



Congressional Update



News for members of Congress and their staffs – May 2022

Tax Payment Options

The deadline for filing 2021 tax returns and paying any related taxes has passed. For any taxpayers who have not yet filed and paid the IRS advises that:

- An extension of time to file is not an extension of time to pay. Full payment of any 2021 tax owed was due by the April filing deadline. After the April deadline, late payment penalties and interest begin to accrue. Taxpayers who expect to owe when filing their 2021 return by the extended due date can keep late payment penalty and interest costs to a minimum by making payment(s) now.
- Taxpayers who did not request an extension of time to file and did not pay their 2021 taxes in full by the April deadline face a late filing penalty, a late payment penalty, and interest. To keep these penalties and interest to a minimum, taxpayers in this circumstance should:
 - File as soon as possible, and
 - Pay as much as they can as soon as possible.
- Taxpayers who did not file by the April deadline, but owe no tax on their return, will not face penalty and interest charges. However, even if not required to do so, they should file their 2021 as soon as possible to claim any refund.

For those that owe, the IRS offers a number of payment options all of which can be explored at [IRS.gov/payments](https://www.irs.gov/payments). Options include:

- IRS Online Account and IRS Direct Pay (make a payment directly from a bank account),
- Payments by debit card, credit card or digital wallet (processor user fees apply), and
- An IRS payment agreement (fees, penalties and interest may apply depending on duration of the agreement requested).

To help constituents understand their payment options you can share this [IRS YouTube video](#).

A Closer Look - IRS Tax Day Message: Thank You for Filing

IRS published the latest executive column “[A Closer Look](#),” which features IRS Commissioner Chuck Rettig, discussing the challenges and successes of this filing season. “All of us at the IRS want to serve taxpayers well,” said Rettig. “We want our phones answered quickly. We want the nation’s tax laws enforced fairly. We want people to get the help they need whenever they need it.” Read more [here](#). Read the Spanish version [here](#).

Reminder: Face-to-face IRS help available on Saturday, May 14 at many IRS Taxpayer Assistance Centers

Many IRS Taxpayer Assistance Centers (TACs) will offer face-to-face help without an appointment on Saturday, May 14, 9 a.m. to 4 p.m. You can find the [TAC locations offering this service here](#). To receive TAC services during regular operating hours, Monday through Friday, 8:30 a.m. to 4:30 p.m., people should call the IRS Appointment Line at 844-545-5640 to make appointments. To learn more about visiting a TAC, people should first visit [IRS.gov/appointments](https://www.irs.gov/appointments) to access a TAC locator tool, get tips for preparing for an appointment and links to several common online services.

What should I do if I made a mistake on my federal return that I've already filed?

Answer: It depends on the type of mistake you made:

- The IRS catches and corrects many mathematical errors during the processing of the tax return, so you may not need to correct these mistakes.
- If you didn't claim the correct filing status or you need to change your income, deductions or credits, you should file an amended or corrected return using [Form 1040X, Amended U.S. Individual Income Tax Return](#). Also, check [Tax Topic 308 — Amended Returns](#).

Important steps to take for missing stimulus payments and corrections

Most eligible people already received the full amount of their third-round stimulus payment in advance and don't need to include any information about this payment when they file their 2021 tax return. However, people who are missing a stimulus payment or got less than the full amount may be eligible to claim a [Recovery Rebate Credit](#) on their 2021 federal tax return.

Individuals should refer to [Letter 6475](#) for third-round Economic Impact Payment amounts they received – or log in to their [Online Account](#) – to prepare a correct tax return. For married individuals who received a joint payment, each spouse will need to log into their own Online Account or review their own Letter 6475 for their portion of their joint total payment. See FAQs for [Topic G: Finding the Third Economic Impact Payment Amount to Calculate the 2021 Recovery Rebate Credit](#), for more information. Claiming incorrect tax credit amounts can not only delay IRS processing but can also lead to adjusted refund amounts.

People who have already filed their 2021 tax return and claimed the Recovery Rebate Credit but put the wrong amount don't have to file an amended return. The IRS will correct it their return and send a notice that includes a telephone number to contact if they disagree with the change to the tax return.

If an individual hasn't gotten a third-round payment or any information from the IRS, they should [check their eligibility](#). If they're eligible, they may be eligible to claim the [Recovery Rebate Credit](#) on their 2021 return. People are also encouraged to double-check their bank accounts – especially in early spring and summer of 2021 – to see whether they received a third-round payment in advance last year.

If an individual did not receive a third-round payment – and their IRS Online Account shows a payment amount greater than \$0, or they received Notice 1444-C or Letter 6475 indicating that a payment was issued to them – they should contact the IRS as soon as possible to see if a [payment trace](#) is needed. People do not need to wait until their payment trace is complete to file their 2021 tax return. They can use the information from their Notice 1444-C, Letter 6475, or their Online Account to file.

For more information see [Recovery Rebate Credit](#) and [2021 Recovery Rebate Credit Frequently Asked Questions](#).

How to correct an electronically filed return rejected for a missing Form 8962, Premium Tax Credit

Starting with tax year 2021, the IRS will reject electronically filed tax returns for taxpayers required to reconcile advance payments of the premium tax credit (APTC) on [Form 8962, Premium Tax Credit \(PTC\)](#), but didn't attach the form to the tax return. When we reject the return, the tax preparation software will display a paragraph that explains how to fix and correctly file the return electronically. This saves time and prevents a simple mistake from holding up any refund owed.

In response to the rejection of an electronically filed return that's missing Form 8962, individuals may refile a complete return by completing and attaching Form 8962 or a written explanation of the reasons for its absence. Immediately resolving the missing Form 8962 issue at the time of filing avoids any processing delays that result when the IRS needs to correspond with the taxpayer regarding the missing form.

In prior years, the IRS didn't reject electronically filed returns from taxpayers who failed to reconcile their APTC by attaching Form 8962 to their return; instead, the IRS would later correspond with the taxpayer to request the missing Form 8962 or an explanation for its absence, which delayed the processing of the return.

The IRS will continue to correspond with taxpayers who file a paper return without attaching the required Form 8962. That practice remains unchanged. The IRS may also correspond with taxpayers when it needs more information concerning the explanation for the missing Form 8962.

When the IRS rejects an electronically filed return for a missing Form 8962, we encourage taxpayers to review their health insurance records, including [Form 1095-A, Health Insurance Marketplace Statement](#). Taxpayers covered by Marketplace health insurance during 2021, including those who had Marketplace coverage for less than the entire 2021 calendar year and those who terminated coverage at the end of 2021, still have to reconcile their APTC on Form 8962.

For more information, see [Correcting an electronically filed return for a missing Form 8962 – and why it was rejected](#).

Crowdfunding monies may be taxable; keep good records

[Crowdfunding](#) is a method of raising money through websites by soliciting contributions from a large number of people. People may solicit contributions to fund businesses, or for charitable donations or gifts.

Volunteer Income Tax Assistance and Tax Counseling for the Elderly celebrate another successful filing season

The IRS's Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs celebrate another successful filing season. These programs offer free basic tax return preparation to qualified individuals. VITA is available to eligible taxpayers who earn generally less than \$58,000 per year. The TCE program offers free tax help, particularly for those 60 years of age and older, specializing in questions about pensions and retirement-related issues unique to seniors. While the IRS manages the VITA and TCE programs, partners and volunteers who want to make a difference in their communities operate and staff the VITA/TCE sites.

This year, the IRS's VITA and TCE programs provided more flexibility in assisting taxpayers. Most partners offered a variety of no-cost options for tax return preparation. In addition to volunteers preparing returns face-to-face with taxpayers, sites also provided options for drop-off services and virtual filing. Increased use of interpreter services nationwide allowed volunteers to help in multiple languages, allowing more diverse taxpayers than ever to use these programs.

The VITA and TCE programs help return millions of dollars back to communities and help millions of taxpayers file their federal tax returns. Although many volunteer sites are only open from January to April, several decide to stay open all year. To locate the nearest VITA or TCE site, taxpayers can use the [locator tools](#) available on IRS.gov or call [800-906-9887](tel:800-906-9887).

Identity theft victims should protect their tax accounts

Taxpayers – particularly identity theft victims – who would like to request Identity Protection PINs can do so via the [Get an IP PIN tool](#) on IRS.gov. An IP PIN is a six-digit number assigned to individuals to help prevent the misuse of their Social Security or individual taxpayer identification numbers on federal income tax returns. The IP PIN protects taxpayers' accounts, even if they're no longer required to file a tax return.

IP PINs should suffice for most victims of ID theft. However, taxpayers who are victims of tax-related identity theft may need to take an additional step. In the vast majority of tax-related identity theft cases, the IRS identifies a suspicious tax return based on hundreds of processing filters and pulls the suspicious return for review. The IRS sends a letter, generally a [5071C](#), [5747C](#) or [4883C](#), to taxpayers and won't process their tax returns until hearing back from them. In other cases, taxpayers may notice a sign of tax-related ID theft such as:

- A letter from the IRS inquiring about a suspicious tax return they didn't file.
- Not being able to e-file their tax return because of a duplicate tax return filed using their Social Security number. (However, make sure there is no error in the SSN, such as transposed numbers.)
- Not being able to e-file because someone used without their knowledge or permission a dependent's SSN or ITIN. (Also check that the SSN or ITIN is correct, and be sure the dependent hasn't filed a separate tax return.)
- An unrequested tax transcript in the mail.
- An IRS notice that:
 - Confirms an online account created in their name that they didn't create.
 - Someone accessed or disabled their existing online account when they took no action.
 - Informs them they owe additional tax, the IRS offset their refund to a balance due, or they have had collection actions taken against them for a year they didn't earn any income or file a tax return.
- A notice indicating they received wages or other income from an employer for whom they didn't work.
- An assigned employer identification number (EIN) for which they didn't request or apply.

If any of the above conditions apply, taxpayers should complete and submit a [Form 14039](#) affidavit to the IRS. Taxpayers don't need to submit an affidavit if they receive any of the letters mentioned above. Instead, they should follow the instructions in the letter. This will provide all the information the IRS needs.

Information about tax-related identity theft is available on the [Identity Protection: Prevention, Detection and Victim Assistance](#) and [IRS Identity Theft Victim Assistance: How It Works](#) pages on IRS.gov. The [Federal Trade Commission](#) website also includes information about tax-related identity theft.

Taxpayers should remember the [Get an IP PIN tool](#) and realize there is no need to report a nontax-related incident to the IRS.

IRS Spotlights Criminal Investigation Law Enforcement

CI pursues financial crimes like money laundering, terrorist financing, cybercrimes and sanctions evasion — including investigating and seizing assets of Russian elites

IRS Criminal Investigation (CI) serves the American public by investigating potential criminal violations of the Internal Revenue Code and related financial crimes in a manner that fosters confidence in the tax system and compliance with the law. It's the only federal law enforcement agency authorized to investigate federal criminal tax violations and pursues related financial crimes, such as money laundering, currency violations and terrorist financing. These efforts are increasingly important given emerging threats in the global financial landscape.

General tax fraud investigations are at the core of CI's law enforcement efforts — for example, agents expend substantial energy unpacking domestic and offshore tax avoidance strategies facilitated through trust and partnership arrangements. CI also investigates money laundering by criminals and criminal organizations, corruption and broader nontax related fraud cases. CI has the authority to seize assets involved in money laundering or other unlawful activities, and it's the largest law enforcement division of Treasury with this capacity.

Many of those who chose to challenge the IRS and IRS-CI have been surprised. In fact, IRS-CI has had substantial success over the course of the last several years despite being significantly under-funded. Last year, IRS-CI identified \$10.4 billion from tax fraud and financial crimes and likely deterred at least an equivalent amount of such behavior, with a budget of just over \$600 million. That's a direct return of more than 16:1, but this substantially understates the immensely valuable work that CI does, because having a significant IRS presence deters criminals from malfeasance.

Additional information on IRS-CI and its current efforts and cases is in the [Fact Sheet](#) and [IRS-CI Highlights](#) on irs.gov.

Below are the links to IRS Criminal Investigation recent cases

- [Rochester man sentenced to 10 years' imprisonment in multi-million dollar nationwide Ponzi scheme](#)
- [South Florida bookkeeper sentenced to over 12 years in federal prison for support of international enterprise that operated sexually exploitive "child modeling" websites](#)
- [United States leads seizure of one of the world's largest hacker forums and arrests administrator](#)
- [Orange County house flipper found guilty of filing false federal tax returns that omitted more than 2 million dollars of income](#)
- [Former airline executive pleads guilty to 2.6 million dollar employment tax crime](#)
- [Former HP planning manager pleads guilty to \\$5+ million wire fraud scheme](#)
- [Torrance man sentenced for tax evasion for hiding fees in multimillion health care fraud conspiracy](#)

People can follow the latest on IRS-CI cases [@IRS_CI](#) on Twitter or via the IRS-CI [LinkedIn](#) page.

2023 Low Income Taxpayer Clinic Grant Application Period Opens May 2

Do you know of a community organization that could expand its mission to include helping low-income taxpayers resolve tax issues with the IRS or educating taxpayers who speak English as a second language (ESL) about their taxpayer rights and responsibilities? It could be a local community nonprofit, a college or university with an accredited law, business or accounting school, or a legal aid organization that doesn't currently have a Low Income Taxpayer Clinic (LITC).

We need your help to identify community organizations in your district or state that would benefit from an LITC grant and could help your constituents. LITCs act as a safety net by providing eligible taxpayers access to free or low-cost *representation* in an IRS controversy, *education* about taxpayer rights and responsibilities, and *advocacy* for issues that affect low-income and ESL taxpayers.

The IRS is accepting applications for 2023 LITC grants beginning May 2, 2022, and must receive them electronically by 11:59 p.m. ET on June 16, 2022.

There are presently no LITCs in **Montana, Nevada, North Dakota** and **Puerto Rico**. In addition, there are several states that need LITC representation in the following counties:

- **Arizona** – Apache, Coconino and Navajo
- **Florida** – Baker, Bradford, Brevard, Citrus, Clay, Columbia, Dixie, Duval, Flagler, Hamilton, Hernando, Lafayette, Lake, Madison, Nassau, Orange, Osceola, Seminole, St. John's, Sumter, Suwanee Taylor and Volusia
- **Idaho** – Ada, Adams, Bannock, Bear Lake, Bingham, Boise, Bonneville, Butte, Canyon, Caribou, Clark, Clearwater, Custer, Franklin, Freemont, Gem, Idaho, Jefferson, Latah, Lemhi, Lewis, Lincoln, Madison, Nez Perce, Oneida, Owyhee, Payette, Power, Teton, Valley and Washington
- **North Carolina** – Alamance, Anson, Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Caswell, Chatham, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gates, Granville, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Martin, Montgomery, Moore, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Randolph, Richmond, Robeson, Rockingham, Sampson, Scotland, Stokes, Tyrrell, Vance, Wake, Warren, Washington, Wayne and Wilson
- **Pennsylvania** – Bradford, Clinton, Monroe, Northumberland, Pike, Snyder, Sullivan, Susquehanna, Tioga, Union and Wyoming

The IRS is particularly interested in applications from qualifying organizations that can assist taxpayers in these geographic areas, but will consider all applications. Interested parties should watch this [video](#) about applying for an LITC grant and review the LITC requirements in [Publication 3319](#), Grant Application Package and Guidelines.

If you have questions or want additional information about the LITC Program, including the application process and details about the counties in states with partial coverage, please contact [Karen Tober](#) by email or phone at 202-317-4095. Interested applicants may join LITC Program Office staff for a webinar, where staff will provide information about the LITC program and the application process. For details on the date and time of the webinar, please check the [LITC page](#) on the [TAS website](#).

IRS Tax Tips: Helpful taxpayer information on a variety of topics

[Here's how to tell the difference between a hobby and a business for tax purposes](#)

[Why it may take longer than 21 days for some taxpayers to receive their federal refund](#)

[Anyone can get the latest tax news by following IRS on social media and subscribing to e-news](#)

Options for taxpayers who need help paying their tax bill

Additional information on IRS.gov

- [Use the IRS Tax Withholding Estimator to make sure withholding is right for 2022](#)
- [IRS reminds taxpayers they must check a box on Form 1040, 1040-SR or 1040-NR on virtual currency transactions for 2021](#)
- [IRS Careers](#)
- [Recovery Rebate Credit](#)
- [Where's My Refund?](#)
- [Families received their December advance Child Tax Credit payment; those not receiving payments may claim any missed payments on the 2021 tax return](#)
- [IRS finalizes frequently asked questions for payment by Indian tribal governments and Alaska native corporations to individuals](#)
- [Tax scams and consumer alerts](#)
- [Get up-to-date status on affected IRS operations and services during COVID-19](#)
- [Tax relief in disaster situation](#)
- [Get ready for taxes](#)

Help on IRS.gov

[Filing](#) – [Payments](#) – [Refunds](#) – [Credits and Deductions](#) – [Forms and Instructions](#) – [Tax Questions](#)

IRS in other languages

Basic tax information is available in 21 languages, including English.

IRS on social media

[YouTube](#) – [Twitter](#) – [Instagram](#) – [Facebook](#)

IRS2Go is the official mobile app of the IRS, available in both English and Spanish.

The *IRS Congressional Update* is a monthly newsletter prepared by IRS Legislative Affairs. For information on resolving taxpayer account issues, visit the [Taxpayer Advocate Service](#).