

February 10, 2022

The Honorable Ron Wyden  
Chairman  
Senate Finance Committee  
Washington, DC 20510

The Honorable Richard Neal  
Chairman  
House Ways & Means Committee  
Washington, DC 20515

The Honorable Mike Crapo  
Ranking Member  
Senate Finance Committee  
Washington D.C. 20510

The Honorable Kevin Brady  
Ranking Member  
House Ways & Means Committee  
Washington, DC 20515

**RE: Tax Filing Requirements and Retroactive Tax Changes This Tax Season**

Dear Chairman Wyden, Ranking Member Crapo, Chairman Neal, and Ranking Member Brady:

On behalf of the National Association of Enrolled Agents (NAEA) and the approximately 58,000 enrolled agents (EAs) it represents, I write to you today to warn you about two potential sources of added complexity during a tax filing season. In short, enacting retroactive tax changes in the midst of a filing season places undue stress on the tax administration system for the Internal Revenue Service and taxpayers and their representatives. Additionally, there are times when delaying filing deadlines are necessary; however, we believe that these delays add a cost to orderly administration of the tax system.

NAEA appreciates the actions and oversight that Congress has exercised with the IRS thus far to ensure that any challenges this tax season are mitigated to the best extent possible. However, NAEA's current recommendation as the tax filing season progresses is that Congress not implement any retroactive tax changes or extensions of filing requirements.

NAEA represents tax practitioners who work daily with small businesses and individual taxpayers who are impacted by everchanging IRS guidance and congressional actions. We hear regularly from enrolled agents on the front lines of tax preparation. NAEA knows there are often-unintended consequences of actions that might seem helpful on the surface.

As you are well-aware, this year's tax season is on track to be one of the most difficult the IRS, taxpayers, and the tax professional community has seen in recent years, compounded by the massive backlogs at the IRS as well as the complexity in processing the range of COVID-19 related tax credits. Many taxpayers are receiving inaccurate penalty notices from the IRS and the advance child tax credit (CTC) payments, and the 2021 Economic Impact Payments have created an additional step that needs to be reconciled for taxpayers.

Taxpayers and the IRS alike are struggling to keep up with the many tax changes that have occurred over the past few years. NAEA, like many in Congress, called for the IRS to implement several common-sense recommendations that we believe would move the needle and bring real relief to taxpayers. These include discontinuing automated notices until the IRS is current on processing returns and providing targeted penalty relief, which the IRS announced they would do just this week.

While these steps need to be taken, other last-minute substantive changes to the Internal Revenue Code would add complexity for the taxpayer and the IRS, create confusion, and further contribute to backlogs at the agency.

**NAEA believes that leaving the filing deadline as April 18 is the most prudent course of action for this filing season.**

**Furthermore, NAEA recommends that the tax writing committees not pass any retroactive changes with respect to tax credits or filings for 2021.**

NAEA recognizes that the IRS is in dire need of modernization and repair. Even as NAEA encourages prioritizing stability this tax season so that tax practitioners can effectively and accurately help taxpayers file taxes, the organization looks forward to continuing our work with Congress on future measures that will provide much needed changes to the IRS.

Sincerely,



David W. Tolleth, EA  
President  
The National Association of Enrolled Agents