

**COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515**

August 19, 2020

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

Dear Commissioner Rettig,

I write today regarding reports that the Internal Revenue Service (IRS) has erroneously sent notices to taxpayers who mailed checks to the IRS on time. This is the second time that the IRS has mailed taxpayers incorrect notices in recent months. This is inexcusable. Many Americans are grappling with the worst public health and economic crisis of their lifetime, and it is irresponsible of the IRS to impose additional, unnecessary burdens on these struggling taxpayers.

IRS officials reported that, due to office closures, the IRS has accumulated a staggering backlog of unopened mail. At one point this summer, the IRS had approximately 12 million pieces of unopened correspondence in its inventory. Despite this unprocessed mail, the IRS reportedly has been sending notices to taxpayers whose correspondence and payments remain unopened. Therefore, many of the taxpayers receiving these notices already have made the payments that the IRS seeks.

These notices impose unnecessary stress on taxpayers who, upon receipt, must contact the IRS for assistance. This is particularly troubling at a time when the IRS is telling taxpayers who need to call the agency “to expect long waits due to limited staffing.” Taxpayers reaching out for assistance on the telephone must hope someone can answer their call and that all payments they have made have been opened, processed, and indicated on their account. Certainly, any additional correspondence generated by these notices can prove difficult for the IRS to handle and cause significant delays for taxpayers seeking fair resolution. For many Americans, this is an additional burden that they simply do not have the capacity to address during this crisis.


In light of these concerns, I respectfully request that the IRS temporarily pause sending notices to taxpayers who might be impacted by the correspondence backlog. During this time, I ask the IRS to consider establishing a portal through which taxpayers can alert the IRS that they have mailed payments since the beginning of March. Such portal could assist the IRS in preventing additional incorrect notices from being sent to taxpayers who have already mailed payments.

The IRS should not resume sending notices to taxpayers until the backlog has been reduced to pre-pandemic levels and taxpayer accounts have been updated. At such time, the IRS should carefully review any notices before sending to ensure that they are correct and timely and that taxpayers are in no way being penalized for the delay. Last week, the IRS acknowledged that it was providing administrative relief from “bad check penalties . . . in certain circumstances due to delays in IRS processing.” However, the IRS warned that “interest and other civil penalties may still apply,” which I believe is insufficient.

Countless taxpayers mailed payments many months ago. It is the IRS’s responsibility to ensure that they are not charged *any* penalties or interest for a delay that resulted through no fault of their own. The IRS should not make its backlog problem a taxpayer problem. Americans are in severe financial distress as a result of the pandemic, and the IRS should not unnecessarily and unfairly add to their hardship.

Thank you for your prompt attention to this matter.

Sincerely,



Richard E. Neal
Chairman
Committee on Ways & Means
United States House of Representatives