

# United States Senate

January 26, 2022

The Honorable Janet Yellen  
Secretary of the Treasury  
1500 Pennsylvania Avenue  
Washington, D.C. 20220

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

Dear Secretary Yellen and Commissioner Rettig,

As the 2022 tax filing season fast approaches, we are concerned about the unprecedented challenges facing the Internal Revenue Service (IRS) and the ongoing impact on our constituents. While the COVID-19 pandemic has strained every federal agency, the impact on the IRS has been particularly severe. As of December 23, 2021, the IRS continued to have a backlog of 6 million Forms 1040 (Individual Income Tax Returns) and 2.3 million amended individual tax returns. In addition, the IRS has 2 million Forms 941 (Employer Quarterly Tax Returns) that must be processed before the nearly 500,000 amended Forms 941 can be processed.<sup>1</sup>

In many cases, the delayed processing of amended returns has been devastating to small businesses in our communities whose applications for emergency loans from the Small Business Administration have been caught in limbo nearly two years after the COVID-19 pandemic began. The situation has deteriorated to a point that the Taxpayer Advocate Service (TAS) will no longer accept cases solely involving the processing of amended returns.<sup>2</sup> This has made it impossible for frustrated taxpayers to find any help. When our constituents cannot get assistance from the IRS and TAS, they contact us, and we have our hands tied at this point as well.

Recognizing the extraordinary challenges of the COVID-19 pandemic, in addition to the IRS operating with antiquated technology and a constrained budget, we find the current situation alarming. We stand ready to support the IRS and look forward to hearing how we can help you address any obstacles facing the agency. However, we respectfully request the IRS consider the following measures to bring immediate relief to taxpayers, and reduce the backlog, during this tax filing season:

- Halt automated collections from now until at least 90 days after April 18, 2022;
- Delay the collection process for filers until any active and pending penalty abatement requests have been processed;
- Streamline the reasonable cause penalty abatement process for taxpayers impacted by the COVID-19 pandemic without the need for written correspondence;
- Provide targeted tax penalty relief for taxpayers who paid at least 70 percent of the tax due for the 2020 and 2021 tax year; and
- Expedite processing of amended returns and provide TAS and congressional caseworkers with timely responses.

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<sup>1</sup> <https://www.irs.gov/newsroom/irs-operations-during-covid-19-mission-critical-functions-continue>

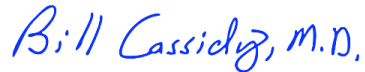
<sup>2</sup> <https://www.taxpayeradvocate.irs.gov/news/nta-blog-irs-delays-in-processing-amended-tax-returns-are-impacting-tass-ability-to-assist-taxpayers/>

While we recognize no single action will alleviate issues that have resulted from difficulties at the IRS spanning administrations of both political parties, these steps would provide our constituents with greater certainty as we enter this year's filing season. Thank you for your attention to this urgent matter and the dedication of the IRS and Treasury personnel to improving the filing process in these extraordinary times.

Sincerely,



Robert Menendez  
United States Senator



Bill Cassidy, M.D.  
United States Senator



Michael F. Bennet  
United States Senator



Cory A. Booker  
United States Senator



Sherrod Brown  
United States Senator



Richard Blumenthal  
United States Senator



Benjamin L. Cardin  
United States Senator

Thomas A. Carper /s/  
Thomas A. Carper  
United States Senator



Christopher A. Coons  
United States Senator



Catherine Cortez Masto  
United States Senator



Tammy Duckworth  
United States Senator




Kirsten Gillibrand  
United States Senator



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Tim Kaine  
United States Senator



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Amy Klobuchar  
United States Senator

Patrick Leahy /s/  
Patrick Leahy  
United States Senator



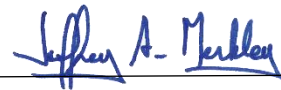
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Cynthia Lummis  
United States Senator



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Joe Manchin III  
United States Senator



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Jeffrey A. Merkley  
United States Senator



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Christopher S. Murphy  
United States Senator



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Jacky Rosen  
United States Senator



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Debbie Stabenow  
United States Senator



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Chris Van Hollen  
United States Senator



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Mark R. Warner  
United States Senator



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Reverend Raphael Warnock  
United States Senator



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Chairman Wyden  
U.S. Senate Committee on Finance