Congressional Update

News for members of Congress and their staffs – March 2024

The IRS reminds people to get help with IRS online tools and resources

With the 2024 filing season in full swing, the Internal Revenue Service encourages taxpayers to visit IRS.gov and use online **self-help tools** to get answers quickly and avoid phone delays. Also, new this year, people can easily find **step-by-step help** to file their personal federal income tax return.

File federal income tax returns electronically

The IRS recommends people file their tax returns **electronically** and choose **direct deposit** for faster refunds. Filing electronically reduces tax return errors since the tax software does the calculations, flags common errors, and prompts taxpayers for missing information.

The IRS offers free online and in-person tax preparation options for qualifying taxpayers through the **IRS Free File** program, **Direct File** pilot, and the **Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)** programs.

Get access to personal tax account information by creating or signing into IRS Online Account

Individuals with Social Security numbers or Individual Taxpayer Identification Numbers (ITIN) can securely access their IRS **Online Account** and get the latest information about their federal tax account.

Use the "Where's My Refund?" tool to check refund status

The **"Where's My Refund?"** tool on IRS.gov has the most up-to-date information available about a taxpayer's refund status. Recent improvements to the "Where's My Refund?" tool allow taxpayers to see more detailed refund status messages in plain language, reducing the need for people to call the IRS.

Use the Interactive Tax Assistant to get answers to tax law questions

The **Interactive Tax Assistant (ITA)** tool provides answers to several tax law questions specific to individual circumstances. Based on input, ITA determines if a person should file a tax return, their filing status, if someone is an eligible dependent, if a type of income is taxable, if a filer is eligible to claim a credit, or if an expense is deductible.

Earned Income Tax Credit (EITC) helps low-to moderate-income workers and families get a tax break

The **Earned Income Tax Credit (EITC)** helps low-to-moderate income workers and families get a tax break. The IRS estimates that about one in five EITC eligible taxpayers don't claim this valuable credit. If a taxpayer qualifies, they can use the credit to reduce the taxes they owe – and maybe increase their refund. The **Earned Income Tax Credit Assistant** on IRS.gov can help individuals determine their eligibility.

Identity Protection PIN (IP PIN) protects against tax-related identity theft

An **Identity Protection PIN (IP PIN)** is a six-digit number known only to the taxpayer and the IRS that prevents someone else from filing a tax return using their Social Security number or Individual Taxpayer Identification Number. It helps the IRS verify a person's identity when they file their electronic or paper tax return. The fastest way to receive an IP PIN is by using the **Get an IP PIN** online tool. If someone wishes to get an IP PIN and they don't already have an account on IRS.gov, they must register to validate their identity.

Find a reputable tax professional

The IRS also reminds taxpayers that a trusted tax professional can prepare their tax return and provide helpful information and advice. People can use the **IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications** to find a preparer who is skilled in tax preparation and accurately files income tax returns.

Most tax return preparers provide outstanding and professional tax service. However, choosing the wrong tax return preparer hurts taxpayers financially every year. Be sure to check **tips for choosing a tax preparer** and how to **avoid unethical "ghost" return preparers**.

Tax Withholding Estimator determines the right amount of tax to have withheld from each paycheck

Taxpayers should check their tax withholding every year, especially if they experience a major life change. The **Tax Withholding Estimator** tool allows taxpayers to estimate the federal income tax they want their employer to withhold from their paycheck. By using the Tax Withholding Estimator, taxpayers can adjust their tax withheld up front, so

they can protect against having too little tax withheld and prevent an unexpected tax bill or penalty at tax time next year. Taxpayers should submit a new Form W-4 to their employer to make any adjustments.

For more information refer to **Publication 5136, IRS Services Guide** and **Publication 5895, Who Do You Trust to Prepare Your Return?**

Taxpayer Assistance Centers offer additional time for taxpayers to get help | Face-to-face Saturday help is in full swing at many IRS TACs

The special **Saturday hours** continue at many Taxpayer Assistance Centers (TACs) across the country. The special openings are from 9 a.m. to 4 p.m., on March 16, April 13 and May 18, and taxpayers can walk in, without an appointment, to get help. IRS staff will provide all services routinely provided at each participating office. The IRS cannot accept cash payments during these Saturday events. Tax return preparation is not a service offered at IRS TACs during these events or normal operating hours. IRS news release **IRS announces special Saturday hours for face-to-face help; more than 50 Taxpayer Assistance Centers open across the nation** has additional information about the special Saturday openings and is available in multiple languages.

Many TACs are offering extended office hours during the work week

In addition to the Saturday hours, many TACs are offering extended office hours on Tuesdays and Thursdays until April 16. Taxpayers can walk in to get help or call 844-545-5640 to make an appointment. Each participating location will provide its routine services during extended hours. Those who would like to make a cash payment during extended office hours must have an appointment at an office currently accepting cash. To see if a nearby TAC is offering extended hours, view their **TAC Locator** listing.

Reminders

- IRS.gov remains the fastest and easiest way for taxpayers to get the help they need. IRS **Publication 5136, IRS Services Guide**, lists many key IRS.gov tools and services.
- IRS TACs operate by appointment. To receive services during regular operating hours, Monday through Friday, 8:30 a.m. to 4:30 p.m., call the IRS Appointment Line at 844-545-5640.
- **Free Tax Return Preparation for Qualifying Taxpayers** lists options provided by IRS Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs for taxpayers needing help with tax return preparation and filing. **File your return** provides additional options for free tax return preparation.

- To get information on selecting a tax professional, **Need someone to prepare your tax return?** provides information on choosing a qualified tax professional.

Direct File Pilot Update

As the first step in Direct File's extensive testing phase, a small group of government employees volunteered to file using Direct File. These first filers have successfully and securely filed their returns for free through **IRS Direct File** and have begun receiving their refunds.

Direct File continues to receive a steady stream of returns from taxpayers participating in the initial testing phases. Early users report satisfaction with Direct File and the customer service representatives they have interacted with via live chat. First filers have indicated that Direct File is straightforward and easy to use, and many have successfully filed their tax returns – for free – in less than 30 minutes.

We're continuing to roll the pilot out in phases, and it is expected to be more widely available in mid-March.

See **Direct File Pilot** news or subscribe to the **Direct File pilot newsletter** for the latest information about how the pilot is progressing.

April 15 tax filing deadline in 2024

The filing deadline to submit 2023 tax returns and pay tax owed is Monday, April 15, 2024, for most taxpayers. Taxpayers that live in Maine or Massachusetts have until April 17, 2024, because of the Patriots' Day and Emancipation Day holidays.

Taxpayers who need more time to file may request an **extension.** An extension of time to file isn't an extension to pay taxes owed. They should file an electronic **Form 4868**, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, by the April 15 filing deadline. These taxpayers will have until Tuesday, October 15, 2024, to file their 2023 tax return.

Please be aware that:

- An extension of time to file a return does not grant an extension of time to pay taxes.
- Taxpayers should estimate and pay any owed taxes by their regular deadline to help avoid possible penalties. Visit **Payments** on irs.gov for payment options.
- Taxpayers must file an extension request no later than the regular due date of their return.

- Taxpayers in **certain disaster areas** do not need to submit an extension electronically or on paper if they file by the extended due date provided for in the disaster declaration. Affected taxpayers should check to see if they qualify and the due date of their return.

Updated Form 1099-K Items

- **IRS Webinar: IRS: Webinar on 2023 Form 1099-K rules now available; free online video can help those who get payments through payment apps and online marketplaces**
- **YouTube:** "Are you making extra cash selling stuff or providing a service?" is available on the **@IRSvideos YouTube channel** and in the **Tax Tips playlist**. URL: **https://www.youtube.com/watch?v=TojpxBWKTNo**
- **FAQ news release**: **IRS revises and updates frequently asked questions about Form 1099-K | Internal Revenue Service Form 1099-K frequently asked questions**
- **ePoster: Publication 5731-B, Are you making money selling things or providing a service?**

IRS shares 7 warning signs Employee Retention Credit claims may be incorrect; urges businesses to revisit eligibility, resolve issues now before March 22

With a key March deadline quickly approaching, the Internal Revenue Service highlighted **special warning signs** that an Employee Retention Credit (ERC) claim may be questionable to help small businesses that may need to resolve incorrect claims.

The agency alerted businesses about seven suspicious warning signs that could signal future IRS problems involving ERC claims. The indicators, built on feedback from the tax professional community and IRS compliance personnel, center on misinformation some unscrupulous ERC promoters used. Many of these groups urged taxpayers to ignore advice from trusted tax professionals and claim the pandemic-era credit even though they may not qualify.

"IRS compliance activity continues increasing involving Employee Retention Credit claims, and those claiming this pandemic-era credit need to quickly review their situation to avoid future problems," said IRS Commissioner Danny Werfel. "Many businesses were wildly misled about the qualifications, and the IRS is taking a special step to highlight common problems being seen about these claims. The IRS urges ERC claimants to get with a trusted tax professional and review their qualifications before time runs out on IRS disclosure and withdrawal programs. The 'suspicious seven' signs are clear red flags that ERC claimants should carefully review."

The alert comes as a March 22, 2024, deadline approaches for the ERC **Voluntary Disclosure Program** for anyone that filed a claim in error and received a payment; the disclosure program allows businesses to repay just 80% of the claim. Taxpayers who filed a claim previously that hasn't been processed should also review the guidelines and quickly pursue the **claim withdrawal process** if they now see their claim is ineligible.

The IRS took steps on the ERC program after the well-intentioned pandemic-era program came under aggressive, misleading marketing that oversimplified or misrepresented eligibility rules. Promoters pushed more applicants into the program, frequently by taking a percentage of the payout. The IRS wants businesses to know about these warning signs, revisit their claim if there are questions and act quickly before the special disclosure and withdrawal programs end. Resolving an incorrect claim through the IRS's special programs will avoid penalties and interest.

"We've heard from the tax pro community and others that sharing more warning signs can help point well-intentioned people in the right direction," Werfel said. "Many of these taxpayers were misled by overzealous and unscrupulous promoters taking advantage of honest taxpayers. The most beneficial time to resolve any incorrect claims is now before this special window closes."

Other ERC resources to help businesses revisit eligibility rules:

- ERC Eligibility Checklist (**interactive question and answer version** on IRS.gov and a **printable guide**)
- **ERC frequently asked questions about eligibility**
- Free **IRS webinar about the ERC Voluntary Disclosure Program**

IRS is hiring! Learn more about available opportunities

IRS job announcements are on USAJobs.gov, and the agency also hosts numerous **virtual and in-person hiring events** each month. These information sessions and job fairs provide job seekers with insights about some of the most interesting positions the IRS offers.

The Volunteer Taxpayer Advocacy Panel announces vacancies in 29 locations

The Taxpayer Advocacy Panel (TAP), a Federal Advisory Committee, is seeking volunteers to serve on the panel for 2025. TAP offers its members a unique opportunity to participate in the improvement of the U.S. tax administration system and the organization of the IRS. The civic-minded volunteers listen to taxpayers, identify major taxpayer concerns, and make recommendations for improving IRS service and taxpayer satisfaction.

Please help spread the word to anyone who may be interested in working with the IRS to improve its products and services. Volunteers do not need any previous tax experience – any citizens looking to serve their community are encouraged to apply. TAP is accepting applications through March 15, 2024, for vacancies in 29 locations. To learn more about TAP and how to contribute to this dynamic group of volunteers, please visit **www.improveirs.org** or take a moment to **watch a short video** all about the recruitment process

IRS Criminal Investigation (CI) targets tax fraudsters and urges taxpayers to protect themselves this tax season

CI dedicates 70% of its time and resources to investigating tax crimes that include questionable refund schemes, return preparer fraud, abusive tax schemes, and more. This tax season, CI continues to crack down on schemes that victimize U.S. taxpayers.

In fiscal year 2023, CI initiated 1,409 tax crime investigations and identified $5.5 billion in tax fraud. During the last fiscal year, 655 defendants were sentenced for tax crimes.

Thein Maung and his daughter Phyo Mi ran an elaborate tax preparation scheme from their Iowa home that involved layers of subterfuge. They victimized hundreds of immigrants and refugees who worked at meat-packing facilities in Iowa by claiming fraudulent tax credits and redirecting their customers' tax refunds to their own accounts. The scheme came to an end following an investigation by CI. In October, Maung and Mi were sentenced to 12 and nine years in federal prison for fraud and related tax charges.

Ayodele Arasokun was sentenced to 34 years in federal prison in September 2023 for orchestrating an international tax scheme that involved wire fraud and aggravated identity theft. Arakosun coordinated a scheme to file 1,701 false tax returns and claim $9.1 million in refunds, which ultimately resulted in $2.2 million in refunds issued by the Internal Revenue Service. He then transferred the money to prepaid debit cards and checking accounts that he monitored. The investigation revealed that Arakosun was tracking more than 700 U.S.-based accounts containing more than $50 million.

CI urges U.S. taxpayers to be vigilant this tax season:

- Avoid return preparers who claim they can obtain larger refunds than other preparers or whose fee is a percentage of your tax refund.
- Use a reputable tax professional who signs and enters a preparer tax identification number (PTIN) on your tax return and provides you with a copy of the return for your records.
- Never sign a blank tax form and ensure your refund goes to your account, not your tax preparer's.

- Protect your personal and financial information. Don't click links or open attachments in unsolicited emails or text messages about your tax return or those claiming to be from the IRS. These messages are fraudulent and could contain malware that could compromise your personal information.
- Report fraud to law enforcement. Submit **Form 3949-A, Information Referral**, if you suspect an individual or a business is committing fraud.

CI is the criminal law enforcement arm of the IRS, responsible for conducting financial crime investigations, including tax fraud, narcotics trafficking, money-laundering, public corruption, healthcare fraud, identity theft and more.

Below are links to recent IRS Criminal Investigation cases:

- **Federal grand jury indicts 19 individuals for roles in a fraudulent scheme to obtain COVID-19 relief funds**
- **Three individuals charged for roles in 1.89 billion dollar cryptocurrency fraud scheme**
- **Michigan man who orchestrated international computer fraud scheme and online drug distribution scheme pleads guilty**
- **Gang member sentenced to 12 years in prison for racketeering charge**
- **Charlotte business owner and disaster relief loan "consultant " pleads guilty to 1.2 million dollar COVID-19 fraud scheme**
- **Former Los Angeles Politician José Huizar sentenced to 13 years in federal prison for racketeering conspiracy and tax evasion**
- **Former president of MGM Grand pleads guilty to violating the Bank Secrecy Act**
- **Former San Francisco resident sentenced to four years in prison for crimes related to "Ichioka Ventures" cryptocurrency fraud scheme**
- **U.S. Navy sailor sentenced to 27 months in prison for transmitting sensitive U.S. Military information to Chinese intelligence**

For the latest on CI cases and alerts, follow on X (formerly Twitter) **@IRS_CI** or via the **IRS-CI LinkedIn** page.

IRS Tax Tips: Helpful taxpayer information on a variety of topics

First time tax filers: IRS Free File can make filing easier

If taxpayers are filing a tax return for the first time, IRS Free File can help. This program provides free tax preparation, free electronic filing and free direct deposit for eligible taxpayers.

Tax professionals: Watch out for “new client” email scam

Tax professionals should watch out for a “new client” scam – an email scheme where cybercriminals pose as potential clients. This scam peaks during the busy tax filing season.

Eligible seniors have many free tax filing options

Whether they prepare and file their own tax returns or get in-person help, there are easy, secure and free tax filing options for seniors.

Register to monetize clean energy credits with new online IRS tool

Through new elective payment and transfer options, applicable businesses, tax-exempt organizations or entities such as state, local and tribal governments can take advantage of certain tax credits – even if they don't have taxable income. They can apply these options to certain clean energy and manufacturing credits under the Inflation Reduction Act of 2022 and the CHIPS Act.

The Taxpayer Bill of Rights protects all taxpayers year-round

The Taxpayer Bill of Rights is the 10 rights all taxpayers have any time they interact with the IRS. These rights cover a wide range of topics and issues, and they explain what taxpayers can expect if they need to work with the IRS on a tax matter.

Businesses should review Employee Retention Credit rules and resolve incorrect claims soon

The IRS urges businesses to review their eligibility for the Employee Retention Credit because there’s limited time for them to voluntarily resolve incorrect claims and avoid future issues, such as penalties and interest.

Additional information on IRS.gov

- **IRS Employer-Provided Childcare Tax Credit page helps employers determine eligibility for up to $150,000 business tax credit**
- **Things to remember when filing 2023 tax returns**
- **Tax relief in disaster situations**
- **IRS reminds eligible 2020 and 2021 non-filers to claim Recovery Rebate Credit before time runs out**
- **Make a career change for the better; find out where you fit in at the IRS**
- **Need to respond to a letter or notice? Use the Document Upload Tool**
- **Where's My Refund?**.

- Inflation Reduction Act of 2022
- Resources and guidance for Puerto Rico families that may qualify for the Child Tax Credit
- Accessing the IRS - Understanding the Identity Verification Process (irsvideos.gov)
- Get an Identity Protection PIN (IP PIN)
- Get up-to-date status on affected IRS operations and services due to COVID-19
- Get your tax record

Help on IRS.gov

Filing – Payments – Refunds – Credits and Deductions – Forms and Instructions – Tax Questions

IRS in other languages

Basic tax information is available in 21 languages, including English

IRS on social media

YouTube – Twitter – Instagram – Facebook - LinkedIn

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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 the Taxpayer Advocate Service.