

‘No present plans’ for nationwide filing season extension, Rettig says

IRS Commissioner Charles Rettig told members of the House Appropriations Financial Services and General Government Subcommittee at a February 23 hearing that the agency “has no present plans” to extend the 2021 tax filing season in the wake of what some congressional leaders have described as a slower-than-normal start.

Responding to a question from subcommittee member Mark Pocan, D-Wis., Rettig said that extending the filing season – something the agency did last year in response to the coronavirus pandemic – “creates a lot of confusion for taxpayers” and “backs up” IRS operations.

He told the panel that accountants in the private sector are already “well into” the filing season and that individual taxpayers have the option of seeking automatic extensions through October 15 if they are unable to complete their returns by the traditional April 15 deadline.

House Ways and Means Committee Chairman Richard Neal, D-Mass., and Oversight Subcommittee Chairman Bill Pascrell, D-N.J., raised concerns about the pace of the filing season, which began on February 12, in a letter to Rettig dated February 19. Citing details in a report provided to the committee by the IRS, Neal and Pascrell noted that the number of returns filed and processed in the first week of the 2021 season is “significantly behind” last year’s levels; moreover, the volume of taxpayers seeking assistance from the Service by phone is significantly higher than last year and only a relatively small percentage of callers have been able speak directly with a customer service agent while other callers were directed to an automated message.

URL:
https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/2021.02.19%20Letter%20to%20IRS%20re%20filing%20season_0.pdf

“[T]he need to receive tax assistance may be slowing down the filing of returns,” the letter said.

Neal and Pascrell asked Rettig to respond by February 26 with details on how the IRS plans to address return processing and taxpayer service problems. They also asked Rettig to provide continuous updates to the Ways and Means Committee “on filing season issues and concerns, including whether the filing season should be extended.”

Filing, payment extensions for Texas storm victims

In other developments, the IRS announced this week that victims of the recent winter storms in Texas will have until June 15, 2021, to file certain business and individual tax returns and make tax payments.

URL: <https://www.irs.gov/newsroom/victims-of-texas-winter-storms-get-deadline-extensions-and-other-tax-relief>

The relief applies to tax filing and payment deadlines that otherwise would fall between February 11, 2021, and June 15, 2021, including those for:

- 2020 individual and business returns normally due on April 15;
- Various 2020 business returns due on March 15;
- 2020 IRA contributions (normally required by April 15);
- Quarterly estimated income tax payments due on April 15;
- Quarterly payroll and excise tax returns normally due on April 30; and
- 2020 returns for tax-exempt organizations operating on a calendar-year basis that are due on May 17.

The Service also noted that penalties on payroll and excise tax deposits due on or after February 11 and before February 26 will be abated as long as the deposits are made by February 26.

The relief is available to the entire state of Texas following the recent disaster declaration issued by the Federal Emergency Management Agency (FEMA). The Service has noted that taxpayers in other states that are affected by these winter storms and receive similar FEMA disaster declarations will automatically receive the same relief. The current list of eligible localities is available on the disaster relief page on the IRS's website.

URL: <https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>

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