

United States Senate

WASHINGTON, DC 20510

January 24, 2022

The Honorable Dr. Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

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

Dear Secretary Yellen and Commissioner Rettig,

I write today to express my concern with the alarming number of my constituents who have not received their long-awaited tax refund from their 2020 taxes. As you are well aware, millions of Americans are still facing economic hardships and are desperately in need of these funds to help make ends meet.

In my letter to you on February 8, 2021, I noted that as of November 6, 2020 there were approximately 6.8 million unprocessed tax returns. As of December 31, 2021, there are still 6 million unprocessed tax returns; additionally, as of January 8, 2022, there are still 2.3 million unprocessed 1040-X, and 1.1 million unprocessed business tax returns as of January 12, 2022.

Since my last letter, I have continued to hear from constituents that have still not had their 2020 tax returns processed, which has also caused delays in receiving the Advance Child Tax Credit payments, stimulus payments, tax refunds, and other much needed financial aid from the IRS. Additionally, businesses that have pending tax returns face delayed processing of their SBA EIDL loan applications. Taxpayers have increasingly expressed to my staff that they are unable to garner any information related to the processing of their tax returns via IRS phone lines or the website.

On November 10, 2021, National Taxpayer Advocate Erin Collins announced that the Taxpayer Advocate Service (TAS) would no longer accept congressional inquiries solely related to the processing of amended tax returns, due to the agency not being able to meaningfully expedite or improve case resolution for taxpayers. Ms. Collins also issued a Taxpayer Advocate Directive directing the IRS to “complete processing of all backlogged amended tax returns by December 29, 2021, or provide a detailed plan for completing processing the backlog”. The absence of assistance from TAS further aggravates the problems my constituents and other Americans face.

I appreciate the IRS' efforts to address the significant backlog of unprocessed returns, and recognize the significant challenges the agency has faced in operating during the pandemic while implementing major programs such as the stimulus payments and the Advance Child Tax Credit payments. However, persistent delays harm taxpayers who are waiting for their returns to process – often those who need their refunds most – and the agency has an obligation to implement a clear plan that alleviates this backlog while avoiding major delays for the processing of filed returns during the 2021 tax filing season.

Please reply to me as soon as possible, and no later than February 4, 2022, with specific answers to the following questions:

1. What formal plans have the IRS and Treasury developed to resolve the significant backlog of individual and business tax returns that remain unprocessed from the tax year 2020 tax filing season?
2. How specifically will that plan allow the IRS to continue to process the backlog in parallel with the processing of returns for the tax year 2021 filing season?
3. Will taxpayers whose 2020 returns remain unprocessed or delayed face any difficulties in filing returns – electronically or in paper form – for the 2021 tax year? If so, what might these delays or difficulties be, what are your specific plans for addressing them, and how will taxpayers be informed in a timely fashion?
4. When do you anticipate that TAS will resume accepting inquiries related to the processing of amended tax returns? If TAS is unable to accept this casework, will the IRS dedicate other resources to assist with inquiries that TAS is unable to accept?

Thank you for your attention to this important matter.

Sincerely,



Mark R. Warner
United States Senator