

United States Senate

WASHINGTON, DC 20510

March 9, 2022

Charles P. Rettig
Commissioner
U.S. Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Dear Commissioner Rettig:

Thank you for your continued service leading the Internal Revenue Service (IRS). I am writing to request that you provide a detailed strategy to address the massive tax return backlog.

As of December 31, 2021, the tax return backlog stood at six million unprocessed individual tax returns, which is significantly higher than the typical one million unprocessed returns at the start of the tax season.ⁱ Georgians have reached out to my office to voice their concern over this backlog and to stress how important their tax return is for their families and small businesses.

Recently, one constituent contacted my office seeking assistance with the processing of his paper tax return that he stated he mailed in April 2021. Since August, my staff has worked with the IRS Office of Legislative Affairs, IRS Wage and Investments Division, and the Taxpayer Advocate Service to track his mailed tax return. We have been told our constituent's tax return is one of the many mailed returns sitting in the Kansas City Processing Center, where it is sitting until it can be manually entered into the IRS system. We have also been told that there is no mechanism to locate this tax return among the other unprocessed returns collected in the backlog. Other constituents have cited delays in tax return processing that date as far back as returns submitted in tax year 2018.

Typically, three out of every four Americans receive a tax refundⁱⁱ which they use to cover necessary expenses such as childcare, rent and mortgage payments. The tax return backlog does not just affect the refunds taxpayers count on receiving. It also affects small business owners' ability to run their companies. For example, business owners need their tax returns processed in a timely manner in order to receive loans from the Small Business Administration.ⁱⁱⁱ Further, constituents need proof of tax filing to receive certain home loans^{iv} and student loans.^v Unprocessed tax returns halt the approval of these necessary loan requests and hurt taxpayers in the process.

The IRS needs to act now to reduce the number of unprocessed tax returns that have accumulated in the backlog.

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AND URBAN AFFAIRS

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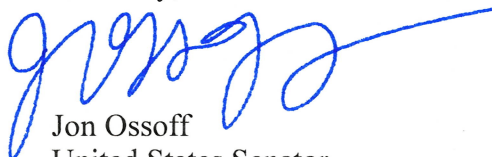
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The IRS announced that it would transfer 1,200 employees to taxpayer services to process returns.^{vi} I have the following questions regarding the IRS' plan to address the tax return backlog:

- Apart from reassigning employees to tax return processing, what specific steps will the IRS take to expedite the manual entry of mailed tax returns into the IRS system?
- Will there be priority given to certain taxpayers' returns for processing? For instance, will mailed tax returns that have been sitting in processing centers for over a year be prioritized for processing ahead of those newly received during the 2022 tax season?
- With the reassignment of 1,200 employees to address the backlog, what is the anticipated timeline for clearing the backlog?
- What steps is the IRS taking to hire more employees to address this tax refund backlog, if any?
- Does the IRS plan to collaborate with other agencies, such as the Small Business Administration, to provide leniency for taxpayers who are unable to get the tax filing information needed for loans with those agencies?

I urge the IRS to deploy all necessary tools, expertise, and relationships at its disposal to ensure our constituents and taxpayers who have yet to have their tax returns processed are able to move forward with the processing of their returns and receive their corresponding refunds as soon as possible. I respectfully ask that you respond in detail to my letter within two weeks.

Sincerely,



Jon Ossoff
United States Senator

ⁱ <https://www.cbsnews.com/news/tax-refund-when-get-irs-returns-2022-02-16/>

ⁱⁱ <https://money.usnews.com/money/personal-finance/taxes/articles/everything-you-should-know-about-tax-refunds#:~:text=The%20average%202020%20tax%20refund,issued%2C%20according%20to%20the%20IRS>

ⁱⁱⁱ <https://www.sba.gov/offices/district/mo/st-louis/resources/verification-financial-information-tax-transcripts>

^{iv} https://www.fha.com/fha_article?id=960

^v <https://studentaid.gov/help/info-needed>

^{vi} <https://www.bloomberg.com/news/articles/2022-02-02/irs-to-add-1-200-employees-as-they-confront-delays-backlog>