

FILING SEASON DELAYS: Millions of Taxpayers Experienced Difficulties and Challenges in the 2021 Filing Season

WHY THIS IS A PROBLEM FOR TAXPAYERS

This past filing season left millions of taxpayers confused and frustrated. It was one of the worst filing seasons experienced by tens of millions of taxpayers. Millions did not receive refunds timely or updates and adequate information regarding their delays, and it was extremely difficult to reach a customer service representative on the toll-free lines.

For many taxpayers and their families, refunds provide financial stability for the entire year. As such, the IRS and its operations are prominently featured in the national spotlight. For the 2021 filing season, the COVID-19 pandemic illuminated serious problems with the IRS's reliance on antiquated systems and processes, which stymied tax administration and produced historically low Levels of Service. On May 17, 2021, the postponed filing season due date, over 35 million returns were awaiting manual processing causing refund delays and taxpayer confusion.¹ At the end of the filing extension period, October 16, 2021, there were approximately 13 million original filed returns awaiting manual processing and over 2.7 million amended returns still awaiting processing.² This filing season caused confusion and frustration, infringed on taxpayer rights, and eroded taxpayer trust and confidence in our tax system.

EXPLANATION OF THE PROBLEM

The IRS has many responsibilities during filing season, of which some of the most important are processing tax returns, issuing refunds, and communicating with taxpayers. The 2021 filing season was the textbook perfect storm. The COVID-19 pandemic was the catalyst that fueled the perfect storm that challenged tens of millions of anxious and sometimes desperate taxpayers attempting to meet their tax filing and payment obligations and the IRS and its workforce attempting to deliver tax information, provide service, and issue refunds during an unprecedented filing season. Pandemic relief legislation added auxiliary responsibilities to the IRS's workload, such as reconciling inconsistencies in millions of Economic Impact Payments (EIPs) and delivering a third round of EIPs about a month into the 2021 filing season.³ Further legislation adjusted the tax treatment of unemployment compensation for eligible taxpayers after the 2021 filing season began, requiring the IRS to adjust the tax returns of any qualified taxpayer who had already filed a tax return, adding more chaos to the filing season.⁴

Any of these added challenges alone would have disrupted effective tax administration, but combined, they proved a major obstruction to the IRS's ability to carry out its mission⁵ and left many taxpayers waiting for refunds, irritated and unable to get help. These challenges were compounded as the IRS was forced to close or understaff facilities across the country to comply with local stay-at-home orders and social distancing guidelines, which reduced its efficiency and staff. The IRS adopted an agencywide posture that extended telework options to most employees or operated within the constraints of safety procedures and protocols to protect employees, their families, and our local communities, resulting in multiple challenges for the processing of returns and correspondence.

The perfect storm strained the IRS's customer service performance and its operations, which created multiple problems for taxpayers, many of whom were living through financial hardships and uncertainty from

significant delays in receiving their refunds. Delays in securing refunds and lack of response to taxpayer correspondence drove taxpayers to call the IRS phone lines in historic volumes to obtain meaningful, basic information about their tax matters, which overwhelmed the IRS's capacity.⁶ Predictably, when taxpayers could not reach the IRS, many contacted their members of Congress or TAS for assistance.

Some challenges impacting the 2021 filing season included:

- Implementation of COVID-19 pandemic safety measures and continuity of operations during the national emergency;
- Substantial inventory backlog carried over from the 2020 filing season;⁷
- The timing and effects of implementing recent tax law changes;
- Reliance on and utilization of antiquated systems and processes;
- Lack of timely processing and responses to taxpayer correspondence; and
- Increased taxpayer demand and need upon already subpar services, antiquated processes, and limited employee resources.

ANALYSIS

Implementation of Safety Measures and Operational Continuity Proved Difficult

Throughout the pandemic, the IRS followed the Centers for Disease Control and Prevention guidance for recommended cleaning and disinfection of facilities after an employee in an IRS facility tested positive for COVID-19.⁸ This meant a COVID-19 positive occurrence at a facility temporarily closed the impacted workspace, and in effect, caused delays for taxpayers. Agency operations and staffing already remained at reduced capacity due to protective social distancing measures taken to safeguard the health and safety of taxpayers, employees, and their families due to the pandemic. Some critical tasks of the IRS could not be accomplished via telework, which contributed to processing backlogs and significant refund delays for many taxpayers and families who rely on timely refunds for financial security.

Effects of the 2020 Filing Season Lingered Into the 2021 Filing Season

The IRS started the 2021 filing season with a backlog of work from the 2020 filing season. Entering the 2021 filing season, the IRS still had not processed a backlog of paper tax returns and taxpayer correspondence received in the 2020 filing season.⁹ At the end of the 2020 calendar year, the IRS estimated that it had more than 11.7 million paper-filed individual and business returns it still needed to manually process, which took the IRS until June 2021 to process.¹⁰ Manual-intensive processes, such as processing paper-filed tax returns, are an inefficient use of limited IRS resources and cause delays for taxpayers. In contrast, implementing technology such as 2-D barcoding would allow the IRS to scan paper tax returns prepared with software, resulting in a more efficient use of IRS resources and fewer delays for taxpayers.¹¹ The National Taxpayer Advocate expects similar challenges with the carryover of 2021 filing season backlogs into the 2022 filing season and anticipates delays in the processing and payment of refunds for the upcoming filing season.

Several Tax Law Changes Complicated the 2021 Filing Season

Congress passed four acts during the previous two filing seasons with tax provisions designed to aid taxpayers struggling under the impact of the COVID-19 pandemic, tasking the IRS to administer crucial relief programs for Americans.¹² The aggregate of these tax law changes added auxiliary responsibilities to the IRS's workload and left taxpayers trying to figure out whether these changes applied to their reporting requirements. Congress enacted legislation during the height of the 2020 filing season and again on the eve of the 2021 filing season, in addition to legislation enacted during the 2021 filing season. The initial legislation required the distribution of the first of three rounds of EIPs.¹³ Latter legislation provided for a second round of EIPs as well as other tax relief provisions.¹⁴ Following the latter law's enactment, the IRS delayed the traditional filing season start date about two weeks later than it typically begins.¹⁵ Delaying the start provided the IRS a small

window of time to try to quickly implement key programming and testing of its archaic systems to comply with the law.¹⁶

FIGURE 2.5.1¹⁷

Important Dates That Impacted the 2021 Filing Season

March 18, 2020	Enactment of the Families First Coronavirus Response Act of 2020.
March 27, 2020	Enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. The IRS began distributing the first round of Economic Impact Payments.
July 15, 2020	The IRS postponed end date of the 2020 filing season.
December 27, 2020	Enactment of Consolidated Appropriations Act, 2021 (including the COVID-Related Tax Relief Act of 2020 and the Coronavirus Response and Relief Supplemental Appropriations Act of 2021).
December 29, 2020	The IRS began distributing the second round of Economic Impact Payments.
February 12, 2021	The 2021 filing season began.
March 11, 2021	Enactment of the American Rescue Plan Act (ARPA) of 2021.
March 12, 2021	The IRS began distributing the third round of Economic Impact Payments.
March 17, 2021	Treasury and the IRS announced the postponement of the deadline for individual taxpayers to file Form 1040 and pay federal income tax from April 15, 2021, to May 17, 2021.
May 17, 2021	Postponed tax filing and payment deadline for individuals.
October 15, 2021	Deadline to file 2020 tax returns for taxpayers who requested an extension.

Tax Law Changes Enacted During the 2021 Filing Season

Passed mid-filing season, the American Rescue Plan Act (ARPA) altered several tax provisions, which included the exclusion of certain unemployment compensation for qualified taxpayers from taxation and eliminated excess Advance Premium Tax Credit (APTC) repayments.¹⁸ However, by the time of the law’s enactment, the IRS had received nearly half of all 2020 individual income tax return filings, including the returns of many taxpayers who had filed and reported taxes owed on their unemployment compensation.¹⁹ The legislative changes took their toll on the IRS’s already strained information technology resources. Fortunately, the IRS implemented systemic solutions to rectify some issues, such as automatically recomputing deficiencies or refunds and adjusting affected credits such as the Earned Income Tax Credit (EITC) and Additional Child Tax Credit (ACTC) for impacted taxpayers.²⁰ Systemic solutions were beneficial because they removed the burden from taxpayers to file amended returns and from the IRS to process millions of amended returns before issuing refunds.

But the systemic solutions did not resolve all issues for taxpayers. For example, except for the childless worker EITC, the IRS did not elect any credits for which taxpayers would become eligible based on the recomputed amount after exclusion of the unemployment benefits.²¹ It also did not calculate for now-eligible taxpayers with qualifying children any other federal credits or deductions not claimed on original tax returns.²² Therefore, taxpayers who became eligible for credits or deductions after the exclusion computation were burdened with filing amended returns and often having to wait through long processing delays to receive correct refunds.

The IRS Distributed the Third Round of Economic Impact Payments During the Filing Season

ARPA likewise tasked the IRS to deliver a third round of EIPs about a month into the 2021 filing season. Eligibility for the third round of EIPs was based on either the taxpayer's 2019 or 2020 tax return, whichever the IRS had on file. The timing of the law's enactment, combined with processing delays, meant some third round EIPs were calculated using the 2019 tax return instead of 2020 information. This caused taxpayers to receive less than they were entitled to had the IRS processed their 2020 tax returns; the IRS then had to recalculate eligibility and issue a "plus up payment" after 2020 tax returns were processed.²³ Meanwhile, previously ineligible taxpayers who became eligible for the third round of EIPs based on their 2020 tax returns could not receive the EIP until the IRS completed processing their tax returns. In both circumstances, many financially distressed taxpayers often endured lengthy waits for the IRS to process their 2020 tax returns to receive the third payment.

The IRS Issued Monthly Advance Child Tax Credit Payments

Timely processing of 2020 tax returns also affected the Child Tax Credit (CTC). ARPA authorized the IRS to issue monthly Advance Child Tax Credit (AdvCTC) payments to eligible taxpayers with qualifying children.²⁴

Key changes to CTC under ARPA include:²⁵

- Making CTC fully refundable;
- Increasing the eligibility for qualifying children to age 17;
- Increasing the maximum credit from \$2,000 to \$3,000 for children between six and 17, and to \$3,600 for children below age six; and
- Authorizing advanced monthly payments to taxpayers with qualifying children not to exceed 50 percent of the 2021 CTC amount.

The IRS began issuing AdvCTC payments to eligible taxpayers on July 15, 2021, and developed online resources to help taxpayers try to navigate the complex and confusing new information.²⁶ Like the third round of EIPs, the law authorized the IRS to determine CTC eligibility using the 2019 tax return information it had on file. The IRS automatically adjusted AdvCTC payments that may increase or decrease a taxpayer's AdvCTC monthly amount after the IRS processed their 2020 tax returns or upon request by the taxpayer using the online portal.

Similar to the Recovery Rebate Credit (RRC) reconciliation process for 2020 tax returns, taxpayers will have to reconcile the third EIP and the AdvCTC payments by filing Schedule 8812 with their 2021 tax returns.²⁷ Errors and inconsistencies appeared when taxpayers reconciled the RRC in the 2021 filing season, which caused lengthy processing delays. Reconciliation errors of the third EIP and AdvCTC will negatively affect the 2022 filing season, and every effort must be made to assist and educate taxpayers about what they can do to correctly reconcile these amounts with the filing of their returns.

Antiquated Systems and Processes: Over 35 Million Tax Returns Required Manual Review and Processing

Generally, when IRS systems identify a tax return with errors or inconsistencies, the tax return detours from the processing roadmap to the IRS Submission Processing Division's Error Resolution System (ERS).²⁸ There, the IRS suspends processing to make corrections. Because of the numerous tax law changes and limitations to IRS's scanning capabilities for tax returns in ERS, errors recognized in the 2021 filing season had to be manually processed; they were not correctable through automation. Unlike prior years, the magnitude of these errors requiring manual review was an enormous task and had to be performed by non-teleworking employees in an IRS facility. This cause and effect magnified the problems of the IRS's reliance on antiquated systems and manual processes and highlighted operational shortcomings during the pandemic emergency.²⁹

Tax returns that go into ERS form a queue of workable inventory, each awaiting manual review and correction by a tax examiner on a first-in, first-out basis.³⁰ When ERS inventory reaches maximum capacity, as it did during the 2021 filing season, tax returns that do not make it into the queue of workable inventory go into a separate holding queue, where each then waits to make it into the workable inventory queue.³¹ The average timeframe a tax return was held in the holding queue during the 2021 processing year was 75 days, an over two-month wait before it even reached the workable inventory queue for manual review to continue processing.³²

Processing times for tax returns and taxpayer correspondence matter greatly because the vast majority of taxpayers overpay their tax and are entitled to refunds.³³ During processing year 2021, almost 22 million tax returns waited in the holding queue.³⁴ In comparison, the 2019 and 2020 processing years had about a half million and about eight million tax returns that went into the holding queue, respectively.³⁵ For many affected taxpayers, delays in processing and refund payments meant necessary living expenses such as rent or utilities went unpaid for several months. The IRS needs to perform a postmortem analysis to determine ERS efficiencies and challenges in preparation of the upcoming filing season, as many of the similar challenges are expected to occur next filing season, resulting in long delays for taxpayers.

Millions of Recovery Rebate Credit Inaccuracies Caused Manual Reviews and Delays

Despite the mostly successful first two campaigns where the majority of eligible taxpayers received their EIPs promptly, approximately eight million potentially eligible taxpayers did not timely receive first or second EIPs.³⁶ Taxpayers who did not receive the first or second round of EIPs or who received an inaccurate amount attempted to accurately reconcile the missing funds by claiming the RRC on their 2020 tax returns.³⁷ When the claimed RRC was inaccurately reconciled and contradictory to IRS records, the IRS required manual review to fix it. At the close of the 2021 filing season, more than five million returns were identified as having inconsistent RRC amounts compared to IRS records.³⁸ Almost four months after the end of the 2021 filing season, over 11 million returns were identified as having RRC inconsistencies.³⁹ There is a need for automated ERS solutions to prevent the extensive and harmful delays taxpayers suffered having to wait through antiquated processes.

“Lookback Rule” for the Earned Income Tax Credit and Additional Child Tax Credit Caused Manual Reviews and Delays

The Taxpayer Certainty and Disaster Tax Relief Act of 2020 in the Consolidated Appropriations Act, 2021, and ARPA also created the 2019 “Lookback Rule” provisions for EITC and ACTC. The provisions provided temporary relief for taxpayers who earned less income in 2020 than 2019 by allowing them to use their 2019 earned income to calculate EITC and the refundable ACTC for more advantageous credits.⁴⁰ Whereas the lookback rule benefitted taxpayers whose earned income decreased during the pandemic, financially strained taxpayers who elected to look back often experienced significant waits receiving their much-needed refunds due to tax return processing delays. Although these legislative changes provided much-needed relief for millions of taxpayers, they resulted in millions of manual reviews. With the lack of sufficient preparation time, the IRS could not develop an automated way to systemically verify 2019 earnings for taxpayers who elected to look back and use their 2019 earned income for a more advantageous EITC or ACTC. Once again, it required a manual process.

At the conclusion of the 2021 filing season, over 35 million tax returns required manual processing by an IRS employee – a nearly five-fold increase from the 7.4 million unprocessed returns at the end of the 2019 filing season.⁴¹ The daunting sum was comprised of 16.8 million paper tax returns waiting to be processed; about 15.8 million returns suspended in ERS during processing because of errors; and about 2.7 million amended returns awaiting processing. Over four months after the close of the filing season, the IRS was still processing approximately 13 million individual and business tax returns received during the 2021 filing season.⁴²

FIGURE 2.5.2, Snapshot Status of Inventory Requiring Manual Processing (2019 to 2021) as of the Close of 2021 Filing Season on May 17, 2021⁴³

Year	Description	Individual	Business	Not Specified	Total	Comparison to Prior Year
2019	Paper Returns Awaiting Processing					
	Calendar Year 2019	1,600,000	1,500,000	-	3,200,000	
	Total Paper Returns Awaiting Processing	1,600,000	1,500,000	-	3,200,000	
	Paper and Electronic Returns – Processing Suspended					
	Error Resolution Cases	1,000,000	-	-	1,000,000	
	Processing Rejects	1,000,000	100,000	-	1,100,000	
	Unpostable Returns	200,000	300,000	-	500,000	
	Suspected Identity Theft	800,000	-	-	800,000	
	Total Processing Suspended Returns	3,000,000	500,000	-	3,500,000	
	Unprocessed Amended Returns	700,000	-	-	700,000	
Total Unprocessed Returns - 2019 Filing Season	5,300,000	2,000,000	-	7,400,000		
2020	Paper Returns Awaiting Processing					
	Calendar Year 2020	3,400,000	1,000,000	-	4,300,000	
	Total Paper Returns Awaiting Processing	3,400,000	1,000,000	-	4,300,000	34%
	Paper and Electronic Returns – Processing Suspended					
	Error Resolution Cases	1,400,000	200,000	-	1,600,000	60%
	Processing Rejects	1,600,000	200,000	-	1,800,000	64%
	Unpostable Returns	800,000	500,000	-	1,300,000	160%
	Suspected Identity Theft	1,100,000	-	-	1,100,000	38%
	Total Processing Suspended Returns	4,900,000	900,000	-	5,800,000	66%
	Unprocessed Amended Returns	600,000			600,000	-14%
Total Unprocessed Returns - 2020 Filing Season	8,900,000	1,900,000		10,700,000	45%	
2021	Paper Returns Awaiting Processing					
	Calendar Year 2020	100,000	1,000,000	-	1,100,000	
	Calendar Year 2021	6,000,000	4,600,000	5,100,000	15,700,000	
	Total Paper Returns Awaiting Processing	6,100,000	5,600,000	5,100,000	16,800,000	291%
	Paper and Electronic Returns – Processing Suspended					
	Error Resolution Cases	9,800,000	500,000	-	10,300,000	544%
	Processing Rejects	1,200,000	200,000	-	1,400,000	-22%
	Unpostable Returns	1,100,000	900,000	-	2,000,000	54%
	Suspected Identity Theft	2,100,000	-	-	2,100,000	91%
	Total Processing Suspended Returns	14,200,000	1,600,000	-	15,800,000	172%
Unprocessed Amended Returns	2,700,000			2,700,000	350%	
Total Unprocessed Returns - 2021 Filing Season	23,000,000	7,200,000	5,100,000	35,300,000	230%	

Lack of Timely Processing and Response to Taxpayer Correspondence

The IRS still relies on the mail via the U.S. Postal Service as its primary method of corresponding with taxpayers and has labored to timely process incoming and outgoing mail. Often, the resolution of taxpayer issues depends on how quickly and accurately taxpayers respond and how quickly the IRS can open the mail and complete the processing of taxpayer correspondence. The IRS COVID-19 Operations website states that it is opening mail within normal timeframes in order of date received and that processing time is taking longer than usual because of social distancing guidelines and resource restrictions, including employees.⁴⁴

Taxpayers Continue to Experience Subsequent Notices and Collection Action Resulting From IRS Processing Correspondence Delays Addressing the Merits of the Issue

The delays in processing mail continue to harm taxpayers and have caused the IRS to treat many taxpayers who timely responded to IRS notices or filed an amended return to resolve an issue as if they did not. Despite taxpayers mailing timely responses or filing amended returns, the IRS, unaware taxpayers have acted, still proceeds to send subsequent letters or notices, including collection notices. For taxpayers who have done their due diligence but have not had their correspondence timely processed or considered due to mail processing delays, having the IRS continue to pursue compliance and collection activity is beyond confusing, frustrating, and concerning.

Because taxpayers can only control when they send responses or filings and not the time it takes for the IRS to process and actually consider the merits of their responses, it is patently unfair to taxpayers for the IRS to proceed with any form of collection activity. Taxpayer rights include *to pay no more than the correct amount of tax, to challenge the IRS's position and be heard, and to a fair and just tax system*, all of which are jeopardized when the IRS is delayed in processing correspondence.⁴⁵ To protect taxpayer rights and better serve taxpayers, the National Taxpayer Advocate recommends that the IRS should freeze related compliance and collection activity until it addresses and considers taxpayer correspondence or responds to the merits. A reasonable goal is to have all correspondence replying to notices resolved or the merits responded to within 45 days of receipt. In circumstances when any of the IRS workstreams cannot hit the 45-day goal, the IRS should take appropriate steps to ensure that no related compliance or collection actions are taken until taxpayer positions can be fairly and properly considered.

IRS Correspondence Often Lacks Clarity and Omits Crucial Information Taxpayers Need and Have the Right to Receive

The taxpayer's *right to be informed* through clear and informative written communications from the IRS is critical to help resolve questions and limit the need for phone contact.⁴⁶ Providing understandable notices that contain clear explanations helps taxpayers gain a full understanding of the process and recognizes their *right to be informed*.⁴⁷ Too often, the IRS sends notices to taxpayers that are not structured with a taxpayer rights focus and fall short of what taxpayers should expect and deserve, generating more questions and more calls.

Increased Taxpayer Demand and Need Strained Already Subpar IRS Services, Antiquated Processes, and Limited Employee Resources

Inadequate Information Available to Taxpayers Online

The use of technology to engage in business services online is widespread and common.⁴⁸ Taxpayers expect similar capabilities and quality regarding online services with the IRS. Taxpayers experiencing extensive refund delays, which in some cases extended over a year in duration and caused serious financial hardships, often sought out the IRS's online self-service resources to check their refund status. During the 2021 filing season, taxpayers accessed the IRS online information portal hundreds of millions of times to determine the status of their refund.⁴⁹ The IRS's Where's My Refund? tool and IRS2Go mobile app provide useful information to taxpayers when normal processes run smoothly.⁵⁰

However, for tens of millions of taxpayers who experienced processing delays in the 2021 filing season, the limitations of the IRS's online offerings were amplified. Taxpayers seeking answers specific to their accounts quickly discovered a digital environment with only scarce information. Neither the tool nor the app provides taxpayers specifics as to what is causing their particular delay or when they may receive their refunds.⁵¹

Already Insufficient Levels of IRS Phone Service Dipped to Historic Low

Phone communication with the IRS on its primary phone lines was difficult for taxpayers before the pandemic.⁵² When the pandemic began, the IRS was forced to close offices, leaving assistors unequipped for telework and unable to serve taxpayers.⁵³ Already afflicted by understaffing, the IRS's primary phone lines operated immensely understaffed or sometimes were not operational. During the 2021 filing season, the IRS received 171 million phone calls and at its lowest Level of Service taxpayers connected with the IRS only nine percent of the time.⁵⁴

The timing of COVID-19 relief legislation and significant delays in processing tax returns and taxpayer correspondence caused many phone calls to the IRS. The 2021 filing season saw taxpayers desperate for even basic information regarding the status of refunds or reasons for delays not attainable online contacting the IRS by phone in record numbers. The IRS reported getting five times its normal call volume during the first six months of 2021, receiving over 1,500 calls per second at its apex.⁵⁵

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IRS Challenges Caused the TAS Safety Net to Become Overstretched

Factors such as low Level of Service, insufficient information available online, and often confusing notices propelled high volumes of taxpayers to seek help from TAS or their elected representatives in Congress.⁵⁶ Frequently, Congress relies on TAS to provide advocacy to help their constituents.⁵⁷ Taxpayers also experienced delays receiving TAS help during the 2021 filing season.⁵⁸

Congress created TAS to be the voice of the taxpayer, to protect taxpayer rights, to recommend improvements to tax administration, and to operate as the safety net to support taxpayers falling through the cracks of bureaucracy.⁵⁹ TAS was established to assist taxpayers facing hardship and experiencing systemic issues with the IRS – not to be the IRS.⁶⁰ As the IRS struggled with a multitude of challenges in the 2021 filing season, many taxpayers sought assistance from TAS. Although TAS is an independent agency, it rarely has the delegated authority to take certain actions to directly resolve taxpayer issues. Rather, TAS serves an ombudsman function, providing advocacy within the IRS on behalf of taxpayers for necessary actions to resolve problems.

TAS inherently relies on IRS employees' delegated authority to take the actions needed to resolve problems for which TAS advocates on behalf of taxpayers. The impact of the IRS's challenges directly affected TAS operations and its ability to provide prompt advocacy in working with IRS counterparts to resolve taxpayer issues. TAS experienced dramatically increased workloads of cases involving financially distressed taxpayers seeking advocacy and others unable to reach the IRS to ask questions or gain clarity about their tax matters.⁶¹

In 2021, TAS could not assist taxpayers when the IRS did not have a system in place in which TAS could advocate for a fix. This resulted in TAS not accepting cases where taxpayers desperately needed assistance.

CONCLUSION AND RECOMMENDATIONS

The IRS had several preexisting problems ranging from archaic systems to an insufficient Level of Service that weakened taxpayer service and rights before the pandemic hit. While the 2021 filing season was the textbook perfect storm, it is one that the IRS can analyze and study to implement changes to improve future filing seasons. The problems discussed must be rectified for taxpayers to receive the quality service they deserve and to safeguard their rights under the law.

Preliminary Administrative Recommendations to the IRS

The National Taxpayer Advocate recommends that the IRS:

1. Utilize 2-D barcoding and/or optical character recognition technology to improve the accuracy and efficiency of processing of paper tax returns.⁶²
2. Set a goal of having all correspondence replying to notices resolved or the merits responded to within 45 days of 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.
3. Implement and increase callback technology capacity across all taxpayer-facing telephone lines.⁶³
4. Develop a dedicated automated phone line where taxpayers can enter their information and upon proper identity authentication, may retrieve specific details about their tax accounts, including but not limited to the amount of AdvCTC and EIPs received.
5. Accelerate permanent implementation allowing for the use of e-signatures and secure email of documents by end of fiscal year 2022.⁶⁴
6. Conduct a postmortem 2021 filing season review of ERS delays to identify potential reasons for the extended delays.
7. Program systemic reconciliation capabilities for refundable credits such as the RRC, ACTC, CTC, and systemic lookback capabilities to prior year modified adjusted gross income (AGI) where a taxpayer claims eligibility for tax credits that are based on prior year AGI, such as the EITC lookback rule, and any future tax benefits of similar nature and impact that have potential to delay tax return processing and eliminate the need for manual reviews for computational adjustments.
8. Create a filing season dashboard and provide detailed weekly information on the filing season, including the total amount of return inventory, number of returns beyond normal processing times, number of returns in suspense status, and the anticipated timeframes for working through them, while acknowledging that the situation is fluid and timeframes may change along with circumstances.⁶⁵

Legislative Recommendation to Congress

The National Taxpayer Advocate recommends that Congress:

1. Provide dedicated multiyear funding sufficient to allow the IRS to improve customer experience in general and specifically to improve and add functionality to its online and telephone service, as described in the Taxpayer First Act Report to Congress.⁶⁶

RESPONSIBLE OFFICIALS

Kenneth Corbin, Commissioner, Wage and Investment Division, and Chief Taxpayer Experience Officer
Darren Guillot, Commissioner, Collection and Operations Support, Small Business/Self-Employed Division

IRS COMMENTS

During the COVID-19 pandemic, we have had to find a new way to fulfill our mission, while experiencing extraordinary circumstances related to the pandemic. We understand the importance of timely processing tax returns and refunds, as well as providing quality service to taxpayers needing in person and telephone assistance.

We continue to work diligently to process as many returns as possible before the 2022 filing season. As we get closer to the start of filing season, we will ensure our communications and information on IRS.gov answers taxpayer questions concerning any existing unprocessed returns and alleviates any burden caused by delays to the extent possible. Taxpayers can review the Frequently Asked Questions for additional information and visit our Status of Operations page for ongoing updates, including updated amended return processing timeframes.

The IRS contacts a significant number of taxpayers to perfect returns during the filing process, resolve issues identified in post-filing, and secure delinquent returns. Traditionally, we primarily contact taxpayers through mail, phone, or personal interviews; however, we are always seeking new ways to communicate that will reduce taxpayer burden and improve organizational efficiency. The primary causes for return processing delays are mistakes, such as Recovery Rebate Credit (RRC) errors and missing information, as well as reviews for potential identity theft or fraud. We attempt to resolve these cases without contact with the taxpayer where possible, but manual reviews still take time. If we need more information or if we need to verify a taxpayer's identity, we will communicate by letter. When correspondence is necessary, taxpayer response time and potential mail delays affect the process. Additionally, while we can resolve some matters through the initial taxpayer response, other matters require further follow-up. In some cases, this work could take 90 to 120 days or even longer depending on the information required.

We will continue our hiring efforts throughout the year, to the extent funding permits and eligible prospects accept job offers, to staff up our processing centers to work through our inventory. Our external hiring selections are underway for customer service representatives, tax examiners, and clerks to help support the 2022 tax filing season.

To assist taxpayers looking for assistance with filing returns, we developed a strategy to assist Volunteer Income Tax Assistance (VITA)/Tax Counseling for the Elderly (TCE) partners in delivering free tax preparation services using multifaceted approaches which will be continued into FY 2022. Additionally, we will provide Over the Phone Interpreter Service capabilities at all VITA locations during this filing season.

We continue to look for new and innovative ways to deliver current services, as well as provide new taxpayer services. Pending funding approval, during Fiscal Year (FY) 2022 the IRS will expand e-file capabilities for Form 1040-X, Amended U.S. Individual Income Tax Return, by allowing e-filing of amendments for non-electronic original returns and offering e-filing of Form 1040-X for all 1040-family returns. We have also expanded the Customer Call-back option to 16 additional applications to save taxpayers direct wait time while waiting to speak to an assistor.

TAXPAYER ADVOCATE SERVICE COMMENTS

While the IRS faced significant challenges that impacted the 2021 filing season, so did taxpayers. The IRS needs to prioritize the expeditious processing of tax returns as an immediate area of focus, which requires thoughtful development and strategic execution of a plan for these work processes. The ongoing processing delays harm taxpayers who continue to endure extensive waits for refunds. Although the IRS may need additional funding and staffing reinforcements, it must address the processing delays. The nation is on the cusp of another filing season, and taxpayers cannot afford to wait through substantial delays to receive refunds another year. The current status quo of the IRS continuously having to play catch-up by entering a new filing season with a backlog of millions of unprocessed tax returns is not reasonably sustainable. Our recommendations reflect the importance of prioritizing expeditious processing of tax returns and improving services to address the critical needs of taxpayers.

RECOMMENDATIONS

Administrative Recommendations to the IRS

The National Taxpayer Advocate recommends that the IRS:

1. Utilize 2-D barcoding and/or optical character recognition technology to improve the accuracy and efficiency of processing of paper tax returns.⁶⁷
2. Set a goal of having all correspondence replying to notices resolved or the merits responded to within 45 days of 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 his or her correspondence.
3. Implement and increase callback technology capacity across all taxpayer-facing telephone lines.⁶⁸
4. Develop a dedicated automated phone line where taxpayers can enter their information and upon proper identity authentication, may retrieve specific details about their tax accounts, including but not limited to the amount of AdvCTC and EIPs received.
5. Accelerate permanent implementation allowing for the use of e-signatures and secure email of documents by end of fiscal year 2022.⁶⁹
6. Conduct a postmortem 2021 filing season review of ERS delays to identify potential reasons for the extended delays and proposed solutions.
7. Program systemic reconciliation capabilities for refundable credits such as the RRC, ACTC, CTC, and systemic lookback capabilities to prior year modified AGI where a taxpayer claims eligibility for tax credits that are based on prior year AGI, such as the EITC lookback rule, and any future tax benefits of similar nature and impact that have potential to delay tax return processing and eliminate the need for manual reviews for computational adjustments.
8. Create a filing season dashboard and provide detailed weekly information on the filing season, including the total amount of return inventory, number of returns beyond normal processing times, number of returns in suspense status, and the anticipated timeframes for working through them, while acknowledging that the situation is fluid and timeframes may change along with circumstances.⁷⁰

Legislative Recommendation to Congress

The National Taxpayer Advocate recommends that Congress:

1. Provide dedicated multiyear funding adequate to allow the IRS to improve overall customer service and experience, as set forth in the Taxpayer First Act Report to Congress.⁷¹

Endnotes

- 1 IRS response to TAS information request (June 23, 2021). See Erin M. Collins, 2021 Filing Season Bumps in the Road Part III, NATIONAL TAXPAYER ADVOCATE BLOG (June 29, 2021), <https://www.taxpayeradvocate.irs.gov/news/nta-blog-2021-filing-season-bumps-in-the-road-part-iii/>.
- 2 *Id.* Treasury Inspector General for Tax Administration (TIGTA), Ref. No. 2021-46-064, *Effects of the COVID-19 Pandemic on Business Tax Return Processing Operations* (Sept. 2, 2021).
- 3 See Families First Coronavirus Response Act, Pub. L. No. 116-127, 134 Stat. 178 (2020); Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116-136, 134 Stat. 281 (2020); Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (2020).
- 4 American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2, 135 Stat. 40 (2021).
- 5 IRS, The Agency, Its Mission and Statutory Authority (Sept. 8, 2021), <https://www.irs.gov/about-irs/the-agency-its-mission-and-statutory-authority>.
- 6 See *IRS Operations, Hearing Before the S. Appropriations Comm., Subcomm. on Financial Services and General Government 9*, 117th Cong. (2021) (written testimony of Charles P. Rettig, Commissioner, Internal Revenue); IRS, *IRS Making Progress on Key Areas Slowed by the Pandemic, But More Work Remains* (Sept. 14, 2021), <https://www.irs.gov/about-irs/irs-making-progress-on-key-areas-slowed-by-the-pandemic-but-more-work-remains>.
- 7 The 2020 filing season is with respect to the processing of tax returns for tax year (TY) 2019.
- 8 See *IRS Operations, Hearing Before the S. Appropriations Comm., Subcomm. on Financial Services and General Government 8*, 117th Cong. (2021) (written testimony of Charles P. Rettig, Commissioner, Internal Revenue); Centers for Disease Control and Prevention, Science Brief: SARS-CoV-2 and Surface (Fomite) Transmission for Indoor Community Environments (Apr. 5, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/more/science-and-research/surface-transmission.html>.
- 9 IRS Submission Processing deems a return as “processed” when all the steps necessary to post the return to the account have been taken.
- 10 TIGTA, Ref. No. 2021-46-023, *Results of the 2020 Filing Season and Effects of COVID-19 on Tax Processing Operations 5* (Mar. 22, 2021).
- 11 See Most Serious Problem: E-Filing Barriers: Electronic Filing Barriers Increase Taxpayer Burden, Cause Processing Delays, and Waste IRS Resources, *infra*.
- 12 See Families First Coronavirus Response Act, Pub. L. No. 116-127, 134 Stat. 178 (2020); CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (2020); Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (2020); ARPA, Pub. L. No. 117-2, 135 Stat. 40 (2021).
- 13 CARES Act Division B, Title I, § 2101(g)(3). The law prohibited the IRS from issuing the first round of economic impact payments beyond December 31, 2020. IRC § 6428(f)(3)(A).
- 14 The law prohibited the IRS from issuing the second round of economic impact payments after January 15, 2021. IRC § 6428A(f)(3)(A)(ii)(I).
- 15 IRS, IR-2021-16, 2021 Tax Filing Season Begins Feb. 12; IRS Outlines Steps to Speed Refunds During Pandemic (Jan. 15, 2021), <https://www.irs.gov/newsroom/2021-tax-filing-season-begins-feb-12-irs-outlines-steps-to-speed-refunds-during-pandemic>.
- 16 The IRS continues to operate some of the oldest major information technology systems still in use in the federal government with some systems dating to the early 1960s. The IRS also operates about 60 case management systems that generally are not interoperable. For a detailed discussion, see National Taxpayer Advocate 2020 Annual Report to Congress 84-101 (Most Serious Problem: Information Technology Modernization: Antiquated Technology Jeopardizes Current and Future Tax Administration, Impairing Both Taxpayer Service and Enforcement Efforts); Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182 (2020).
- 17 *Id.*; IRS, IR-2020-280, Treasury and IRS Begin Delivering Second Round of Economic Impact Payments to Millions of Americans (Dec. 29, 2020), <https://www.irs.gov/newsroom/treasury-and-irs-begin-delivering-second-round-of-economic-impact-payments-to-millions-of-americans>; IRS, IR-2021-16, 2021 Tax Filing Season Begins Feb. 12; IRS Outlines Steps to Speed Refunds During Pandemic (Jan. 15, 2021), <https://www.irs.gov/newsroom/2021-tax-filing-season-begins-feb-12-irs-outlines-steps-to-speed-refunds-during-pandemic>; ARPA, Pub. L. No. 117-2, 135 Stat. 4 (2021); IRS, IR-2021-54, IRS Begins Delivering Third Round of Economic Impact Payments to Americans (Mar. 12, 2021), <https://www.irs.gov/newsroom/irs-begins-delivering-third-round-of-economic-impact-payments-to-americans>; IRS, IR-2021-59, Tax Day for Individuals Extended to May 17: Treasury, IRS Extend Filing and Payment Deadline (Mar. 17, 2021), <https://www.irs.gov/newsroom/tax-day-for-individuals-extended-to-may-17-treasury-irs-extend-filing-and-payment-deadline>. The last time the IRS observed the traditional mid-April filing season end date was the 2019 filing season.
- 18 ARPA, Pub. L. No. 117-2, Part 4 § 9042(a), 135 Stat. 4 (2021); IRS, New Exclusion of Up to \$10,200 of Unemployment Compensation, <https://www.irs.gov/forms-pubs/new-exclusion-of-up-to-10200-of-unemployment-compensation> (last visited Dec. 28, 2021); IRC § 36B(f)(2)(A); Internal Revenue Manual (IRM) 25.23.4.21.3, ARPA – Excess Advance Premium Tax Credit (APTIC) Repayment Relief (July 15, 2021); IRS, IR-2021-84, IRS Suspends Requirement to Repay Excess Advance Payments of the 2020 Premium Tax

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- Credit; Those Claiming Net Premium Tax Credit Must File Form 8962 (Apr. 9, 2021), <https://www.irs.gov/newsroom/irs-suspends-requirement-to-repay-excess-advance-payments-of-the-2020-premium-tax-credit-those-claiming-net-premium-tax-credit-must-file-form-8962>; IRS, About Form 8962, Premium Tax Credit (2021), <https://www.irs.gov/forms-pubs/about-form-8962>. Note: Taxpayers claiming a net Premium Tax Credit (PTC) will still need to file a Form 8962, and the change only applies to TY 2020.
- 19 As of the week ending March 12, 2021, the IRS had received about 66.1 million returns, approximately 43 percent of all 2020 individual income tax returns. IRS, Filing Season Statistics for Week Ending March 12, 2021, <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-march-12-2021> (last visited May 27, 2021). The three-year average of the number of federal individual income tax returns filed for TYs 2017, 2018, and 2019 (less returns filed solely for the purpose of receiving economic incentive payments) is 153.1 million. IRS Compliance Data Warehouse, Individual Returns Transaction File (Apr. 29, 2021); IRS, IR-2021-123, IRS Sending More Than 2.8 Million Refunds to Those Who Already Paid Taxes on 2020 Unemployment Compensation (June 4, 2021), <https://www.irs.gov/newsroom/irs-sending-more-than-2-point-8-million-refunds-to-those-who-already-paid-taxes-on-2020-unemployment-compensation>.
- 20 IRC § 32. EITC is an important anti-poverty tax incentive for working individual taxpayers earning a low- to moderate-income; the IRS was able to begin making systemic computations and adjustments and issue refunds to affected taxpayers in late May 2021.
- 21 IRM 25.23.4.21.1, ARPA - Unemployment Income Tax Relief (Aug. 19, 2021).
- 22 *Id.*
- 23 IRS, Questions and Answers About the Third Economic Impact Payment – Topic A: General Information (Sept. 3, 2021), <https://www.irs.gov/newsroom/questions-and-answers-about-the-third-economic-impact-payment-topic-a-general-information>.
- 24 IRS, 2021 Child Tax Credit and Advance Child Tax Credit Payments – Topic A: General Information (Oct. 8, 2021), <https://www.irs.gov/credits-deductions/2021-child-tax-credit-and-advance-child-tax-credit-payments-topic-a-general-information>.
- 25 Temporary changes only apply to the 2021 tax year.
- 26 IRS, Advance Child Tax Credit Eligibility Assistant, <https://www.irs.gov/credits-deductions/advance-child-tax-credit-eligibility-assistant>; IRS, 2021 Child Tax Credit and Advance Child Tax Credit Payments – Topic E: Advance Payment Process of the Child Tax Credit, <https://www.irs.gov/credits-deductions/2021-child-tax-credit-and-advance-child-tax-credit-payments-topic-e-advance-payment-process-of-the-child-tax-credit#e1>; IRS, Child Tax Credit Update Portal, <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>.
- 27 IRS, About Schedule 8812 (Form 1040), Additional Child Tax Credit, <https://www.irs.gov/forms-pubs/about-schedule-8812-form-1040>.
- 28 TAS, The TAS Digital Roadmap May Help You Navigate the IRS, <https://www.taxpayeradvocate.irs.gov/get-help/roadmap/>.
- 29 Telework Enhancement Act of 2010, Pub. L. No. 111-292, 124 Stat. 3165 (2010).
- 30 See IRM 3.12.37-21, ERS Status Codes (Jan. 1, 2020); IRM 3.11.20.7.2, Status Codes (Jan. 1, 2021); IRM 3.11.20.7.2; IRM 3.12.251.3.5, Status Codes (Jan. 1, 2016). The current workable ERS inventory capacity is 525,000. IRS response to TAS information request (Sept. 7, 2021).
- 31 IRM 3.12.37-21; IRM 3.12.251.3.5; IRM 3.11.20.7.2.
- 32 IRS response to TAS information request (Sept. 7, 2021).
- 33 IRS, Filing Season Statistics for Week Ending May 21, 2021, <https://www.irs.gov/newsroom/filing-season-statistics-for-week-ending-may-21-2021>.
- 34 IRS response to TAS information request (Sept. 7, 2021).
- 35 *Id.*
- 36 Department of the Treasury, Fact Sheet: *Treasury to Work to Ensure Families Get Access to Economic Impact Payments* (Jan. 22, 2021), <https://home.treasury.gov/news/featured-stories/fact-sheet-treasury-to-work-to-ensure-families-get-access-to-economic-impact-payments>.
- 37 CARES Act Division B, Title I, § 2101(g)(3). The IRS was prohibited under the law from issuing the first round of economic impact payments after December 31, 2020. IRC § 6428(f)(3)(A). The IRS was prohibited under the law from issuing the second round of economic impact payments after January 15, 2021. IRC § 6428A(f)(3)(A)(ii)(I).
- 38 IRS, Math Error Report Cycle 20 (ending May 21, 2021) (considering Taxpayer Notice Codes 681, 682, and 683).
- 39 IRS, Math Error Report Cycle 37 (ending Sept. 16, 2021) (considering Taxpayer Notice Codes 681, 682, and 683).
- 40 The Taxpayer Certainty and Disaster Tax Relief Act of 2020, Pub. L. No. 116-260, Div. EE, § 211, 134 Stat. 1182, 3066 (2020). To make the election, the taxpayer enters “PYEI” and the amount of the 2019 earned income on the dotted line next to Form 1040 or Form 1040-SR, line 27 (for EITC) and line 28 (for ACTC). IRS, Tax Year 2020 Form 1040 and Form 1040-SR Instructions 41, 57 (rev. Apr. 2021); IRS, Pub. 596, Earned Income Credit (EIC) 18 (Jan. 26, 2021).
- 41 IRS response to TAS information request (June 23, 2021). See Erin M. Collins, 2021 Filing Season Bumps in the Road Part III, NATIONAL TAXPAYER ADVOCATE BLOG (June 29, 2021), <https://www.taxpayeradvocate.irs.gov/news/nta-blog-2021-filing-season-bumps-in-the-road-part-iii/>.
- 42 TIGTA, Ref. No. 2021-46-064, *Effects of the COVID-19 Pandemic on Business Tax Return Processing Operations* (Sept. 2, 2021).
- 43 IRS response to TAS information request (June 23, 2021). Each cell value in Figure 2.5.2 was rounded to the nearest hundred thousand. Therefore, the totals may not equal the sum of the totaled cells. For calendar year 2020, there were an additional eight million pieces of unopened correspondence, which includes an undetermined number of unprocessed paper returns. As indicated in Figure 2.5.2, the IRS typically has some volume of unprocessed returns at the end of each filing season. If the IRS does not have math error authority to automatically correct an error, it will send the return to its “Reject” function. Most commonly, these are returns where a schedule is missing or where the taxpayer has omitted Form 8962, Premium Tax Credit, and Form 1095-A, Health Insurance Marketplace Statement, both of which are necessary for reconciling the PTC with the APTC. If the IRS does not have math error authority to automatically correct an error, it will send the return to its “Reject” function. These are usually paper returns and are commonly caused by entity problems with the taxpayer’s identification number, name, or both. For example, a recently married taxpayer signs her tax return using her new spouse’s last name. However, the return cannot post because the last name on her return does not match the name on file in the IRS and Social Security Administration (SSA) databases. The IRS will send the taxpayer a letter informing them of the problem and instructing them to contact SSA to update its records with their new name. Returns screened and selected by IRS identity theft/fraud detection filters requiring further scrutiny.
- 44 IRS, Operations During COVID-19: Mission-critical functions Continue, <https://www.irs.gov/newsroom/irs-operations-during-covid-19-mission-critical-functions-continue> (last visited Dec. 28, 2021).
- 45 See Taxpayer Bill of Rights (TBOR), www.TaxpayerAdvocate.irs.gov/taxpayer-rights. The rights contained in TBOR are also codified in the IRC. See IRC § 7803(a)(3).

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- 46 See Most Serious Problem: *Transparency and Clarity: The IRS Lacks Proactive Transparency and Fails to Provide Timely, Accurate, and Clear Information*, *supra*.
- 47 IRC § 7803(a)(3)(A).
- 48 See Most Serious Problem: *Online Accounts: IRS Online Accounts Do Not Have Sufficient Functionality and Integration With Existing Tools to Meet the Needs of Taxpayers and Practitioners*, *infra*.
- 49 IRS, 2021 Weekly Individual Filing Season Report, Cumulative Statistics May 21, 2021 (Day 99 of 2021 Filing Season) for 2021 filing season.
- 50 IRS, Where's My Refund?, <https://www.irs.gov/refunds> (last visited Dec. 28, 2021); IRS, IRS2Go Mobile App, <https://www.irs.gov/newsroom/irs2goapp> (last visited Dec. 28, 2021).
- 51 See Most Serious Problem: *Transparency and Clarity: The IRS Lacks Proactive Transparency and Fails to Provide Timely, Accurate, and Clear Information*, *supra*.
- 52 See Most Serious Problem: *Telephone and In-Person Service: Taxpayers Face Significant Challenges Reaching IRS Representatives Due to Longstanding Deficiencies and Pandemic Complications*, *supra*.
- 53 National Taxpayer Advocate 2020 Annual Report to Congress 38-40 (Most Serious Problem: *Telephone and In-Person Service: Taxpayers Face Significant Difficulty Reaching IRS Representatives Due to Outdated Information and Insufficient Staffing*).
- 54 These numbers are enterprise-wide rather than particular to a specific phone line. IRS, Joint Operations Center, Snapshot Reports: Enterprise Snapshot for Enterprise Total (week ending May 22, 2021).
- 55 See *IRS's Fiscal Year 2022 Budget, Hearing Before the S. Comm. on Finance 1, 117th Cong. (2021)* (written statement of Charles P. Rettig, Commissioner, Internal Revenue); IRS, IRS Making Progress on Key Areas Slowed by the Pandemic, But More Work Remains (Sept. 14, 2021), <https://www.irs.gov/about-irs/irs-making-progress-on-key-areas-slowed-by-the-pandemic-but-more-work-remains>.
- 56 TIGTA, Ref. No. 2021-40-038, *Interim Results of the 2021 Filing Season* (May 6, 2021).
- 57 IRM 13.1.8, Congressional Affairs Program (Oct. 8, 2021).
- 58 See Erin M. Collins, TAS Facing Similar Challenges as the IRS: Processing Delays and Low Level of Service, NATIONAL TAXPAYER ADVOCATE BLOG (Sept. 1, 2021), <https://www.taxpayeradvocate.irs.gov/news/nta-blog-tas-facing-similar-challenges-as-the-irs-processing-delays-and-low-level-of-service/>.
- 59 *Id.*
- 60 IRC § 7803.
- 61 See Erin M. Collins, TAS Facing Similar Challenges as the IRS: Processing Delays and Low Level of Service, NATIONAL TAXPAYER ADVOCATE BLOG (Sept. 1, 2021), <https://www.taxpayeradvocate.irs.gov/news/nta-blog-tas-facing-similar-challenges-as-the-irs-processing-delays-and-low-level-of-service/>.
- 62 See Most Serious Problem: *E-Filing Barriers: Electronic Filing Barriers Increase Taxpayer Burden, Cause Processing Delays, and Waste IRS Resources*, *infra*.
- 63 See Most Serious Problem: *Telephone and In-Person Service: Taxpayers Face Significant Challenges Reaching IRS Representatives Due to Longstanding Deficiencies and Pandemic Complications*, *supra*.
- 64 See Most Serious Problem: *Digital Communications: Digital Communication Tools Are Too Limited, Making Communication With the IRS Unnecessarily Difficult*, *infra*.
- 65 See Most Serious Problem: *Transparency and Clarity: The IRS Lacks Proactive Transparency and Fails to Provide Timely, Accurate, and Clear Information*, *supra*.
- 66 National Taxpayer Advocate 2020 Purple Book: *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 3-6 (Revamp the IRS Budget Structure and Provide Sufficient Funding to Improve the Taxpayer Experience and Modernize the IRS's Information Technology Systems)*; Taxpayer First Act, Pub. L. No. 116-25, 133 Stat. 981 (2019).
- 67 See Most Serious Problem: *E-Filing Barriers: Electronic Filing Barriers Increase Taxpayer Burden, Cause Processing Delays, and Waste IRS Resources*, *infra*.
- 68 See Most Serious Problem: *Telephone and In-Person Service: Taxpayers Face Significant Challenges Reaching IRS Representatives Due to Longstanding Deficiencies and Pandemic Complications*, *supra*.
- 69 See Most Serious Problem: *Digital Communications: Digital Communication Tools Are Too Limited, Making Communication With the IRS Unnecessarily Difficult*, *infra*.
- 70 See Most Serious Problem: *Transparency and Clarity: The IRS Lacks Proactive Transparency and Fails to Provide Timely, Accurate, and Clear Information*, *supra*.
- 71 National Taxpayer Advocate 2020 Purple Book: *Compilation of Legislative Recommendations to Strengthen Taxpayer Rights and Improve Tax Administration 3-6 (Revamp the IRS Budget Structure and Provide Sufficient Funding to Improve the Taxpayer Experience and Modernize the IRS's Information Technology Systems)*; Taxpayer First Act, Pub. L. No. 116-25, 133 Stat. 981 (2019).