



February 16, 2022

Oversight Subcommittee Chair Bill Pascrell
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Oversight Subcommittee Chair Tom Rice
U.S. House of Representatives
1139 Longworth House Office Building
Washington, DC 20515

RE: February 8, 2022 Oversight Subcommittee Hearing with the National Taxpayer Advocate on Challenges Facing Taxpayers

Dear Chairman Pascrell and Ranking Member Rice:

We thank you for holding this hearing and applaud you and the Committee’s continued leadership in raising ongoing issues that taxpayers and practitioners are experiencing with the Internal Revenue Service (IRS) as a result of the ongoing Coronavirus Disease 2019 pandemic (“pandemic”). The National Taxpayer Advocate (“Advocate”) and her office play an invaluable role and we appreciate its ongoing efforts to mitigate the seemingly endless issues during the third tax filing season since the beginning of the pandemic. We hope that the Committee will continue to view us as a resource as it weighs the testimony and responses from the Advocate as the Committee moves forward.

To restate, we have asked the Treasury and the IRS to immediately:¹

- Temporarily discontinue automated compliance actions until the IRS is prepared to devote the necessary resources for a proper and timely resolution of the matter.

¹ Tax Professionals United for Taxpayer Relief Coalition, “[Relief for Taxpayers for the 2022 Filing Season](#),” January 14, 2022.

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- Align requests for account holds with the time it takes the IRS to process any penalty abatement requests.
- 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.

While the IRS has addressed some of these requests, we remain concerned. Taxpayers and practitioners are not being given a detailed and comprehensive approach from the IRS as to how to mitigate problems in what will be the most difficult filing season in recent history. Now that the tax filing season is underway, taxpayers need clarity and specificity from the IRS as to what it will do, as well as, what the IRS is not going to do. If there are statutes preventing the IRS from acting on requests that the IRS supports or believes would be helpful, it should provide in clear terms what action is necessary by Congress to effectuate these changes. We greatly appreciate the relief that has been agreed to by the Commissioner to date, but a continuing piecemeal approach will only create more confusion and difficulties for taxpayers who are trying to be compliant with our nation's tax laws.

We urge the Committee to continue to work with the IRS toward a fair, but meaningful, resolution to the host of issues that have been raised by taxpayers and advocates. We look forward to working together in a collaborative fashion as quickly as possible to make this filing season as smooth as possible under overwhelming conditions.

Sincerely,

American Institute of CPAs (AICPA)

Diverse Organization of Firms (DOF)

Latino Tax Pro

National Association of Black Accountants, Inc. (NABA)

National Association of Enrolled Agents (NAEA)

National Association of Tax Professionals (NATP)

National Conference of CPA Practitioners (NCCPAP)

National Society of Accountants (NSA)

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

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National Society of Tax Professionals (NSTP)

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cc: Members of the House Committee on Ways and Means