

Organizations Pushing for IRS Relief this Tax Season

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The AICPA and the Tax Professionals United for Taxpayer Relief Coalition hosted a town hall on February 8th to provide an update on the 2022 tax season, as well as ongoing issues with tax filings.

The context for the town hall was that the Internal Revenue Service (IRS) still has an unprecedented number of unprocessed returns and correspondence in comparison to years before the pandemic resulting in the issuance of numerous incorrect and mistargeted notices, liens and levies. Additionally, the IRS is answering a record-low percentage of calls from all hotlines, including the Practitioner Priority Service (PPS) line which prevents the resolution of straightforward issues.

During the town hall, the Coalition provided recommendations that the group believes the IRS is able to immediately implement to provide some relief to taxpayers and practitioners. For example, the Coalition is pushing the IRS to pause all automated compliance actions, to offer a simplified penalty abatement process, and more.

According to the Washington Post, the Treasury has been warning taxpayers of “enormous challenges” this tax filing, and the Treasury continues to predict a “frustrating season” for taxpayers and tax preparers for a variety of reasons.

Further complicating matters are the administrative challenges in reconciling and the processing of stimulus payments and advance child tax credits this tax season. Additionally, this tax season brings about changed and new tax forms such as the Schedules k-2 and K-3, which only adds to the growing list of challenges facing taxpayers.

All of this serves as another reminder that taxpayers should expect delays from the IRS during this tax season as the IRS continues to grapple not only with the current filing season, but also with a backlog from prior filing seasons. Taxpayers should keep these considerations in mind and discuss with their tax advisors what are the best practices to help this tax season go smoothly.

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