Congressional Update

News for members of Congress and their staffs – April 2024

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As filing season deadline approaches, IRS urges taxpayers to act now

With the 2024 filing season deadline quickly approaching, people should visit IRS.gov to electronically file, request an extension and make payments.

People can avoid paying interest and some penalties by filing their tax return and, if they have a balance due, paying the total amount due by the tax deadline of Monday, April 15. For residents of Maine or Massachusetts, the tax deadline this year is Wednesday, April 17, due to Patriots' Day and Emancipation Day holidays.

Extensions are automatic for some taxpayers

Some taxpayers will automatically get extra time to file their tax return, even if they do not request an extension:

- Members of the military on duty outside the United States and Puerto Rico receive an automatic two-month extension to file. This year they have until June 17 to file. However, tax payments are still due April 15 or interest will be charged. Details are available in **Publication 3, Armed Forces' Tax Guide**.
- Those serving in **combat zones** have up to 180 days after they leave the combat zone to file returns and pay any taxes due.
- **U.S. citizens and resident aliens** who live and work outside of the United States and Puerto Rico get an **automatic two-month** extension to file their tax returns. This year they have until June 17 to file. However, tax payments are still due April 15 or interest will be charged.
- When the U.S. president declares a disaster in an area, the IRS can postpone certain taxpayer deadlines for residents and businesses in the affected area. Taxpayers in certain disaster areas are not required to submit an extension electronically or on paper unless they plan to file after their extended due date. Information on the most recent tax relief for **disaster situations** is available on the IRS website.

File federal income tax returns electronically

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

Not ready to file? Request an extension

If someone needs more time to file their taxes, they can request an **extension** through October 15. They must file their request by the April tax filing due date to get the extension.

Things people should know when requesting an automatic tax filing extension:

- Tax-filing extension requests are due by the tax deadline date, and it does not give an extension of time to pay any taxes due.
- Avoid some penalties by estimating and paying the tax due by the tax deadline.

- Special rules for tax deadlines and automatic tax-filing extensions may apply for taxpayers **serving in a combat zone or qualified hazardous duty areas, living outside the United States** and people living in **certain disaster areas** may not need to submit a tax-filing extension however, people should check to see if they qualify before the tax deadline.

Payment options for individuals

Taxpayers should pay any taxes due by the April 15 deadline. The IRS offers several **payment options** to help individuals meet their tax obligations.

Taxpayers who find it difficult to pay the taxes they owe have several options to pay what they can to reduce total penalties and interest:

- **Direct Pay:** Direct Pay is free and allows taxpayers to securely pay their taxes directly from their checking or savings account without any fees or registration. Taxpayers can schedule payments up to 365 days in advance. After submitting a payment through Direct Pay, taxpayers will receive immediate confirmation.

- **IRS2Go mobile app**: IRS2Go is the official mobile app of the IRS. Taxpayers can check their refund status, make a payment, find free tax preparation assistance, sign up for helpful tax tips and more. IRS2Go is available in both English and Spanish.

- **Electronic Funds Withdrawal (EFW)**: This option allows taxpayers to file and pay electronically from their bank account when using tax preparation software or a tax professional. This option is free and only available when electronically filing a tax return.

- **Electronic Federal Tax Payment System**: This free service gives taxpayers a safe, convenient way to pay individual and business taxes by phone or online. To enroll and for more information, taxpayers can call 800-555-4477 or visit **eftps.gov**.

- **Debit or credit card and digital wallet**: Individuals can pay online, by phone or with a mobile device through any of the authorized payment processors. Processor do charge a fee to use these services. The IRS doesn't receive any fees for these payments.

Taxpayers can find more information about making payments, including cash payments, at **IRS.gov/payments.**

Estimated Tax Payments

As taxpayers earn or receive income throughout the year, they should pay federal taxes either through withholding or estimated tax payments. If the amount of income tax withheld from a salary or pension isn't enough, or if there's income such as from self-employment, interest, dividends or capital gains, taxpayers may have to make estimated tax payments.

The first quarterly estimated tax payment for the 2024 tax year is due by April 15, 2024. The next payments are due June 17, September 16, 2024, and January 15, 2025. If sufficient payments aren't made on time, penalties may apply.

Taxpayers can use the **Tax Withholding Estimator** to estimate their withholding and see how it affects their refund, take-home pay or tax due.

The **Pay As You Go, So You Won't Owe** guide provides more information on withholding, estimated taxes and ways to avoid the estimated tax penalty.

Special Saturday openings and extended office hours provide additional time for face-to-face help at many IRS Taxpayer Assistance Centers (TAC)

IRS TACs to host Face-to-Face Saturday Help events in April and May

The IRS will host two more **special Saturday openings** on April 13 and May 18 from 9 a.m. to 4 p.m. On these days, taxpayers can visit a designated Taxpayer Assistance Center to get help with their tax account concerns. IRS staff will provide all services routinely provided at each participating office, except for accepting cash payments. Tax return preparation is not a service offered at IRS TACs during these events or normal operating hours. **IRS continues special Saturday hours on March 16 for face-to-face help at 70 Taxpayer Assistance Centers** has additional information about the special Saturday openings, and it's available in multiple languages.

Final weeks for extended office hours at IRS TACs

With the close of the filing season drawing near, extended office hours on Tuesdays and Thursdays at many TACs will conclude April 16.

On these days, taxpayers can visit with or without an appointment to get help before and after normal operating hours. Taxpayers can make an appointment by calling 844-545-5640. Participating locations provide routine services during these extended office

hours. Those who would like to make a cash payment during extended office hours must have an appointment and must visit a location that accepts cash payments. To see if a TAC is offering extended hours and a detailed list of services offered, use the **TAC Locator**.

Generally, TACs are open Monday through Friday, 8:30 a.m. to 4:30 p.m. Visit **IRS.gov/appointment** to view information about obtaining assistance at a TAC, including tips on preparing for a visit, the TAC Locator Tool and several other online **tools** taxpayers can use 24/7 for account services and information.

IRS Direct File: Eligible taxpayers in 12 pilot states can choose to file online for free

Direct File is a new option for all eligible taxpayers with simple tax-filing needs in **12 participating pilot states** to file their 2023 federal tax return online for free directly with the IRS. It is available — in English and Spanish — 24/7 through the April filing deadline.

Taxpayers can use the **eligibility checker** to see if IRS Direct File is the right option for them.

IRS Direct File customer service representatives are available via live chat to give basic tax law clarification and technical support — in English and Spanish.

Check out our Direct File **tips for success** or watch the **Direct File video** for a preview of what to expect when using Direct File.

Spread the word about **IRS Direct File** by sharing **partner resources** like our e-posters in the 12 pilot states of AZ, CA, FL, MA, NV, NH, NY, SD, TN, TX, WA and WY:

- **IRS Publication 5949, Helpful tips to prepare you for IRS Direct File pilot (PDF)**
- **IRS Publication 5952, Still haven't filed your 2023 taxes? (PDF)**
- **IRS Publication 5916, File for free with Direct File pilot (PDF)**
- **IRS Publication 5917, Direct File pilot - What you need to know (PDF)**

Free File available nationwide: File for free with an IRS Free File partner on IRS.gov

IRS Free File lets qualified taxpayers prepare and file federal income tax returns online using guided tax preparation software. It's safe, easy and no cost to you. Those who don't qualify can still use Free File Fillable Forms. Click on this web page: **IRS Free File** for more information.

File an extension: No matter your income, you can **file an extension with a trusted IRS Free File partner.** Tax-filing extension requests are due by the tax deadline date, and it do not give an extension of time to pay any taxes due. Taxpayer must still estimate and pay the tax you owe and file by the April deadline to avoid penalties and interest.

Time running out to claim $1 billion in refunds for tax year 2020, taxpayers face May 17 deadline

The Internal Revenue Service announced that **almost 940,000 people across the nation have unclaimed refunds for tax year 2020** but face a May 17 deadline to submit their tax returns.

The IRS estimates more than $1 billion in refunds remain unclaimed because people haven't filed their 2020 tax returns yet. The average median refund is $932 for 2020, and the state-by-state table below shows how many people are potentially eligible for these refunds in each state along with the median average refund by state.

"There's money remaining on the table for hundreds of thousands of people who haven't filed 2020 tax returns," said IRS Commissioner Danny Werfel. "We want taxpayers to claim these refunds, but time is running out for people who may have overlooked or forgotten about these refunds. There's a May 17 deadline to file these returns so taxpayers should start soon to make sure they don't miss out."

Under the law, taxpayers usually have three years to file and claim their tax refunds. If they don't file within three years, the money becomes the property of the U.S. Treasury.

Employee Retention Credit compliance efforts exceed more than $1 billion

The IRS announced that compliance efforts around **Employee Retention Credit (ERC) claims have exceeded more than $1 billion** so far since last fall. "We are encouraged

by the results so far of our initiatives designed to help misled businesses, and the IRS will continue our broader compliance work given the aggressive marketing we've seen with this credit," said IRS Commissioner Danny Werfel.

The ERC voluntary disclosure program is suspended after March 22, and the IRS may reopen it depending on whether Congress extends the statute of limitations for ERC claims. The special **claim withdrawal program** remains open beyond March 22 for those with unprocessed ERC claims.

Answer the digital assets question

Everyone who files Forms 1040, 1040-SR, 1040-NR, 1041, 1065, 1120 and 1120S must check one box answering either "Yes" or "No" to the digital asset question. The question must be answered by all taxpayers, not just by those who engaged in a transaction involving digital assets in 2023. Taxpayers must report all income related to digital asset transactions.

See IRS.gov **Digital Assets** for details on when to check "yes" and how to report the income.

Form 1099-K Update

To help taxpayers with filing, the Internal Revenue Service debunked some common myths to help taxpayers understand **what to do with Form 1099-K.** Here are some additional resources you can share:

- **What taxpayers should do if they received a Form 1099-K in 2024**
- Form 1099-K webinar now available on IRS YouTube in English and Spanish: **https://youtu.be/Kb5dVhwAcV0.**
- **e-Poster Publication 5731-B (sp), Are you making money selling things or providing a service?**, now available in Spanish.

IRS is hiring Revenue Agents nationwide! Find out more about the positions and how to apply

The IRS posted thousands of **Internal Revenue Agent (GS 5-12, 13 & 14) positions** that are open for up to 12 months. These positions will specialize in managing audits or

exams for both individual and business taxpayers nationwide. Recruitment incentives may be offered. For more information, review the specific **job announcements** and our video **The IRS is Hiring Revenue Agents Nationwide** on YouTube. This hiring effort is enabled by the landmark Inflation Reduction Act funding approved in August 2022 to improve the nation's tax administration.

IRS launches new effort aimed at high-income non-filers

The IRS announced a new effort **focused on high-income taxpayers** who have failed to file federal income tax returns. Using Inflation Reduction Act funding, the IRS will issue compliance letters to more than 125,000 taxpayers where tax returns haven't been filed since 2017.

In March, the IRS began mailing **CP59 notices** for failure to file a tax return. Between 20,000 to 40,000 letters are going out each week beginning with filers in the highest-income categories.

The new non-filer initiative is part of a **larger effort underway** with the IRS working to ensure large corporate, large partnership and high-income individual filers pay the taxes they owe.

IRS Criminal Investigation (CI) warns US taxpayers about money mule networks

In March, CI joined forces with federal partners to take part in an annual, multiweek effort named The Money Mule Initiative aimed at identifying and prosecuting facilitators of money mule schemes.

Criminal enterprises rely on networks of people to move illicit funds between bank accounts, currencies and blockchains in an attempt to evade law enforcement. These individuals are referred to as money mules, and in many situations, they may not realize they are participating in a criminal scheme. They may think they're helping a friend, doing a favor for a love interest or performing job duties, but the consequences – often in the form of criminal charges – remain the same for witting and unwitting participants.

Money mule networks recruit participants through a variety of means, including social media, employment and dating websites, email spam, classified ads and dark web forums. Facilitators of these networks may send an unsolicited email or social media

message that promises easy money with little to no effort. They may pose as a prospective employer who requires a job candidate to open a bank account to receive and transfer company funds as a condition of employment. They may strike up an online relationship and then ask their romantic partner to transfer funds on their behalf using money a services business, a wire transfer or the U.S. Postal Service. At times, the mule may be told to keep a portion of the funds for themselves, making them a recipient of illicit money.

If you or someone you know believes they are part of a money mule network, immediately stop all communication with suspected criminals. Do not transfer money or any other items of value. Maintain receipts, contact information and relevant communication like emails, chats and text messages. Notify your local CI field office and report suspicious activity to **www.ic3.gov**. Contact information for CI's field offices can be found in the **agency's annual report**.

IRS Criminal Investigation recent cases:

- **Korean national sentenced for "bust out" bank fraud scheme in Sacramento area and elsewhere**
- **Professional money launderer sentenced to 40 months in prison for transmitting $42 million**
- **Los Angeles man sentenced to prison for dark web drug conspiracy and firearms crimes**
- **Suburban Chicago accountant guilty of evading $3.4 million in federal and state income taxes**
- **Scottsdale man sentenced to 8 years in prison for investment fraud**
- **Foreign national charged for international money laundering conspiracy and role in operation of unlicensed digital currency exchange BTC-e**
- **Former local non-profit VP sentenced to 3 years in prison for wire fraud, identity theft**
- **Michigan business owner sentenced to three years in prison for money laundering and obstructing the IRS**

- **Queens man indicted for stealing more than 1.1 million dollars in COVID-19 loan fraud scheme**

- **Cincinnati woman pleads guilty to laundering more than $8 million for online romance scammers**

- **Armed carjacking added to a 55-count superseding indictment charging members of the violent KDY drug crew**

For the latest on IRS-CI cases, follow on Twitter **@IRS_CI** or via the **IRS-CI LinkedIn** page.

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

Businesses: Electronically file Form 8300 to report cash payments over $10,000

Businesses that file 10 or more information returns must e-file Form 8300, Report of Cash Payments Over $10,000, instead of filing a paper return. For those with fewer information returns, e-filing Form 8300 is optional.

Auto dealers must register with the IRS to receive advance payments of the Clean Vehicle Tax Credit

To submit time-of-sale reports and receive advance payments of the Clean Vehicle Tax Credit, auto dealers and sellers must register their business with IRS Energy Credits Online. Dealers and sellers must use this tool to submit all time-of-sale reports for vehicles placed in service in 2024 and future years.

Additional information on IRS.gov

- **IRS reminder to U.S. taxpayers living, working abroad: File 2023 tax return by June 17; those impacted by terrorist attacks in Israel have until Oct. 7**
- **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 – X – Instagram – Facebook - LinkedIn

Follow TAS on social media

YouTube – X – Facebook – LinkedIn – Blog

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.