moving to a new online submission process, it gives tax professionals and taxpayers a safe option to electronically sign and upload these critical documents without an in-person meeting, explains Sharyn Fisk, Director, Office of Professional Responsibility.

"A Closer Look"

These are part of the IRS "A Closer Look" feature. It will be updated frequently and will include articles from a variety of IRS leaders. The online publication will cover a variety of timely issues of interest to taxpayers and the tax community. It will also provide a detailed look at key issues affecting everything from IRS operations and employees to issues involving taxpayers and tax professionals.

Contact representatives needed

The IRS is hiring more than 150 collection representatives. Collection representatives provide a full range of administrative and technical help for taxpayers and their representatives. To review information about the two job announcements, contact representative and seasonal contact representative, visit USAJOBS.gov.

We speak your language

Get the tax information you need in 21 languages.

Tax return preparers must renew PTINs by December 31

Preparer tax identification number (PTIN) applications and renewals for 2021 are now being processed. Use the PTIN System to renew or register for 2021 by December 31.

Consumer alerts on tax scams

Thousands of people have lost millions of dollars and their personal information to tax scams. The IRS encourages the public to recognize the telltale signs of a scam.

Note that the IRS will never:

- Call to demand immediate payment using a specific payment method such as a prepaid debit card, gift card or wire transfer. Generally, the IRS will first mail you a bill if you owe any taxes.
- Threaten to immediately bring in local police or other law enforcement groups to have you arrested for not paying.
- Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.
- Ask for credit or debit card numbers over the phone.

For more information on tax scams, please see Tax Scams/Consumer Alerts. For more information on phishing scams, please see Suspicious emails and Identity Theft.

Is it really the IRS calling?

The IRS wants you to understand how and when we contact taxpayers and help you determine whether a contact you may have received is truly from an IRS employee.

The IRS initiates most contacts through regular mail delivered by the United States Postal Service.

However, there are special circumstances in which the IRS will call or come to a home or business, such as when a taxpayer has an overdue tax bill, to secure a delinquent tax return or a delinquent employment tax payment, or to tour a business as part of an audit or during criminal investigations.

See Avoid scams: Know the facts on how the IRS contacts taxpayers for more information.

Links

- **New income ranges for IRA eligibility in 2021**
- **IRS resources to help small business owners**
- **IRS makes it easier to set up payment agreements; offers other relief to taxpayers struggling with tax debts**
- **Tax Relief in Disaster Situations**
- **Taxpayer First Act: Resources and Guidance**
- **Volunteer Income Tax Assistance Recruitment - video**
- **IRS audit rates significantly increase as income rises**
- **Tax help for taxpayers affected by COVID-19**
- **Status of affected IRS operations and services**
- **Get answers to Economic Impact Payment questions**

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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