



January 14, 2022

The Honorable Lily Batchelder
 Assistant Secretary (Tax Policy)
 Department of the Treasury
 1500 Pennsylvania Avenue, NW
 Washington, DC 20220

The Honorable Charles P. Rettig
 Commissioner
 Internal Revenue Service
 1111 Constitution Avenue, NW
 Washington, DC 20224

RE: Relief for Taxpayers for the 2022 Filing Season

Dear Assistant Secretary Batchelder and Commissioner Rettig:

The Coronavirus Disease 2019 pandemic (commonly known as “Coronavirus”) has created unforeseen and long-lasting difficulties for the Internal Revenue Service (IRS or “Service”), taxpayers and tax professionals alike. As we start a third tax filing season under a new variant of the Coronavirus, the Department of the Treasury (“Treasury”) and the IRS “are under no illusions that it’s going to go smoothly.”¹ Though we appreciate that the IRS recognizes that it is frustrating for all, including the IRS, that the IRS is “unable to deliver the amount of service and enforcement that our taxpayers and tax system deserves and needs,”² the Service has not taken reasonable actions that would meaningfully reduce unnecessary burdens during this upcoming tax filing season.

Currently, the IRS still has an unprecedented number of unprocessed returns in comparison to years before the pandemic. Consequently, the IRS sends numerous mistargeted notices, liens and levies. Additionally, the IRS is only answering 9 percent of all calls and only 3 percent of calls regarding individual income tax returns³ which prevents taxpayers from resolving these straightforward issues. To reduce the need for taxpayers and tax professionals to communicate with the IRS due to the persistent and erroneous notices, Treasury and the IRS should:

¹ Jonathan Curry, Tax Notes, “[Treasury, IRS Prepare for the Worst as Filing Season Looms](#),” January 11, 2022.

² *Id.*

³ Jeff Stein, The Washington Post, “[Treasury Warns of ‘Enormous Challenges’ this Tax Filing Season that Could Delay Refunds](#),” January 10, 2022.

- Discontinue automated compliance actions until the IRS is prepared to devote the necessary resources for a proper and timely resolution of the matter.⁴
- Align requests for account holds with the time it takes the IRS to process any penalty abatement requests.⁵
- Offer a reasonable cause penalty waiver, *similar to* the procedures of first time abate (FTA) administrative waiver, without affecting the taxpayer's eligibility for FTA in future tax years.
- Provide taxpayers with targeted relief from both the underpayment of estimated tax penalty and the late payment penalty for the 2020 and 2021 tax year.

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The Coronavirus pandemic has created enormous challenges for taxpayers, tax professionals and the IRS. It is time to take steps to ameliorate the situation. Implementing reasonable penalty relief measures, that the IRS can offer immediately, are necessary to help not only taxpayers and tax professionals but also the IRS during these challenging times.

We appreciate that IRS staff are already processing a meeting request so that we can elaborate on our recommendations and respond directly to any questions you may have. We look forward to meeting soon.

Sincerely,

American Institute of CPAs (AICPA)

Latino Tax Pro

National Association of Black Accountants, Inc. (NABA)

National Association of Enrolled Agents (NAEA)

National Association of Tax Professionals (NATP)

⁴ Supported and similar to a recommendation by Erin Collins, National Taxpayer Advocate. See recommendation to "Suspend all automated collection notices until the IRS is current on processing original and amended returns and unprocessed correspondence." "[2021 Annual Report to Congress, Most Serious Problem #1 Processing and Refund Delays](#)," page 47, January 12, 2022.

⁵ Supported and similar to a recommendation by Erin Collins, National Taxpayer Advocate. See recommendation to "Set a goal of having all correspondence replying to notices resolved or the merits responded to within 45 days or receipt. When the IRS falls short of hitting this target in any of its workstreams, it should ensure that no related compliance or collection actions are taken until the IRS has fairly considered and responded to the merits of the taxpayer's position stated in their correspondence." "[2021 Annual Report to Congress, Most Serious Problem #5 Filing Season Delays](#)," page 103, and recommendation to "Defer collection activity until 45 days after the IRS addresses the merits of a taxpayer's request or response to an adjustment, an assessment, or proposed liability." National Taxpayer Advocate, "[Most Serious Problem #10 Collection](#)," page 176, January 12, 2022.

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National Conference of CPA Practitioners (NCCPAP)

National Society of Accountants (NSA)

National Society of Black Certified Public Accountants, Inc. (NSBCPA)

National Society of Tax Professionals (NSTP)

Padgett Business Services

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cc: Members of the Senate Committee on Finance
Members of the House Committee on Ways and Means