

## IRS Service Delays

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The IRS continues to experience significant delays in performing key functions, including providing timely phone support for taxpayer inquiries, processing and reviewing tax returns, and responding to taxpayer inquiries by mail. The National Taxpayer Advocate's (NTA) midyear report to Congress at the end of June gave a grim assessment of IRS service for the 2021 filing season. Findings in this report include the following:

- **8%** – The increase in the volume of individual income tax returns filed, which is attributed to some taxpayers without a filing requirement filing in order to receive stimulus payments.
- **>35 Million** – The number of unprocessed **individual and business income tax returns** at the end of the filing season, which means any refunds associated with these returns are delayed, which is nearly **5 times** the 7.4 million at the end of the 2019 filing season (which was the last year not impacted by the pandemic).
- **167 Million** – The volume of phone calls to the IRS, over a **400% increase** from the number of calls they received during the 2019 filing season. At one point in the height of filing season, call volume exceeded 1,500 calls per second.
- **7%** – The proportion of calls answered by the IRS. For the most frequently called 1040 line, only **3%** of calls were answered. As noted in the report, “There are many services the IRS provides throughout the year to taxpayers – phone assistance is one of the most essential. Phone assistance is not an option or a luxury; it is a fundamental service and the cornerstone of proper tax administration.”

Additionally, the IRS reports on its [website](#) that as of July 14, 2021, there were **1.8 million unprocessed Forms 941** (Employer's Quarterly Federal Tax Return) and **213,000 unprocessed Forms 941X** (Adjusted Employer's Quarterly Federal Tax Return) that cannot be processed until the associated 941s are processed. Many of these involve COVID relief credits; accordingly, these returns are being worked at sites with staff with appropriate training for these credits.

The decline in quality of service provided by the IRS is impacting practitioners and taxpayers alike. A survey by the American Institute of Certified Public Accountants (AICPA) after the 2021 filing season indicated that **73% of tax practitioners were dissatisfied** with the quality of service from the IRS, a dramatic decrease from the 24% that were dissatisfied during the 2019 filing season. Practitioners frequently experienced a “courtesy disconnect” when trying to call the IRS practitioner's priority hotline, and even when they did get through, were unable to get an answer to the question over 40% of the time.

While the IRS agreed to implement many of the recommendations for improvement included in the NTA report and there have been legislative proposals to increase funding to improve service by the IRS, there is no short-term fix to address the current backlog and delays.



We understand that these delays and the inability to reach the IRS to resolve issues in a timely manner are extremely frustrating. As noted by the National Taxpayer Advocate, "For taxpayers who can afford to wait, the best advice is to be patient and give the IRS time to work through its processing backlog."

## ***What can you do?***

To check the status of your refund, you can utilize the [Where's My Refund](#) tool through the IRS website, which will provide the status of your most recently filed tax return within the last two tax years. Information should be available within 24 hours of e-filing a return or 4 weeks after mailing a paper return, and will track progress through three stages: (1) return received, (2) refund approved, and (3) refund sent.

To check the status of your amended individual income tax return (Form 1040-X) for this year and up to three prior years, you can utilize the [Where's My Amended Return](#) tool. The IRS website indicates that it takes up to three weeks after mailing the amended return for it to show up in the system. Note that this system will not have information on amended returns for businesses or certain situations (e.g., carryback applications and claims, injured spouse claims, etc.).

To make required tax payments (estimated quarterly taxes or Form 1040 series filings), you may utilize the [IRS Direct Pay](#) platform. This alleviates delays (both transit time and processing time) that occur when mailing payments and provides confirmation of the payment at the conclusion of the transaction.

The IRS now offers the [IRS2Go Mobile App](#) that can be downloaded and used to access the refund and payment tools listed above, as well as other features.

Should you have any questions about your specific circumstance or are unable to obtain the status by using the IRS tools, please contact your JTaylor tax advisor. We will do everything within our control to help you navigate through these challenges.

## ***Additional Resources***

- [IR-2021-139](#), IRS News Release, June 30, 2021.
- [National Taxpayer Advocate Objectives Report to Congress, Fiscal Year 2022, Full Report](#).